

No. 7575

**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 Khar-
toum, on 2 March 1964**

Official text: English.

Registered by the United States of America on 5 February 1965.

**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 2 mars 1964**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 5 février 1965.

No. 7575. 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 2 MARCH 1964

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

Considering that the Sudanese pounds 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 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 the specified commodities under the Act at the time of exportation, the Government of the United States of America

¹ Came into force on 2 March 1964, upon signature, in accordance with article VI.

undertakes to finance during calendar years 1964 and 1965 the sales for Sudanese pounds to purchasers authorized by the Government of the Republic of the Sudan, of the following agricultural commodities in the amounts indicated :

<i>Commodity</i>	<i>Maximum export market value (millions)</i>
Wheat and/or wheat flour	\$11.06
Ocean transportation (estimated)	\$ 2.18
	TOTAL \$13.24

2. Applications for Purchase Authorizations for \$5.16 million of the wheat and/or wheat flour, the amount to be financed during calendar year 1964, and certain ocean transportation costs, will be made within 90 days after the effective date of this agreement.

3. The amounts to be financed in calendar year 1965 will be determined on the basis of an annual review to be made by the two Governments prior to the beginning of the year. The review shall take into account the United States stock position of each commodity, usual marketings, changes in the Republic of the Sudan production, consumption, stocks, imports and exports of these and related commodities, storage facilities, and other matters.

4. 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.

5. 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.

Article II

USES OF SUDANESE POUNDS

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 proportions 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, 35 percent of the Sudanese pounds 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 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 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 (hereinafter referred to as the Ministry). The Minister of Finance and Economics of the Republic of the Sudan, or his designate, will act for the Government 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 the identity¹ 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 Ministry 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 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 AID is prepared to act favorably upon an application, the Ministry 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 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 four 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 Ministry, the Government of United States of America may use the Sudanese pounds for any purpose authorized by Section 104 of the Act.

¹ According to the information provided by the Government of the United States of America, this should read "identity".

C. For a grant to the Government of the Republic of the Sudan under Section 104 (e) of the Act, 15 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.

D. For a loan to the Government of the Republic of the Sudan 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 the Republic of the Sudan as may be mutually agreed, 35 percent of the Sudanese pounds 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 Sudanese pounds for loan purposes under Section 104 (g) of the Act within four years from the date of this agreement, the Government of the United States of America may use the Sudanese pounds for any purpose authorized by Section 104 of the Act.

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 disbursement 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 exists, 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. Any refunds of the Sudanese pounds which may be due or become due under any prior agreement under the Act for which undisbursed funds are no longer available in the accounts of the United States' Disbursing Officer in the Republic of the Sudan will be made by the Government of the United States of America from funds available under this agreement. Any refunds of Sudanese pounds which may be due or become due under this agreement more than three years from the effective date of this agreement would, in the event that any subsequent agreement or agreements should be signed by the two Governments under the Act, be made by the Government of the United States

of America from funds available from the most recent agreement in effect at the time of the refund.

Article IV

GENERAL UNDERTAKINGS

1. The Government of the Republic of the Sudan 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 those 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 the Republic of the Sudan 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, information relating to imports and exports of the same or like commodities.

Article V

CONSULTATIONS

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 Khartoum, in duplicate, this second day of March, 1964.

For the Government
of the United States of America :

William M. ROUNTREE

For the Government
of the Republic of the Sudan :

Ahmed KHAIR

EXCHANGE OF NOTES

I

The American Ambassador to the Sudanese Minister for Foreign Affairs

EMBASSY OF THE UNITED STATES OF AMERICA

Nº 109

Khartoum, March 2, 1964

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of the Republic of the Sudan signed today and to state that my Government's understanding of agreement reached in conversations which have taken place between representatives of our two Governments is that :

1. For the following purposes, the Government of the Republic of Sudan will provide, upon request of the Government of the United States of America, facilities for the conversion into other non-dollar currencies of the following amounts of Sudanese pounds :

- (a) For purposes of Section 104 (a) of the Act, \$264,800 worth of Sudanese pounds, or two percent of the Sudanese pounds accruing under the agreement, whichever is greater. Those currencies will be utilized to finance agricultural market development in other countries.
- (b) 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 a total of \$260,000 worth of Sudanese pounds. Within this total, not more than \$125,000 will be requested during calendar year 1964 and not more than \$135,000 during calendar year 1965. Any such currencies not converted during calendar year 1964 or 1965 will be utilized to finance educational and cultural exchange programs and 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 the travel (including connecting travel) is to or through the Sudan, and for travel within the United States of America or other areas outside the Sudan when the travel is part of a trip in which the traveler travels from, to or through the 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 the Sudan.

3. With regard to Article IV paragraph 4 of the Agreement, the Government of the Republic of the Sudan agrees to furnish quarterly the following information in connection with each shipment of commodities received under the Agricultural Commodity Agreement: the name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; the condition in which received; 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 the Republic of the Sudan agrees to furnish quarterly (a) a statement of measures it has taken to prevent resale or transshipment of the commodities furnished, (b) assurances that the program will not result in increased availabilities of same or like commodities to other nations, and (c) a statement by the Government of the Republic of the Sudan showing progress made toward fulfilling commitments on usual marketings.

The Government of the Republic of the Sudan 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 this agreement.

I shall appreciate receiving your confirmation that the foregoing also represents the understanding of the Government of the Republic of the Sudan.

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

William M. ROUNTREE

His Excellency Ahmed Mohammed Khair
Minister for Foreign Affairs
Khartoum

II

The Sudanese Minister for Foreign Affairs to the American Ambassador

2nd. March, 1964

Excellency :

I have the honour to refer to the Agriculture Commodities Agreement between the Government of the United States of America and the Government of the Republic of the Sudan signed today and to state that my Government's understanding of agreement reached in conversations which have taken place between representatives of our two Governments is that :

[See note I]

I have the honour to inform you that the foregoing also represents the understanding of the Government of the Republic of the Sudan.

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

Ahmed KHAIR
Minister
Ministry of Foreign Affairs

To His Excellency the Ambassador
of the United States of America
Khartoum