

No. 4002

**UNITED STATES OF AMERICA
and
YUGOSLAVIA**

**Agricultural Commodities Agreement. Signed at Belgrade,
on 3 November 1956**

**Exchange of notes constituting an agreement amending the
above-mentioned Agreement. Washington, 23 and 24
January 1957**

Official text: English.

Registered by the United States of America on 28 September 1957.

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

**Accord relatif aux produits agricoles. Signé à Belgrade, le
3 novembre 1956**

**Échange de notes constituant un accord modifiant l'Accord
susmentionné. Washington, 23 et 24 janvier 1957**

Texte officiel anglais.

Enregistrés par les États-Unis d'Amérique le 28 septembre 1957.

No. 4002. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA.
SIGNED AT BELGRADE, ON 3 NOVEMBER 1956

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

Recognizing the desirability of expanding trade in agricultural commodities between their two countries and with other friendly nations in a manner which would not displace usual marketings of the United States in these commodities or unduly disrupt world prices of agricultural commodities;

Considering that the purchase for dinars of agricultural commodities produced in the United States will assist in achieving such an expansion of trade:

Considering that the dinars accruing from such purchases will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which will govern the sales of agricultural commodities to Yugoslavia pursuant to Title I of the Agricultural Trade Development and Assistance Act and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities;

Have agreed as follows :

Article I

SALES FOR DINARS

1. Subject to the issuance by the Government of the United States of America and acceptance by the Government of the Federal People's Republic of Yugoslavia of purchase authorizations, the Government of the United States of America undertakes to finance, on or before June 30, 1957, the sale for dinars to purchasers authorized by the Government of the Federal People's Republic of Yugoslavia of the following agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act in the amounts indicated :

¹ Came into force on 3 November 1956, upon signature, in accordance with article VI.

| <i>Commodity</i> | <i>Value (million)</i> |
|---|----------------------------|
| Wheat | \$61.1 |
| Cotton | 12.8 |
| Lard | 10.9 |
| Cottonseed oil and/or soybean oil | 2.5 |
| Inedible tallow | 1.8 |
| Ocean transportation | 9.2 |
| | TOTAL \$98.3 |

Purchase authorizations issued pursuant to the above will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the dinars accruing from such sale and other relevant matters.

Article II

USES OF DINARS

1. The two Governments agree that the dinars accruing to the Government of the United States of America as a consequence of the sales made pursuant to this Agreement will be used by the Government of the United States of America, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes in the amounts shown :

(a) To help develop new markets for United States agricultural commodities and for other expenditures by the Government of the United States of America under subsections (a), (b), (f), and (i) of Section 104 of the Act, the dinar equivalent of \$24.6 million. The United States Government in considering possible expenditure of these funds will give due regard to the balance of payments situation of Yugoslavia.

(b) For loans to the Government of the Federal People's Republic of Yugoslavia to promote the economic development of Yugoslavia in agriculture, transport, housing and other important fields, under Section 104 (g) of the Act, the dinar equivalent of \$73.7 million.

The terms and conditions of loans provided for in (b) above will be included in supplemental agreements between the two Governments. It is understood that loans will be denominated in dollars, with payment of principal and interest to be made in U.S. dollars or, at the option of the Government of the Federal People's Republic of Yugoslavia, in dinars, such payments in dinars to be made at the applicable exchange rate, as defined in the loan agreement, in effect on the date of the payment. It is further understood that loan funds shall be disbursed

only after prior agreement as to the uses of such loan funds. In the event the dinars set aside for loans to the Government of the Federal People's Republic of Yugoslavia are not advanced within three years from the date of this Agreement as a result of failure of the two Governments to reach agreement on the use of the dinars for loan purposes, the Government of the United States of America may use the dinars for any other purpose authorized by Section 104 of the Act.

2. To the extent that the total of dinars accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement is less than the equivalent of \$98.3 million, the amount available for loans to the Government of the Federal People's Republic of Yugoslavia would be reduced by an equivalent amount; to the extent that the total exceeds the dinar equivalent of \$98.3 million, 25 percent of the excess would be available for the use of the Government of the United States of America and 75 percent for loans to the Federal People's Republic of Yugoslavia under Section 104 (g).

Article III

DEPOSIT OF DINARS

The deposit of dinars to the account of the Government of the United States of America in payment for the commodities and for ocean transportation costs financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) shall be made at a rate of exchange for United States dollars to be agreed between the two governments.

Article IV

GENERAL UNDERTAKINGS

1. The Government of the Federal People's Republic of Yugoslavia agrees that it will take all possible measures to prevent the resale or trans-shipment to other countries, or use for other than domestic purposes (except where such resale, trans-shipment or use is specifically approved by the Government of the United States), of agricultural commodities purchased pursuant to the provisions of this Agreement.

2. The two Governments agree that they will take reasonable precautions to assure that all sales or purchases of agricultural commodities pursuant to this Agreement will not unduly disrupt world prices of agricultural commodities, or displace usual marketings of the United States in these commodities.

3. The Government of the Federal People's Republic of Yugoslavia agrees to furnish, upon request of the Government of the United States, information on the progress of the program, particularly with respect to arrivals and condition of commodities and the provisions for the maintenance of usual marketings and information relating to exports of the same or like commodities.

Article V

CONSULTATION

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

Article VI

ENTRY INTO FORCE

This Agreement shall enter into force upon signature.

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

DONE in duplicate at Belgrade, this third day of November 1956.

For the Government
of the United States of America :

James W. RIDDLEBERGER
Ambassador of the United States
of America

[SEAL]

For the Government
of the Federal People's Republic
of Yugoslavia :

Sv. VUKMANOVIĆ
Vice-President of the Federal
Executive Council of the FPR
of Yugoslavia

[SEAL]

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ AMENDING THE AGRICULTURAL COMMODITIES AGREEMENT OF 3 NOVEMBER 1956² BETWEEN THE UNITED STATES OF AMERICA AND THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA. WASHINGTON, 23 AND 24 JANUARY 1957

I

The Secretary of State to the Yugoslav Ambassador

DEPARTMENT OF STATE
WASHINGTON

January 23, 1957

Excellency :

I have the honor to refer to the note of January 14, 1957³ of the Embassy of Yugoslavia regarding the Agricultural Commodities Agreement between the United States of America and the Federal People's Republic of Yugoslavia of November 3, 1956,² and requesting that the Government of the United States authorize the use of \$5 million, from the funds earmarked under that Agreement for wheat, for the payment of ocean transportation.

In this regard, I have the honor to propose that Paragraph 1 of Article I of the above-mentioned agreement be amended by decreasing the value for wheat from \$61.1 million to \$56.1 million and that the value for ocean transportation be increased from \$9.2 million to \$14.2 million.

If the foregoing is acceptable to your Government, this note and Your Excellency's reply concurring therein will constitute an amendment to the above-cited agreement effective on the date of your note in reply.

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

For the Secretary of State :
C. Burke ELBRICK

His Excellency Leo Mates
Ambassador of the Federal People's Republic
of Yugoslavia

¹ Came into force on 24 January 1957 by the exchange of the said notes.

² See p. 120 of this volume.

³ Not printed by the Department of State of the United States of America.

II

The Yugoslav Ambassador to the Secretary of State

EMBASSY OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA
WASHINGTON

January 24, 1957

Sir :

I have the honor to acknowledge receipt of your note dated January 23, 1957, which reads as follows :

[See note I]

I have the honor to inform you that the Government of the Federal People's Republic of Yugoslavia is in agreement with the above text.

I take this occasion, Sir, to renew the assurances of my highest consideration.

Leo MATES

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