1523

No. 6345

UNITED STATES OF AMERICA
and
MOROCCO

Exchange of notes constituting an agreement relating to agricultural commodities. Rabat, 9 February 1962

Official texts: English and French.

Registered by the United States of America on 16 October 1962.

ÉTATS-UNIS D'AMÉRIQUE
et
MAROC

Échange de notes constituant un accord relatif aux produits agricoles. Rabat, 9 février 1962

Textes officiels anglais et français.

Enregistré par les États-Unis d'Amérique le 16 octobre 1962.

No. 6345. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT[1] BETWEEN THE UNITED STATES OF AMERICA AND MOROCCO RELATING TO AGRICULTURAL COMMODITIES. RABAT, 9 FEBRUARY 1962

Nº 6345. ÉCHANGE DE NOTES CONSTITUANT UN ACCORD[1] ENTRE LES ÉTATS-UNIS D'AMÉRIQUE ET LE MAROC, RELATIF AUX PRODUITS AGRICOLES. RABAT, 9 FÉVRIER 1962

I

The American Ambassador to the Moroccan Minister of Foreign Affairs

L'Ambassadeur des États-Unis d'Amérique au Ministre des affaires étrangères du Maroc

Rabat, February 9, 1962

No. 430

Excellency :

I have the honor to refer to conversations between representatives of our two Governments looking toward the conclusion of an Agreement involving the purchase by the Government of Morocco of certain agricultural products and the utilization of the proceeds from such purchases. Our representatives have reached an understanding on the language for such an Agreement.

AGRICULTURAL COMMODITIES AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF MOROCCO UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED

The Government of the United States of America and the Government of the Kingdom of Morocco :

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

Considering that the dirhams accruing from such purchase will be utilized in a manner beneficial to both countries ;

[1] Came into force on 9 February 1962 by the exchange of the said notes.

[1] Entré en vigueur le 9 février 1962 par l'échange desdites notes.

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to the Government of Morocco 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 MOROCCAN DIRHAMS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Morocco of purchase authorizations 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 the sales for dirhams, to purchasers authorized by the Government of Morocco, of the following agricultural commodities in the amounts indicated :

Commodity	*Export Market Value (millions)*
Wheat/wheat flour	$12.7
Ocean transportation (estimated)	1.5
TOTAL	$14.2

2. Applications for purchase authorizations will be made within 90 calendar days of 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 the dirhams accruing from such sale, and other relevant matters.

3. Purchase and shipment of the commodities mentioned above will be made within 18 calendar months of the effective date of this Agreement.

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 MOROCCAN DIRHAMS

The dirhams 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 amounts shown :

A. For United States expenditures under subsections (*a*), (*b*), (*c*), (*d*), (*f*) and (*h*) through (*s*) of Section 104 of the Act, or under any of such subsections, twenty-five percent of the dirhams accruing pursuant to this Agreement.

B. For loans to be made by the Export-Import Bank of Washington under Section 104 (*e*) of the Act and for administrative expenses of the Export-Import Bank of Washington in Morocco incident thereto, fifteen percent of the dirhams 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 Morocco for business development and trade expansion in Morocco, and to United States firms and Moroccan 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 the Export-Import Bank of Washington and the Government of Morocco, acting through the Ministry of National Economy and Finance of Morocco (hereinafter referred to as the Ministry). The Minister of National Economy and Finance, or his designate, will act for the Government of Morocco, and the President of the Export-Import Bank of Washington, or his designate, will act for the Export-Import Bank of Washington.

(3) Upon receipt of an application which the Export-Import Bank of Washington is prepared to consider, the Export-Import Bank will inform the Ministry of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes of which the loan proceeds would be expended.

(4) When the Export-Import Bank of Washington is prepared to act favorably upon an application, it will so notify the Ministry 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 Morocco on comparable loans, and the maturities will be consistent with the purposes of the financing.

(5) Within sixty days after the receipt of the notice that the Export-Import Bank of Washington is prepared to act favorably upon an application, the Ministry will indicate to the Export-Import Bank whether or not the Ministry has any objection to the proposed loan. Unless within the sixty-day period the Export-Import Bank of Washington has received such a communication from the Ministry, it shall be understood that the Ministry has no objection to the proposed loan. When the Export-Import Bank of Washington approves or declines the proposed loan, it will notify the Ministry.

(6) In the event the dirhams set aside for loans under Section 104 (*e*) of the Act are not advanced within three years from the date of this Agreement because the Export-Import Bank of Washington has not approved loans or because proposed loans have not been mutually agreeable to the Export-Import Bank of Washington and the Ministry, the Government of the United States of America may use the dirhams for any purpose authorized by Section 104 of the Act.

C. For a loan to the Government of Morocco 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 Morocco, as may be mutually agreed, sixty percent of the dirhams 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 dirhams for loan purposes within three years from the date of this Agreement, the Government of the United States of America may use the dirhams for any purposes authorized by Section 104 of the Act.

Article III

DEPOSIT OF MOROCCAN DIRHAMS

1. The amount of dirhams 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 and ocean transportation costs reimbursed or financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) converted into dirhams, as follows :

(*a*) at the selling rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of Morocco, 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 of America and the Government of Morocco.

2. In the event that a subsequent Agricultural Commodities Agreement or Agreements should be signed by the two Governments under the Act, any refunds of dirhams which may be due or become due under this Agreement more than two years from the effective date of this Agreement would be made by the Government of the United States of America from funds available from the most recent Agricultural Commodities Agreement in effect at the time of the refund.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Morocco will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America) of the agricultural commodities purchased pursuant to the provisions of this Agreement, and to assure that the purchase of such commodities does not result in increased availability of these 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 or 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