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No. 7885

UNITED STATES OF AMERICA
and
TUNISIA

**Agricultural Commodities Agreement under Title I of
the Agricultural Trade Development and Assistance
Act, as amended (with exchange of notes). Signed
at Tunis, on 17 February 1965**

Official text: English.

Registered by the United States of America on 12 August 1965.

ÉTATS-UNIS D'AMÉRIQUE
et
TUNISIE

**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 Tunis, le
17 février 1965**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 12 août 1965.

No. 7885. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
TUNISIA UNDER TITLE I OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT TUNIS, ON 17 FEBRUARY
1965

The Government of the United States of America and the Government of Tunisia :

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 of America 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 Tunisian dinars of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade ;

Considering that the Tunisian dinars accruing from such purchase will be utilized in a manner beneficial to both countries ;

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to Tunisia 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 TUNISIAN DINARS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Tunisia of purchase authorizations and to the availability of the specified commodities under the Act at the time of exportation, the Government of the United States of America undertakes

¹ Came into force on 17 February 1965, upon signature, in accordance with article VI.

to finance during the periods indicated below, the sales for Tunisian dinars, to purchasers authorized by the Government of Tunisia, of the following agricultural commodities in the amounts indicated :

<i>Commodity</i>	<i>Delivery period</i>	<i>Export market value (thousands)</i>
Wheat and/or wheat flour	US Fiscal Year 1965	\$ 6,122
Feedgrains	US Fiscal Year 1965	2,124
Cottonseed and/or soybean oil . .	Calendar Year 1965	5,240
Cotton	Calendar Year 1965	1,200
	TOTAL	\$ 14,686

2. Applications for purchase authorizations will be made within 90 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 Tunisian dinars accruing from such sale, and other relevant matters.

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

4. The Government of the United States of America will finance ocean transportation incurred pursuant to this Agreement only to the extent that such charges are higher (than otherwise would be the case) by reason of the requirement that approximately 50 percent by tonnage of commodities be transported in United States flag vessels. The balance of charges for ocean transportation of commodities required to be carried in United States flag vessels shall be paid in dollars by the Government of Tunisia. The Government of Tunisia will not be required to deposit Tunisian dinars for ocean transportation financed by the Government of the United States of America.

5. Promptly after contracting for United States flag shipping space required to be used, and in any event not later than the presentation of the vessel for loading, the Government of Tunisia will open a letter of credit, in dollars, for the estimated cost of ocean transportation for commodities carried in United States flag vessels.

Article II

USES OF TUNISIAN DINARS

The Tunisian dinars 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 proportion shown.

A. For United States expenditures under subsections (a), (b), (d), (f) and (h) through (t) of Section 104 of the Act, or under any such subsections, 20 percent of the Tunisian dinars accruing pursuant to this Agreement.

B. For loans to be made by the Agency for International Development of Washington (hereinafter referred to as AID) under Section 104 (e) of the Act and for administrative expenses of AID in Tunisia incident thereto, 10 percent of the Tunisian dinars accruing pursuant to this Agreement. It is understood that :

- (1) Such loans under Section 104 (e) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in Tunisia for business development and trade expansion in Tunisia and to United States firms and Tunisian 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 Tunisia, acting through the Secretariat of State for the Plan and the National Economy (hereinafter referred to as the Secretariat). The Secretary of State for the Plan and the National Economy, or his designate, will act for the Government of Tunisia, 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 Secretariat 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 AID is prepared to act favorably upon an application, it will so notify the Secretariat and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to that prevailing in Tunisia on comparable loans, provided such rates are not lower than the cost of funds to the United States Treasury on comparable maturities, and the maturities will be consistent with the purposes of the financing.
- (5) Within sixty days after the receipt of the notice that AID is prepared to act favorably upon an application, the Secretariat will indicate to AID whether or not it has any objection to the proposed loan. Unless within the sixty-day period AID has received such a communication from the Secretariat, it shall be understood that it has no objection to the proposed loan. When AID approves or declines the proposed loan it will notify the Secretariat.

- (6) In the event the Tunisian dinars 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 proposed loans have not been mutually agreeable to AID and the Secretariat, the Government of the United States of America may use the Tunisian dinars for any purpose authorized by Section 104 of the Act.

C. For a loan to the Government of Tunisia under Section 104 (g) of the Act for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of Tunisia, as may be mutually agreed, 70 percent of the Tunisian dinars accruing pursuant to this Agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement. In the event that agreement is not reached on the use of the Tunisian dinars for loan purposes under Section 104 (g) of the Act within three years from the date of this Agreement, the Government of the United States of America may use the Tunisian dinars for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF TUNISIAN DINARS

1. The amount of Tunisian dinars 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 financed by the Government of the United States of America converted into Tunisian dinars, as follows :

- (a) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursement by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of Tunisia, 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 Tunisia and the Government of the United States of America.

2. The Government of the United States of America shall determine which of its funds shall be used to pay any refunds of Tunisian dinars which become due under this Agreement or which are due or become due under any prior agricultural commodities agreement. A reserve will be maintained under this Agreement for two years from the effective date of this Agreement which may be used for the payment of such refunds. Any payment out of this reserve shall be treated as a reduction in the total dinars accruing to the Government of the United States of America under this Agreement.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Tunisia will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic purposes of the agricultural commodities purchased pursuant to this Agreement (except where such resale, transshipment or use is specifically approved by the Government of the United States of America) ; to prevent the export of any commodity of either domestic or foreign origin which is the same as, or like, the commodities purchased pursuant to this Agreement during the period beginning on the date of this Agreement and ending with the final date on which such commodities are received and utilized, (except where such export is specifically approved by the Government of the United States of America) ; and to ensure that the purchase of commodities pursuant to this Agreement does not result in increased availability of the same or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that all sales and purchases of agricultural commodities pursuant to this Agreement will not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or 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 Tunisia will furnish quarterly information on the progress of the program, particularly with respect to the arrival and condition of commodities ; provisions for the maintenance of usual marketings ; and information relating to imports and exports of the same or like commodities.

Article V

CONSULTATION

The two Governments will, upon 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 at Tunis, in duplicate, this 17th day of February, 1965.

For the Government
of the United States of America :
Francis H. RUSSEL

For the Government
of Tunisia :
I. KHELIL

EXCHANGE OF NOTES

I

*The American Ambassador to the Tunisian Secretary
of State for Foreign Affairs*

No. 1361

Tunis, February 17, 1965

Excellency,

I have the honor to refer to the Agricultural Commodities Agreement signed today by representatives of our two Governments, and to inform you of my Government's understanding of the following :

1. In expressing its agreement with the Government of the United States of America that the above-mentioned deliveries should not unduly disrupt world prices of agricultural commodities or impair trade relations among friendly nations, the Government of Tunisia agrees :

a. That Tunisia will procure and import with its own resources the following agricultural commodities in addition to those to be purchased under the terms of the agreement :

- (1) From the United States of America and countries friendly to it at least 20,000 metric tons of feedgrains during United States fiscal year 1965.
- (2) From the United States of America and countries friendly to it at least 3,700 bales of cotton during calendar year 1965, of which not less than 3,000 bales must come from the United States.
- (3) From the United States of America and countries friendly to it at least 2,500 metric tons of vegetable oil and/or oilseeds in oil equivalent during calendar year 1965.
- (4) From the United States of America and countries friendly to it at least 44,000 metric tons of wheat and/or flour (in wheat equivalent) during United States fiscal year 1965.

It is understood that if deliveries under this agreement extend into subsequent periods, the level of usual marketing requirements for such period will be determined at the time the request for extension of deliveries is made.

b. To the conditions set forth below :

- (1) Tunisia will not export feedgrains during United States fiscal year 1965 or while feedgrains under Title I, PL 480 are being imported and utilized, whichever is later.
- (2) Tunisia will reimburse the Government of the United States of America in dollars for the equivalent raw cotton content of total textiles exported during calendar year 1965 or while cotton under Title I, PL 480 is being imported and utilized, whichever is later.
- (3) Tunisia will limit, except as noted hereafter, exports of olive oil during the period November 1, 1964 to October 31, 1965 to 40,000 metric tons, of which not more than 4,000 metric tons would be to countries unfriendly to the United States. Tunisia may export olive oil in excess of 40,000 metric tons, provided such exports are to friendly countries and are offset by commercial purchases from Free World sources on a ton for ton basis during calendar year 1965 and provided that half of such offset purchases come from the United States of America.
- (4) Tunisia will prohibit additional exports of durum wheat and products during United States fiscal year 1965 or while wheat and/or wheat flour under Title I, PL 480 is being imported and utilized, whichever is later. In addition, Tunisia will purchase commercially from Free World sources at least 24,000 metric tons of wheat to offset the quantity of durum wheat and products exported during United States fiscal year 1965 prior to signing of this Agreement.

2. With regard to paragraph 4 of Article IV of the Agreement, the Government of Tunisia agrees to furnish quarterly the following information in connection with each shipment of commodities received under this Agricultural Commodities Agreement : the name of each vessel ; the date of arrival ; the port of arrival ; the commodity and quantity received ; the condition in which received ; the date unloading was completed ; and the disposition of the cargo i. e., stored, distributed locally, or if shipped, where shipped. In addition, the Government of Tunisia agrees to furnish quarterly :

- (a) a statement of measures it has taken to prevent the resale or transshipment of commodities furnished,
- (b) assurances that the program has not resulted in increased availability of the same or like commodities to other nations and

- (c) a statement by the Government showing progress made toward fulfilling commitments on usual marketings. The Government of Tunisia further agrees that the above statements will be accompanied by statistical data on imports and exports by country of origin or destination of commodities which are the same as or like those imported under the Agreement.

3. The Government of Tunisia will provide, upon request of the Government of the United States of America, facilities for conversion into other non-dollar currencies of the following amounts of Tunisian dinars: (1) for purposes of Section 104 (a) of the Act, \$294,000 worth or two percent of the Tunisian dinars accruing under the Agreement, whichever is the greater, to finance agricultural market development activities in other countries; and (2) for purposes of Section 104 (h) of the Act and for the purposes of the Mutual Educational and Cultural Exchange Act of 1961, up to \$440,000 worth of Tunisian dinars to finance educational and cultural exchange programs and activities in other countries.

4. The Government of the United States of America may utilize Tunisian dinars in Tunisia to pay for travel which is part of a trip in which the traveller travels from, to or through Tunisia. It is understood that these funds are intended to cover only travel by persons who are travelling 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 dinars may be utilized shall not be limited to services provided by the Tunisian transportation facilities.

I shall appreciate receiving your Excellency's confirmation of the above understanding.

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

Francis H. RUSSELL

His Excellency Habib Bourguiba, Jr.
Secretary of State for Foreign Affairs
Tunis

II

*The Tunisian Director of International Cooperation
in the Secretariat of State for Foreign Affairs
to the American Ambassador*

RÉPUBLIQUE TUNISIENNE
SECRETARIAT D'ÉTAT AUX AFFAIRES ÉTRANGÈRES

N° /AE/

Tunis, February 17, 1965

Excellency,

I have the honour to acknowledge receipt of your following letter :

[See note I]

I have the honour to confirm the agreement of the Government of Tunisia on the above understanding.

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

Ismail KHELIL

His Excellency the Ambassador
of the United States of America
Tunis

¹ Republic of Tunisia.
Secretariat of State for Foreign Affairs.