No. 8586

UNITED STATES OF AMERICA
and
DEMOCRATIC REPUBLIC OF THE CONGO

Agricultural Commodities Agreement under Title I of the Agricultural Trade Development and Assistance Act, as amended (with exchange of notes). Signed at Leopoldville, on 19 July 1965

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Leopoldville, 22 and 25 April 1966

Official texts: English and French.

Registered by the United States of America on 28 March 1967.

ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE DÉMOCRATIQUE DU CONGO

Accord sur la fourniture de produits agricoles en vertu du titre I de la loi sur le développement du commerce et de l'aide en produits agricoles, telle que modifiée (avec échange de notes). Signé à Léopoldville, le 19 juillet 1965

Échange de notes constituant un avenant à l'Accord susmentionné. Léopoldville, 22 et 25 avril 1966

Textes officiels anglais et français.

Enregistrés par les États-Unis d'Amérique le 28 mars 1967.

No. 8586. AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF THE CONGO UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT LEOPOLDVILLE, ON 19 JULY 1965

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

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

Considering that the Congo francs 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 Government of the Democratic Republic of the Congo 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 Congolese francs

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Democratic Republic of the Congo 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 to finance the sales for Congo francs to purchasers

[1] Came into force on 19 July 1965, upon signature, in accordance with article VI.

authorized by the Government of the Democratic Republic of the Congo of the following agricultural commodities in the amounts indicated:

Commodity		*Export Market Value (millions)*
Cotton, upland		$ 3.5
Wheat flour		4.4
Rice, milled		4.2
	TOTAL	$12.1

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 Congo francs accruing from such sale, and other relevant matters.

3. The Government of the United States of America will finance ocean transportation costs incurred pursuant to this agreement only to the extent that such costs are higher than otherwise would be the case by reason of the requirement that approximately 50 percent by tonnage of the commodities be transported in United States flag vessels. The balance of cost for commodities required to be carried in United States flag vessels shall be paid in dollars by the Government of the Democratic Republic of the Congo. The Government of the Democratic Republic of the Congo will not be required to deposit Congo francs for ocean transportation financed by the Government of the United States of America.

Promptly after contracting for United States flag shipping space required to be used, and in any event not later than presentation of vessel for loading, the Government of the Democratic Republic of the Congo 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 CONGO FRANCS

The Congo francs 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*), (*c*), (*d*), (*f*) and (*h*) through (*t*) of Section 104 of the Act, or under any of such subsections, 15 percent of the Congo francs accruing pursuant to this agreement.

B. For a loan to the Government of the Democratic Republic of the Congo 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 Democratic Republic of the Congo, as may be mutually agreed, 85 percent of the Congo francs 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 Congo francs 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 Congo francs for any purpose authorized by Section 104 of the Act.

Article III

Deposit of Congo francs

1. The Government of the Democratic Republic of the Congo will deposit to the account of the Government of the United States of America an amount of Congo francs equivalent to the dollar sales value of the commodities financed by the Government of the United States of America converted into Congo francs 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 Congo, 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 the Republic of the Congo and the Government of the United States of America.

2. The Government of the United States of America shall determine which of its funds shall be used to pay any refunds of Congo francs 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 Congo francs accruing to the Government of the United States of America under this agreement.

Article IV

GENERAL UNDERTAKINGS

1. The Government of the Democratic Republic of the Congo will take all possible measures to prevent the resale of transhipment to other countries or the use for other than domestic purposes 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 beginning on the date of this agreement and ending with the final date on which such commodities are received and utilized; 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 these 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 Democratic Republic of the Congo 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, and information relating to imports and exports of the same or like commodities.

Article V

CONSULTATION

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.