No. 7865

UNITED STATES OF AMERICA
and
DAHOMEY

Agricultural Commodities Agreement under Title I of the Agricultural Trade Development and Assistance Act, as amended (with exchange of notes). Signed at Cotonou, on 31 December 1964

Official texts: English and French.

Registered by the United States of America on 27 July 1965.

ÉTATS-UNIS D'AMÉRIQUE
et
DAHOMEY

Accord relatif aux produits agricoles conclu en vertu du titre I de l'Acte (modifié) sur le développement des échanges commerciaux et de l'aide en produits agricoles (avec échange de notes). Signé à Cotonou, le 31 décembre 1964

Textes officiels anglais et français.

Enregistré par les États-Unis d'Amérique le 27 juillet 1965.

No. 7865. AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF DAHOMEY UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT COTONOU, ON 31 DECEMBER 1964

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

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 the Communauté Financière Africaine francs (hereinafter referred to as CFA francs) of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the CFA 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 Dahomey 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 CFA FRANCS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of Dahomey of purchase authorizations and to the availability of the commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance the sales for CFA francs to purchasers authorized by the Government

[1] Came into force on 31 December 1964, upon signature, in accordance with article VI.

of the Republic of Dahomey, of the following agricultural commodity in the amount indicated :

Commodity	*Export Market Value (thousands)*
Rice, milled	$244
Ocean transportation (estimated)	25
TOTAL	$269

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

3. 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 CFA FRANCS

The CFA 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, 35 percent of the CFA francs accruing pursuant to this Agreement. It is understood that the Government of the United States may use the CFA francs reserved for United States expenditures in other countries served by the Banque Centrale des États de l'Afrique de l'Ouest.

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 Dahomey incident thereto, 15 percent of the CFA 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 Dahomey for business development and trade expansion in Dahomey and to United States firms and Dahomean 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 Dahomey, acting through the Ministry of Finance, Economic Affairs and the Plan (hereinafter referred to as the Ministry). The Minister of Finance, Economic Affairs and the Plan, or his designate, will act for the Government of the Republic of Dahomey, 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 Ministry 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 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 Dahomey 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 Ministry 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 Ministry, it shall be understood that the Ministry has no objection to the proposed loan. When AID approves or declines the proposed loan it will notify the Ministry.

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

C. For a loan to the Government of the Republic of Dahomey 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 Dahomey as may be mutually agreed, 50 percent of the CFA 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 CFA 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 CFA francs for any purpose authorized by Section 104 of the Act.

Article III

Deposit of CFA francs

1. The amount of CFA francs 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 CFA 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 Dahomey, 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 United States of America and the Government of the Republic of Dahomey.

2. Any refunds of CFA francs which may be due or become due under this agreement more than two years from the effective date of this agreement may, in the event that any subsequent agreement or agreements should be signed by the two Governments under the Act, be made by the Government of the United States of America from funds available from the most recent agreement in effect at the time of the refund.

Article IV

General undertakings

1. The Government of the Republic of Dahomey 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