

UNITED STATES OF AMERICA
and
MOROCCO

Exchange of notes constituting an agreement relating to agricultural commodities (with related notes). Rabat, 23 April 1965

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Rabat, 8 October 1965

Exchange of notes constituting an agreement amending the above-mentioned Agreement of 23 April 1965, as amended. Rabat, 21 April 1966

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 constituant un accord relatif aux produits agricoles (avec notes connexes). Rabat, 23 avril 1965

Échange de notes constituant un accord amendant l'Accord susmentionné. Rabat, 8 octobre 1965

Échange de notes constituant un accord amendant l'Accord susmentionné du 23 avril 1965, déjà modifié. Rabat, 21 avril 1966

Textes officiels anglais et français.

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

No. 8591. EXCHANGE OF NOTES
CONSTITUTING AN AGREE-
MENT¹ BETWEEN THE UNIT-
ED STATES OF AMERICA AND
MOROCCO RELATING TO AGRI-
CULTURAL COMMODITIES.
RABAT, 23 APRIL 1965

N° 8591. ÉCHANGE DE NOTES
CONSTITUANT UN ACCORD¹
ENTRE LES ÉTATS-UNIS
D'AMÉRIQUE ET LE MAROC
RELATIF AUX PRODUITS
AGRICOLES. RABAT, 23 AVRIL
1965

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 548

Rabat, April 23, 1965

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 ,

¹ Came into force on 23 April 1965 by the exchange of the said notes

¹ Entré en vigueur le 23 avril 1965 par l'échange desdites notes

Considering that the Moroccan dirhams 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 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 sales for Moroccan dirhams, to purchasers authorized by the Government of the Kingdom of Morocco, of the following agricultural commodities in the amounts indicated :

<i>Commodity</i>	<i>Export Market Value (Millions)</i>
Wheat /wheat flour	\$6.1

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 Moroccan dirhams 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 the United States Department of Agriculture determines that such costs are higher than otherwise would be the case by reason of its requiring that 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 the Kingdom of Morocco. The Government of the Kingdom of Morocco will not be required to deposit Moroccan dirhams for ocean transportation financed by the Government of the United States of America.

4. 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 the Kingdom of Morocco will open a letter of credit, in dollars, for the estimated cost of ocean transportation for commodities carried in United States flag vessels.

5. 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, 20 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 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 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 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 Morocco on comparable loans, provided such rate is not lower than 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 the Kingdom of Morocco, as may be mutually agreed, 70 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 Government of the Kingdom of Morocco will deposit to the account of the Government of the United States of America an amount of Moroccan dirhams equivalent to the dollar sales value of the commodities financed by the Government of the United States of America converted into Moroccan dirhams 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 Kingdom of Morocco, the applicable rate will be the rate at which the central monetary authority of Morocco, or its authorized agent, sells foreign exchange for Moroccan dirhams.
- (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 Kingdom of Morocco.

2. The Government of the United States of America shall determine which of its funds shall be used to pay any refund 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