

No. 8571

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**UNITED STATES OF AMERICA  
and  
ALGERIA**

**Agricultural Commodities Agreement under Title IV of  
the Agricultural Trade Development and Assistance  
Act, as amended (with exchange of notes and related  
agreement). Signed at Algiers, on 23 February 1966**

*Official texts : English and French.*

*Registered by the United States of America on 13 March 1967.*

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

**Accord sur la fourniture de céréales, conclu en vertu du  
titre IV de la loi sur le développement et l'assistance  
liés au commerce des produits agricoles, telle qu'elle  
a été modifiée (avec échange de notes et accord y  
relatif). Signé à Alger, le 23 février 1966**

*Textes officiels anglais et français.*

*Enregistré par les États-Unis d'Amérique le 13 mars 1967.*

No. 8571. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ALGERIA UNDER TITLE IV OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT ALGIERS, ON 23 FEBRUARY 1966

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The Government of the United States of America and the Government of Algeria :

Recognizing the desirability of expanding trade in agricultural commodities between their two countries in a manner which would utilize surplus agricultural commodities, including the products thereof, produced in the United States of America to assist economic development in Algeria ;

Recognizing that such expanded trade with friendly countries should be carried on in a manner which would not displace cash marketings of the United States of America in those commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade ;

Recognizing further that by providing such commodities to Algeria under long-term supply and credit arrangements, the resources and manpower of Algeria can be utilized more effectively for economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use ;

Desiring to set forth the understandings which will govern the sales, as specified below, of commodities to Algeria pursuant to Title IV of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act) ;

Have agreed as follows :

### *Article I*

#### COMMODITY SALES PROVISIONS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Algeria of credit purchase author-

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<sup>1</sup> Came into force on 23 February 1966, upon signature, in accordance with article V.

izations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance, during the period specified below, or such longer periods as may be authorized by the Government of the United States of America, sales for United States dollars, to purchasers authorized by the Government of Algeria, of the following commodity :

<i>Commodity</i>	<i>Supply Period</i>	<i>Approximate Maximum Quantity (Metric Tons)</i>	<i>Maximum Export Market Value to be Financed (1,000)</i>
Wheat.....	U.S. Fiscal Year 1966	200,000	\$11,620
Ocean Transportation (Estimated) .....			974
		TOTAL	\$12,594

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified, export market value to be financed, except that additional financing for ocean transportation will be provided if the estimated amount for financing shipments required to be made on United States flag vessels proves to be insufficient. It is understood that the Government of the United States of America may limit the amount of financing provided in the credit purchase authorizations, as price declines or other marketing factors may require, so that the quantities of commodities financed will not substantially exceed the above-specified approximate maximum quantities.

2. Applications for credit purchase authorizations will be made promptly after the effective date of this Agreement. Purchase authorizations will include provisions relating to the sale and delivery of the commodities and other relevant matters.

3. The financing, sale and delivery of commodities hereunder may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale, and delivery is unnecessary or undesirable

## *Article II*

### CREDIT PROVISIONS

1. The Government of Algeria will pay, or cause to be paid, in United States dollars to the Government of the United States of America for the commodities specified in Article I and related ocean transportation (except excess ocean transportation costs resulting from the requirement that United

States flag vessels be used), the amount financed by the Government of the United States of America together with interest thereon.

2. The amount of the principal due for commodities delivered in each calendar year under this Agreement, including the applicable related ocean transportation costs, shall be made in 19 annual payments, the first of which shall become due on March 31 immediately following the calendar year of shipment. The first annual payment for deliveries in each calendar year shall be for 10 percent of the amount of the commodities and related ocean transportation costs financed in connection with such deliveries. Payment of the balance of amounts financed in connection with shipments in each calendar year shall be made in 18 approximately equal annual installments due on March 31 of successive calendar years. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal due the Government of the United States of America for commodities delivered in each calendar year shall begin on the date of last delivery of commodities in such calendar year and be paid not later than the date on which the annual payment of principal becomes due. Interest shall be computed at the rate of 3½ percent per annum.

4. All payments shall be made in United States dollars and the Government of Algeria shall deposit, or cause to be deposited, such payments in the United States Treasury for credit to the Commodity Credit Corporation unless another depository is agreed upon by the two Governments.

5. The two Governments will 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.

6. For the purpose of determining the date of last delivery of commodities for each calendar year, 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.

### *Article III*

#### GENERAL PROVISIONS

1. The Government of Algeria will take all possible measures to prevent the resale or transshipment to other countries, or the use for other than domestic consumption of the agricultural commodities purchased pursuant to this Agreement (unless 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 on the final date on which said commodities are being 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 sales and purchases of commodities pursuant to the 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 of countries friendly to the United States of America.

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 Algeria will furnish information quarterly on the progress of the program, particularly with respect to the arrival and condition of the commodities ; provisions for the maintenance of usual marketings ; and information relating to imports and exports of the same or like commodities.

#### *Article IV*

##### 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 V*

##### 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 Algiers in duplicate this 23rd day of February, 1966.

For the Government  
of the United States of America :

John D. JERNEGAN

For the Government  
of Algeria :

L. YAKER

## EXCHANGE OF NOTES — ÉCHANGE DE NOTES

## I

*The American Ambassador to the Algerian Director of Economic, Cultural and Social Affairs, Ministry of Foreign Affairs*

*L'Ambassadeur des États-Unis d'Amérique au Directeur des affaires économiques, culturelles et sociales au Ministère des affaires étrangères d'Algérie*

Algiers, February 23, 1966

Excellency :

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

1. With regard to paragraph 4 of Article III of the Agreement, the Government of Algeria agrees to furnish the following information quarterly in connection with each shipment received of commodities financed 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 the commodity was received, the date unloading was completed, and the disposition of the cargo, i.e., stored, distributed locally or, if shipped, where shipped. In addition, the Government of Algeria agrees to furnish quarterly : (a) a statement of measures it has taken to prevent the reexport or transshipment of the commodities furnished, (b) assurances that the program has not resulted in the increased availability of the same or like commodities to other nations and (c) a statement showing progress made toward fulfilling commitments on usual marketings. The Government of Algeria 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 as or like those imported under the Agreement.

2. As agreed in conversations which have taken place between the representatives of our two Governments, the Government of Algeria will deposit in a special account in the name of the Government of Algeria an amount of Algerian Dinars equivalent to the dollar sales value of commodities and ocean transportation costs reimbursed or financed by the Government of the United States, (except excess costs resulting from the requirement that United States flag vessels be used) converted into Algerian Dinars as follows :

a. At a 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 Algeria, or,

b. If more than one legal rate for foreign exchange transactions exists, at a rate of exchange to be mutually agreed upon from time to time between the Government of the United States and the Government of Algeria.

Deposits by the Government of Algeria into the Special Account will be made monthly and will be equivalent to the amount of Algerian dinars accruing each month to the Government of Algeria as a result of commercialization of commodities made available under the Agricultural Commodities Agreement. The final deposit of Algerian dinars into the Special Account will take place three months after the last arrival of commodities or at a mutually agreed date. These dinars will be used by the Government of Algeria for economic and social development programs as may be mutually agreed upon by the two governments

3. Any Algerian dinars resulting from the sales in Algeria of the commodities financed under the agreement which are loaned by the Government of Algeria to private or non-governmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in Algeria.

4. The Government of Algeria agrees to furnish the Government of the United States of America upon request reports showing the total Algerian dinars available to the Government of Algeria from the sale of the commodities, a list of the projects being undertaken, and related information including the name, location, amount invested in each project and status of completion.

5. The Government of Algeria agrees with the Government of the United States of America that the delivery of commodities pursuant to the agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly nations. In expressing its agreement the Government of Algeria has or will have procured and imported with its own resources during the United States Fiscal Year 1966 at least 170,000 MTs of wheat and/or wheat flour in terms of grain equivalent from the United States of America or countries friendly to it in addition to the commodities to be purchased under the terms of this agreement.

6. If the delivery of commodities under the agreement has not been completed by June 30, 1966, the level of additional usual marketing requirements, export limitations, and offset purchases, if any, to apply during such additional supply period as may be granted by the Government of the United States shall be determined at the time of the Government of Algeria's request for an extension.

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

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

John D. JERNEGAN  
Ambassador of the United States of America

[TRANSLATION — TRADUCTION]

Excellency ·

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

[*See note I*]

I signify to you the agreement of the Government of the Democratic and Popular Republic of Algeria to the terms of this note

Accept, Excellency, the assurance of my very high consideration.

Algiers, February 23, 1966

Layachi YAKER  
Minister Plenipotentiary  
Director of Economic, Cultural, and Social Affairs  
in the Ministry of Foreign Affairs

AGREEMENT BETWEEN THE DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA

1. The Government of the United States of America is prepared to cooperate with the Government of the Democratic and Popular Republic of Algeria in a sale of 200,000 tons of wheat under Title IV, P.L. 480, under the following terms :

- a) Repayment to be in United States dollars over a 20-year period ,
- b) Interest to be at the rate of 3½ percent ;
- c) No payment to be made during the first year ;
- d) 10 percent of the total amount to be paid on March 1, 1967 ;

e) The balance to be paid in 18 equal installments ,

f) The Algerian dinars accruing under this sale will be placed in a special account (according to the conditions stipulated in paragraph 2 of the note accompanying the agreement on the Title IV credit sale) and will be allocated to projects of economic development by mutual agreement, under procedures to be developed ;

g) It is the understanding of the Government of the United States that the Government of Algeria will not export any wheat during the period of deliveries and utilization under this agreement which is to end on June 30, 1966 ;

h) It is further understood that the Government of Algeria has or will have imported from commercial sources an additional 170,000 tons of wheat during United States fiscal year 1966. A formal agreement setting forth the foregoing terms has been signed today. <sup>1</sup>

2. To the extent commodities are available under Title III, P.L. 480, the United States Government has agreed to support needy feeding programs in Algeria being administered by CARE. The level of support of this program has been set at 88,200 MTS of wheat and 4,900 tons of oil for the balance of the calendar year 1966. The two Governments agree on the desirability of progressively phasing down the needy program with the objective of completing shipments by the end of 1968. The two Governments express the wish that the greatest possible number of persons now receiving food on a grant basis can be gradually transferred to the work programs described in paragraph 3 below.

3. The two Governments agree to cooperate in a food-for-work self-help program undertaken jointly by the Algerian Government and three

<sup>1</sup> See p. (118) of this volume

United States voluntary agencies working in Algeria (CARE, CRS and CWS/CCSA).

The Government of Algeria will enter into a detailed operating agreement with these agencies regarding self-help activities, such an agreement to set forth the magnitude of the program envisaged, the project approval procedures to be followed, the Algerian Government's financial contribution and other matters of mutual interest. To carry out this program the United States Government has agreed to furnish under Title III up to 48,800 tons of wheat and 2,710 tons of oil during the balance of calendar year 1966. Delivery will be in several phases. The first 10,000 tons of wheat and 556 tons of oil will be delivered as early as possible after the operating agreement between the Ministry of Labor and Social Affairs and the agencies has been concluded. Subsequent shipments will be according to mutually-agreed schedules. The amount of American commodities to be made available for this program through December 1968 will be determined in future negotiations.

4. The United States Government is prepared to continue supplementing child feeding programs in Algeria under Title III, P. L. 480, at levels considered appropriate by the two Governments and by the administering voluntary agencies.

5. The two Governments have agreed to take all possible steps to assure an orderly flow of foodstuffs to the various programs, arrange for advances, borrowings and interprogram transfers as agreed to between the different Ministries, the AID Section of the United States Embassy and the United States Voluntary Agencies concerned.

6. To carry out paragraph 5 above, a committee composed of representatives of the appropriate GOA Ministries, voluntary agencies, and the AID Section will meet periodically to coordinate the food supply flow and advance for all programs.

7. In addition to the quantities of food to be furnished as shown above, the American Government, as contributor to the World Food Program, has made available to the Algerian Government 19,000 tons of wheat for the Constantine Reforestation program.

8. The two Governments agree to make the most effective use of technical training possibilities for Algerians in the United States. An overall program will be presented by the Foreign Affairs Ministry to the AID Section at the earliest date

9. The two Governments have agreed to re-examine the content and modalities of the medical program.

10. The programs mentioned under paragraphs 2, 3 and 4 of this agreement will be carried out by United States voluntary agencies on the basis of separate agreements between the Algerian Government and the voluntary agencies. In general, the Algerian Government agrees that the AID Section and the voluntary agencies shall receive copies of all shipping documents, including outturn reports immediately upon unloading of any ship carrying foodstuffs under these programs. Further, they shall receive copies of all *bordereaux* from the Société Générale de Surveillance. Should the foodstuffs be processed, the *bordereaux* will be furnished from the mills as soon as they are issued. The AID Section and voluntary agency personnel shall be kept informed of the accounting regarding these foodstuffs and of all locations where these foodstuffs are stored and distributed. Inspections may take place periodically in the presence of one or several representatives of the Ministry of Labor and Social Affairs and of other Ministries concerned.

The preparation of periodic reports on the use of these foodstuffs will be the subject of separate agreements for each program. It is agreed that the disposition of such sacks and other containers shall be the subject of consultation between the Ministries concerned and the organization holding title to them and that proceeds of any sale shall be used for purposes defined in a common agreement. United States markings must be obliterated.

11. It is the intention of the two Governments to proceed rapidly with negotiations expected to lead to the signature of an Investment Guaranty Agreement.

For the Government  
of the United States of America :

John D. JERNEGAN

For the Government  
of Algeria :

L. YAKER

Algiers, February 23, 1966

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