

No. 2441

**UNITED STATES OF AMERICA
and
YUGOSLAVIA**

**Exchange of notes constituting an agreement relating to
guaranties under Public Law 472, 80th Congress, as
amended. Washington, 15 August 1952**

Official text: English.

Registered by the United States of America on 20 January 1954.

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

**Échange de notes constituant un accord relatif aux garanties
prévues par la loi n° 472, 80^{ème} Congrès, sous sa forme
modifiée. Washington, 15 août 1952**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 20 janvier 1954.

No. 2441. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND YUGOSLAVIA RELATING TO GUARANTIES UNDER PUBLIC LAW 472, 80TH CONGRESS, AS AMENDED. WASHINGTON, 15 AUGUST 1952

I

The Secretary of State to the Yugoslav Ambassador

DEPARTMENT OF STATE, WASHINGTON

August 15, 1952

Excellency :

I should like to refer to the conversations which have recently taken place between representatives of our two Governments relating to the extension of guaranties by the Government of the United States of America (other than guaranties relating to the export of printed matter and films to Yugoslavia) pursuant to Section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended.² I should also like to confirm the understandings reached as a result of these conversations as follows :

The Governments of the Federal People's Republic of Yugoslavia and of the United States of America will, upon the request of either of them, consult respecting projects in Yugoslavia proposed by nationals of the United States of America with regard to which guaranties under Section 111 (b) (3) of the Economic Cooperation Act of 1948, as heretofore amended, have been made or are under consideration. With respect to such guaranties extending to projects which are approved by the Government of the Federal People's Republic of Yugoslavia in accordance with the provisions of the aforesaid Section, the Government of the Federal People's Republic of Yugoslavia agrees :

a. That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of the Federal People's Republic of Yugoslavia will recognize the transfer to the Government of the United States of America of any right, title or interest of such person in assets, currency, credits, or other property on account of which such payment was made and the

¹ Came into force on 15 August 1952 by the exchange of the said notes.

² United States of America : 62 Stat. 144; 22 U. S. C. § 1509 (b) (3).

subrogation of the United States of America to any claim or cause of action of such person arising in connection therewith. The Government of Yugoslavia will also recognize any transfer to the Government of the United States of America pursuant to such guaranty of any compensation for loss covered by such guaranties received by such persons from the Government of Yugoslavia;

b. That dinar amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded, at the time of such acquisition, to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such dinar amounts will be freely available to the Government of the United States of America for administrative expenditures in Yugoslavia;

c. That any claim against the Government of the Federal People's Republic of Yugoslavia to which the Government of the United States of America may be subrogated as the result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If, within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of the Federal People's Republic of Yugoslavia, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of your note in reply.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State :
James C. H. BONBRIGHT

His Excellency Vladimir Popovic
Ambassador of the Federal People's Republic of Yugoslavia

II

The Yugoslav Ambassador to the Secretary of State

Excellency :

I have the honor to confirm the receipt of Your Excellency's Note of even date which reads as follows :

[See note I]

I have the honor to inform Your Excellency that the foregoing provisions are acceptable to the Government of the Federal People's Republic of Yugoslavia.

Accept, Excellency, the renewed assurances of my highest consideration.

Washington, D.C., August 15, 1952.

Ambassador :
V. POPOVIC

The Honorable
The Secretary of State
Washington, D.C.