

**AGREEMENTS BETWEEN GREAT BRITAIN AND NORTHERN IRELAND,
FRANCE AND CZECHO-SLOVAKIA REGARDING FINANCIAL
ASSISTANCE TO CZECHO-SLOVAKIA.
SIGNED AT LONDON, JANUARY 27TH, 1939**

**I. AGREEMENT
BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM, THE
GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE
CZECHO-SLOVAK REPUBLIC. SIGNED AT LONDON, JANUARY 27TH, 1939.**

Whereas THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND and THE GOVERNMENT OF THE FRENCH REPUBLIC desire to afford financial assistance to THE GOVERNMENT OF THE CZECHO-SLOVAK REPUBLIC;

Now therefore the Government of the United Kingdom, the Government of the French Republic and the Government of the Czecho-Slovak Republic have agreed as follows:

1. The Government of the United Kingdom and the Government of the French Republic will, subject to the previous approval of their respective legislatures, jointly and severally guarantee the principal and interest of a sterling loan to be issued in London by the Government of the Czecho-Slovak Republic of a nominal amount sufficient to raise a sum amounting approximately to, but in any case not exceeding, eight million pounds, together with the expenses of issue, negotiation and delivery of the bonds.

2. The conditions of the loan and the terms of the general bond relating thereto shall be subject to the previous approval of the Government of the United Kingdom and the Government of the French Republic.

In witness whereof the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement and affixed thereto their seals.

Done in triplicate at London, this 27th day of January, 1939, in English and French, both texts being equally authentic.

(L. S.) HALIFAX.

(L. S.) Charles CORBIN.

(L. S.) Dr. Vilém POSPÍŠIL.

**II. AGREEMENT
BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE
GOVERNMENT OF THE FRENCH REPUBLIC. SIGNED AT LONDON,
JANUARY 27TH, 1939.**

Whereas THE GOVERNMENT OF THE UNITED KINGDOM and THE GOVERNMENT OF THE FRENCH REPUBLIC have agreed, subject to the prior approval of their respective legislatures, jointly and severally to guarantee a sterling loan to be issued in London by the Government of the Czecho-Slovak Republic of a nominal amount sufficient to raise a sum

amounting approximately to, but in any case not exceeding, eight million pounds together with the expenses of issue, negotiation and delivery of the bonds:

Now therefore the Government of the United Kingdom and the Government of the French Republic have agreed as follows:

If any payment should require to be made in connection with the fulfilment of the aforesaid guarantees, the Government of the United Kingdom and the Government of the French Republic will each provide one-half of the sterling amounts so required.

In witness whereof the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement and affixed thereto their seals.

Done in duplicate at London, this 27th day of January, 1939, in English and French, both texts being equally authentic.

(L. S.) HALIFAX.

(L. S.) Ch. CORBIN.

**III. AGREEMENT
BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE
GOVERNMENT OF THE CZECHO-SLOVAK REPUBLIC. SIGNED AT LONDON,
JANUARY 27TH, 1939.**

Whereas at the request of the Government of the United Kingdom, the Bank of England have advanced sums amounting to ten million pounds to the National Bank of Czecho-Slovakia for the account of the Government of the Czecho-Slovak Republic and that Government have accepted responsibility for this advance:

And whereas the Government of the United Kingdom propose to ask Parliament for authority to repay to the Bank of England the sums so advanced together with interest thereon:

Now therefore THE GOVERNMENT OF THE UNITED KINGDOM and THE GOVERNMENT OF THE CZECHO-SLOVAK REPUBLIC have agreed as follows:

1. The amount which the Government of the United Kingdom repay to the Bank of England (namely, ten million pounds together with interest thereon) in respect of the sums advanced by that Bank as aforesaid will be regarded by the Government of the Czecho-Slovak Republic as having been advanced to them by the Government of the United Kingdom.

2. The Government of the United Kingdom will, subject to Parliamentary approval, grant as a gift to the Government of the Czecho-Slovak Republic the sum of four million pounds, by releasing the said Government from any liability in respect of that sum under Article 1 of this Agreement, and the sum of four million pounds shall be paid by the Government of the Czecho-Slovak Republic into a special account and disbursed in accordance with the arrangements agreed between the two Governments.

3. The Government of the Czecho-Slovak Republic will, as soon as it has received the proceeds of the loan guaranteed by the Government of the United Kingdom and the Government of the French Republic under an Agreement made this day between the said two Governments and the Government of the Czecho-Slovak Republic, pay to the Government of the United Kingdom the sum of six million pounds together with:

(a) The amount of the interest paid by the Government of the United Kingdom to the Bank of England on the advance of ten million pounds referred to in Article 1 of this Agreement; and

(b) Interest at the rate of one per cent. per annum on the sum of six million pounds from the date on which the advance of ten million pounds is repaid by the Government of the United Kingdom to the Bank of England until the date on which the sum of six million pounds is paid by the Government of the Czecho-Slovak Republic to the Government of the United Kingdom under the provisions of this Article.

In witness whereof the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement and affixed thereto their seals.

Done in duplicate at London, this 27th day of January, 1939.

(L. S.) HALIFAX.

(L. S.) Dr. Vilém POSPÍŠIL.

IV. AGREEMENT BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE CZECHO-SLOVAK REPUBLIC.

THE GOVERNMENT OF THE FRENCH REPUBLIC, of the one part, and THE GOVERNMENT OF THE CZECHO-SLOVAK REPUBLIC, of the other part, in view of the Agreement made this day between the Government of the French Republic, the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Czecho-Slovak Republic,

Have agreed as follows:

Article 1.

The Government of the French Republic will, subject to previous Parliamentary approval and as from the date of that approval, undertake the obligations falling upon the Government of the Czecho-Slovak Republic as these are defined by the loan contract of the 23rd February, 1937.

Article 2.

The sums in francs which the Czecho-Slovak Government would have had to pay for the service of the 5 per cent. Bonds 1937-42 and which, by virtue of the provisions of the preceding Article, they will not have to use for this purpose, will be used by them in accordance with arrangements to be agreed between the two Governments.

In witness whereof the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement and affixed thereto their seals.

Done in duplicate at London, this 27th day of January, 1939.

(L. S.) Charles CORBIN.
(L. S.) Dr. Vilém POSPÍŠIL.

EXCHANGE OF NOTES.

I. Dr. POSPÍŠIL TO LORD HALIFAX.

LONDON, January 27th, 1939.

MY LORD,

I have the honour, on behalf of the Czecho-Slovak Government, to express their grateful appreciation of the three Agreements signed to-day (although these Agreements fall short of the request for assistance made by them), by which, subject to the approval of their respective Parliaments, the United Kingdom and French Governments will guarantee a loan for £8 millions to be raised in London by the Czecho-Slovak Government, and the Government of the United Kingdom will grant as a free gift to the Czecho-Slovak Government the sum of £4 millions, while the Government of the French Republic will assume responsibility for the service (interest and repayment) of the 5 per cent. Bonds 1937-42 of the Czecho-Slovak Republic.

2. I am further instructed to give you the assurance of the Czecho-Slovak Government that, in deference to the wishes expressed by the United Kingdom and French Governments, they will provide out of the financial assistance so given by these Governments (supplemented, if necessary, by such further funds as can be made available from other sources) such amounts as may be required for the maintenance and settlement or emigration of persons who for the purposes of the present arrangement will be regarded as refugees. The definition of these persons is set out in Annex I to this letter.

3. The basis on which the financial assistance granted under the above-mentioned Agreements will be allocated to refugees is set out in Annex II to this letter, and provision in foreign exchange in accordance with the terms set out in Annex III to this letter will be made available by the Czecho-Slovak Government (without any discrimination against any person on account of his religious belief, political opinions or racial origin) for all refugees who emigrate, including those who have emigrated since the 15th October, 1938. The Czecho-Slovak Government will commence the provision of this foreign exchange forthwith.

I am further authorised to add that there will be no discrimination on the above grounds in the treatment of refugees while they remain in Czecho-Slovakia, and that no refugees will be forced to leave Czecho-Slovakia if they would thereby run the risk of danger to health, liberty, or life.

4. (a) As regards the sum of £4 millions granted as a free gift to the Czecho-Slovak Government by the Government of the United Kingdom, the provisions set out in Annex IV to this letter shall apply in addition to those of paragraph 3 of this letter, and these two sets of provisions constitute the arrangements to be agreed between the two Governments

referred to in Article 2 of the Agreement between the Government of the United Kingdom and the Czecho-Slovak Government signed this day.

(b) (i) As regards the amounts in francs which will become available to the Czecho-Slovak Government as a result of the assumption by the French Government of responsibility for the interest service of the 5 per cent. Bonds 1937-42, the provisions of Annex IV to this letter will apply in addition to those of paragraph 3 of the present letter.

(ii) As regards the amount in francs which will become available to the Czecho-Slovak Government in 1942 as a result of the assumption by the French Government of responsibility for the amortisation of the 5 per cent. Bonds 1937-42, the two Governments will make arrangements before that date with regard to the utilisation of this amount to such an extent as may be necessary to meet the needs in foreign exchange of emigrants; the balance will be at the free disposal of the Czecho-Slovak Government.

(iii) The provisions of sub-paragraphs (i) and (ii) above, coupled with those of paragraph 3 above and those of Annex IV, constitute the arrangements to be agreed between the two Governments referred to in Article 2 of the Agreement between the Government of the French Republic and the Government of the Czecho-Slovak Republic signed this day.

(c) I am authorised by the National Bank of Czecho-Slovakia to confirm that, so far as it is concerned, it accepts the provisions of Annex IV to this letter.

5. I have, moreover, the honour to assure you that the sterling proceeds of the loan of £8 millions guaranteed by the United Kingdom and French Governments, in so far as they are not used for actual expenditure in foreign currencies, will be kept in sterling at the Bank of England and will not be exchanged for another currency or converted into gold.

6. It is understood that modifications in the terms of the various Annexes to this letter may be made from time to time. They will be made by agreement between the Czecho-Slovak Government on the one side, and on the other side, as circumstances may require, the British Liaison Officer with the Czecho-Slovak Government (or, in his absence, the Commercial Secretary of the British Legation in Prague) and/or the French Legation in Prague.

I have, etc.

Dr. Vilém POSPÍŠIL.

ANNEX I.

The following persons (regardless of religious belief, political opinions or racial origin) shall be regarded as refugees for the purposes of the present arrangement, and shall, inter alia, be eligible to obtain assistance towards the expense of emigration on the scale laid down in Annex III:

1. Persons who, prior to the 21st May, 1938, ordinarily resided in any of the territories since ceded by Czecho-Slovakia who have since that date sought, or may in future seek, refuge in Czecho-Slovakia as at present constituted, and either:

(a) Are not qualified to opt for Czecho-Slovak nationality, or

(b) Being so qualified to opt, are (or may be) unable to support themselves in Czecho-Slovakia as at present constituted; it is immaterial whether the option for Czecho-Slovak nationality has in fact been exercised or not.

2. Persons who are or were of German or Austrian nationality and who prior to the 30th September, 1938, had obtained a temporary refuge in the territory of Czecho-Slovakia as constituted at that date and are now or may in future be in Czecho-Slovakia as at present constituted.

3. Such other persons as the Government of the United Kingdom, the Government of the French Republic and the Czecho-Slovak Government may agree later to include.

ANNEX II.

1. The financial facilities to be granted to the Czecho-Slovak Government shall be allocated as follows:

(a) For payment of expenses of emigrants as and when required in accordance with the scale set out in Annex III and with the terms of Annex IV £4 millions.

(b) For the general purposes of the reconstruction of Czecho-Slovakia, including the relief and settlement of refugees in Czecho-Slovakia as at present constituted £8 millions.

In so far as foreign exchange is provided under head (a) for the transfer of funds belonging to emigrants, the counter-value in Czecho-Slovak crowns shall also be made available for expenditure under head (b).

2. In the allocation of funds under paragraph 1 (b) the Czecho-Slovak Government undertake that priority will be given to those items of expenditure which will be of special assistance to refugees in Czecho-Slovakia. It is understood that these funds may be applied by the Czecho-Slovak Treasury temporarily for any urgent requirements of national reconstruction provided that the whole of the amounts so applied for purposes other than the requirements of refugees shall be replaced by the Czecho-Slovak Treasury as and when required for expenditure in connection with the relief and settlement of refugees in Czecho-Slovakia as at present constituted. It is understood that one of the primary methods of relief of refugees in Czecho-Slovakia will be the provision of productive employment through public works. The Czecho-Slovak Government will as soon as practicable after the end of each quarter supply the United Kingdom and French Governments with a detailed statement of the expenditure actually incurred by them under paragraph 1 (b).

3. The amount in francs which the Czecho-Slovak Government would have had to provide for the interest service of the 5 per cent. Bonds 1937-42, if the French Government had not assumed responsibility therefor, will be utilised for the same purposes as the allocation under paragraph 1 (a) above.

ANNEX III.

SCALE OF PAYMENTS IN FOREIGN EXCHANGE FOR EMIGRANTS.

1. Each individual (or, in the case of a family, each family) who has complied with the legal requirements of the Czecho-Slovak Government with regard to emigration, but who has no available money of his own, will receive from the Czecho-Slovak Refugee Institute before emigration the sum of £200 (or the equivalent in the currency of the country of immigration), together with the cost of transportation of himself and his family (if any) to the country of destination.
2. (a) Each individual (or family) having the necessary funds available in Czecho-Slovak currency will receive before emigration, against payment in Czecho-Slovak currency at the official rate, the sum of £200 (or the equivalent in the currency of the country of immigration), together with the costs of transportation of himself and his family (if any) to the country of destination.

(b) If any individual (or family) has further funds available in Czecho-Slovak currency, he shall, in addition to the sum which he is entitled to receive under sub-paragraph (a), be entitled to transfer into sterling (or into the currency of the country of immigration) at the official rate of exchange a sum of 50,000 Czech crowns, subject to a charge not exceeding 30 per cent., e.g., a net transferable amount of 35,000 Czech crowns. Any sums collected by way of the charge referred to above shall be applied for the benefit of the refugees.
3. The form in which the payments referred to in paragraphs 1 and 2 (a) are to be made will be agreed between the Refugee Institute and the British Liaison Officer with the Czecho-Slovak Government.
4. In the event of special schemes being arranged for the settlement of large groups of refugees, the above scale may be subject to variation, in accordance with actual requirements, by agreement between the Czecho-Slovak Government and the said Liaison Officer.
5. The transfer into foreign currency of interest, dividends, rents, etc., on investments or property owned in Czecho-Slovakia by a refugee who has emigrated and also of the capital amounts concerned will be permitted as soon as the situation permits. The National Bank will make every effort to assure the regular transfer of interest, dividends, rents, etc., as they accrue, subject, if necessary, to some maximum limit in individual cases.
6. Where a country to which an emigrant is proceeding requires proof that the emigrant is in possession of the necessary funds before an application for emigration is accepted, the Czecho-Slovak Refugee Institute will give a certificate that the necessary foreign exchange will be provided.
7. The Refugee Institute will publish the agreed scale of payments.

ANNEX IV.
PROVISIONS REGARDING THE DISBURSEMENT OF THE FREE GIFTS TO THE
CZECHO-SLOVAK GOVERNMENT.

(These provisions have been drawn up with the object of creating the minimum amount of interference with the administrative arrangements of the Czecho-Slovak Refugee Institute for emigration, consistent with control of the expenditure by the authorised representatives of the United Kingdom Government and of the French Government.)

1. The £4 millions granted by the Government of the United Kingdom will be held in sterling on a special account at the Bank of England in the name of the National Bank of Czecho-Slovakia.

The Czecho-Slovak Minister of Finance, in agreement with the National Bank of Czecho-Slovakia, will take the necessary steps to ensure that out of this sum of £4 million payments to the full extent required by the progress made in the emigration of refugees will be made from time to time to the Czecho-Slovak Refugee Institute, at the joint request of that Institute and of the British Liaison Officer (or in his absence the Commercial Secretary of the British Legation in Prague).

Detailed arrangements as to the amounts of such payments to the Czecho-Slovak Refugee Institute and as to the disbursement by that Institute to refugees (on the scale laid down in Annex III) of the payments so received by it shall be made between the said Institute and the British Liaison Officer.

2. At each due date for the payment of interest on the 5 per cent. Bonds 1937-42, the Czecho-Slovak Government will pay to an account in francs opened at a bank in Paris in the name of the Czecho-Slovak Refugee Institute an amount in francs equal to that which it would have had to provide for the service of the interest payment then due.

The amounts available on this account will be utilised to provide funds in foreign exchange for refugees in accordance with the scale of payments laid down in Annex III.

The funds available in this manner will be utilised in agreement with the French Legation at Prague, and the arrangements for their application (both as regards the amount of the payments and as regards the proof of disbursement to be supplied) will be agreed between the Legation and the Czecho-Slovak Refugee Institute.

II. LORD HALIFAX TO DR. POSPÍŠIL.

FOREIGN OFFICE.

January 27th, 1939.

SIR,

I have the honour to acknowledge the receipt of your letter of to-day's date setting out the assurances which the Czecho-Slovak Government have given in deference to the wishes of the United Kingdom and French Governments relating to the conditions of the utilisation of the financial assistance given by the Governments of the United Kingdom and of the French Republic for the general purposes of reconstruction of Czecho-Slovakia, and, in particular, for the maintenance and settlement or emigration of persons who, for the purposes of the present arrangement, are to be regarded as refugees, and to inform you that His Majesty's Government in the United Kingdom accept these assurances.

Your letter and this reply thus record the understanding reached between the two Governments with regard to this matter.

I have, etc.

HALIFAX.

[Quelle: League of Nations, Treaty Series, vol. 196, 1939, p.288-300.]