

1948
NEW ZEALAND

Agreement

BETWEEN THE GOVERNMENTS OF NEW ZEALAND
AND THE CZECHOSLOVAK REPUBLIC REGARDING
THE GRANTING OF CREDITS FOR THE PURCHASE
OF NEW ZEALAND WOOL

(Signed at London 22 January 1948)

Presented to both Houses of the General Assembly by Leave

AGREEMENT
BETWEEN THE GOVERNMENT OF NEW ZEALAND
AND THE GOVERNMENT OF THE CZECHOSLOVAK
REPUBLIC REGARDING THE GRANTING OF
CREDITS FOR THE PURPOSE OF FINANCING
PURCHASES OF WOOL

The Government of New Zealand and the Government of the Czechoslovak Republic, wishing to facilitate the purchase by Czechoslovakia of wool from New Zealand, have agreed upon the following provisions :

ARTICLE I

(1) The Reserve Bank of New Zealand acting on behalf of the Government of New Zealand will make available to the Government of the Czechoslovak Republic a credit amounting to One Million Pounds (£1,000,000) in New Zealand currency.

(2) This total amount of credit shall be applied by the Government of the Czechoslovak Republic exclusively in payment for New-Zealand-grown wool, the said wool to be purchased in New Zealand and exported to Czechoslovakia.

ARTICLE II

The amount of the credit to be drawn during each annual period ending on the 30th day of June shall not exceed one-half of the amount of the payments made during that period for the purchases of wool. The total amount of credit to be drawn up to the 30th day of June 1948 shall not exceed two hundred and fifty thousand pounds (£250,000), the total amount of credit to be drawn up to the 30th day of June 1949 shall not exceed five hundred thousand pounds (£500,000), and the total amount of credit to be drawn up to the 30th day of June 1950 shall not exceed seven hundred and fifty thousand pounds (£750,000).

ARTICLE III

(1) Drawings under the credits will cease to take place not later than the 30th day of June 1951 notwithstanding that the total amount of £1,000,000 aforesaid may not have been utilised by that date.

(2) The total amount of sums drawn under the credit in accordance with Article I above shall be repaid entirely by the Government of the Czechoslovak Republic not later than the 30th day of June 1954.

(3) The Government of the Czechoslovak Republic shall be entitled to repay, before the redemption date, the whole or portions of the sums so drawn.

ARTICLE IV

(1) The Reserve Bank of New Zealand shall open in the name of the Government of the Czechoslovak Republic an account which shall record all advances made under the said credit.

(2) The debit balance from time to time of this account shall bear interest at the rate of two and one-half per centum ($2\frac{1}{2}\%$) per annum.

(3) The Reserve Bank of New Zealand shall also open an account in the name of the Czechoslovak National Bank to which shall be credited the proceeds of advances made to the account in the name of the Government of the Czechoslovak Republic and against which shall be charged the payments for purchase of wool.

ARTICLE V

All payments of interest and repayments of principal shall be effected either by lodgments in United Kingdom currency to the credit of the Reserve Bank of New Zealand at the Bank of England and converted for accounting purposes into New Zealand currency, or alternatively by payments in New Zealand currency made to the Reserve Bank of New Zealand at Wellington.

ARTICLE VI

The present agreement (which has been authorised and approved by the Czechoslovak Government) shall take effect on and from the date of signing by the duly appointed Agents of the respective Governments.

In witness whereof, the undersigned, duly authorised by their respective Governments, have signed the present Agreement.

Done in duplicate, in London, the 22nd day of January 1948.

For the Government of New Zealand :

(Sgd.) W. J. JORDAN.

For the Government of the Czechoslovak Republic :

(Sgd.) BOHUSLAV KRATOCHVIL.

PROTOCOL OF SIGNATURE

At the time of signature of the agreement of today's date relating to the granting of credits for the purpose of financing purchases of wool, the Governments of New Zealand and the Czechoslovak Republic agree to set out the methods of applying the agreement in the following terms which shall have the same validity as the agreement itself :—

AD ARTICLE I

Ad paragraph (1) : In determining the balance of the credit available no regard shall be had to any repayments which may have been made.

AD ARTICLE II

The utilisation of the credit account will be checked according to the following conditions :

(1) Fifty per cent of the total amount of the cost, free on board export vessel, of wool for export from New Zealand to Czechoslovakia will be paid by the Reserve Bank of New Zealand to the exporters, or by their written direction to their bankers in New Zealand, on presentation—

(a) Of a copy of the original invoice or a summary of the original invoices, such copy or summary to be duly signed by the Consul for the Czechoslovak Republic in Wellington or by such other person in Wellington as may from time to time be nominated in writing to the Reserve Bank of New Zealand for that purpose by the Consul-General for the Czechoslovak Republic at Sydney ; and

(b) Of a non-negotiable copy of the Bill of Lading.

(2) Such drawings as above shall not be considered as documentary drawings.

AD ARTICLE IV

Ad paragraph (1): The account of the Government of the Czechoslovak Republic shall be operated by the Reserve Bank of New Zealand under the following conditions :

(1) Allotments to this account will take place successively and according to requests made from time to time by the Czechoslovak Ministry of Finance in Prague. Presentation of documents as detailed in Ad Article II and signed in accordance with the provisions of that Article shall be deemed to constitute a request by the Czechoslovak Ministry of Finance, Prague, for an allotment of fifty per cent of the total amount of the cost, free on board export vessel, of the wool represented by such documents. The amounts of such allotments together with interest thereon will be debited, and the amounts of repayments of principal and payments of interest will be credited, by the Reserve Bank of New Zealand to the account of the Government of the Czechoslovak Republic in terms of New Zealand currency.

(2) The Reserve Bank of New Zealand will forward as soon as practicable by airmail advice of the advances made to the Government of the Czechoslovak Republic to the Minister of Finance, Czechoslovak Ministry of Finance, Prague.

(3) In the case of documentary drawings, the Reserve Bank of New Zealand will debit the account of the Czechoslovak National Bank with the regular Bank Commission charges, which at the present time are in respect of each separate drawing one-eighth per centum ($\frac{1}{8}\%$) on the first £50,000 and one-sixteenth per centum ($\frac{1}{16}\%$) on the excess. No commission for acceptances will be charged.

Ad paragraph (2): Interest accrued during any year ending on the 30th day of June will (subject as herein provided) be settled by a payment made by the Government of the Czechoslovak Republic within fourteen (14) days from that date. Provided that while any portion of the said credit remains available to be drawn and to the extent of such availability the said account of the Government of the Czechoslovak Republic may be used for settlement of such interest and the Reserve Bank of New Zealand is hereby authorized to charge such interest against the said account.

AD ARTICLE V

For the purpose of conversion from United Kingdom currency into New Zealand currency in connection with any transaction under the agreement the rate of exchange shall be the rate current for telegraphic transfers between London and Wellington at the date of that transaction.

Done in duplicate, by the undersigned, duly authorised by their respective Governments, in London, on the twenty-second day of January 1948.

For the Government of New Zealand :

(Sgd.) W. J. JORDAN.

For the Government of the Czechoslovak Republic :

(Sgd.) BOHUSLAV KRATOCHVIL.

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