

No. 6255

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**UNITED STATES OF AMERICA  
and  
SUDAN**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act,  
as amended (with exchange of notes). Signed at  
Khartoum, on 14 November 1961**

*Official texts: English and Arabic.*

*Registered by the United States of America on 16 July 1962.*

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

**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 Khartoum, le 14 novem-  
bre 1961**

*Texte officiels anglais et arabe.*

*Enregistré par les États-Unis d'Amérique le 16 juillet 1962.*

No. 6255. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF THE SUDAN UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT KHARTHOUM, ON 14 NOVEMBER 1961

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The Government of the United States of America and the Government of the Republic of the Sudan :

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 or normal patterns of commercial trade with friendly countries ;

Considering that the purchase for Sudanese pounds of agricultural commodities produced in the United States will assist in achieving such an expansion of trade :

Considering that the Sudanese pounds 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 the Republic of the Sudan pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act) 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 POUNDS

Subject to the availability of commodities for programing under the Act and to the issuance by the Government of the United States of America and acceptance by the Government of the Republic of the Sudan of purchase authorizations, the Government of the United States of America undertakes to finance the sale, for Sudanese pounds to purchasers authorized by the Government of the Republic of the Sudan, of the following agricultural commodities determined to be surplus pursuant to Title I of the Act, in the amounts indicated :

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<sup>1</sup> Came into force on 14 November 1961, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Value (million)</i>
Wheat and/or wheat flour . . . . .	\$3.8
Ocean transportation (estimated) . . . . .	.8
TOTAL	\$4.6

Applications for purchase authorizations will be made within 90 calendar days after the effective date of this Agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this Agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the Sudanese pounds accruing from such sale, and other relevant matters.

## Article II

### USES OF SUDANESE POUNDS

The two Governments agree that the Sudanese pounds accruing to the Government of the United States of America as a consequence of 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. For United States expenditures under subsections (a), (b), (d), (f) and (h) through (r) of Section 104 of the Act, or under any of such subsections, 25 percent of the Sudanese pounds accruing pursuant to this Agreement.

B. For loans to be made by the Export-Import Bank of Washington under subsection 104 (e) of the Act and for administrative expenses of the Export-Import Bank of Washington in the Republic of the Sudan incident thereto, 15 percent of the Sudanese pounds accruing pursuant to this Agreement. It is understood that :

- (1) Such loans under Section 104 (e) of the Act will be made to the United States business firms and branches, subsidiaries, or affiliates of such firms in the Republic of the Sudan for business development and trade expansion in the Republic of the Sudan, and to United States firms and Sudanese firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products.
- (2) Loans will be mutually agreeable to the Export-Import Bank of Washington and the Government of the Republic of the Sudan, acting through the Ministry of Finance and Economics. The Minister of Finance and Economics, or his designate, will act for the Government of the Republic of the Sudan, and the President of the Export-Import Bank of Washington, or his designate, will act for the Export-Import Bank of Washington.
- (3) Upon receipt of an application which the Export-Import Bank is prepared to consider, the Export-Import Bank will inform the Ministry of Finance and Eco-

nomics of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.

- (4) When the Export-Import Bank is prepared to act favorably upon an application, it will so notify the Ministry of Finance and Economics and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rates will be similar to those prevailing in the Republic of the Sudan on comparable loans, and the maturities will be consistent with the purposes of the financing.
- (5) Within sixty days after the receipt of the notice that the Export-Import Bank is prepared to act favorably upon an application, the Republic of the Sudan will indicate to the Export-Import Bank whether or not the Ministry of Finance and Economics has any objection to the proposed loan. When the Export-Import Bank approves or declines the proposed loan, it will notify the Ministry of Finance and Economics.
- (6) In the event the Sudanese pounds set aside for loans under Section 104 (e) of the Act are not advanced within three years from the date of this Agreement because the Export-Import Bank has not approved loans or because loans have not been mutually agreeable to the Export-Import Bank and the Ministry of Finance and Economics, the Government of the United States of America may use the Sudanese pounds for any purpose authorized by Section 104 of the Act.

C. For a loan to the Government of the Republic of the Sudan under subsection 104 (g) of the Act, 35 percent of the Sudanese pounds accruing pursuant to this Agreement, for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of the Republic of the Sudan, as may be mutually agreed. The terms and conditions of the loan and other provisions will be set forth in a separate agreement. In the event the Sudanese pounds set aside for loans to the Government of the Republic of the Sudan 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 the Sudanese pounds for loan purposes, the Government of the United States of America may use the Sudanese pounds for any purpose authorized by Section 104 of the Act.

D. For a grant to the Government of the Republic of the Sudan under Section 104 (e) of the Act, 25 percent of the Sudanese pounds accruing pursuant to this Agreement, for financing such projects to promote balanced economic development as may from time to time be mutually agreed.

### *Article III*

#### DEPOSIT OF SUDANESE POUNDS

Sudanese pounds shall be deposited to the account of the Government of the United States of America in payment for the commodities and for ocean transpor-

tation 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) at the rate of exchange for United States dollars generally applicable to import transactions (excluding imports granted a preferential rate) in effect on the dates of dollar disbursement by United States banks, or by the Government of the United States of America, as provided in the purchase authorizations.

#### *Article IV*

##### GENERAL UNDERTAKINGS

1. The Government of the Republic of the Sudan agrees it will take all possible measures to prevent the resale or transshipment to other countries, or the use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America), of the surplus agricultural commodities purchased pursuant to the provisions of this Agreement, and to assure that the purchase of such commodities does not result in increased availability of these or like commodities for export from the Sudan.

2. The two Governments agree that they will take reasonable precautions to assure that sales or purchases of agricultural commodities made pursuant to this Agreement will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States of America in these commodities, or disrupt normal patterns of commercial trade with friendly countries.

3. In carrying out this Agreement, the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Government of the Republic of the Sudan 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 arrival and condition of commodities, 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 Khartoum this 14th day of November 1961.

For the Government  
of the United States of America :

James S. MOOSE Jr

For the Government  
of the Republic of the Sudan :

Ahmed KHEIR

## EXCHANGE OF NOTES

## I

*The American Ambassador to the Sudanese Minister of Foreign Affairs*

Khartoum, November 14, 1961

No. 483

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement signed today<sup>1</sup> by representatives of our two Governments, under which the Government of the United States of America undertakes to finance the delivery to the Government of the Republic of the Sudan of \$4.6 million of wheat and/or wheat flour and to confirm the following related understandings :

1. With respect to paragraph 1-A of Article II of the Agreement, the Government of the Republic of the Sudan will provide, upon request of the Government of the United States of America, facilities for the conversion into other non-dollar currencies of up to \$92,000 worth of Sudanese pounds. These facilities for conversion will be utilized in securing funds to finance agricultural market development activities in other countries.

2. The Government of the United States of America may utilize Sudanese pounds in the Sudan to pay for international travel originating in the Sudan, or originating outside the Sudan when involving travel to or through the Sudan, including connecting travel, and for air travel within the United States or other areas outside the Sudan when it is part of a trip in which the traveler journeys from, to or through the Sudan. It is understood that these funds are intended to cover only travel by persons engaged in activities financed under Section 104 of the Agricultural Trade Development and Assistance Act, as amended. It is further understood that this travel is not limited to services provided by Sudanese airlines.

I shall appreciate receiving Your Excellency's confirmation of the above understandings.

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

James S. MOOSE Jr.

His Excellency Saiyid Ahmed Kheir  
Minister of Foreign Affairs  
Khartoum

<sup>1</sup> See p. 52 of this volume.

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

Khartoum, November 14, 1961

Excellency :

I have received Your Excellency's note of today's date, which reads as follows :

[See note I]

I am happy to inform you that the Government of the Republic of the Sudan confirms the understanding reached in the foregoing note.

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

S. A. KHEIR

Minister of Foreign Affairs of the Sudan

His Excellency James S. Moose

Ambassador of the United States of America

### III

#### *The American Ambassador to the Sudanese Minister of Foreign Affairs*

Khartoum, November 14, 1961

No. 484

Excellency :

I refer to the Agricultural Commodities Agreement signed today between the Government of the United States of America and the Government of the Republic of the Sudan, and with regard to the Sudanese pounds accruing to uses indicated under Article II of the Agreement, state that the understanding of the Government of the United States of America is as follows : With respect to both paragraphs C. and D. of Article II :

Local currency will be advanced or reimbursed to the Government of the Republic of the Sudan for financing agreed projects under paragraphs C. and D. of Article II of the Agricultural Commodities Agreement upon the presentation of such documentation as the Technical Cooperation Mission may specify.

The Government of the Republic of the Sudan shall maintain or cause to be maintained books and records adequate to identify the goods and services financed for agreed projects pursuant to paragraphs C. and D. of Article II of the Agricultural Commodities Agreement, to disclose the use thereof in the projects and to record the progress of the projects (including the cost thereof). The books and records with

<sup>1</sup> Translation by the Government of the United States of America.

<sup>2</sup> Traduction du Gouvernement des États-Unis d'Amérique.



respect to each project shall be maintained for the duration of the project, or until the expiration of three years after final disbursement for the project has been made by the United States Operations Mission, whichever is later. The two Governments shall have the right at all reasonable times to examine such books and records and all other documents, correspondence, memoranda and other records involving transactions relating to agreed projects. The Government of the Republic of the Sudan shall enable the United States Operations Mission to observe and review agreed projects and the utilization of goods and services financed under the projects, and shall furnish to the United States Operations Mission all such information as it shall reasonably request concerning the above-mentioned matters and the expenditures related thereto. The Government of the Republic of the Sudan shall afford, or arrange to have afforded, all reasonable opportunity for authorized representatives of the Government of the United States to visit any part of the territory of the Republic of the Sudan for purposes related to agreed projects.

If the United States Operations Mission determines that any disbursement under paragraphs C. and D. of Article II of the Agricultural Commodities Agreement made by it for agreed projects is not supported by the documentation submitted by the Government of the Republic of the Sudan, is not made in accordance with the terms of this agreement or any applicable agreement or arrangement between the Government of the United States and the Government of the Republic of the Sudan, or is in violation of any applicable laws or regulations of the United States Government, the Government of the Republic of the Sudan shall pay to the United States Operations Mission as may be requested by it, an amount in local currency not to exceed the amount of such disbursement. Where any payment is made by the Government of the Republic of the Sudan to the United States Operations Mission pursuant to the preceding sentence on the basis of a disbursement which has been charged as an advance under the line of credit established by the loan agreement, the total amount charged as advances under the line of credit shall be reduced by the amount of such payment.

The United States Operations Mission shall expend funds for agreed projects only in accordance with the applicable laws and regulations of the United States Government. The United States Operations Mission may decline to make further disbursements for any agreed projects if it determines that further disbursements would not fulfill the purpose of paragraphs C. or D. of Article II of the Agricultural Commodities Agreement.

I shall appreciate your confirming to me that the contents of this note also represent the understanding of the Government of the Republic of the Sudan.

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

James S. MOOSE, Jr.

His Excellency Saiyid Ahmed Kheir  
Minister of Foreign Affairs  
Khartoum

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

Khartoum, November 14, 1961

Excellency :

I have received Your Excellency's note of today's date, which reads as follows :

[*See note III*]

I am happy to inform you that the Government of the Republic of the Sudan confirms the understanding reached in the foregoing note.

S. A. KHEIR

Minister of Foreign Affairs of the Sudan

His Excellency James S. Moose

Ambassador of the United States of America

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<sup>1</sup> Translation by the Government of the United States of America.

<sup>2</sup> Traduction du Gouvernement des États-Unis d'Amérique.