

No. 7109

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**UNITED STATES OF AMERICA  
and  
ETHIOPIA**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act,  
as amended (with exchange of notes). Signed at Addis  
Ababa, on 11 June 1963**

*Official text: English.*

*Registered by the United States of America on 6 February 1964.*

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

**Accord relatif aux produits agricoles, conclu dans le cadre  
du titre I 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 11 juin 1963**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 6 février 1964.*

No. 7109. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED  
STATES OF AMERICA AND THE IMPERIAL ETHIOPIAN  
GOVERNMENT UNDER TITLE I OF THE AGRICULTU-  
RAL TRADE DEVELOPMENT AND ASSISTANCE ACT,  
AS AMENDED. SIGNED AT ADDIS ABABA, ON 11 JUNE  
1963

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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 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 Ethiopian dollars of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade ;

Considering that the Ethiopian dollars 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 Ethiopia 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 ETHIOPIAN DOLLARS

1. Subject to issuance by the Government of the United States of America and acceptance by the Imperial Ethiopian Government 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 sale for Ethiopian dollars, to purchasers authorized by the Imperial Ethiopian Government, of the following :

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<sup>1</sup> Came into force on 11 June 1963, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Export market value</i>
Cotton . . . . .	US\$870,000
Ocean transportation (estimated) . . . . .	38,000
TOTAL	US\$908,000

2. Applications for purchase authorizations will be made within ninety (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 ninety (90) days of 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 Ethiopian dollars accruing from such sales, and other relevant matters.

3. Purchase and shipment of the commodities mentioned above will be made within eighteen (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 considers that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

### *Article II*

#### USES OF ETHIOPIAN DOLLARS

The Ethiopian dollars accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement will be used in the following manner :

A. For United States expenditures under subsections (a), (b), (d), (f), and (h) through (s) of Section 104 of the Act, or under any of such subsections, twenty-five (25) per cent of the Ethiopian dollars 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 subsection 104 (e) of the Act and for administrative expenses of AID in Ethiopia incident thereto, twenty (20) per cent of the Ethiopian dollars accruing pursuant to this Agreement. It is understood that :

(1) Such loans will be made to United States business firms and branches, subsidiaries or affiliates of such firms in Ethiopia for business development and trade expansion in Ethiopia, and to United States firms and Ethiopian 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 Imperial Ethiopian Government, acting through the Ministry of Finance (hereinafter referred to as the Ministry). The Minister of Finance, or his designate, will act for the Imperial Ethiopian Government, and the Administrator of AID, or his designate, will act for AID.

(3) Upon receipt of an application which AID is prepared to consider, it 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 rates will be similar to those prevailing in Ethiopia on comparable loans, and the maturities will be consistent with the purposes of the financing.

(5) Within sixty (60) days after receipt of notice that AID is prepared to act favorably upon an application, the Ministry will indicate whether or not it has any objection to the proposed loan. When AID approves or declines the proposed loan, it will notify the Ministry.

(6) In the event the Ethiopian dollars 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 loans have not been mutually agreeable to AID and the Ministry, the Government of the United States of America may use the Ethiopian dollars for any purpose authorized by Section 104 of the Act.

C. For a loan to the Imperial Ethiopian Government under Section 104 (g) of the Act for financing such projects to promote economic development as may be mutually agreed, including projects not heretofore included in plans of the Imperial Ethiopian Government, fifty-five (55) per cent of the Ethiopian dollars 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 of non-utilization of the Ethiopian dollars for loan purposes within three years from the date of this Agreement, the Government of the United States of America may use the Ethiopian dollars for any purpose authorized by Section 104 of the Act.

### *Article III*

#### DEPOSIT OF ETHIOPIAN DOLLARS

1. The amount of Ethiopian dollars to be deposited to the account of the Government of the United States of America shall be the equivalent of the U.S. 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 Ethiopian dollars, as follows :

- (a) at the 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 Imperial Ethiopian Government, 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 Imperial Ethiopian Government.

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 Ethiopian dollars which may be due or become due under this Agreement more than two years from the effective date of this Agreement will 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 Imperial Ethiopian Government agrees that it 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 approved by mutual agreement of the two Governments) 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 agree that they will take reasonable precautions to assure that sales or purchases of agricultural commodities made 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. The Imperial Ethiopian Government will furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to the arrival and condition of commodities, and information relating to exports of the same or like commodities.

4. 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.

*Article V*

## CONSULTATION

The two Governments will, upon the 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.

*Article VI*

## ENTRY INTO FORCE

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 at Addis Ababa in duplicate this 11th day of June, 1963.

For the Government  
of the United States of America :

Edward M. KORRY

For the Imperial Ethiopian  
Government :

Y. DERESSA

## EXCHANGE OF NOTES

## I

*The American Ambassador to the Ethiopian Minister of Finance*

Addis Ababa, June 11, 1963

No. 700

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between our two Governments signed today<sup>1</sup> and in connection therewith to confirm that it is the understanding of the Government of the United States of America that :

1. The Imperial Ethiopian Government will import commercially from free world sources at least 16,000 bales of cotton, of which not less than 6,600 bales will be imported from the United States of America, during the calendar year 1963.

2. The Imperial Ethiopian Government will provide, upon request of the Government of the United States of America, facilities for the conversion into other currencies of two per cent (2%) of the Ethiopian dollars accruing from sales under the Agreement for purposes of Section 104 (a) of the Act. These currencies will be used to finance agricultural market development activities in other countries.

<sup>1</sup> See p. 270 of this volume.

3. The Government of the United States of America may utilize Ethiopian dollars in Ethiopia to pay for international travel originating in Ethiopia, or originating outside Ethiopia when the travel (including connecting travel), is to or through Ethiopia, and for travel within the United States of America or other areas outside Ethiopia when the travel is part of a trip in which the traveler travels from, to, or through Ethiopia. It is understood that these funds are intended to cover only travel by persons who are travelling on official business for the Government of the United States of America or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which Ethiopian dollars may be utilized shall not be limited to services provided by Ethiopian transportation facilities.

I shall appreciate receiving your confirmation that the foregoing also represents the understanding of the Imperial Ethiopian Government.

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

Edward M. KORRY

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, June 11, 1963

Excellency :

I have the honor to refer to Your Excellency's Note No. 700 concerning the Agricultural Commodities Agreement between our two Governments signed today, and to confirm that the understanding set out in Your Excellency's Note also represents the understanding of the Imperial Ethiopian Government.

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

Y. DERESSA

The Honorable Edward M. Korry  
Ambassador of the United States of America  
Addis Ababa, Ethiopia