

**No. 5854**

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**UNITED STATES OF AMERICA  
and  
MOROCCO**

**Exchange of notes constituting an agreement relating to  
guaranties of private investments. Rabat, 31 March  
1961**

*Official texts: English and French.*

*Registered by the United States of America on 6 September 1961.*

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

**Échange de notes constituant un accord relatif à la garantie  
des investissements privés. Rabat, 31 mars 1961**

*Textes officiels anglais et français.*

*Enregistré par les États-Unis d'Amérique le 6 septembre 1961.*

No. 5854 EXCHANGE OF NOTES  
CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN THE UNITED STATES OF AMERICA  
AND MOROCCO RELATING TO GUARANTIES OF PRIVATE  
INVESTMENTS. RABAT, 31 MARCH 1961

N° 5854. ÉCHANGE DE NOTES  
CONSTITUANT UN ACCORD<sup>1</sup>  
ENTRE LES ÉTATS-UNIS D'AMÉRIQUE ET LE MAROC  
RELATIF À LA GARANTIE DES INVESTISSEMENTS PRIVÉS.  
RABAT, 31 MARS 1961

## I

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

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

EMBASSY OF THE UNITED STATES OF AMERICA  
RABAT

No. 603

March 31, 1961

Excellency :

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments relating to guaranties authorized by Section 413 (b)(4) of the Mutual Security Act of 1954, as amended. I also have the honor to confirm the following understandings reached as a result of these conversations :

1. The Governments of the United States of America and the Kingdom of Morocco will, upon the request of either of them, consult respecting projects in Morocco proposed by citizens of the United States of America with respect to which guaranties under Section 413 (b) (4) of the Mutual Security Act of 1954, as amended, have been made or are under consideration.

2. The Government of the United States of America agrees that it will issue no guaranty with respect to any project unless it is approved by the Government of the Kingdom of Morocco.

3. With respect to such guaranties extending to projects which are approved by the Government of the Kingdom of Morocco in accordance with the provisions of the aforementioned Section 413 (b) (4), the Government of the Kingdom of Morocco agrees :

(a) That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of the Kingdom of Morocco will recognize the transfer to the Government of the United States of America of any currency, credits, assets, or investment on account of which such payment is made, and the subrogation of the Government of the United States of America to any right, title, claim or cause of action existing in connection therewith;

<sup>1</sup> Came into force on 31 March 1961 by the exchange of the said notes.

<sup>1</sup> Entré en vigueur le 31 mars 1961 par l'échange desdites notes.

- (b) That dirham amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such dirham amounts shall be freely available to the Government of the United States of America for administrative expenses;
- (c) That any claim against the Government of the Kingdom of Morocco to which the Government of the United States of America may be subrogated as a result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government;
- (d) That if the Government of the United States of America issues guaranties to cover losses by reason of war with respect to investments in Morocco, the Government of the Kingdom of Morocco agrees that nationals of the United States of America to whom such guaranties have been issued, will be accorded by the Government of the Kingdom of Morocco treatment no less favorable than that accorded, in like circumstances, to its nationals or nationals of third countries, with reference to any reimbursement, compensation, indemnification, or any other payment, including the distribution of reparations received from enemy countries, that the Government of the Kingdom of Morocco may make or pay for losses incurred by reason of war; if the Government of the United States of America makes payment in U.S. dollars to any national of the United States of America under a guaranty for losses by reason of war, the Government of the Kingdom of Morocco will recognize the transfer to the Government of the United States of America of any right, privilege, or interest, or any part thereof, that such nationals may be granted or become entitled to as a result of the aforementioned treatment by the Government of the Kingdom of Morocco;
- (e) The aforementioned subparagraph (c) with respect to the arbitration of claims shall not be applicable to the type of guaranties against losses by reason of war provided for in subparagraph (d).

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of the Kingdom of Morocco, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of your note in reply.

Accept, Excellency, the renewed assurances of my distinguished consideration.

David G. NES  
Chargé d'Affaires ad interim

His Excellency Driss Mhammedi  
Minister of Foreign Affairs  
Rabat

« e) Le sous-paragraphe c) précité, à l'égard d'arbitrage des réclamations, ne sera pas applicable au type des garanties contre pertes du fait de la guerre visé au sous-paragraphe d). »

J'ai l'honneur de vous confirmer l'accord de mon Gouvernement sur les dispositions prévues ci-dessus.

Je vous prie de croire, Monsieur le Chargé d'Affaires, à l'assurance de ma très haute considération.

Dris MHAMMEDI  
Ministre des Affaires Étrangères

Monsieur le Chargé d'Affaires des États-Unis d'Amérique  
Rabat

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

KINGDOM OF MOROCCO  
MINISTRY OF FOREIGN AFFAIRS

No. 145 M/A/E

Rabat, March 31, 1961

Mr. Chargé d'Affaires :

I have the honor to acknowledge the receipt of your note No. 603 of March 31, 1961, which reads as follows :

“ Excellency :

“ I have the honor to refer to conversations which have recently taken place between representatives of our two Governments relating to the guaranties authorized by Section 413 (b)(4) of the Mutual Security Act of 1954, as amended. I also have the honor to confirm the following understandings reached as a result of these conversations :

[See note I]

I have the honor to confirm to you the agreement of my Government to the foregoing provisions.

Accept, Mr. Chargé d'Affaires, the assurances of my very high consideration.

Dris MHAMMEDI  
Minister of Foreign Affairs

Chargé d'Affaires of the United States of America  
Rabat

<sup>1</sup> Translation by the Government of the United States of America.

<sup>2</sup> Traduction du Gouvernement des États-Unis d'Amérique.