

No. 6640

**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 notes). Signed at Belgrade,
on 28 November 1962**

Official text: English.

Registered by the United States of America on 18 April 1963.

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

**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 notes). Signé à Belgrade, le 28 novembre 1962**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 18 avril 1963.

No. 6640. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA
UNDER TITLE I OF THE AGRICULTURAL TRADE DE-
VELOPMENT AND ASSISTANCE ACT, AS AMENDED.
SIGNED AT BELGRADE, ON 28 NOVEMBER 1962

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 countries 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 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 purchases 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 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 and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to

¹ Came into force on 28 November 1962, upon signature, in accordance with article VI.

finance the sales for dinars to purchasers authorized by the Government of the Federal People's Republic of Yugoslavia, of the following agricultural commodities in the amounts indicated :

<i>Commodity</i>	<i>Export Market Value (millions)</i>
Wheat	\$77.1
Edible Oils	6.3
Ocean transportation (estimated)	8.7
TOTAL	\$92.1

2. Applications for purchase authorizations will be made within 90 calendar days of the effective date of this Agreement, except that applications 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. The financing, sale and delivery of commodities under this Agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

Article II

USES OF DINARS

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) and (h) through (r) of Section 104 of the Act or under any of such subsections, ten percent of the dinars accruing pursuant to this Agreement.

B. 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, ninety 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. In the event that the two Governments have not agreed within three years from the date of this Agreement on the uses of the dinars set aside for a loan, 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 amount of dinars to be deposited to the account of the Government of the United States of America shall be the equivalent of the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States of America (except excess cost resulting from the requirement that United States flag vessels be used) converted into dinars as follows :

- (a) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of the Federal People's Republic of Yugoslavia, or
- (b) if more than one legal rate for foreign exchange transactions exists, at a rate of exchange to be mutually agreed upon from time to time between the Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia.

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 would 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

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

2. The two Governments will take reasonable precautions to assure that all sales or purchases of agricultural commodities pursuant to this Agreement will not displace usual marketing 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 will furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to arrival and condition of commodities, and information relating to exports of the same or like commodities.

Article V

CONSULTATION

The two Governments will, upon 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 Beograd, the 28th day of November, 1962.

For the Government
of the United States of America :

George F. KENNAN
Ambassador of the United States
of America
[SEAL]

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

Vojin GOZINA
Assistant Secretary of State for
Foreign Affairs
[SEAL]

EXCHANGE OF NOTES

I

Beograd, November 28, 1962

Excellency :

I have the honor 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 today¹ and to inform you of the following :

¹ See p. 186 of this volume.

In expressing its agreement with the Government of the United States of America that the delivery of agricultural commodities pursuant to the Agreement 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 permit the export of wheat, wheat flour, or edible fats and oils (including oilseeds), of either indigenous or imported origin, during the year ending June 30, 1963 or any subsequent period during which the commodities purchased under this Agreement are being imported and utilized.

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

Vojin GUZINA
Assistant Secretary of State
for Foreign Affairs

His Excellency George F. Kennan
Ambassador of the United States of America
Beograd

II

Beograd, November 28, 1962

Excellency :

I have the honor to acknowledge the receipt of your note dated November 28, 1962, which reads as follows :

[*See note I*]

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

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

George F. KENNAN
Ambassador of the United States of America

His Excellency Vojin Guzina
Assistant Secretary of State for Foreign Affairs
Beograd

III

Beograd, November 28, 1962

Excellency :

I have the honor 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 state that, with regard to the conversion of dinars into other currencies and to certain other matters relating to the use by the Government of the United States of America of dinars accruing under the subject Agreement, it is the understanding of the Government of the United States of America that :

1. Upon request of the Government of the United States of America, the Government of the Federal People's Republic of Yugoslavia will provide facilities for the conversion of two percent of the dinars accruing from sales under this Agreement into other currencies for purposes of Section 104(a) of the Act. These currencies will be used to finance agricultural market development activities in other countries.

2. Upon request of the Government of the United States of America, the Government of the Federal People's Republic of Yugoslavia will provide facilities for the conversion of up to \$1.2 million worth of dinars for use under Section 104(b) of the Act and under the Mutual Educational and Cultural Exchange Act of 1961 for programs and activities in other countries.

3. Up to \$1,000,000 worth of dinars accruing under the subject agreement and/or previous Agricultural Commodities Agreements signed pursuant to the Act may be used by the Government of the United States for procurement in Yugoslavia of goods and services required for United States Government agencies and establishments in other countries.

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

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

George F. KENNAN
Ambassador of the United States of America

His Excellency Vojin Guzina
Assistant Secretary of State for Foreign Affairs
Beograd

IV

Beograd, November 28, 1962

Excellency :

I have the honor to acknowledge the receipt of your note dated November 28, 1962, which reads as follows :

[See note III]

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

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

Vojin GUZINA
Assistant Secretary of State
for Foreign Affairs

His Excellency George F. Kennan
Ambassador of the United States of America
Beograd

V

Beograd, November 28, 1962

Excellency :

I have the honor 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 :

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 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 between the United States AID¹ 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) *Public Health*
- (b) *Education*
- (c) *Industry, Mining and Transportation*
- (d) *Agriculture*
- (e) *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

¹ Agency for International Development.

the Development Loan Fund, the Export-Import Bank or other agencies, related foreign exchange costs.)

- (f) *Other Economic Development Projects* consistent with the purpose of Section 104(g) of PL 480.

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) through (e) above which may later be approved by the Government of the United States of America will be eligible for financing from currency loaned to the Government of the Federal People's Republic of Yugoslavia under paragraph B 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.

George F. KENNAN
Ambassador of the United States of America

His Excellency Vojin Guzina
Assistant Secretary of State for Foreign Affairs
Beograd

VI

Beograd, November 28, 1962

Excellency :

I have the honor to acknowledge the receipt of your note dated November 28, 1962, which reads as follows :

[See note V]

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

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

Vojin GOZINA
Assistant Secretary of State
for Foreign Affairs

His Excellency George F. Kennan,
Ambassador of the United States of America
Beograd