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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 AGREEMENT[1] 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 :

Commodity	*Delivery period*	*Export market value (thousands)*
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 Governement if that Government determines that because of changed conditions the continuation of such financing, sale or delivery is unecessary 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 Governement 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 Governement 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.