

No. 8387

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**UNITED STATES OF AMERICA**  
**and**  
**KENYA, TANZANIA and UGANDA**  
**and**  
**EAST AFRICAN COMMON SERVICES ORGANIZATION**

**Agricultural Commodities Agreement under Title IV of the  
Agricultural Trade Development and Assistance Act, as  
amended (with Memorandum of Understanding). Signed  
at Dar-es-Salaam, on 18 February 1966, and at Nairobi,  
on 19 and 22 February and 4 March 1966**

*Official text: English.*

*Registered by the United States of America on 21 November 1966.*

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**ÉTATS-UNIS D'AMÉRIQUE**  
**et**  
**KENYA, TANZANIE et OUGANDA**  
**et**  
**ORGANISATION DES SERVICES COMMUNS**  
**EST-AFRICAINS**

**Accord relatif aux produits agricoles, conclu dans le cadre du  
titre IV de la loi tendant à développer et à favoriser le  
commerce agricole, telle qu'elle a été modifiée (avec  
Mémoire d'accord). Signé à Dar es-Salam, le 18 fé-  
vrier 1966, et à Nairobi, les 19 et 22 février et 4 mars 1966**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 21 novembre 1966.*

Have agreed as follows :

### Article I

#### COMMODITY SALES PROVISIONS

1. Subject to issuance by the Government of the United States of America and acceptance by EACSO of credit purchase authorizations and the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance during the period specified in the following table or such longer period as may be authorized by the Government of the United States of America, sales for United States dollars, to purchasers authorized by EACSO of the following commodities :

<i>Commodity</i>	<i>Supply Period</i>	<i>Approximate Maximum Quantity (metric tons)</i>	<i>Maximum Export Market Value To be Financed (\$1,000)</i>
Wheat . . . . .	U.S. Calendar Year 1966	50,000	\$2,910
Ocean transportation (estimated) . . . . .			664
			<u>\$3,574</u>

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified export market value to be financed, except that additional financing for ocean transportation will be provided if the estimated amount for financing shipments required to be made on the United States flag vessels proves to be insufficient. It is understood that the Government of the United States of America will, as price declines or other marketing factors may require, limit the amount of financing provided in the credit purchase authorizations so that the quantities of commodities financed will not substantially exceed the above-specified approximate maximum quantities.

2. Credit purchase authorizations will include provisions relating to the sale and delivery of such commodities and other relevant matters.

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

### Article II

#### CREDIT PROVISIONS

1. Each of the East African Governments will pay or cause to be paid in United States dollars to the Government of the United States of America for

the commodities specified in Article I and related ocean transportation (except excess ocean transportation costs resulting from the requirement that United States flag vessels be used), one-third of the total amount financed by the Government of the United States of America together with interest thereon.

2. The principal amount due for commodities delivered in each calendar year under this Agreement, including the applicable ocean transportation costs related to such deliveries, shall be paid in 19 approximately equal annual payments, the first of which shall become due two years after the date of last delivery of commodities in such calendar year. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal amount due the Government of the United States of America for commodities delivered in each calendar year shall begin on the date of the last delivery of commodities in such calendar year and be paid not later than the date on which the annual payment of principal becomes due. The interest shall be computed at the rate of one percent per annum during the period from the date of last delivery of commodities in such calendar year to the due date of the first annual payment of principal and at two and a half percent per annum thereafter.

4. All payments shall be made in United States dollars and the East African Governments shall deposit or cause to be deposited such payments in the United States Treasury for credit to the Commodity Credit Corporation, unless another depository is agreed upon by the United States and East African Governments.

5. The parties to this Agreement will each establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year. Any discrepancies between the amounts of commodities received by each of the three East African countries parties to this Agreement and one-third of the total amount financed by the Government of the United States of America will be a matter for adjustment among the East African Governments and will not reduce or postpone their individual obligations to pay the Government of the United States of America.

6. For the purpose of determining the date of the last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier.

### *Article III*

#### GENERAL PROVISIONS

1. The East African Governments will take all possible measures to prevent the resale or transshipment to countries other than Kenya, Tanzania and Uganda

or the use for other than domestic consumption of the agricultural commodities purchased pursuant to this Agreement; 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 said commodities are being 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 these or like commodities to nations unfriendly to the United States of America.

2. The parties to this Agreement will take reasonable precautions to assure that sales or purchases of commodities pursuant to this Agreement will not displace cash marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade of countries friendly to the United States of America.

3. The parties to this Agreement, in carrying out its provisions, will seek to assure, to the extent practicable, conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and extend continuous market demand for commodities.

4. The East African Governments will furnish, upon request of the Government of the United States of America, information on the progress of the program including the arrival and condition of commodities, imports of commodities purchased from the United States of America or other countries friendly to the United States of America in addition to commodities financed under this Agreement, and any exports of the same or like commodities.

#### *Article IV*

##### CONSULTATIONS

The parties to this Agreement will, upon request of any of them, consult regarding any matter relating to the application of this Agreement or to the operation of arrangements entered into pursuant to this Agreement.

#### *Article V*

##### ENTRY INTO FORCE

The Agreement shall be signed on behalf of each party and shall enter into force on the date on which the last signature affixed.

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IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement on the dates and at the places appearing opposite their signatures.

DONE in quintuplicate.

For the Government of the United States of America :

William ATTWOOD

19 February 1966

Nairobi, Kenya

John H. BURNS

18 February 1966

Dar-es-Salaam, Tanzania

For the Government of Kenya :

J. S. GICHURU

22 February 1966

Nairobi, Kenya

For the Government of Tanzania :

Amir JAMAL

18 February 1966

Dar-es-Salaam, Tanzania

For the Government of Uganda :

L. KALULE-SETTALA

March 4, 1966

Nairobi, Kenya

For the East African Common Services Organization :

D. A. OMARI

19 February 1966

Nairobi, Kenya

MEMORANDUM OF UNDERSTANDING BETWEEN THE UNITED STATES OF AMERICA AND KENYA, TANZANIA, UGANDA, AND THE EAST AFRICAN COMMON SERVICES ORGANIZATION

The Government of the United States of America and the Government of Kenya, the Government of Tanzania, the Government of Uganda, and the East African Common Services Organization have reached the following understandings relating to the Agricultural Commodities Agreement concluded on 10 March, 1966.<sup>1</sup>

1. The East African currency resulting from the sale of commodities financed under the Agreement will be used for economic and social development programs, as may be agreed between the Government of the United States of America, and the Governments of the countries directly concerned with each program. The East African Governments agree to furnish the Government of the United States of America, upon request, reports showing the total East African currency available to those Governments from the sale of commodities and reports listing the projects being undertaken, including information on the name and location of each project and the amount invested in it.

2. Any East African currency resulting from the sale within Kenya, Tanzania, or Uganda of the commodities purchased pursuant to the Agreement which are loaned by the East African Governments to private or nongovernmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in those countries.

3. With regard to Paragraph 4 of Article III of the Agreement, EACSO agrees to furnish at least quarterly the following information in connection with each shipment of commodities received under the Agreement : the name of each vessel; the date of arrival; the port of arrival; the commodities and quantities 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, each of the East African Governments agrees to furnish at least 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 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.

4. In agreeing that the delivery of commodities pursuant to the Agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries, the East African Govern-

<sup>1</sup> According to information provided by the Government of the United States of America, this should read "4 March 1966"; see p. 58 of this volume.

ments agree that Kenya, Tanzania and Uganda will import commercially with their own resources from Free World sources, including the United States of America, a total of at least 16,000 metric tons of wheat during Calendar Year 1966.

For the Government of the United States of America :

William ATTWOOD

19 February 1966

Nairobi, Kenya

John H. BURNS

18 February 1966

Dar-es-Salaam, Tanzania

For the Government of Kenya :

J. S. GICHURU

22 February 1966

Nairobi, Kenya

For the Government of Tanzania :

Amir JAMAL

18 February 1966

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For the Government of Uganda :

L. KALULE-SETTALA

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For the East African Common Services Organization :

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