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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 AGREE-
MENT¹ BETWEEN THE UNITED
STATES OF AMERICA AND MO-
ROCCO RELATING TO AGRICUL-
TURAL COMMODITIES. RABAT,
9 FEBRUARY 1962

N° 6345. ÉCHANGE DE NOTES
CONSTITUANT UN ACCORD¹ EN-
TRE LES ÉTATS-UNIS D'AMÉRI-
QUE ET LE MAROC, RELATIF
AUX PRODUITS AGRICOLES. RA-
BAT, 9 FÉVRIER 1962

I

*The American Ambassador to the Mo-
roccan Minister of Foreign Affairs*

*L'Ambassadeur des États-Unis d'Amé-
rique 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 King-
dom 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 :

<i>Commodity</i>	<i>Export Market Value (millions)</i>
Wheat/wheat flour	\$12.7
Ocean transportation (estimated)	1.5
TOTAL	<u>\$14.2</u>

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

world prices of agricultural commodities or normal patterns of commercial trade with friendly countries.

3. In carrying out this Agreement, the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Government of Morocco will furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to arrival and condition of commodities and provisions for the maintenance of usual marketings, and information relating to exports of the same or like commodities.

Article V

CONSULTATION

The two Governments will, upon request of either of them, consult regarding any matter relating to the application of this Agreement, or to the operation of arrangements carried out pursuant to this Agreement.

If the foregoing Agreement is acceptable to the Government of Morocco, it is understood that this note and Your Excellency's affirmative reply thereto shall constitute an agreement between our two Governments on this matter which shall enter into force on the date of Your Excellency's affirmative reply.

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

Philip W. BONSAI

His Excellency Ahmed Balafrej
Minister, Personal Representative of His Majesty the King
Minister of Foreign Affairs
Rabat

[TRADUCTION — TRANSLATION]

Rabat, le 9 février 1962

N° 430

Monsieur le Ministre,

J'ai l'honneur de me référer aux conversations qui ont eu lieu entre les représentants de nos deux Gouvernements en vue de la conclusion d'un accord impliquant l'achat par le Gouvernement marocain de certains produits agricoles et l'utilisation des fonds provenant de ces achats. Nos représentants ont abouti à une entente sur le texte d'un tel Accord.

[*Voir note II*]

[TRANSLATION¹ — TRADUCTION²]

KINGDOM OF MOROCCO
MINISTRY OF FOREIGN AFFAIRS

Mr. Ambassador :

I have the honor to acknowledge receipt of your note No. 430 of December 9, 1961³ concerning the conversations held between the 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. I am happy to note that our representatives have reached an understanding on the following text of such an Agreement :

[See note I]

The foregoing Agreement is acceptable to my Government, and it is understood that your note and this reply shall constitute an agreement between our two Governments on this matter, which agreement shall enter into force on the date of this note.

Accept, Mr. Ambassador, the renewed assurances of my very high consideration.

A. BALAFREJ

Rabat, February 9, 1962

His Excellency The Ambassador
of the United States of America
Rabat

III

Rabat, February 9, 1962

No. 431

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of Morocco signed today and to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of our two Governments with respect to the conversion of dirhams into other currencies and to certain other matters relating to the subject Agreement, as follows :

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.

³ According to the information provided by the United States of America this date should read 9 February 1962.

1. Upon request of the Government of the United States of America, the Government of Morocco will provide facilities for conversion into other currencies of 2 percent of the dirhams accruing from sales under the Agreement for purposes of Section 104 (a) of the Act, and of the dirham equivalent of up to \$100,000 for purposes of Section 104 (h) of the Act. These currencies will be used in the case of Section 104 (a) to finance agricultural market development activities in other countries and in the case of Section 104 (h) to finance educational exchange activities in other countries.

2. The Government of the United States of America may utilize dirhams in Morocco to pay for international travel originating in Morocco, or originating outside Morocco when involving travel to or through Morocco, including connecting travel, and for air travel within the United States or other areas outside Morocco when it is a part of a trip in which the traveler journeys from, to or through Morocco. It is understood that these funds are intended to cover only travel by persons engaged in activities financed under Section 104 of the Act. It is further understood that this travel is not limited to services provided by Moroccan airlines.

3. The Government of Morocco agrees that it will import commercially from the United States of America and countries friendly to the United States of America a total of at least 125,000 metric tons wheat in the year commencing on July 1, 1961 and ending on June 30, 1962. The Government of Morocco further agrees that its exports of wheat and wheat products, of either domestic or imported origin during the period July 1, 1961, to June 15, 1962, or, if wheat provided under the agreement cited above has not been utilized by that date, until 60 days after utilization is completed, will be limited to not more than 22,000 metric tons of durum, provided that it agrees to import commercially the equivalent quantity of wheat from the United States of America and countries friendly to the United States of America during the year ending June 30, 1962 over and above the 125,000 metric tons of wheat mentioned above.

I shall appreciate receiving Your Excellency's confirmation that the foregoing is also the understanding of the Government of Morocco.

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

Philip W. BONSAI

His Excellency Ahmed Balafrej
Minister, Personal Representative
of His Majesty the King
Minister of Foreign Affairs
Rabat

[TRANSLATION¹ — TRADUCTION²]

KINGDOM OF MOROCCO
MINISTRY OF FOREIGN AFFAIRS

Rabat

AT/BA 9/2/62³

Mr. Ambassador :

I have the honor to acknowledge receipt of your note No. 431 of this date, which reads as follows :

[*See note III*]

I signify to you my approval of the contents of the note quoted above.

Accept, Mr. Ambassador, the assurances of my very high consideration.

A. BALAFREJ

His Excellency the Ambassador of the United States of America
Rabat

V

Rabat, February 9, 1962

No. 432

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement signed today between the Government of the United States of America and the Government of the Kingdom of Morocco and, with regard to the dirhams accruing to uses indicated under Article II of the Agreement, state that the understanding of the Government of the United States of America is as follows :

With respect to paragraph C of Article II : Local currency will be advanced or reimbursed to the Government of the Kingdom of Morocco for financing agreed projects under paragraph C of Article II of the Agricultural Commodities Agreement upon the presentation of such documentation as the United States Aid⁴ Mission may specify.

The Government of the Kingdom of Morocco shall maintain or cause to be maintained books and records adequate to identify the goods and services financed for agreed projects pursuant to paragraph C of Article II of the Agricultural Commod-

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.

³ February 9, 1962.

⁴ Agency for International Development.

ities Agreement, to disclose the use thereof in the projects and to record the progress of the projects (including the cost thereof). The books and records with respect to each project shall be maintained for the duration of the project, or until the expiration of three years after final disbursement for the project has been made by the USAID, whichever is later. The two Governments shall have the right at all reasonable times to examine such books and records and all other documents, correspondence, memoranda and other records involving transactions relating to agreed projects. The Government of the Kingdom of Morocco shall enable the USAID to observe and review agreed projects and the utilization of goods and services financed under the projects, and shall furnish to the USAID all such information as it shall reasonably request concerning the above-mentioned matters and the expenditures related thereto. The Government of the Kingdom of Morocco shall afford, or arrange to have afforded, all reasonable opportunity for authorized representatives of the Government of the United States to visit any part of the territory of Morocco for purposes related to agreed projects.

If the USAID determines that any disbursement under paragraph C of Article II of the Agricultural Commodities Agreement made by it for agreed projects is not supported by the documentation submitted by the Government of the Kingdom of Morocco, or is in violation of any applicable laws or regulations of the United States Government, the Government of the Kingdom of Morocco shall pay to the USAID as may be requested by it, an amount in local currency not to exceed the amount of such disbursement. Where any payment is made by the Government of the Kingdom of Morocco to the USAID pursuant to the preceding sentence on the basis of a disbursement which has been charged as an advance under the line of credit established by the loan agreement, the total amount charged as advances under the line of credit shall be reduced by the amount of such payment.

The USAID shall expend funds for agreed projects only in accordance with the applicable laws and regulations of the United States Government. The USAID may decline to make further disbursements for any agreed projects if it determines that further disbursements would not fulfill the purpose of paragraph C of Article II of the Agricultural Commodities Agreement.

I shall appreciate your confirming to me that the contents of this note also represent the understanding of the Government of the Kingdom of Morocco.

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

Philip W. BONSAI

His Excellency Ahmed Balafrej
Minister, Personal Representative
of His Majesty the King
Minister of Foreign Affairs
Rabat

[TRANSLATION¹ — TRADUCTION²]

KINGDOM OF MOROCCO
MINISTRY OF FOREIGN AFFAIRS

No. M/A/E

Mr. Ambassador :

I have the honor to acknowledge receipt of your note No. 432 of this date, which reads as follows :

[*See note V*]

I signify to you my approval of the contents of the note quoted above.

Accept, Excellency, the renewed assurances of my very high consideration.

A. BALAFREJ

Rabat, February 9, 1962

The Ambassador of the United States
Rabat

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.