No. 8584

UNITED STATES OF AMERICA
and
MOROCCO

Exchange of notes (with related notes) constituting an agreement relating to agricultural commodities. Rabat, 29 December 1964

Official texts: English and French.

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

ÉTATS-UNIS D'AMÉRIQUE
et
MAROC

Échange de notes (avec notes connexes) constituant un accord relatif aux produits agricoles. Rabat, 29 décembre 1964

Textes officiels anglais et français.

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

No. 8584. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT[1] BETWEEN THE UNITED STATES OF AMERICA AND MOROCCO RELATING TO AGRICULTURAL COMMODITIES. RABAT, 29 DECEMBER 1964

N° 8584. ÉCHANGE DE NOTES CONSTITUANT UN ACCORD[1] ENTRE LES ÉTATS-UNIS D AMÉRIQUE ET LE MAROC RELATIF AUX PRODUITS AGRICOLES. RABAT, 29 DÉCEMBRE 1964

I

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

Le Chargé d'affaires par intérim des États-Unis d'Amérique au Ministre des affaires étrangères du Maroc

No. 309

Rabat, December 29, 1964

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

[1] Came into force on 29 December 1964 by the exchange of the said notes.

[1] Entré en vigueur le 29 décembre 1964 par l'échange desdites notes.

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to 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 the Kingdom of Morocco 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 undertakes to finance the sale for Moroccan dirhams to purchasers authorized by the Government of the Kingdom of Morocco of the following agricultural commodities during United States Fiscal Year 1965 in the amounts indicated :

Commodity	*Export Market Value (millions)*
Wheat and/or wheat flour	$6.9
Ocean transportation (estimated)	.9
TOTAL	$7.8

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 of 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 Moroccan dirhams 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 MOROCCAN DIRHAMS

The Moroccan 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 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, 30 percent of the Moroccan dirhams 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 the Kingdom of Morocco incident thereto, 10 percent of the Moroccan 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 the Kingdom of Morocco for business development and trade expansion in the Kingdom of 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 AID and the Government of the Kingdom of Morocco, acting through the Ministry of Economic Affairs and Finance of Morocco (hereinafter referred to as the Ministry). The Minister of Economic Affairs and Finance, or his designate, will act for the Government of the Kingdom of Morocco, 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 the Kingdom of Morocco 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 the Ministry 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 Moroccan 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 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 Moroccan dirhams for any purpose authorized by Section 104 of the Act.

C. For a loan to the Government of the Kingdom 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, 60 percent of the Moroccan 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 Moroccan dirhams 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 Moroccan dirhams for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF MOROCCAN DIRHAMS

1. The amount of Moroccan 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 Moroccan dirhams 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 Kingdom 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 the Kingdom of Morocco.

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

Article IV

GENERAL UNDERTAKINGS

1. The Government of the Kingdom of Morocco 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