

4/30/61  
New York Times

## BELGRADE AND RIO IN TRADE ACCORD

Yugoslavs Jubilant—Pact Is  
to Be Signed in Fall

By PAUL UNDERWOOD

Special to The New York Times.

BELGRADE, Yugoslavia, April 29—The Yugoslav Communists apparently have scored a major breakthrough into the huge Latin-American market, an objective long desired by Belgrade.

Officials of the Tito regime and João Dantas, a special envoy of President Janio Quadros of Brazil, initialed today a draft trade agreement for the exchange of goods valued at \$500,000,000 between the two countries during the next five years.

The Yugoslavs won the new accord by agreeing to a bilateral exchange of goods involving no money payments. They also agreed to extend Brazil credits of \$120,100,000, even though they have been receiving Western financial aid for their own industrial expansion.

The credits will cover nearly half the purchases envisaged by Brazil under the trade pact. Carrying a maximum interest of 6 per cent, the credits will be repayable in three years when used for the purchase of equipment for light industries and in nine years when spent for heavy industrial installations.

Jubilant Yugoslavs pointed to the fact that, although Yugoslav-Brazilian trade had been steadily increasing, exchanges last year totaled only about \$12,500,000 and the average over the last five years was just about half that figure.

The document initialed is a preliminary protocol. The final agreement is to be signed in September, when President Tito is scheduled to visit Brazil at the invitation of President Quadros.

### Pact Caps Loud Effort

The pact marks the culmination of more than two years of effort by the Yugoslavs to widen their Latin-American trade relations—a phase of their drive for greater commerce with all the underdeveloped areas of the world.

Belgrade sees in these areas the most likely markets for the products of new Yugoslav factories, many of which even now have difficulty in competing with more efficient Western producers. The increasing trend toward economic integration in Europe threatens to cut them out of the Western European market altogether.

The Yugoslavs have had a measure of success in trade with under-developed areas. Since 1956, total trade exchanges with Asian countries have doubled and those with African nations have trebled.

Although trade with these areas started from an admittedly low level, Belgrade considers it significant that the Asian and African share in total Yugoslav exports rose from 8.2 per cent in 1956 to 15 per cent last year, and in imports from 6.6 per cent to 12.2 per cent.

At the same time, however, Latin-American participation in the nation's trade has stagnated. Imports from that area totaled only \$15,000,000 to \$8,000,000 annually and exports about half as much.

The schedule of exchange under the accord calls for Yugoslav shipments to Brazil of ships, agricultural machinery, newsprint, fertilizers, metallurgical and chemical products and other industrial items.

Brazil will supply Yugoslavia with coffee, cocoa, chemicals, iron ore, manganese ore, sugar, sisal, vegetable oils, spices cotton and other raw materials.