

No. 5884

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**UNITED STATES OF AMERICA  
and  
YUGOSLAVIA**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act,  
as amended (with exchange of letters). Signed at  
Belgrade, on 28 April 1961**

*Official text: English.*

*Registered by the United States of America on 29 September 1961.*

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

**Accord relatif aux produits agricoles, conclu dans le cadre  
du titre I de la loi tendant à développer et à favoriser  
le commerce agricole, telle qu'elle a été modifiée (avec  
échange de lettres). Signé à Belgrade, le 28 avril 1961**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 29 septembre 1961.*

No. 5884. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE UNITED STATES OF AMERICA AND THE  
FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA UN-  
DER TITLE I OF THE AGRICULTURAL TRADE DEVEL-  
OPMENT AND ASSISTANCE ACT, AS AMENDED. SIGN-  
ED AT BELGRADE, ON 28 APRIL 1961

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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 of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries ;

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

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

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to Yugoslavia pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the 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 availability of commodities for programing under the Act and to 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 the

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<sup>1</sup> Came into force on 28 April 1961, upon signature, in accordance with article VI.

sales 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 the Act, in the amounts indicated :

<i>Commodity</i>	<i>Export market value (millions)</i>
Wheat . . . . .	\$12.2
Cotton . . . . .	6.7
Cottonseed/Soybean oil . . . . .	8.7
Lemons . . . . .	0.2
Ocean transportation (estimated) . . . . .	2.6
	TOTAL \$30.4

2. Applications for purchase authorizations will be made within 90 calendar days of the effective date of this Agreement, except that application for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this Agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations 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.

3. Purchase and shipment of the commodities mentioned above will be made within 18 calendar months of the effective date of this Agreement.

## *Article II*

### USES OF DINARS

1. The dinars accruing to the Government of the United States of America as a consequence of 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)* For United States expenditures under subsections (*a*), (*b*), (*f*), (*h*), (*i*), (*j*), (*k*), (*l*), (*m*), (*n*), (*o*), (*p*), (*q*) and (*r*) of Section 104 of the Act or under any of such subsections, ten percent of the dinars accruing pursuant to this Agreement. The Government of the United States of America in considering possible expenditures of these funds will give due regard to the balance of payments situation of Yugoslavia.

*b)* For grants to the Government of the Federal People's Republic of Yugoslavia under Section 104 (*e*) of the Act for financing such projects to promote balanced economic development of Yugoslavia as may be mutually agreed, forty-five percent of the dinars accruing pursuant to this Agreement.

c) For a loan to the Government of the Federal People's Republic of Yugoslavia under Section 104 (g) of the Act for financing such projects to promote the economic development of Yugoslavia as may be mutually agreed, forty-five percent of the dinars accruing pursuant to this Agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement. It is further understood that loan funds shall be disbursed only after prior agreement as to the uses of such loan funds.

2. In the event the dinars set aside for grants or loan 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 such dinars, the Government of the United States of America may use the dinars for any purpose authorized by Section 104 of the Act.

### *Article III*

#### DEPOSIT OF DINARS

1. 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 the rate of exchange for United States dollars generally applicable to import transactions (excluding imports granted a preferential rate) in effect on the dates of dollar disbursement by United States banks or by the Government of the United States of America, as provided in the purchase authorizations.

2. In the event that a subsequent Agricultural Commodities Agreement or Agreements should be signed by the two Governments under the Act, any refunds of dinars which may be due or become due under this Agreement more than two years from the effective date of this Agreement will be made by the Government of the United States of America from funds available from the most recent Agricultural Commodities Agreement in effect at the time of the refund.

### *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 transshipment to other countries, or use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America), 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 displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries.

3. The Government of the Federal People's Republic of Yugoslavia agrees to furnish, upon request of the Government of the United States of America, 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 28th day of April, 1961.

For the Government  
of the United States of America :

Raymond E. LISLE  
Chargé d'Affaires ad interim  
of the United States of America

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

Stanislav KOPČOK  
Ambassador in the Secretariat  
of State for Foreign Affairs  
of the FPR of Yugoslavia

## EXCHANGE OF LETTERS

## I

Beograd, April 28, 1961

Sir,

Pursuant to Article I of the Agricultural Commodities Agreement between our two Governments signed today,<sup>1</sup> under which the Government of the United States of America undertakes to finance the delivery to Yugoslavia of \$30.4 million of agricultural commodities, I have the honour to inform you of the following :

In expressing its agreement with the Government of the United States of America that the above mentioned delivery of agricultural commodities should not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries, my Government states that it will not export any cotton, edible fats and oils (including oilseeds), lemons or lemon juice, of either indigenous or imported origin, during the calendar year 1961 and any subsequent period during which the respective commodities purchased under the Agreement are being imported and utilized. Further, my Government states that it will not export any wheat or wheat flour, of either indigenous or imported origin, during the year ending June 30, 1962, or any subsequent period during which wheat purchased under the agreement is being imported and utilized. In this regard, my Government agrees that it will procure and import with its own resources from its normal suppliers at least 23,000 metric tons of cotton during each of the years ending June 30, 1961, and June 30, 1962.

My Government also agrees that it will procure and import with its own resources from its normal suppliers at least 11,000 metric tons of fresh lemons during the calendar year 1961.

I shall appreciate receiving Your confirmation of the above understandings.

Accept, Sir, the assurances of my highest consideration.

Sincerely yours,

Stanislav Kopčok  
Ambassador in the Secretariat of State  
for Foreign Affairs

Mr. Raymond E. Lisle  
Chargé d'Affaires ad interim  
of the United States of America

<sup>1</sup> See p. 172 of this volume.

## II

Beograd, April 28, 1961

Excellency,

I have the honour to acknowledge the receipt of your letter as of today, reading as follows :

[See letter I]

I have the honour to inform you that my Government concurs in the foregoing.

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

Sincerely yours,

Raymond E. LISLE  
Chargé d'Affaires a. i. of the United States of America

His Excellency Mr. Stanislav Kopčok  
Ambassador in the Secretariat of State for Foreign Affairs  
of the FPR of Yugoslavia

## III

Beograd, April 28, 1961

Excellency,

I have the honour to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia signed today and to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of our two Governments with respect to the conversion of dinars into other currencies and to certain other matters relating to the use of dinars accruing under the subject Agreement.

1. The Government of the Federal People's Republic of Yugoslavia will provide, upon request of the Government of the United States of America, facilities for the conversion of up to \$608,000 worth of dinars into other non-dollar currencies which will be utilized to finance agricultural market development activities of the Government of the United States of America in other countries under Section 104 (a) of the Agricultural Trade Development and Assistance Act, as amended.

2. The Government of the Federal People's Republic of Yugoslavia will provide, upon request of the Government of the United States of America, facilities for the conversion of up to \$500,000 worth of dinars into other non-dollar currencies to be utilized under Section 104 (h) of the Agricultural Trade and Development Act, as amended. Up to \$250,000 of this amount will be utilized to finance educational exchange activities of the United States of America in Yugoslavia under the same section of the Act.

3. The Government of the United States of America may utilize up to \$50,000 worth of dinars to procure in Yugoslavia goods and services needed in connection with agricultural market development projects and activities in other countries.

4. The Government of the United States of America may utilize dinars in Yugoslavia to pay for international travel originating in Yugoslavia, or originating outside Yugoslavia when involving travel to or through Yugoslavia, including connecting travel, and for air travel within the United States or other areas outside Yugoslavia when it is part of a trip in which the traveler journeys from, to or through Yugoslavia. It is understood that these funds are intended to cover only travel by persons engaged in activities financed under Section 104 of the Agricultural Trade Development and Assistance Act, as amended.

I shall appreciate receiving Your Excellency's confirmation of the above understanding.

Accept, Excellency, the renewed assurances of my highest consideration,  
Sincerely yours,

Raymond E. LISLE  
Chargé d'Affaires ad interim  
of the United States of America

His Excellency Mr. Stanislav Kopčok  
Ambassador in the Secretariat of State for Foreign Affairs  
of the FPR of Yugoslavia

#### IV

Beograd, April 28, 1961

Sir,

I have the honour to acknowledge the receipt of your letter as of today, reading as follows :

[See letter III]



I have the honour to inform you that my Government concurs in the foregoing.

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

Sincerely yours,

Stanislav KOPČOK  
Ambassador in the Secretariat of State for Foreign Affairs  
of the FPR of Yugoslavia

Mr. Raymond E. Lisle  
Chargé d'Affaires ad interim  
of the United States of America

V

Beograd, April 28, 1961

Excellency,

I have the honour to refer to the Agricultural Commodities Agreement signed today between the Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia and to say that, with regard to the dinars accruing to uses indicated under Article II of the Agreement, the understanding of the Government of the United States of America is as follows :

1. *Uses of PL 480 Section 104 (e) Dinars* : The Government of the Federal People's Republic of Yugoslavia will use the amount of local currency granted to it by the Government of the United States of America pursuant to paragraph 1 (b) of Article II of the Agricultural Commodities Agreement for financing such projects to promote economic development as may from time to time be agreed upon by the United States Operations Mission (hereinafter referred to as the Mission) and the appropriate representatives of the Government of the Federal People's Republic of Yugoslavia, in the following sectors :

(a) Agriculture

(b) Other Economic Development Projects consistent with the purpose of Section 104 (e) of PL 480

2. *Uses of PL 480 Section 104 (g) Dinars* : The Government of the Federal People's Republic of Yugoslavia will use the amount of local currency loaned to it by the Government of the United States of America pursuant to a loan agreement under paragraph 1 (c) of Article II of the Agricultural Commodities Agreement for financing such projects to promote economic development as may from time to time be agreed upon between the Mission and the appropriate representatives of the Government of the Federal People's Republic of Yugoslavia, in the following sectors :

- (a) Industry, Mining and Transportation
- (b) Agriculture
- (c) Local Currency Costs of Projects Financed by the United States (i.e. projects for which the United States covers in whole or in part, directly or indirectly, through the Development Loan Fund, the Export-Import Bank or other agencies, related foreign exchange costs).
- (d) Other Economic Development Projects consistent with the purpose of Section 104 (g) of PL 480.

3. It is agreed that projects initiated by the Government of the Federal People's Republic of Yugoslavia after the date of this agreement within categories (a) under paragraph 1 and (a), (b) and (c) under paragraph 2 above which may later be approved by the Government of the United States of America will be eligible for financing from currency granted or loaned to the Government of the Federal People's Republic of Yugoslavia under paragraphs 1 (b) and 1 (c) of Article II of the Agricultural Commodities Agreement.

Reference to the Mission in this note shall be deemed to include any successor agency of the Government of the United States of America.

I shall appreciate your confirming to me that the contents of this note also represent the understanding of the Government of the Federal People's Republic of Yugoslavia.

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

Sincerely yours,

Raymond E. LISLE  
Chargé d'Affaires ad interim  
of the United States of America

His Excellency Mr. Stanislav Kopčok  
Ambassador in the Secretariat of State for Foreign Affairs  
of the FPR of Yugoslavia

VI

Beograd, April 28, 1961

Sir,

I have the honour to acknowledge the receipt of your letter as of today, reading as follows :

[See letter V]

I have the honour to inform you that my Government concurs in the foregoing.

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

Sincerely yours,

Stanislav KOPČOK  
Ambassador in the Secretariat of State  
for Foreign Affairs of the FPR of Yugoslavia

Mr. Raymond E. Lisle  
Chargé d'Affaires ad interim  
of the United States of America