



EXPORT-IMPORT BANK OF WASHINGTON

WASHINGTON 25, D.C.

CABLE ADDRESS "EXIMBANK"

PRESIDENT AND CHAIRMAN

CONFIDENTIAL

May 13, 1964

136a

Memorandum to The President

Re: Title III of the Foreign Aid and Related Agencies
Appropriation Act of 1964 and Export-Import Bank
Guarantees on Sales to Yugoslavia

In a memorandum dated January 10, 1964, I advised you that the Bank was prepared to issue guarantees and insurance on short and medium term export credit sales to Yugoslavia if you determined that it was in the national interest to do so. At our request, however, your determination was expressed in general terms and was not limited to short and medium term exporter credits. For your convenience I set forth the text of the letter you sent to the Congress on February 4, 1964.

"In compliance with Title III of the Foreign Aid and Related Agencies Appropriation Act of 1964, this is to inform you that I have determined that it is in the national interest for the Export-Import Bank to issue guarantees in connection with the sale of United States products and services to Yugoslavia. The Bank will report the individual guarantees to the Congress as they are issued."

The Bank has before it two applications from the Yugoslav Government for relatively long term loans aggregating \$10.2 million. One request is in the amount of \$5.3 million to finance the United States dollar costs of expanding the Tovarna Dusika Ruse Chemical Plant to produce elemental phosphorus and phosphate salts. The proposed repayment period is ten years beginning about two and one-half years after the loan is made with interest at 5-1/2% per annum.

The other application is in the amount of \$4.9 million to finance the purchase of United States equipment for rolling aluminum sheet and strip for the Plant of Industrija Metalnik Polizdelkov. The proposed repayment period is twelve years beginning about three years after the loan is made with interest at 5-1/2% per annum.

DECLASSIFIED

Authority Export-Import Bank Ltr. 4/7/77

CONFIDENTIAL

By per rmg NARA, Date 9-20-91

CONFIDENTIAL

- 2 -

The Bank is prepared to authorize long term guarantees for Yugoslavia, and under your determination of February 4, 1964 it may do so without any further communication to the Congress other than a report from the Bank when the guarantees are in fact issued. However, since my memorandum to you of January 10, 1964 stated we were considering at that time only short and medium term transactions, we wish to have your concurrence before acting on long term guarantees. The Department of State concurs with the Bank that long term guarantees generally should be approved, and there is enclosed a memorandum from the Department to that effect.

Harold F. Linder
Harold F. Linder
per
W.E.L.

CONFIDENTIAL