

No. 3877

**UNITED STATES OF AMERICA
and
YUGOSLAVIA**

Exchange of notes constituting an agreement relating to a special program of facilities assistance. Belgrade, 30 September 1955

Official text: English.

Registered by the United States of America on 18 June 1957.

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

Échange de notes constituant un accord relatif à un programme spécial d'aide en moyens de production. Belgrade, 30 septembre 1955

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 18 juin 1957.

No. 3877. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND YUGOSLAVIA RELATING TO A SPECIAL PROGRAM OF FACILITIES ASSISTANCE. BELGRADE, 30 SEPTEMBER 1955

I

*The American Counsellor for Economic Affairs to the Yugoslav Counsellor of State,
Secretariat of State for Foreign Affairs*

Dear Sir,

I have the honor to refer to recent discussions between representatives of our two Governments concerning a special program of facilities assistance by the Government of the United States to the Government of the Federal People's Republic of Yugoslavia to be carried out in accordance with the principles and conditions set forth in the Agreement Regarding the Provision of Military Assistance between our two Governments, dated 14 November 1951² and such other applicable agreements as may be in force between our two Governments. The purpose of this program is to increase the capacity of Yugoslavia to produce propellants and explosives, such increased capacity being urgently needed for the development and maintenance of Yugoslavia's own defensive strength and the promotion of international peace and security.

As a result of these discussions, the following understandings were arrived at :

1. The Government of Yugoslavia undertakes that in connection with the facilities assistance to be furnished by the United States :

a. It will not discriminate in the sale of propellants and explosives against any country receiving economic and military assistance from the United States in terms of the price charged, the quality made available, delivery dates or in other similar terms of sale.

b. It will maintain the additional facilities made available through United States assistance so that they will be in a condition to produce propellants and explosives promptly when these may be required ; but pending such time, equipment furnished by the United States and such additional facilities may be used for other purposes, provided such use will not interfere with the ready availability of such equipment and facilities for the production of propellants and explosives.

c. It will furnish all of the land, buildings, equipment, materials, and services required for the additional production facilities, except for the equipment and technical advice to be furnished by the Government of the United States, and will take whatever

¹ Came into force on 30 September 1955 by the exchange of the said notes.

² United Nations, *Treaty Series*, Vol. 174, p. 201, and Vol. 258, p. 420.

measures are required to accomplish the increase in production facilities envisaged in the program.

2. It is mutually understood that the appropriation of funds by the United States Congress for the Facilities Assistance Program was for the purpose of assisting in the creation of a net addition to European ammunition production capacity. In furtherance of this purpose, the Government of Yugoslavia undertakes that it will maintain or cause to be maintained in useable condition a total production capacity for propellants and explosives equal to the sum of (a) existing capacity, (b) capacity being provided under this agreement, and (c) such additional capacity as may now be under construction in Yugoslavia.

3. The undertakings in paragraph 1 (b) and in paragraph 2 with respect to the maintenance of facilities are subject to the understanding that should changed conditions make continued compliance with this undertaking either unnecessary as a matter of defense or infeasible, the Yugoslav Government may, after consultation with the United States Government, modify this undertaking to accord with such changed conditions.

4. The Government of the United States will, subject to the terms and conditions of any applicable United States legislation, furnish to the Government of Yugoslavia such production equipment and technical advice as may be mutually arranged as provided in paragraph (5) hereof.

5. In carrying out the facilities assistance program, our two Governments, acting through their appropriate contracting officers, will enter into supplementary arrangements covering the specific projects involved, which will set forth the nature and amounts of the contributions to be made by the Government of the United States and the Government of Yugoslavia, the description and purpose of the facilities to be established, and other appropriate details. Such arrangements may include provisions for the procurement of equipment to be furnished by the United States Government from the Government of Yugoslavia under the offshore procurement program, and the transfer of such equipment to the Government of Yugoslavia in accordance with the provisions of the Agreement Regarding the Provision of Military Assistance.

I propose that if these understandings meet with the approval of the Government of Yugoslavia, the present letter and your letter in reply shall be considered as constituting a confirmation of these arrangements pursuant to Article I, Paragraph 1 of the Agreement Regarding the Provision of Military Assistance between our two Governments. This arrangement is to be effective on this date.

Accept, Dear Sir, the assurances of my highest consideration.

DONE at Belgrade this September 30, 1955.

James S. KILLEN
Counsellor for Economic Affairs
Embassy of the United States of America
Beograd

Mr. Nenad Popović
Counsellor of State
Secretariat of State for Foreign Affairs
Federal People's Republic of Yugoslavia
Beograd

II

*The Yugoslav Counsellor of State, Secretariat of State for Foreign Affairs, to the
American Counsellor for Economic Affairs*

Dear Sir,

I have the honor to acknowledge the receipt of your letter dated September 30, 1955 which reads as follows :

[See note I]

I have the honor to inform you of the concurrence of my Government in the foregoing.

Accept, Dear Sir, the assurances of my highest consideration.

DONE at Belgrade this September 30, 1955.

Nenad POPOVIĆ
Counsellor of State
Secretariat of State for Foreign Affairs
Federal People's Republic of Yugoslavia

Mr. James S. Killen
Counsellor for Economic Affairs
Embassy of the United States of America
Beograd