

**No. 12997**

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**UNITED STATES OF AMERICA  
and  
SUDAN**

**Agreement for sales of agricultural commodities (with annex  
and official agreed minute of negotiations). Signed at  
Khartoum on 18 March 1973**

*Authentic text: English.*

*Registered by the United States of America on 23 January 1974.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
SOUDAN**

**Accord relatif à la vente de produits agricoles (avec annexe et  
procès-verbal approuvé des négociations). Signé à Khar-  
toum le 18 mars 1973**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 23 janvier 1974.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF THE SUDAN FOR SALES OF AGRICULTURAL COMMODITIES

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The Government of the United States of America and the Government of the Democratic Republic of the Sudan,

Recognizing the desirability of expanding trade in agricultural commodities between the United States of America (hereinafter referred to as the exporting country) and the Democratic Republic of the Sudan (hereinafter referred to as the importing country) and with other friendly countries in a manner that will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Taking into account the importance to developing countries of their efforts to help themselves toward a greater degree of self-reliance, including efforts to meet their problems of food production and population growth;

Recognizing the policy of the exporting country to use its agricultural productivity to combat hunger and malnutrition in the developing countries, to encourage these countries to improve their own agricultural production, and to assist them in their economic development;

Recognizing the determination of the importing country to improve its own production, storage, and distribution of agricultural food products, including the reduction of waste in all stages of food handling;

Desiring to set forth the understandings that will govern the sales of agricultural commodities to the importing country pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), and the measures that the two Governments will take individually and collectively in furthering the above-mentioned policies;

Have agreed as follows:

### PART I

## GENERAL PROVISIONS

### *Article I*

A. The Government of the exporting country undertakes to finance the sale of agricultural commodities to purchasers authorized by the Government of the importing country in accordance with the terms and conditions set forth in this Agreement, including the applicable annex which is an integral part of this Agreement.

B. The financing of the agricultural commodities listed in part II of this Agreement will be subject to:

1. The issuance by the Government of the exporting country of purchase authorizations and their acceptance by the Government of the importing country; and

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<sup>1</sup> Came into force on 18 March 1973 by signature, in accordance with part III (B).

2. The availability of the specified commodities at the time of exportation.

C. Application for purchase authorizations will be made within 90 days after the effective date of this Agreement, and, with respect to any additional commodities or amounts of commodities provided for in any supplementary agreement, within 90 days after the effective date of such supplementary agreement. Purchase authorizations shall include provisions relating to the sale and delivery of such commodities, and other relevant matters.

D. Except as may be authorized by the Government of the exporting country, all deliveries of commodities sold under this Agreement shall be made within the supply periods specified in the commodity table in part II.

E. The value of the total quantity of each commodity covered by the purchase authorizations for a specified type of financing authorized under this Agreement shall not exceed the maximum export market value specified for that commodity and type of financing in part II. The Government of the exporting country may limit the total value of each commodity to be covered by purchase authorizations for a specified type of financing as price declines or other marketing factors may require so that the quantities of such commodity sold under a specified type of financing will not substantially exceed the applicable approximate maximum quantity specified in part II.

F. The Government of the exporting country shall bear the ocean freight differential for commodities the Government of the exporting country requires to be transported in United States flag vessels (approximately 50 percent by weight of the commodities sold under the Agreement). The ocean freight differential is deemed to be the amount, as determined by the Government of the exporting country, by which the cost of ocean transportation is higher (than would otherwise be the case) by reason of the requirement that the commodities be transported in United States flag vessels. The Government of the importing country shall have no responsibility to reimburse the Government of the exporting country or to deposit any local currency of the importing country for the ocean freight differential borne by the Government of the exporting country.

G. Promptly after contracting for United States flag shipping space to be used for commodities required to be transported in United States flag vessels, and in any event not later than presentation of vessel for loading, the Government of the importing country or the purchasers authorized by it shall open a letter of credit, in United States dollars, for the estimated cost of ocean transportation for such commodities.

H. 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*

### *A. Initial Payment*

The Government of the importing country shall pay, or cause to be paid, such an initial payment as may be specified in part II of this Agreement. The amount of this payment shall be that proportion of the purchase price (excluding any ocean transportation costs that may be included therein) equal to the percentage specified for initial payment in part II and payment shall be made in United States dollars in accordance with the applicable purchase authorization.

### B. *Type of Financing*

Sales of the commodities specified in part II shall be financed in accordance with the type of financing indicated therein, and special provisions relating to the sale are also set forth in part II and in the applicable annex.

### C. *Deposit of Payments*

The Government of the importing country shall make, or cause to be made, payments to the Government of the exporting country in the currencies, amounts, and at the exchange rates specified elsewhere in this Agreement as follows:

1. Payments in the local currency of the importing country (hereinafter referred to as local currency), shall be deposited to the account of the Government of the United States of America in interest bearing accounts in banks selected by the Government of the United States of America in the importing country.

2. Dollar payments shall be remitted to the Treasurer, Commodity Credit Corporation, United States Department of Agriculture, Washington, D.C. 20250, unless another method of payment is agreed upon by the two Governments.

## *Article III*

### A. *World Trade*

The two Governments shall take maximum precautions to assure that sales of agricultural commodities pursuant to this Agreement will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with countries the Government of the exporting country considers to be friendly to it (referred to in this agreement as friendly countries). In implementing this provision the Government of the importing country shall:

1. insure that total imports from the exporting country and other friendly countries into the importing country paid for with the resources of the importing country will equal at least the quantities of agricultural commodities as may be specified in the usual marketing table set forth in part II during each import period specified in the table and during each subsequent comparable period in which commodities financed under this Agreement are being delivered. The imports of commodities to satisfy these usual marketing requirements for each import period shall be in addition to purchases financed under this Agreement.
2. take all possible measures to prevent the resale, diversion in transit, 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, diversion in transit, transshipment or use is specifically approved by the Government of the United States of America); and
3. take all possible measures to prevent the export of any commodity of either domestic or foreign origin which is the same as, or like, the commodities financed under this Agreement during the export limitation period specified in the export limitation table in part II (except as may be specified in part II or where such export is otherwise specifically approved by the Government of the United States of America).

### B. *Private Trade*

In carrying out this Agreement, the two Governments shall seek to assure conditions of commerce permitting private traders to function effectively.

### C. *Self-help*

Part II describes the program the Government of the importing country is

undertaking to improve its production, storage, and distribution of agricultural commodities. The Government of the importing country shall furnish in such form and at such time as may be requested by the Government of the exporting country, a statement of the progress the Government of the importing country is making in carrying out such self-help measures.

*D. Reporting*

In addition to any other reports agreed upon by the two Governments, the Government of the importing country shall furnish at least quarterly for the supply period specified in item I, part II of this Agreement and any subsequent comparable period during which commodities purchased under this Agreement are being imported or utilized:

1. 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 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;
2. a statement by it showing the progress made toward fulfilling the usual marketing requirements;
3. a statement of the measures it has taken to implement the provisions of sections A 2 and 3 of this article; and
4. 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.

*E. Procedures for Reconciliation and Adjustment of Accounts*

The two Governments shall 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. The Commodity Credit Corporation of the exporting country and the Government of the importing country may make such adjustments in the credit accounts as they mutually decide are appropriate.

*F. Definitions*

For the purposes of this Agreement:

1. 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,
2. import shall be deemed to have occurred when the commodity has entered the country, and passed through customs, if any, of the importing country, and
3. utilization shall be deemed to have occurred when the commodity is sold to the trade within the importing country without restriction on its use within the country or otherwise distributed to the consumer within the country.

*G. Applicable Exchange Rate*

For the purpose of this Agreement, the applicable exchange rate for determining the amount of any local currency to be paid to the Government of the exporting country shall be a rate which is not less favorable to the Government of the exporting country than the highest of exchange rates legally obtainable in the importing country and which is not less favorable to the Government of the exporting country than the highest of exchange rates obtainable by any other nation. With respect to local currency:

1. As long as a unitary exchange rate system is maintained by the Government of the importing country, the applicable exchange rate will be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency.

2. If a unitary rate system is not maintained, the applicable rate will be the rate (as mutually agreed by the two Governments) that fulfills the requirements of the first sentence of this section G.

#### H. *Consultation*

The two Governments shall, upon request of either of them, consult regarding any matter arising under this Agreement, including the operation of arrangements carried out pursuant to this Agreement.

#### I. *Identification and Publicity*

The Government of the importing country shall undertake such measures as may be mutually agreed prior to delivery for the identification of food commodities at points of distribution in the importing country, and for publicity as provided for in subsection 103 (1) of the Act.

## PART II

### PARTICULAR PROVISIONS

#### *Item I. Commodity Table*

<i>Commodity</i>	<i>Supply Period (U.S. Fiscal Year)</i>	<i>Approximate Maximum Quantity (Metric Tons)</i>	<i>Maximum Export Market Value (Thousands)</i>
Wheat/Wheat Flour . . . . .	1973	25,000	\$2,223

#### *Item II. Payment Terms*

##### Convertible Local Currency Credit

1. Initial Payment — 5 percent
2. Number of Installment Payments — 31
3. Amount of Each Installment Payment — approximately equal annual amounts
4. Due Date of First Installment Payment — ten 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*

<i>Commodity</i>	<i>Import Period (U.S. Fiscal Year)</i>	<i>Unusual Marketing Requirement (Metric Tons)</i>
Wheat and/or wheat flour on a grain equivalent basis . . . . .	1973	146,000

*Item IV. Export Limitations*

A. With respect to each commodity financed under this Agreement the export limitation period for the same as or like commodities shall be United States fiscal year 1973 or any subsequent United States fiscal year during which the commodities financed under this Agreement are being imported or utilized.

B. For the purposes of part I, article III A 3 of the Agreement, the commodities considered to be the same as or like the commodity financed under this Agreement are: for wheat/wheat flour—wheat, wheat flour, rolled wheat, semolina, farina, and bulgur.

*Item V. Self-Help Measures*

The Government of the importing country agrees to:

1. Support of the Sudan Government's program for the development of the Jebel Marra area in Western Sudan, including the following:
  - a. Support to the farm-to-market road program.
  - b. Increased support to the Agricultural Extension Service, particularly its program for providing information to farmers and its transportation service.
  - c. Support improved programs of demonstration farms and research stations.
2. Support improvement of the Agricultural Extension Service program in the Wad-Medani, Gedaref, and Kassala areas in Eastern Sudan.
3. Support the restoration of the post-secondary education institution at Yambio which provides a three-year program in agriculture beyond the high school level. Yambio is located in Southern Sudan. This institution will provide agricultural technicians for the provinces of the Upper Nile, Equatoria, and Bahr-el-Ghazal areas.
4. Support an improved rural health unit program nationwide.

*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 sale of commodities financed under this Agreement will be used for financing the self-help measures set forth in item V and for the following sectors as described in the Government of Sudan's Development Plan for the National Economy; Agriculture and Transportation.

*Item VII. Ocean Freight (Differential)*

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 I of the Convertible Local Currency Credit annex, it shall not finance the balance of the cost of ocean transportation of such commodities.

*Item VIII. Other Provisions*

A. 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) of 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 non-governmental 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."

B. The Government of Sudan understands that the Food for Peace Act (PL 480) requires the Agreement to provide for termination whenever the Government of the United States of America finds that the self-help program described in the Agreement is not being adequately developed and that the Government of the United States of America can terminate the Agreement in such a case under the termination clause in part III of the Agreement.

### PART III

### FINAL PROVISIONS

A. This Agreement may be terminated by either Government by notice of termination to the other Government. Such termination will not reduce any financial obligations the Government of the importing country has incurred as of the date of termination.

B. 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 18 day of March, 1973.

For the Government  
of the United States of America:

For the Government  
of the Democratic Republic  
of the Sudan:

[Signed — Signé]<sup>1</sup>

[Signed — Signé]<sup>2</sup>

<sup>1</sup> Signed by Robert E. Fritts — Signé par Robert E. Fritts.

<sup>2</sup> Signed by Ibrahim Moneim Mansour — Signé par Ibrahim Moneim Mansour.



CONVERTIBLE LOCAL CURRENCY CREDIT ANNEX TO THE AGREEMENT  
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND  
THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF THE SUDAN  
FOR SALES OF AGRICULTURAL COMMODITIES

The following provisions apply with respect to the sales of commodities financed on convertible local currency credit terms:

1. In addition to bearing the cost of ocean freight differential as provided in part I, article I F, of this Agreement, the Government of the exporting country will finance on credit terms the balance of the costs for ocean transportation of those commodities that are required to be carried in United States flag vessels. The amount for ocean transportation (estimated) included in any commodity table specifying credit terms does not include the ocean freight differential to be borne by the Government of the exporting country and is only an estimate of the amount that will be necessary to cover the ocean transportation costs to be financed on credit terms by the Government of the exporting country. If this estimate is not sufficient to cover these costs, additional financing on credit terms shall be provided by the Government of the exporting country to cover them.

2. With respect to commodities delivered in each calendar year, the principal of the credit (hereinafter referred to as principal) will consist of:

- a. The dollar amount disbursed by the Government of the exporting country for the commodities (not including any ocean transportation costs) less any portion of the initial payment payable to the Government of the exporting country, and
- b. The ocean transportation costs financed by the Government of the exporting country in accordance with paragraph 1 of this annex (but not the ocean freight differential).

This principal shall be paid in accordance with the payment schedule in part II of this Agreement. The first installment payment shall be due and payable on the date specified in part II of this Agreement. Subsequent installment payments shall be due and payable at intervals of one year thereafter. Any payment of principal may be made prior to its due date.

3. Interest on the unpaid balance of the principal due the Government of the exporting country for commodities delivered in each calendar year under this Agreement shall begin on the date of dollar disbursement by the Government of the exporting country. Such interest shall be paid annually beginning one year after the date of last delivery of commodities in such calendar year, except that if the installment payments for these commodities are not due on some anniversary of such date of last delivery, any such interest accrued on the due date of the first installment payment shall be due on the same date as the first installment and thereafter such interest shall be paid on the due dates of the subsequent installment payments. For the period from the date the interest begins to the due date for the first installment payment, the interest shall be computed at the initial interest rate specified in part II of this Agreement. Thereafter, the interest shall be computed at the continuing interest rate specified in part II of this Agreement.

4. The Government of the importing country shall deposit the proceeds accruing to it from the sale of commodities financed under this Agreement (upon the sale of the commodities within the importing country) in a special account in its name that will be used for the sole purpose of holding the proceeds covered by this paragraph. Withdrawals from this account shall be made for the economic development purposes specified in part II of this Agreement in accordance with procedures mutually satisfactory to the two Governments. The total amount deposited under this paragraph shall not be 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 including the related ocean transportation costs other than the ocean freight differential. 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 such form and at such times as may be requested by the Government of the exporting country, but not less frequently than on an annual basis, reports containing relevant information concerning the accumulation and use of these proceeds, including information concerning the programs for which these are used, and, when the proceeds are used for loans, the prevailing rate of interest for comparable loans in the importing country.

5. The computation of the initial payment under part I, article II, A of this Agreement and all computations of principal and interest under numbered paragraphs 2 and 3 of this annex shall be made in United States dollars.

6. All payments shall be in United States dollars or, if the Government of the exporting country so elects,

- a. The payments shall be made in local currency at the applicable exchange rate specified in part I, article III, G of this Agreement in effect on the date of payment and shall, at the option of the Government of the exporting country, be converted to United States dollars at the same rate, or used by the Government of the exporting country for payment of its obligations in the importing country, or
- b. The payments shall be made in readily convertible currencies of third countries at a mutually agreed rate of exchange and shall be used by the Government of the exporting country for payment of its obligations.

#### OFFICIAL AGREED MINUTE OF NEGOTIATIONS RELATING TO THE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE DEMOCRATIC REPUBLIC OF THE SUDAN FOR SALES OF AGRICULTURAL COMMODITIES, FY 1973

On January 11, 1973 the following delegations representing the Government of the United States of America and the Government of the Democratic Republic of the Sudan met to discuss the draft agreement between the two countries for the sale of agricultural commodities:

For the United States:

Mr. Francis H. Jack, Coordinator, Africa and European Area, Program Development Division, Export Marketing Service, United States Department of Agriculture

Mr. Samuel R. Peale, First Secretary, US Embassy, Khartoum

For the Democratic Republic of the Sudan:

The Honorable Haroun al-Awad, Under Secretary, Ministry of National Economy

Sayed Maurice Loga, Bank of Sudan

Sayed Taj al-Sir Muhammad Abbas, Ministry of Foreign Affairs

Sayed Zaki Sir al-Khatim, Ministry of the Treasury

Sayed Hassan Saeed Suliman, Ministry of Planning

The draft agreement was discussed in its entirety by the two delegations and particular reference was made to the following points:

1. *Article II, paragraph C.1.* In response to the inquiry of the Sudanese delegation, the US delegation explained that this clause was a conditional one which the United States Government did not anticipate invoking. The clause was intended to enable the United States to receive at least a portion of the payment for the commodities in question in Sudanese pounds, these to be used for such purposes as meeting the operating expenses of its Embassy in Khartoum. Since presently available resources were sufficient to meet such needs, the United States did not anticipate requesting such payments. The clause had no bearing on the use by the Sudanese Government of the Sudanese pounds generated through the sale of the commodities within the Sudan. These funds were to be placed in accounts as selected by the Sudanese Government, and the provisions relating to their use were contained in part II of the draft agreement, items V and VI.

2. *Part II, Item I. Commodity Table.* The United States delegation explained that when initially drafted the ceiling set upon the value of the commodities to be purchased (\$2.223 million) would have allowed for the acquisition of approximately 25,000 metric tons of wheat/wheat flour as indicated. Since that time, however, the price of wheat had risen and \$2.223 million would no longer buy this quantity of wheat. The dollar ceiling remained controlling, however. Similarly, should the price of wheat drop sharply, the maximum tonnage indicated in this item could become controlling even if the dollar sum authorized would permit greater purchases. The United States delegation also noted that, as provided for in part I, article I of the draft agreement, either budgetary constraints or the non-availability of the commodities in question could make it necessary for the United States Government to withhold some of the shipments otherwise authorized by the terms of the draft agreement.

3. *Part II, Item III. Usual Marketing Table.* The United States delegation explained that the usual marketing requirement figure of 146,000 metric tons provided in the draft agreement was based on the average of the Sudan's commercial wheat/wheat flour imports for the last five years from Free World sources. Under law, the United States Government is obligated to insure that concessional sales do not interfere with the commercial sales of the United States and other friendly countries. The United States would expect, therefore, that the Sudan would continue to maintain this five year average of commercial imports of wheat and wheat flour by looking to the United States and such Free World sources, including Yugoslavia. In this connection, the United States delegation noted in particular the interest of the United States in maintaining its position as a major source of the Sudan's commercial wheat/wheat flour purchases and in having access to a fair share of any increase in the Sudan's commercial purchases which might occur in the future.

4. *Part II, Items V and VI. Self-Help Measures.* The two delegations discussed in detail these two sections. The United States delegation pointed out that it was not the intention of the draft agreement severely to restrict the Sudanese Government in the use of the funds which would be generated through the sale within the Sudan of the commodities covered by the Agreement or to arbitrarily dictate those areas in which the Sudan would direct its self-help efforts. The specific self-help goals listed in item V were not simply choices of the United States Government, but rather were selected from among the priorities cited by the Sudanese Government during the visit of the United States Government's AID Mission in September 1972. There was, moreover, no requirement that all the funds generated by commodity sales be devoted to these purposes or that they be achieved by a specific date. Rather the United States Government wished to see an effort made within the life of the Agreement to move toward these goals, with the funds generated by the Agreement supplementing those of the Sudanese Government devoted to these purposes. The United States delegation made clear that if the Sudanese Government wished to suggest alternative proposals for item V they would be given serious consideration by the United States Government.

The United States delegation noted, however, that the provisions of item VI actually allowed the Sudanese Government a large element of flexibility in choosing alternative projects toward which the funds might be devoted. In fact any project described in the agricultural and transportation sectors of Sudan's development plan could be the target of such expenditures. Since the draft agreement was itself an agricultural agreement, the sector targets had been limited to agriculture and the necessary transportation for successful agricultural development. But there was considerable scope for choice within these guidelines, with the only requirement being that the United States Government was to be provided with an annual report on how the funds in question had actually been utilized and on the progress made in meeting the specified self-help targets.

5. *Part II, Item VIII. A.* The United States delegation pointed out the change which this paragraph affected on the Convertible Local Currency Credit Annex. Specifically, it was no longer required that the local currency generated by the commodity sales within the Sudan be deposited in a separately designated account. Moreover, it was now clear the minimum figure involved was the local currency equivalent of the dollar disbursements of the United States Government in connection with the financing of the commodities (not including the

ocean freight differential). Hence neither the five percent initial payment required of the Sudanese Government nor the ocean freight costs borne by the Sudan need be included in calculating this minimum figure.

6. *Part II, Item VIII. B.* The United States delegation noted the importance which the United States attached to the self-help aspects of the draft agreement. Assisting the Sudan in its economic development was a prime purpose of the Agreement. The draft, therefore, provided for the United States to be able to terminate the Agreement if the self-help program described in the draft is not being adequately developed. This provision was, of course, only one example of a broader termination right provided to both parties as per part III of the draft.

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