

No. 4839

**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 22 December 1958**

Official text: English.

Registered by the United States of America on 12 August 1959.

**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 22 décembre
1958**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 12 août 1959.

No. 4839. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA
UNDER TITLE I OF THE AGRICULTURAL TRADE
DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED.
SIGNED AT BELGRADE, ON 22 DECEMBER 1958

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, as amended, 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 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, as amended, (hereinafter referred to as " the Act ") in the amounts indicated :

¹ Came into force on 22 December 1958, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Value (million)</i>
Wheat	\$55.8
Cotton	18.2
Soybean/cottonseed oil	9.9
Beans	1.8
Ocean Transportation	9.1
TOTAL	\$94.8

Purchase authorizations will be issued not later than 90 calendar days after the effective date of this agreement. They 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 Sub-sections (a), (b), (f), (h), (i), (k), (l), (m), (n), and (o) of Section 104 of the Act, the dinar equivalent of \$11.4 million. The United States Government 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 FPRY for financing such projects to promote balanced economic development of Yugoslavia under Section 104 (e) of the Act, as may be mutually agreed, the dinar equivalent of \$14.2 million.

(c) For a loan to the Government of the Federal People's Republic of Yugoslavia for financing such projects to promote the economic development of Yugoslavia under Section 104 (g) of the Act, as may be mutually agreed, the dinar equivalent of \$69.2 million, the terms and conditions of which will be included in the supplemental agreement between the two Governments. It is understood the loan will be denominated in United States dollars with payment of principal and interest to be made in dinars at the applicable exchange rate, as defined in the loan agreement, or, at the option of the Government of the

Federal People's Republic of Yugoslavia, in United States dollars. 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 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 such dinars, the Government of the United States of America may use the dinars for any other purpose authorized by Section 104 of the Act.

3. 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 \$94.8 million, the amount available for loans to the Government of the FPRY will be reduced by an equivalent amount; to the extent that the total exceeds the dinar equivalent of \$94.8 million, 12 percent of the excess will be available for the use of the Government of the United States of America, 15 percent for grants to the FPRY under Section 104 (e) and 73 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 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 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 twenty-second day of December 1958.

For the Government
of the United States of America :

Karl RANKIN
Ambassador of the United States
of America
[SEAL]

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

Bogd. CRNOBRNJA
Assistant Secretary of State
for Foreign Affairs
[SEAL]