

No. 7230

**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 31 January 1963**

Official texts of the Agreement : English and Arabic.

Official text of the notes : English.

Registered by the United States of America on 28 April 1964.

**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 31 janvier
1963**

Textes officiels de l'Accord : anglais et arabe.

Texte officiel des notes : anglais.

Enregistré par les États-Unis d'Amérique le 28 avril 1964.

No. 7230. AGRICULTURAL COMMODITIES AGREEMENT¹
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 KHAR-
TOUM, ON 31 JANUARY 1963

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 SUDANESE POUNDS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of the Sudan of purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance the sales for Sudanese pounds, to purchasers authorized by the Govern-

¹ Came into force on 31 January 1963, upon signature, in accordance with article VI.

ment of the Republic of the Sudan, of the following agricultural commodities in the amounts indicated :

<i>Commodity</i>	<i>Export Market Value (millions)</i>
Wheat and/or wheat flour	\$5.0
Ocean transportation (est.)	1.0
	TOTAL \$6.0

2. Applications for purchase authorizations will be made within 90 calendar days of 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 of 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 sales, and other relevant matters.

3. The financing, sale and delivery of commodities under this Agreement may be terminated by either Government if that Government considers that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

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 (s) of Section 104 of the Act, or under any of such subsections, twenty-five percent of the Sudanese pounds accruing pursuant to this Agreement.

B. For loans to be made by the Agency for International Development (hereinafter referred to as AID) under subsection 104 (e) of the Act and for administrative expenses of AID 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 AID 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 Administrator of AID or his designate, will act for AID.
 - (3) Upon receipt of an application which AID is prepared to consider, AID will inform the Ministry of Finance and Economics 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 expected.
 - (4) When AID 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. Maturities will be consistent with the purposes of the financing, and the interest rate will be similar to that prevailing in the Republic of the Sudan on comparable loans.
 - (5) Within sixty days after the receipt of the notice that AID is prepared to act favorably upon an application, the Ministry will indicate to AID whether or not the Ministry of Finance and Economics has any objection to the proposed loan. Unless within the sixty day period AID has received such a communication from the Ministry, it shall be understood that the Ministry has no objection to the proposed loan. When AID approves or declines the proposed loan, it will notify the Ministry.
 - (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 AID has not approved loans or because loans have not been mutually agreeable to AID 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 agree-

ment 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

1. The amount of Sudanese pounds to be deposited to the account of the Government of the United States of America shall be the equivalent of the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) converted into Sudanese pounds, as follows :

- a. at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of the Republic of the Sudan, or
- b. if more than one legal rate for foreign exchange transactions exist, at a rate of exchange to be mutually agreed upon from time to time between the Government of the United States of America and the Government of the Republic of the Sudan.

2. In the event that any subsequent agricultural commodities agreement or agreements should be signed by the two Governments under the Act, any refunds of Sudanese pounds which may be due or become due under this Agreement would be made by the Government of the United States of America from funds available from the most recent Agricultural Commodities Agreement in effect at the time of the refund.

Article IV

GENERAL UNDERTAKINGS

1. The Government of the Republic of the Sudan agrees that 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 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 Khartoum this 31st day of January 1963.

For the Government
of the United States of America :

William M. ROUNTREE

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

EMBASSY OF THE UNITED STATES OF AMERICA

Note No. 38

Khartoum, January 31, 1963

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement signed today¹ 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 \$6 million of wheat and/or wheat flour and to confirm the following related understandings :

1. With respect to paragraph 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 nondollar currencies of two percent of the Sudanese pounds accruing from sales under the Agreement for the purpose of Section 104 (a) of the Act. 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 Sudan to pay for International travel originating in Sudan or originating outside Sudan when the travel (including connecting travel) is to or through Sudan, and for travel within the United States of America or other areas outside Sudan when the travel is part of a trip in which the traveler travels from, to or through Sudan. It is understood that these funds are intended to cover only travel by persons who are traveling on official business for the Government of the United States of America or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which Sudanese pounds may be utilized shall not be limited to services provided by Sudan transportation facilities.

3. The Government of the Republic of the Sudan, within 30 days of the time that a request is made by the Government of the United States of America, agrees to convert Sudanese pounds in the equivalent value of up to \$100,000 to other currencies for use, in accordance with Section 104 (h) of the Act and under the Mutual Educational and Cultural Exchange Act of 1961 for programs and activities in other countries.

¹ See p. 126 of this volume.

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

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

William M. ROUNTREE

His Excellency Ahmed Kheir
Minister of Foreign Affairs
Khartoum

II

The Sudanese Minister of Foreign Affairs to the American Ambassador

THE REPUBLIC OF THE SUDAN
MINISTRY OF FOREIGN AFFAIRS
KHARTOUM, SUDAN

Ref. No. MFA/SCR/64.R.3

31/1/1963

Excellency,

I have the honour to refer to the Agricultural Commodities Agreement signed today 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 \$6 million of wheat and/or wheat flour and to confirm the following related understandings :

[See note I]

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

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

Ahmed KHEIR
Minister of Foreign Affairs

His Excellency Mr. William M. Rountree
Ambassador of the United States of America
Khartoum