

No. 6611

**UNITED STATES OF AMERICA
and
ETHIOPIA**

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance Act, as
amended (with exchange of notes). Signed at Addis
Ababa, on 13 August 1962**

Official text: English.

Registered by the United States of America on 15 April 1963.

**ÉTATS-UNIS D'AMÉRIQUE
et
ÉTHIOPIE**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre IV de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée (avec
échange de notes). Signé à Addis-Abéba, le 13 août 1962**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 15 avril 1963.

No. 6611. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE IMPERIAL ETHIOPIAN
GOVERNMENT UNDER TITLE IV OF THE AGRICUL-
TURAL TRADE DEVELOPMENT AND ASSISTANCE
ACT, AS AMENDED. SIGNED AT ADDIS ABABA, ON
13 AUGUST 1962

The Government of the United States of America and the Imperial Ethiopian Government :

Recognizing the desirability of expanding trade in agricultural commodities between their two countries in a manner which would utilize surplus agricultural commodities, including the products thereof, produced in the United States of America to assist economic development in Ethiopia;

Recognizing that such expanded trade should be carried on in a manner which would not displace cash marketings of the United States of America in those commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Recognizing further that by providing such commodities to Ethiopia under long-term supply and credit arrangements, the resources and manpower of Ethiopia can be utilized more effectively for economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use;

Desiring to set forth the understandings which will govern the sales, as specified below, of commodities to Ethiopia pursuant to Title IV of the Agricultural Trade Development and Assistance Act, as amended, (hereinafter referred to as the Act);

Have agreed as follows :

Article I

COMMODITY SALES PROVISIONS

1. Subject to the request of the Imperial Ethiopian Government for issuance by the Government of the United States of America of credit 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

¹ Came into force on 13 August 1962, upon signature, in accordance with article IV.

finance during the period January 1, 1962-December 31, 1962 sales for United States dollars, to purchasers authorized by the Imperial Ethiopian Government, of the following commodities :

<i>Commodity</i>	<i>Unit</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value To Be Financed</i>
Cotton, upland	Bales	9,200	\$1,340,000
Ocean transportation (estimated)			60,000
			TOTAL \$1,400,000

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified total maximum export market value to be financed. It is understood that the Government of the United States of America will, as price declines or other marketing factors may require, limit the amount of financing provided in the credit purchase authorizations so that the quantities of commodities financed will not substantially exceed the above approximate maximum quantity.

2. Credit purchase authorizations will include provisions relating to the sale and delivery of such commodities and other relevant matters.

3. The financing, sale and delivery of commodities hereunder may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale and delivery is unnecessary or undesirable.

Article II

CREDIT PROVISIONS

1. The Imperial Ethiopian Government will pay or cause to be paid in United States dollars to the Government of the United States of America for the commodities specified in Article I and related ocean transportation (except excess ocean transportation costs resulting from the requirement that United States flag vessels be used) the amount financed by the Government of the United States of America together with interest thereon.

2. The principal amount due for commodities delivered in each calendar year under this Agreement, including the applicable ocean transportation costs related to such deliveries, shall be paid in fifteen approximately equal annual payments. The first annual payment for commodities delivered in any calendar year shall become due on December 31 following the calendar year in which such deliveries were made. Subsequent annual payments shall become due at intervals of one year thereafter. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal amount due the Government of the United States of America for commodities delivered in each calendar year shall be computed at the rate of three per centum per annum and shall begin on the date of the last delivery of commodities in such calendar year. Interest on each such unpaid balance shall be paid annually not later than the date on which the annual payment of principal becomes due.

4. All payments shall be made in United States dollars and the Imperial Ethiopian Government shall deposit, or cause to be deposited, such payments in the United States Treasury unless another depository is agreed upon by the two Governments.

5. The two Governments will each establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year.

6. For the purpose of determining the date of the last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier.

Article III

GENERAL PROVISIONS

1. The Imperial Ethiopian Government will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic consumption of the commodities purchased pursuant to the provisions of this Agreement.

2. The two Governments will take reasonable precautions to assure that all sales or purchases of commodities pursuant to the Agreement will not displace cash marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade of countries friendly to the United States of America.

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

4. The Imperial Ethiopian Government will furnish, upon request of the Government of the United States of America, information on the progress of the program, including the arrival and condition of commodities, imports of commodities which may be required under this Agreement to be purchased from the United States of America or other countries friendly to the United States of

America in addition to commodities financed under this Agreement, and any exports of the same or like commodities.

Article IV

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 entered into pursuant to this Agreement.

The Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE in duplicate at Addis Ababa this thirteenth day of August, 1962.

For the Government
of the United States of America :
Arthur L. RICHARDS

For the Imperial
Ethiopian Government :
Y. DERESSA

EXCHANGE OF NOTES

I

The American Ambassador to the Ethiopian Minister of Finance

No. 13

Addis Ababa, August 13, 1962

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Imperial Ethiopian Government signed today.¹

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of my Government and the Imperial Ethiopian Government on two aspects of the Agreement, as follows :

1. In expressing its concurrence that the commodities delivered pursuant to the Agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries or displace cash marketings of the United States of America in these commodities, the Imperial Ethiopian Government agrees that, during the period that cotton is provided under the Agreement (January 1, 1962-December 31, 1962), Ethiopia

¹ See p. 32 of this volume.

will import commercially from free world sources, including the United States of America, at least 16,000 bales of cotton of which not less than 10,000 bales will be imported from the United States of America, in addition to the quantity financed under the Agreement.

2. The Government of Ethiopia further agrees that the Ethiopian dollars accruing from sales in Ethiopia of the cotton provided under the Agreement will be used for general economic or industrial development purposes in Ethiopia and that the foreign exchange or credit facilities released, by reason of the long term credit for cotton, for procurement abroad of equipment, materials and/or services needed in Ethiopia for economic or industrial development projects in the area of cotton utilization will be used only for such equipment, materials or services as have their origin in and are procured from sources included in Code 898 of the Agency for International Development Geographic Code Book in effect at the time such equipment, materials or services are firmly ordered or otherwise contracted for.

I shall appreciate receiving your Excellency's confirmation of the above understanding.

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

Arthur L. RICHARDS

His Excellency Ato Yilma Deressa
Minister of Finance
Imperial Ethiopian Government
Addis Ababa, Ethiopia

II

The Ethiopian Minister of Finance to the American Ambassador

IMPERIAL ETHIOPIAN GOVERNMENT

MINISTRY OF FINANCE

Addis Ababa, 19..¹

Excellency,

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Imperial Ethiopian Government signed today.

¹ Aug. 13, 1962.

This will confirm Your Excellency's understanding, as expressed in Your Excellency's supplementary Note of today's date, of the two points on which agreement was reached in conversations which have taken place between representatives of our two Governments.

Y. DERESSA

His Excellency the Ambassador of the United States of America
American Embassy
Addis Ababa, Ethiopia