No. 13083

UNITED STATES OF AMERICA
and
TUNISIA

Agreement for the sales of agricultural commodities (with minutes). Signed at Tunis on 13 June 1973

Authentic text: English.

Registered by the United States of America on 12 February 1974.

ÉTATS-UNIS D'AMÉRIQUE
et
TUNISIE

Accord relatif à la vente de produits agricoles (avec procès-verbal). Signé à Tunis le 13 juin 1973

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 12 février 1974.

AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF TUNISIA FOR THE SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of Tunisia have agreed to sales of agricultural commodities specified below. This Agreement shall consist of the preamble and parts I and III of the Agreement signed March 17, 1967,[2] and the Convertible Local Credit Annex of the Agreement signed December 18, 1969,[3] together with the following Part II:

PART II

PARTICULAR PROVISIONS

Item I. Commodity Table:

Commodity	*Supply Period (United States Fiscal Year)*	*Approximate Maximum Quantity*	*Maximum Export Market Value*
Soybean/cottonseed oil	1973 and 1974	30,000	$10,500

Item II. Payment Terms:

Convertible Local Currency Credit Terms

1. Initial Payment—10 percent
2. Number of Installment Payments—25
3. Amount of each Installment Payment—approximately equal annual amounts
4. Due Date of First Installment Payment—six years after date of last delivery of commodities in each calendar year
5. Initial Interest Rate—2 percent per annum
6. Continuing Interest Rate—3 percent per annum

Item III. Usual Marketing Table:

Commodity	*Import Period (United States Fiscal Year)*	*Usual Marketing Requirements (metric tons)*
Edible vegetable oil and/or oil-seeds in oil equivalent	1973	9,600 (of which at least 3,100 shall be imported from the United States)
Edible vegetable oil and/or oil seeds in oil equivalent	1974	9,600 (of which at least 3,100 shall be imported from the United States)

Item IV. Export Limitations:

A. With respect to each commodity financed under this Agreement the export limitation period for the same commodities shall begin on the date of this Agreement

[1] Came into force on 13 June 1973 by signature, in accordance with part III (B).
[2] United Nations, *Treaty Series,* vol. 692, p. 155.
[3] *Ibid.,* vol. 732, p. 71.

and end on the final date which said commodity is imported or utilized, whichever is later.

B. For the purposes of part I, article III A 3, of the Agreement, the commodities considered to be the same as commodities financed under this Agreement are: for soybean/cottonseed oil—edible vegetable oils including peanut oil, soybean oil, cottonseed oil, rapeseed oil, sunflower oil, and sesame oil, but not including olive oil.

Item V. Self-Help Measures:

1. Increase the funds allocated for loans and other services to individual farmers and agricultural cooperatives, particularly to small and medium-sized farm units.
2. Support the livestock production project through improved forage and range management production practices in irrigated and rain-fed areas; expand government-controlled livestock production centers.
3. Support expanded cereals, forage and feedgrain production programs through expanding the scope of the accelerated cereals production project.
4. Improve the process of agriculture sector planning through the strengthening of the capacity of the Ministry of Agriculture to design and carry out annual and multi-annual plans and research programs.
5. Continue efforts to assure the integrated planning and implementation of factors affecting agricultural production, particularly in the areas of extension, credit, marketing, land reform and cooperative services.

Item VI. Economic Development Purposes for Which Proceeds Accruing to Importing Country are to be used:

The proceeds accruing to the importing country from the sales of commodities financed under this Agreement will be used for financing the self-help measures set forth in item V, for the agricultural sector as described in the Government of Tunisia's Development Plan for the National Economy, and for the following two sectors: National Education and Public Health.

Item VII. Ocean Freight Financing:

The Government of the exporting country shall bear the cost of ocean freight differential for commodities it requires to be carried in United States flag vessels. But, notwithstanding the provisions of paragraph 1 of the Convertible Local Currency Credit Annexes, it shall not finance the balance of the cost of ocean transportation of such commodities.

Item VIII. Other Provisions:

Substitute the following for paragraph 4 of the Convertible Local Currency Credit Annex: "The total amount of the proceeds accruing to the importing country from the sale of commodities financed under this Agreement, to be applied to the economic development uses set forth in part II of this Agreement, shall be not less than the local currency equivalent of the dollar disbursement by the Government of the exporting country in connection with the financing of the commodities (other than the ocean freight differential) provided, however, that the sales proceeds to be so applied shall be reduced by the payment, if any, made by the Government of the importing country pursuant to the proviso in section 103(*b*) the Act (such payment is herein called "the currency use payment"). The exchange rate to be used in calculating this local currency equivalent shall be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency in connection with the commercial import of the same commodities. Any such accrued proceeds that are loaned by the Government of the importing country to private or nongovernmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in the importing country. The Government of the importing country shall furnish, in accordance with its fiscal year budget reporting procedures, at such times as may be requested by the Government of the exporting country but not less often than annually, a report of the receipt and expenditure of the proceeds, certified by the appropriate audit authority of the Government of the importing country, and in the case of expenditures the budget sector in which they were used."

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE at Tunis, in duplicate, this 13th day of June 1973.

For the Government of the United States of America:	For the Government of Tunisia:
[Signed — Signé][1]	*[Signed — Signé]*[2]

MINUTES OF PL-480 NEGOTIATIONS FY-1973

PART I. GENERAL INSTRUCTIONS

1. Tunisia must designate one or more persons in Washington to consult with the U.S. Government on rules and procedures for procurement, financing, reporting, and ocean transportation. This consultation will be necessary before issuing any procurement authorizations.

2. Tunisia should also designate a person or agency in Tunis to consult on questions regarding (*a*) commodity arrival and offloading information, (*b*) assurances against resale or reshipment, (*c*) compliance with usual marketing, (*d*) data on imports and exports, and (*e*) information on dinar deposits.

3. Commodity commitments are in terms of dollar values, not quantities. Changes in market prices may take place after the agreement is signed, which could result in an increase or decrease in the amounts procurable.

4. Tunisia must indicate whether it accepts usual marketing requirements for report to Washington.

5. Any extension of shipping dates beyond those covered in the agreement will require written assurances on usual marketings for the new marketing year.

6. In the event of force majeure beyond the control of the buyer or seller preventing the completion of scheduled deliveries, a request for extension may be considered.

7. The USG must reserve the right to cancel the uncommitted balance of a Purchase Authorization or to refuse to issue a Purchase Authorization at any time that a commodity is determined to be no longer in surplus supply, even though it is included in the commodity list in article I of the Sales Agreement.

8. All payments made under this Agreement will be made in US dollars unless the US Government elects to receive payment in local currency. Dinar payments, if acceptable to the US Government, can be made for commodities procured under the conditions described in the Convertible Local Currency Credit Annexes. The payments, if made in dinars under this Sales Agreement will, under the current Tunisian exchange system, be the unitary rate for U.S.

[1] Signed by James F. Relph Jr. — Signé par James F. Relph Jr..

[2] Signed by Moncef Ghariani — Signé par Moncef Ghariani.

dollars in effect on the dates of payment (see part I, article III G). The rate for this Sales Agreement will be the highest legally obtainable and not less favorable than the highest of exchange rates obtainable by any other nation.

9. The Government of Tunisia is reminded of its responsibility to submit reports as required under the Agreement. These reports include information on the arrival and disposition of commodities and the use of sales proceeds. In particular, the Government of Tunisia should make arrangements to furnish a report to the U.S. Embassy by the fifteenth of January, April, July and October covering information referred to in paragraphs 2, 3 and 4 of section D, article III of the Agreement (Quarterly Compliance Report). The Government of Tunisia should return the completed "arrival and shipping information" sheets (ADP sheets) with appropriate notation certifying receipt of all commodities and condition of arrivals as soon as possible but not later than thirty days from the date of unloading or from the date of receipt of the ADP sheets, whichever is later.

10. The Tunisian Government's attention is drawn to item VIII Other Provisions of this Agreement which requires reporting by Tunisia on receipt and expenditures of the proceeds from local sale of PL-480 commodities. In addition, the report must be prepared at least annually and be certified by an appropriate auditing authority of the Tunisian Government. The Tunisian Government should prepare this report at the end of the Tunisian fiscal year and submit it, duly certified, to the U.S. Embassy in February 1974.

11. The Tunisian Government's attention is again drawn to the Cuba-North Vietnam provisions under section 103 (*d*) (3) of PL 808. This provision prohibits sales of agricultural commodities under this Act to any nation which furnishes or permits ships or aircraft under its registry to transport to or from Cuba or North Vietnam (excluding U.S. installations in Cuba) any equipment, materials, or commodities so long as they are governed by communist regimes.

12. Attention is also drawn to section 410 of PL-480. This states that the provision of 620(*e*) of the Foreign Assistance Act of 1961, as amended, which refers to nationalization, expropriation, and related governmental acts affecting property owned by U.S. citizens should be applicable to assistance provided under this Act. In this regard the US Government appreciates the progress already achieved and requests that status reports on further action taken in the remaining cases be reported to the US Embassy by July 1.

13. Attention is drawn to the provision of the Food for Freedom legislation (PL 90-436 of July 29, 1968), section 103 (*o*), requiring that the President of the United States take steps to insure that the United States receive a fair share of increases in the commercial purchases of agricultural commodities by the importing country.

14. It is the hope of the U.S. Government that all of the commodities programmed under this Agreement can be shipped during the U.S. fiscal years 1973-1974, i.e. before July 1974. However, because of a limitation on funds available for PL-480 programs in FY 1973 it may become necessary to withhold some shipments during the supply period or carry over some shipments into the next supply period. This action may be taken under article I of the Agreement.

15. The minutes of negotiation must be initialed by representatives of both Governments.

PART II. OCEAN SHIPPING

1. The Government of Tunisia will finance the foreign flag equivalent cost of ocean freight for all shipments. However, with respect to the 50 percent of the commodities required to be shipped on U.S. vessels, the U.S. Department of Agriculture will finance the difference, if any, by which the U.S. flag rate exceeds the foreign flag rate.

2. Implementation of 50-50 shipping requirement will be accomplished by advance approval of all bookings and charters by the USDA.

3. If Tunisia engages the services of a U.S. person or firm as its agent to handle procurement of the commodity and/or ocean transportation, such agent must be approved by the

USDA. A copy of the written agreement between the Government of Tunisia and the agency must be submitted to USDA for approval prior to the issuance of applicable purchase authorizations.

PART III. CONVERTIBLE LOCAL CURRENCY CREDIT PURCHASES

1. PA's issued under this Agreement will indicate that ten percent of the value must be paid by the Tunisian Government as an initial payment. When the Letter of Credit is opened, the Tunisian Government representative will arrange to have this amount paid to the Treasurer of the Commodity Credit Corporation in the U.S. Department of Agriculture in Washington.

2. Payments of the balance should be made in twenty-five equal annual installments beginning six years after the date of the last delivery of the commodity in the calendar year. Interest should be computed at the rate of two percent per year during the period from the date of last delivery in each calendar year until the due date for the first annual payment of principal. Thereafter, the rate will be three percent. Interest should be paid annually beginning one year after the date of last delivery but not later than the date on which the annual payment of principal becomes due.

3. The Commodity Credit Corporation will furnish to the Embassy of Tunisia in Washington a statement showing the quantities of commodities delivered under the Agreement, the amounts charged for the cost of the commodities delivered and the amount of payment and date due in accordance with the terms of the Agreement.

4. The proceeds from the sale of commodities financed by convertible currency credits in this Agreement must be used by the Tunisian Government in accordance with part II item VI of this Agreement. The proceeds in any case must not be used for the production of agricultural commodities which Tunisia exports in competition with the United States.

5. The GOT may attribute the sales proceeds from the sale of PL-480 commodities to the capital development budget as outlined in section VI of this agreement, but the net deposit after deduction of direct costs must meet or exceed the local currency equivalent of the dollar financing provided by the Commodity Credit Corporation. Direct cost deductions may not include interest charges on internally generated GOT financing nor port taxes.

PART IV. USUAL MARKETING REQUIREMENTS AND OTHER COMPLIANCE QUESTIONS

1. The usual marketing import requirements and the period during which these quantities may be imported are set forth in part II of the Agreement.

2. The supply period for this Agreement is extended to include fiscal year 1974. The Government of Tunisia has the option of waiting to begin purchases under this Agreement until after June 30, 1973, in which case it will be required to meet the usual marketing requirements only for FY 1974 stated in part II item 3 line 2. However, if the Government of Tunisia elects to begin shipments under this Agreement before June 30, 1973 then the Government will be required to purchase the usual marketing requirements for both FY's 1973 and 1974 as stated in part II item 3 lines 1 and 2; that is 19,200 tons of oil as a global UMR of which 6,200 tons will be from the United States to be purchased over both years.

3. It is noted that differences above certain amounts in quantities of commodities reported loaded with quantities reported unloaded in Tunisia must be reconciled, according to regulations in force under this Agreement. If such differences cannot be reconciled, a statement to this effect should be made on the arrival-departure sheet and a statement made as to the claim action to be taken by the Government of Tunisia or the reason why such action will not be taken.

PART V. SELF-HELP MEASURES

1. Part V of this Agreement describes the self-help measures to be undertaken by the Government of Tunisia. It is also understood that the memorandum of understanding and termination clause relating to the Agreement of March 17, 1967 applies to this Agreement.

2. The Government of Tunisia is asked to submit an annual report on measures taken to meet the self-help provisions of this Agreement (item V) and, where applicable, is asked to report on the use of proceeds that become available from this sale to fulfill these provisions.

PART VI. PUBLICITY

At the time of the negotiations for the Agreement of December 18, 1969, the Government of Tunisia agreed to publicize the Agreement upon its signature and publicize the arrival and unloading of the commodities. It is understood that the same publicity will be given under the present Agreement. The Government of Tunisia is requested to report arrangements for the publicity of this Agreement prior to signature of the Agreement.