

No. 8427

**UNITED STATES OF AMERICA
and
YUGOSLAVIA**

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance Act, as
amended (with exchange of notes). Signed at Belgrade,
on 11 April 1966**

Official text : English.

Registered by the United States of America on 6 December 1966.

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

**Accord relatif aux produits agricoles, conclu dans le cadre du
titre IV 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 11 avril 1966**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 6 décembre 1966.

No. 8427. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF THE SOCIAL-
IST FEDERAL REPUBLIC OF YUGOSLAVIA UNDER
TITLE IV OF THE AGRICULTURAL TRADE DEVELOP-
MENT AND ASSISTANCE ACT, AS AMENDED. SIGNED
AT BELGRADE, ON 11 APRIL 1966

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 in a manner which would utilize agricultural commodities, including the products thereof, produced in the United States of America to assist economic development in Yugoslavia ;

Recognizing that such expanded trade should be carried on in a manner which would not displace cash marketings of the United States of America in those commodities or unduly disrupt world prices of agricultural commodities ;

Recognizing further that by providing such commodities to Yugoslavia under long-term supply and credit arrangements, the resources and manpower of Yugoslavia can be utilized more effectively for economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use ;

Desiring to set forth the understandings which will govern the sales, as specified below, of commodities to Yugoslavia pursuant to Title IV of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act) ;

Have agreed as follows :

Article I

COMMODITY SALES PROVISIONS

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

¹ Came into force on 11 April 1966, upon signature, in accordance with article V.

credit 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 finance, during the period specified in the following table or such longer periods as may be authorized by the Government of the United States of America, sales for United States dollars, to purchasers authorized by the Government of the Socialist Federal Republic of Yugoslavia, of the following commodities :

<i>Commodity</i>	<i>Supply Period</i>	<i>Approximate Maximum Quantity (Metric tons)</i>	<i>Maximum Export Market Value to be Financed (1,000)</i>
Soybean and/or Cottonseed Oil .	Calendar Year 1966	35,000	9,625
Cotton	Calendar Year 1966	137,000 bales	17,536
Ocean Transportation (estimated)			781
			TOTAL 27,942

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified export market value to be financed, except that additional financing for ocean transportation will be provided if the estimated amount for financing shipments required to be made on United States flag vessels proves to be insufficient. It is understood that the Government of the United States of America will, as price declines or other marketing forces may require, limit the amount of financing provided in the credit purchase authorizations so that the quantities of commodities financed will not substantially exceed the above-specified approximate maximum quantities.

2. Credit purchase authorizations will include provisions relating to the sale and delivery of such commodities and other relevant matters.

3. The financing, sale and delivery of commodities hereunder may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale and delivery is unnecessary or undesirable.

Article II

CREDIT PROVISIONS

1. The Government of the Socialist Federal Republic of Yugoslavia will pay, or cause to be paid, in United States dollars to the Government of the United States of America for the commodities specified in Article I and related ocean transportation (except excess ocean transportation costs resulting from the requirement that United States flag vessels be used) the amount financed by the Government of the United States of America together with interest thereon.

2. The principal amount due for commodities delivered in each calendar year under this agreement, including the applicable ocean transportation costs related to such deliveries, shall be paid in 12 annual payments. The first annual payment for commodities delivered in any calendar year shall become due two years after the date of last delivery of commodities in such calendar year. Subsequent annual payments shall become due at intervals of one year thereafter. The first and second annual payments for commodities delivered in each calendar year under this agreement, including the applicable ocean transportation costs related to such deliveries, shall each be \$1,000,000 or one-twelfth (1/12) of the principal amount due whichever is less. The balance shall be paid in 10 approximately equal annual payments. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal amount due the Government of the United States of America for commodities delivered in each calendar year shall be computed at the rate of 3 1/2 percent per annum and shall begin on the date of last delivery of commodities in such calendar year. Interest on each such unpaid balance shall be paid annually on the anniversary of the date of last delivery of commodities in such calendar year.

4. All payments shall be made in United States dollars and the Government of the Socialist Federal Republic of Yugoslavia shall deposit, or cause to be deposited, such payments in the United States Treasury for credit to the Commodity Credit Corporation unless another depository is agreed upon by the two Governments.

5. The two Governments will each establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year.

6. For the purpose of determining the date of the last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier.

Article III

GENERAL PROVISIONS

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 consumption of the agricultural commodities purchased pursuant to this agreement; 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 on the final date on which said commodities are being 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 these or like commodities to other countries.

2. The two Governments will take reasonable precautions to assure that sales or purchases of commodities pursuant to the agreement will not displace cash marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade of countries friendly to the United States of America.

3. The Government of the Socialist Federal 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 conditions of commodities, and information relating to exports of the same or like commodities.

Article IV

CONSULTATIONS

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 entered into pursuant to this agreement.

Article V

ENTRY INTO FORCE

The 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 11th day of April, 1966.

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 :

Srdja PRICA
Counselor of the State Secretary
for Foreign Affairs

EXCHANGE OF NOTES

I

U.S. NOTE

Beograd, April 11, 1966

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 Socialist Federal Republic of Yugoslavia signed today, and to inform you of my Government's understanding of the following :

In concurring 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, the Government of the Socialist Federal Republic of Yugoslavia agrees : (a) that it will not permit the export of cotton or edible oils (including oil seeds in excess of 2,500 metric tons) of either indigenous or domestic origin during Calendar Year 1966 or any subsequent period during which the commodities purchased under the agreement are being imported and utilized ; (b) that, in addition to any commodities required to be purchased to complete the satisfaction of the 1965 usual marketing requirements of other agricultural commodity agreements between our two Governments, it will procure and import with its own resources from normal suppliers during Calendar Year 1966 or any subsequent period during which the commodities purchased under the agreement are being imported, not less than 267,000 bales of cotton, of which not less than 34,000 bales shall be from the United States of America and not less than 15,000 metric tons of edible vegetable oils and/or oil equivalent of oil seeds of which at least 5,000 metric tons shall be from the United States of America ; and (c) that should Yugoslavia's exports of cotton textiles be increased during Calendar Year 1966 over Calendar Year 1964, it will procure and import with its own resources from the United States of America an additional quantity of cotton at least equal to the raw cotton content of the increase in its textile exports. Such imports will be in addition to those stated in paragraph (b) above.

With regard to paragraph 3, Article III 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 ; the 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 will not result 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, accompanied by statistical data on imports by country of origin or destination of commodities which are the same or like those imported under the agreement.

I shall appreciate receiving your confirmation that the foregoing also represents the understanding of the Socialist Federal Republic of Yugoslavia.

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

C. Burke ELBRICK
Ambassador of the United States of America

His Excellency Srdja Prica
Counselor of the State Secretary for Foreign Affairs

Beograd

II

YUGOSLAV NOTE

Beograd, April 11, 1966

Excellency :

I have the honor to acknowledge the receipt of your note dated April 11, 1966, 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.

Srdja PRICA
Counselor of the State Secretary
for Foreign Affairs

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