

No. 2011

**UNITED STATES OF AMERICA
and
YUGOSLAVIA**

**Economic Co-operation Agreement. Signed at Belgrade,
on 8 January 1952**

Official texts: English and Serbo-Croat.

Registered by the United States of America on 8 January 1953.

**ÉTATS-UNIS D'AMÉRIQUE
et
YOUGOSLAVIE**

**Accord de coopération économique. Signé à Belgrade, le
8 janvier 1952**

Textes officiels anglais et serbo-croate.

Enregistré par les États-Unis d'Amérique le 8 janvier 1953.

No. 2011. ECONOMIC CO-OPERATION AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA. SIGNED AT BELGRADE, ON 8 JANUARY 1952

The Governments of the United States of America and the Federal People's Republic of Yugoslavia :

Reaffirming their adherence to the objectives of exerting sustained efforts together with other countries to achieve speedily that economic cooperation which is essential for lasting peace and prosperity, in accordance with the principles of sovereignty and equality as expressed in the Charter of the United Nations, of establishing closer economic relations among the countries of Europe, of developing the resources of friendly countries and their economic power to strengthen their genuine independence, of furthering fundamental individual human rights, freedoms and democratic institutions, of strengthening mutual security and individual and collective defenses against aggression and facilitating the effective participation of those countries in the United Nations system for collective security;

Considering that the Congress of the United States of America has enacted legislation enabling the United States of America to furnish economic and technical assistance to the Government of the Federal People's Republic of Yugoslavia in order that Yugoslavia through its own individual efforts and through concerted effort with other countries and with the United Nations may achieve such objectives;

Desiring to set forth the understandings which govern the furnishing of assistance by the Government of the United States of America under the Economic Cooperation Act of 1948, as amended;²

Have agreed as follows :

Article I

1. The Government of the United States of America undertakes to assist the Federal People's Republic of Yugoslavia by making available to the Government of the Federal People's Republic of Yugoslavia or to any person, agency or organization designated by the latter Government such assistance as may be requested by it and approved by the Government of the United States of America. The Government of the United States of America will furnish this assistance under the provisions, and subject to all the terms, conditions and termination

¹ Came into force on 8 January 1952, as from the date of signature, in accordance with article IX.

² United States of America : 62 Stat. 137; 22 U. S. C. § 1501 et seq.

provisions of the applicable United States laws, and will make available to the Government of the Federal People's Republic of Yugoslavia only such commodities, services and other assistance as are authorized to be made available by such laws.

2. The Government of the Federal People's Republic of Yugoslavia will exert sustained efforts individually and in common with other countries exerting such efforts to develop economic forces and to achieve economic conditions essential for lasting peace and prosperity, to enable such countries to become independent of extraordinary outside economic assistance within the period of this Agreement.

3. With respect to assistance furnished by the Government of the United States of America to the Federal People's Republic of Yugoslavia and procured from areas outside the United States of America, its territories and possessions, the Government of the Federal People's Republic of Yugoslavia will cooperate with the Government of the United States of America in ensuring that procurement will be effected at reasonable prices and on reasonable terms and so as to arrange that the dollars thereby made available to the country from which the commodities and services are procured are used in a manner consistent with any arrangements made by the Government of the United States of America with each country.

Article II

1. In order to achieve the maximum economic strength through the employment of assistance received from the Government of the United States of America, the Government of the Federal People's Republic of Yugoslavia will use its best endeavors :

(a) to adopt or maintain the measures necessary to ensure efficient and practical use of all the resources available to it, including

(i) such measures as may be necessary to ensure that the commodities and services obtained with assistance furnished under this Agreement are used for purposes consistent with this Agreement and, as far as practicable, with the general purposes outlined in the schedules furnished by the Government of the Federal People's Republic of Yugoslavia in support of the requirements of assistance to be furnished by the Government of the United States of America;

(ii) the observation and review of the use of such resources through an effective follow-up system;

(b) to promote the development of industrial and agricultural production on a sound economic basis; and, when desired by the Government of the United States of America, to communicate to that Government detailed proposals for specific projects contemplated by the Government

of the Federal People's Republic of Yugoslavia to be undertaken in substantial part with assistance made available pursuant to this Agreement, including, whenever practicable, projects for increased production of food, nonferrous metals and transportation facilities;

(c) to assure the stability of its currency, the validity of its rate of exchange, and its internal financial stability;

(d) to cooperate with other countries receiving aid under the Economic Cooperation Act in facilitating and stimulating an increasing interchange of goods and services among such countries and in reducing the barriers to trade among themselves, having in mind the strengthening of the economic development of the Federal People's Republic of Yugoslavia and other friendly countries.

2. The Government of the Federal People's Republic of Yugoslavia will take the measures which it deems appropriate, and will cooperate with other countries, to prevent business practices or business arrangements entered into in international trade which restrain it and which limit access to world markets or foster international monopolistic control, where such practices or arrangements have the effect of interfering with the objectives of this program.

Article III

1. The provisions of Paragraph 7 of the Agreement of April 17, 1951,¹ providing for the establishment and disposition of a special dinar account, shall be applicable to all commodities, services and technical information which may be furnished under this Agreement by the Government of the United States of America on a grant basis. The time of notification to which reference is made in Paragraph 7 of the Agreement of April 17, 1951, for the purpose of determining the rate of exchange to be used in computing the deposits to be made upon notifications to the Government of the Federal People's Republic of Yugoslavia of the indicated dollar costs of such commodities, services, and technical information shall, in the case of each notification covering a disbursement period, be deemed to be the date of the last day of the disbursement period covered by the notification.

2. The Government of the Federal People's Republic of Yugoslavia will further make such sums of dinars available out of any balances in the Special Account as may be required to cover costs (including port, storage, handling and similar charges) of transportation from any point of entry in Yugoslavia to the consignee's designated point of delivery in Yugoslavia of such relief supplies and packages as are referred to in Article V.

3. The Government of the Federal People's Republic of Yugoslavia may draw upon any remaining balance in the Special Account for such purposes as

¹ United States of America: *Treaties and Other International Acts Series 2245.*

may be agreed from time to time with the Government of the United States of America. In considering proposals put forward by the Government of the Federal People's Republic of Yugoslavia for drawings from the Special Account, the Government of the United States of America will take into account the need for increasing the defensive strength of Yugoslavia, for assuring internal monetary and financial stabilization, and for stimulating productive activity and international trade and the exploration for and development of new sources of wealth within Yugoslavia, including in particular :

(a) Expenditures for military production, construction, equipment and materiel;

(b) Expenditures upon projects or programs, including those which are part of a comprehensive program for the development of the productive capacity of Yugoslavia, and projects or programs the external costs of which are being covered by assistance rendered by the Government of the United States of America under the Economic Cooperation Act of 1948, as amended, or otherwise, or by loans from the International Bank for Reconstruction and Development;

(c) Expenditures upon the exploration of and development of additional production of materials which may be required in the United States of America because of deficiencies or potential deficiencies in the resources of the United States of America; and

(d) Effective retirement of the national debt, especially debt held by the National Bank of Yugoslavia or other banking institutions.

4. Any unencumbered balance, other than unexpended amounts allocated under paragraph 7 (c) of the Agreement of April 17, 1951, remaining in the Special Account upon termination of the program, shall be disposed of within Yugoslavia for such purposes as may hereafter be agreed between the Governments of the United States of America and the Federal People's Republic of Yugoslavia, it being understood that the agreement of the United States of America shall be subject to approval by act or joint resolution of the Congress of the United States of America.

Article IV

1. The Government of the Federal People's Republic of Yugoslavia will facilitate the transfer to the United States of America, for stockpiling or other purposes, of materials originating in Yugoslavia, which are required by the United States of America as a result of deficiencies or potential deficiencies in its own resources, upon such reasonable terms of sale, exchange, barter or otherwise, and in such quantities, and for such period of time, as may be agreed to between the Governments of the United States of America and the Federal People's Republic of Yugoslavia after due regard for the requirements of Yugo-

slavia for domestic use and commercial export of such materials. The Government of the Federal People's Republic of Yugoslavia will take such specific measures as may be necessary to carry out the provisions of this Paragraph, including the promotion of the increased production of such materials within Yugoslavia and the removal of any hindrance to the transfer of such materials to the United States of America.

2. Taking into account the deficiencies and potential deficiencies in the United States of America of certain materials, recognizing the principle of equitable distribution of such materials on the world market, the Government of the Federal People's Republic of Yugoslavia will when so requested by the Government of the United States of America agree to negotiate, where applicable, detailed arrangements necessary for carrying out provisions of this Article and particularly a future schedule of quantities of materials mentioned under Paragraph 1 of this Article, which the Government of the Federal People's Republic of Yugoslavia will make available to the Government of the United States of America for future purchases and delivery at world market prices.

3. The Government of the United States of America will endeavor to assist the Government of the Federal People's Republic of Yugoslavia, if it is agreed such action is practicable and consistent with the purposes of the Economic Cooperation Act, as amended, in increasing the production in Yugoslavia of materials referred to in Paragraphs 1 and 2 of this Article.

Article V

The two Governments will, upon request of either of them, enter into negotiations for agreements (including the provision of duty-free treatment under appropriate safeguards) to facilitate the entry into Yugoslavia of supplies of relief goods donated to or purchased by United States voluntary non-profit relief agencies and of relief packages originating in the United States of America.

Article VI

1. The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to operations or arrangements carried out pursuant to this Agreement.

2. The Government of the Federal People's Republic of Yugoslavia will communicate to the Government of the United States of America in a form and at intervals agreed by the two Governments :

(a) detailed information of projects, programs and measures of the Government of the Federal People's Republic of Yugoslavia to carry out the provisions of this Agreement;

(b) full statements of operations under this Agreement, including a statement of the use of funds, commodities and services received thereunder, such statements to be made in each calendar quarter;

(c) adequate information which the Government of the United States of America may need to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of assistance furnished or contemplated under this Agreement and generally the progress of the aid covered by this Agreement.

3. The Government of the Federal People's Republic of Yugoslavia will assist the Government of the United States of America to obtain information relating to the materials originating in Yugoslavia where necessary for the purposes of Article IV.

Article VII

1. The Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia reiterate the principles stated in the Agreements of January 6, 1951,¹ and April 17, 1951, including the principle that it is in their mutual interest that full publicity be given to the objectives and progress of the assistance being rendered pursuant to this Agreement and that all pertinent information be made available to the people of Yugoslavia.

2. The Government of the Federal People's Republic of Yugoslavia will make public in Yugoslavia in each calendar quarter full statements of operations under this Agreement, including information as to the use of funds, commodities and services received.

Article VIII

1. The Government of the Federal People's Republic of Yugoslavia agrees that personnel designated by the Government of the United States of America to discharge United States responsibilities in Yugoslavia under this Agreement will, upon appropriate notification from the Ambassador of the United States of America to the Government of the Federal People's Republic of Yugoslavia, be considered as part of the Embassy of the United States of America in Yugoslavia for the purpose of enjoying the privileges and immunities accorded to that Embassy and its personnel of comparable rank. It is understood that the Government of the United States of America in making these notifications will bear in mind the desirability of restricting, as far as practicable, the number of officials for whom full diplomatic privileges will be requested. It is also understood that detailed application of this Article will, when necessary, be the subject of intergovernmental discussion.

2. The Government of the Federal People's Republic of Yugoslavia will extend full cooperation to the personnel so appointed. Such cooperation shall include provision of all information and facilities necessary to the observation and review of the carrying out of this Agreement, including the use of assistance furnished under it.

¹ United Nations, *Treaty Series*, Vol. 122, p. 137.

3. The Government of the United States of America will, if necessary for carrying out this Agreement and when so requested by the Government of the Federal People's Republic of Yugoslavia, agree to apply the provisions of Paragraph 1 of this Article to the personnel designated by the Government of the Federal People's Republic of Yugoslavia in the United States for this purpose.

Article IX

1. This Agreement shall become effective on this day's date. Subject to the provisions of Paragraphs 2 and 3 of this Article, it shall remain in force until June 30, 1955, and, unless at least six months before June 30, 1955, either Government shall have given notice in writing to the other of intention to terminate the Agreement on that date, it shall remain in force thereafter until the expiration of six months from the date on which such notice shall have been given.

2. If during the life of this Agreement, either Government should consider there has been a fundamental change in the basic assumptions underlying this Agreement, it shall so notify the other Government in writing and the two Governments will thereupon consult with a view to agreeing upon the amendment, modification or termination of this Agreement. If, after three months from such notification, the two Governments have not agreed upon the action to be taken in the circumstances, either Government may give notice in writing to the other of intention to terminate this Agreement. Then, subject to the provisions of Paragraph 3 of this Article, this Agreement shall terminate either :

(a) six months after date of such notice of intention to terminate,
or

(b) after such shorter period as may be agreed to be sufficient to ensure that the obligations of the Government of the Federal People's Republic of Yugoslavia are performed in respect of any assistance which may continue to be furnished by the Government of the United States of America after the date of such notice;

provided, however, that Article IV and Paragraph 3 of Article VI shall remain in effect until two years after the date of such notice of intention to terminate, but not later than June 30, 1955.

3. Subsidiary agreements and arrangements negotiated pursuant to this Agreement may remain in force beyond the date of termination of this Agreement and the period of effectiveness of such subsidiary agreements and arrangements shall be governed by their own terms. Article III shall remain in effect until all the sums in the currency of Yugoslavia required to be deposited in accordance with its own terms have been disposed of as provided in that Article.

4. This Agreement may be amended at any time by agreement between the two Governments.

5. This Agreement shall be registered with the Secretary-General of the United Nations.

IN WITNESS WHEREOF the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE at Belgrade, in duplicate, in the English and Serbo-Croat languages, both texts authentic, this eighth day of January, 1952.

[SEAL]

For the Government of the United States of America :
Geo. V. ALLEN

[SEAL]

For the Government of the Federal People's Republic
of Yugoslavia :
E. KARDELJ
