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No. 7601

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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 notes). Signed at Bel-  
grade, on 27 April 1964**

*Official text: English.*

*Registered by the United States of America on 25 February 1965.*

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**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 27 avril 1964**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 25 février 1965.*

No. 7601. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED  
STATES OF AMERICA AND THE GOVERNMENT OF  
THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA  
UNDER TITLE I OF THE AGRICULTURAL TRADE  
DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED.  
SIGNED AT BELGRADE, ON 27 APRIL 1964

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The Government of the United States of America and the Government of the Socialist Federal 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;

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 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 the Socialist Federal Republic of 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 Socialist Federal Republic of Yugoslavia of purchase authorizations and to the availability of the specified commo-

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<sup>1</sup> Came into force on 27 April 1964, upon signature, in accordance with article VI.

dities under the Act at the time of exportation, the Government of the United States of America undertakes to finance the sales for dinars to purchasers authorized by the Government of the Socialist Federal Republic of Yugoslavia, of the following agricultural commodities in the amounts indicated :

<i>Commodity</i>	<i>Export market value (millions)</i>
Wheat and/or wheat flour . . . . .	\$16.2
Ocean transportation (estimated) . . . . .	2.0
	<hr/> \$18.2

2. Applications for purchase authorizations will be made within 90 days after the effective date of this agreement. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of 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 proportions shown :

A. For the purchase of \$250,000 in US currency which the Government of the Socialist Federal Republic of Yugoslavia agrees to sell to the Government of the US of America and 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, 15 percent of the dinars accruing pursuant to this agreement.

B. For a loan to the Government of the Socialist Federal Republic of Yugoslavia under Section 104 (g) of the Act for financing such projects to promote economic development, as may be mutually agreed, 85 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. In the event that agreement is not reached on the use of the dinars for loan purposes

under Section 104 (g) of the Act within three years from the date of this agreement, 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 costs 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 disbursement by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of the Socialist Federal 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 Socialist Federal Republic of Yugoslavia and the Government of the United States of America.

2. Any refunds of dinars which may become due under this agreement will be made by the Government of the United States of America from funds available under this agreement. Any refunds of dinars which may be due or become due under any prior agreement under the Act for which undisbursed funds are no longer available in the accounts of the United States' disbursing officer in the Socialist Federal Republic of Yugoslavia will be made by the Government of the United States of America from funds available under this agreement. 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 may, in the event that any subsequent agreement or agreements should be signed by the two Governments under the Act, be made by the Government of the United States of America from funds available from the most recent agreement in effect at the time of the refund.

### *Article IV*

#### GENERAL UNDERTAKINGS

1. The Government of the Socialist Federal 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 this agreement (except where such resale, transshipment

or use is specifically approved by the Government of the United States of America); to prevent the export of any commodity of either domestic or foreign origin which is the same as, or like, the commodities purchased pursuant to this agreement during the period beginning on the date of this agreement and ending with the final date on which such commodities are received and utilized, (except where such export is specifically approved by the Government of the United States of America); and to ensure that the purchase of commodities pursuant to this agreement does not result in increased availability of the same or like commodities to other countries.

2. The two Governments will take reasonable precautions to assure that all sales and 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.

3. In carrying out this agreement, the two Governments will seek to develop and expand continuous market demand for agricultural commodities from the United States of America.

4. The Government of the Socialist Federal Republic of Yugoslavia will furnish quarterly information on the progress of the program, particularly with respect to the arrival and condition of commodities, provisions for the maintenance of usual marketings, and information relating to imports and 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 at Beograd in duplicate this 27th day of April 1964.

For the Government  
of the United States of America :

C. Burke ELBRICK  
Ambassador of the United States  
of America

For the Government  
of the Socialist Federal Republic  
of Yugoslavia :

Dusan KVEDER  
Assistant Secretary of State  
for Foreign Affairs

## EXCHANGE OF NOTES

## I

*The American Ambassador to the Yugoslav Assistant Secretary of State  
for Foreign Affairs*

Beograd, April 27, 1964

Excellency :

I have the honor to refer to the Title I Agricultural Commodities Agreement between our two Governments signed today under which the United States of America undertakes to finance the sale to the Socialist Federal Republic of Yugoslavia of \$18.2 million worth of agricultural commodities, and to inform you of my Government's understanding of the following :

(1) The Government of the Socialist Federal Republic of Yugoslavia will sell the \$250,000 in US currency referred to in paragraph (a) of Article II in three equal annual installments beginning September 1, 1964 by paying  $\frac{1}{3}$  of \$250,000 each September 1 for 3 years and receiving in return an equivalent amount of dinars computed at the then current official Socialist Federal Republic of Yugoslavia exchange rate for comparable transactions.

(2) The Government of the Socialist Federal Republic of Yugoslavia will provide upon request of the Government of the United States of America, facilities for conversion into other non-dollar currencies of the following amounts of dinars for purposes of section 104 (a) of the Act, \$364,000 worth or two percent of the dinars accruing under the agreement, whichever is the greater, to finance agricultural market development activities in other countries; and for the purposes of section 104 (h) of the Act and for purposes of the Mutual Educational and Cultural Exchange Act of 1961, up to \$300,000 worth of dinars to finance educational and cultural exchange programs and activities in other countries.

(3) The Government of the United States of America may utilize dinars in the Socialist Federal Republic of Yugoslavia to pay for international travel originating in the Socialist Federal Republic of Yugoslavia, or originating outside the Socialist Federal Republic of Yugoslavia when the travel (including connecting travel) is to or through the Socialist Federal Republic of Yugoslavia, and for travel within the United States of America or other areas outside the Socialist Federal Republic of Yugoslavia when the travel is part of a trip in which the traveler travels from, to or through the Socialist Federal Republic of Yugoslavia. It is understood that these funds are intended to cover only travel by persons who are traveling on official business for the Government of the United States

of America or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which dinars may be utilized shall not be limited to services provided by the transportation facilities of the Socialist Federal Republic of Yugoslavia.

(4) With regard to paragraph 4 of Article IV of the agreement the Government of the Socialist Federal Republic of Yugoslavia agrees to furnish quarterly the following information in connection with each shipment of commodities received under the agreement : the name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; the condition in which received; date unloading was completed; and the disposition of the cargo, i.e., stored, distributed locally, or, if shipped where shipped. In addition, the Government of the Socialist Federal Republic of Yugoslavia agrees to furnish quarterly : (a) a statement of measures it has taken to prevent the resale or transshipment of commodities furnished, (b) assurances that the program has not resulted in increased availability of the same or like commodities to other nations, and (c) a statement by the Government of the Socialist Federal Republic of Yugoslavia showing progress made toward fulfilling commitments on usual marketings. The Government of the Socialist Federal Republic of Yugoslavia further agrees that the statements will be accompanied by statistical data on imports and exports by country of origin or destination of the commodities which are the same as or like those imported under the agreement.

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

C. Burke ELBRICK  
Ambassador of the United States of America

His Excellency Dusan Kveder  
Assistant Secretary of State for Foreign Affairs  
Beograd

## II

*The Yugoslav Assistant Secretary of State for Foreign Affairs  
to the American Ambassador*

Beograd, April 27, 1964

Excellency :

I have the honor to acknowledge the receipt of your note dated April 27, 1964, 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.

Dusan KVEDER  
Assistant Secretary of State for Foreign Affairs

His Excellency C. Burke Elbrick  
Ambassador of the United States of America  
Beograd