

No. 8409

**UNITED STATES OF AMERICA
and
GUINEA**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act, as
amended (with exchange of notes). Signed at Conakry,
on 4 February 1966**

Official texts: English and French.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
GUINÉE**

**Accord relatif aux produits agricoles, conclu en vertu du
titre I de la loi sur le développement des échanges com-
merciaux et de l'aide en produits agricoles, telle qu'elle
a été amendée (avec échange de notes). Signé à Conakry,
le 4 février 1966**

Textes officiels anglais et français.

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

No. 8409. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
THE REPUBLIC OF GUINEA UNDER TITLE I OF THE
AGRICULTURAL TRADE DEVELOPMENT AND ASSIST-
ANCE ACT, AS AMENDED. SIGNED AT CONAKRY, ON
4 FEBRUARY 1966

The Government of the United States of America and the Government of the Republic of Guinea :

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

Considering that the Guinean francs accruing from such purchases 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 Republic of Guinea 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 GUINEAN FRANCS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of Guinea 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

¹ Came into force on 4 February 1966, upon signature, in accordance with article VI.

undertakes to finance the sales for Guinean francs, to purchasers authorized by the Government of the Republic of Guinea, of the following agricultural commodity in the amount indicated :

<i>Commodity</i>	<i>Export Market Value (Millions)</i>
Rice	\$2.38

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 Guinean 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 Guinea. The Government of Guinea will not be required to deposit 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 Guinea will open a letter of credit, in dollars, for the estimated cost of ocean transportation for commodities carried in the United States flag vessels.

4. 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

USES OF GUINEAN FRANCS

The Guinean 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 shall determine, for the following purposes, in the proportions 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 of such subsections, 20 percent of the Guinean francs 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 Guinea incident thereto, 5 percent of the Guinean francs 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 Guinea for business development and trade expansion in Guinea and to United States firms and Guinean 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 Government of the Republic of Guinea acting through the Bank of the Republic of Guinea (hereinafter referred to as the Bank). The Governor of the Bank, or his designate, will act for the Government of the Republic of Guinea, 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 Bank 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 Bank 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 the Republic of Guinea on comparable loans, provided such rate is 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 Bank will indicate to AID whether or not the Bank has any objection to the proposed loan. Unless within the sixty-day period AID has received such a communication from the Bank, it shall be

understood that the Bank has no objection to the proposed loan. When AID approves or declines the proposed loan it will notify the Bank.

- (6) In the event the Guinea francs 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 Bank, the Government of the United States of America may use the Guinea francs for any purpose authorized by Section 104 of the Act.

C. For a loan to the Government of the Republic of Guinea 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 Republic of Guinea, as may be mutually agreed, 75 percent of the Guinean 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 Guinean 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 Guinean francs for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF GUINEAN FRANCS

1. The Government of Guinea will deposit to the account of the Government of the United States of America an amount of Guinean francs equivalent to the dollar sales value of the commodities financed by the Government of the United States of America converted into Guinean francs at the applicable rate of exchange in effect on the date of dollar disbursement by the Government of the United States of America.

- (a) If a unitary exchange rate system is maintained by the Government of the Republic of Guinea, the applicable rate will be the rate at which the central monetary authority of Guinea, or its authorized agent, sells foreign exchange for Guinean francs.
- (b) If a unitary rate system is not maintained, the applicable rate will be the rate mutually agreed upon by the Government of the United States of America and the Government of the Republic of Guinea.

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

Article IV

GENERAL UNDERTAKINGS

1. The Government of the Republic of Guinea will take all possible measures to prevent the resale 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, transshipment or use is specifically approved by the Government of the United States of America); 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 (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 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 nations.

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 Republic of Guinea 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 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.

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

DONE at Conakry, Guinea, in duplicate, this 4th day of February, 1966.

For the Government
of the United States of America :

Pierre R. GRAHAM

For the Government
of the Republic of Guinea :

CAMARA Balla

EXCHANGE OF NOTES — ÉCHANGE DE NOTES

I

*The American Chargé d'Affaires ad
interim to the Guinean Minister
of Foreign Affairs*

*Le Chargé d'affaires par intérim des
États-Unis d'Amérique au Ministre
des affaires étrangères de la Guinée*

EMBASSY OF THE UNITED STATES OF AMERICA

No. 39

Conakry, February 4, 1966

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement signed today by representatives of our two Governments and to inform you of my Government's understanding of the following :

(1) For purposes of Section 104 (a) of the Act, the Government of Guinea will provide, upon request of the Government of the United States of America, facilities for the conversion into non-dollar currencies of \$47,600 worth, or two percent of the Guinean francs accruing from sales and 104 (g) loan repayments, whichever is greater, to finance agricultural market development activities in other countries.

(2) The Government of the United States of America may utilize Guinean francs in the Republic of Guinea to pay for travel which is part of a trip in which the traveler travels from, to, or through the Republic of Guinea. It is understood that these funds are intended to cover only travel by persons who are on official business for the Government of the United States of America or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which Guinean francs may be utilized shall not be limited to services provided by the Republic of Guinea's transportation facilities.

(3) Until our two governments develop other arrangements for payment of interest on Guinean francs received by the Government of the United States of America, the Government of the Republic of Guinea agrees that these Guinean francs may be deposited with the Government of the Republic of Guinea or with the Central Bank of Guinea and interest thereon shall be payable at 2½ per cent per annum.

(4) With regard to paragraph 4, Article IV of the Agreement, the Government of the Republic of Guinea agrees to furnish 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 commodity and quantity received, the condition in which received, the date unloading was completed, the disposition of the cargo, i.e., distributed locally, or, if shipped, where shipped. In addition, the Government of the Republic of Guinea agrees to furnish quarterly a statement of measures it has taken to prevent the resale or transshipment of commodities furnished, and assurances that the program has not resulted in increased availability of the same or like commodities to other nations.

The Government of the Republic of Guinea 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 or like those imported under the agreement.

I should appreciate receiving your Excellency's confirmation of the above understanding.

Accept, Excellency, the renewed assurances of my highest consideration.

Pierre R. GRAHAM
Chargé d'Affaires a. i.

His Excellency Lansana Béavogui
Minister of Foreign Affairs
Conakry

[TRADUCTION — TRANSLATION]

AMBASSADE DES ÉTATS-UNIS D'AMÉRIQUE

N° 39

Conakry, le 4 février 1966

Monsieur le Ministre,

[Voir note II]

Pierre R. GRAHAM
Chargé d'affaires p. i.

Son Excellence Monsieur Lansana Béavogui
Ministre des affaires étrangères
Conakry

II

The Guinean Minister of Foreign Affairs to the American Chargé d'Affaires ad interim *Le Ministre des affaires étrangères de la Guinée au Chargé d'affaires par intérim des États-Unis d'Amérique*

Conakry, le 4 Février 1966

Excellence,

J'ai l'honneur d'accuser réception de votre lettre en date de ce jour et ainsi libellée.

« J'ai l'honneur de me référer à l'Accord sur les Produits Agricoles signé ce jour par les Représentants de nos deux Gouvernements et de vous informer de la façon dont mon Gouvernement comprend les points suivants :

Veillez agréer Excellence, les assurances renouvelées de ma très haute considération.

D^r Lansana BEAVOGUI
Ministre des Affaires étrangères
Conakry

S. E. Pierre R. Graham
Chargé d'Affaires p. i.
Conakry

[TRANSLATION¹ — TRADUCTION²]

Conakry, February 4, 1966

Excellency :

I have the honor to acknowledge receipt of your note of this date, which reads as follows :

[*See note I*]

I have the honor to signify my Government's full agreement to the terms of this note.

Accept, Excellency, the renewed assurances of my very high consideration.

Dr. Lansana BEAVOGUI
Minister of Foreign Affairs
Conakry

Mr. Pierre R. Graham
Chargé d'Affaires ad interim
Conakry

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.