

LEND-LEASE SETTLEMENT

Agreement signed at Washington July 19, 1948
Entered into force July 19, 1948

62 Stat. 2133; Treaties and Other
International Acts Series 1779

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA REGARDING SETTLEMENT FOR LEND-LEASE, MILITARY RELIEF, AND CLAIMS

The Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia have reached an understanding regarding a settlement for lend-lease, for the obligation of the Government of Yugoslavia to the Government of the United States for civilian supplies furnished as military relief, and for other claims of each Government against the other arising out of the conduct of the war. In arriving at this understanding, both Governments have recognized the benefits accruing to each from the contributions of both to the defeat of their common enemies. This settlement is complete and final and both Governments agree that, except as provided in this Agreement, no further benefits will be sought by either Government from the other as consideration for the foregoing.

1. The term "lend-lease article" as used in this Agreement means any article transferred by the Government of the United States under the Act of March 11, 1941: ¹

(a) to the Government of Yugoslavia, or
(b) to any other government and retransferred to the Government of Yugoslavia.

2. The Government of Yugoslavia receives, without qualification as to disposition or use, full title to all lend-lease articles, other than those described in numbered paragraphs 3 and 4 below.

3. The Government of the United States reserves the right to recapture any lend-lease articles of types defined as arms, ammunition and implements of war by Proclamation Number 2776 issued by the President of the United

¹ 55 Stat. 31.

States on March 26, 1948, 13 Federal Register 1623, March 27, 1948, which are held by the Government of Yugoslavia on the date on which notice requesting return is communicated to the Government of Yugoslavia. The Government of the United States has indicated that it does not intend to exercise generally its right to recapture such articles. The Government of Yugoslavia will not retransfer or dispose of such articles to any third country or for export without the prior consent of the Government of the United States.

4. To the extent required by United States law, vessels which were made available to the Government of Yugoslavia under lend-lease will be returned to the Government of the United States.

5. The Government of Yugoslavia, in consideration of supplies and services received as lend-lease, in consideration of its obligation to the Government of the United States for civilian supplies received as military relief, and in consideration of the other provisions of this Agreement, will pay to the Government of the United States the sum of 45,000,000 Yugoslav dinars, by either of the methods designated in subparagraphs (a) and (b) below, or any combination thereof, designated by the Government of the United States:

(a) By delivery of title to the Government of the United States of such real property and improvements to real property in Yugoslavia for diplomatic or consular purposes, as may be selected and determined by agreement between the two Governments, at values or prices to be agreed between the two Governments;

(b) By providing to the Government of the United States, at such time or times and in such amounts as may be desired by the Government of the United States, Yugoslav currency to be used for the purchase of such real property and improvements to real property in Yugoslavia for diplomatic or consular purposes or for such other expenses of United States diplomatic or consular missions, excepting the purchase of commodities for export, as the Government of the United States may desire. The Government of Yugoslavia agrees that with respect to the Yugoslav dinars to be paid by the Government of Yugoslavia as above, the Government of Yugoslavia will grant the Government of the United States privileges and rates of conversion, in the event of any future currency conversion, no less favorable than those granted generally to nationals of Yugoslavia and in no event less favorable than those granted to the Government of any third country. The Government of Yugoslavia agrees that, should any future currency conversion nevertheless result in inequity to the Government of the United States with respect to any amount of such Yugoslav dinars, the privileges and rates of conversion to be applied to such amount of Yugoslav dinars shall be subject to agreement between the two Governments.

6. In reference to numbered paragraph 5 above, in case the Government of the United States wishes to acquire any property located in Yugoslavia,

real or personal, tangible or intangible, except for export, or to furnish any property so located, the Government of Yugoslavia will at any time or times, as requested by the Government of the United States, enter into negotiations, and use its best efforts consistent with public policy, to reach an agreement with the Government of the United States whereby there will be delivered to the Government of the United States the properties, improvements, or furnishings which the Government of the United States desires or its representatives have selected. Representatives of the Government of the United States may at their discretion conduct discussions directly with owners of property or with contractors for improvements or furnishings as to fair terms and prices prior to the delivery of such property or improvements or furnishings to the Government of the United States.

7. The Government of Yugoslavia will process the claims described in the following subparagraphs (a), (b), (c), and (d) and will discharge the liability with respect thereto of the Government of the United States and of individuals, firms, and corporations against whom such claims are asserted:

(a) Claims against the Government of the United States, or respecting which the ultimate liability is that of the Government of the United States, arising from maritime incidents or transactions occurring on or after April 6, 1941 and prior to July 1, 1946, asserted in courts of Yugoslavia or asserted anywhere by individuals, firms, and corporations, nationals of Yugoslavia at the time of the event giving rise to the claims.

(b) Claims of individuals, firms, and corporations domiciled in Yugoslavia at the time of the use or infringement giving rise to the claim against the Government of the United States, its contractors or subcontractors, for royalties under contracts for the use of inventions, patented or unpatented, or for infringement of patent rights, in connection with war production carried on or contracted for on or after April 6, 1941 and prior to July 1, 1946 by the Government of the United States, its contractors or subcontractors.

(c) Claims of individuals, firms, and corporations domiciled in Yugoslavia at the time of the event giving rise to the claim against the Government of the United States arising out of the requisitioning on or after April 6, 1941 and prior to July 1, 1946 for use in the war program of property located in the United States in which the claimant asserts an interest.

(d) Claims, whether contractual or noncontractual, of individuals, firms, and corporations domiciled in Yugoslavia at the time of the event giving rise to the claim against the Government of the United States, its agents, employees, and military personnel, arising out of any act or omission of its agents, employees, and military personnel, both line-of-duty and non-line-of-duty, occurring on or after April 6, 1941 and prior to July 1, 1946.

8. The Government of the United States and the Government of Yugoslavia, except as otherwise provided in this Agreement, mutually waive all

claims of each against the other, and against agents, employees, and military personnel of the other, described in the following subparagraphs (a), (b), (c), (d) and (e):

- (a) Claims arising out of lend-lease.
- (b) Claims arising out of military relief.
- (c) Claims arising out of the procurement or furnishing of supplies and services through any other arrangements on or after April 6, 1941 and prior to July 1, 1946, other than claims of Yugoslav nationals for services performed for the United States Forces while in the custody of such Forces and represented by military payment orders or certificates of credit balances issued by such Forces.
- (d) Claims arising out of the billeting of personnel on or after April 6, 1941 and prior to July 1, 1946.
- (e) Claims arising out of maritime collisions and other ocean shipping incidents and transactions occurring on or after April 6, 1941 and prior to July 1, 1946.

9. Nothing in this Agreement affects the obligation of the Government of Yugoslavia under Article IV of the Preliminary Agreement of July 24, 1942.²

10. To the extent that the provisions of this Agreement are inconsistent with those contained in any previous agreement, the provisions of this Agreement shall prevail.

11. This Agreement shall be effective upon the date of signature.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement.

DONE at Washington in duplicate this nineteenth day of July, 1948.

For the Government of the United States of America:

G. C. MARSHALL

Secretary of State

of the United States of America

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

OBREN BLAGOJEVIC

Deputy Minister of Finance

of the Federal People's Republic of Yugoslavia

² EAS 263, *ante*, p. 1263.