

No. 7865

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**UNITED STATES OF AMERICA  
and  
DAHOMY**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act,  
as amended (with exchange of notes). Signed at Cotonou,  
on 31 December 1964**

*Official texts: English and French.*

*Registered by the United States of America on 27 July 1965.*

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

**Accord relatif aux produits agricoles conclu en vertu du  
titre I de l'Acte (modifié) sur le développement des  
échanges commerciaux et de l'aide en produits agri-  
coles (avec échange de notes). Signé à Cotonou, le  
31 décembre 1964**

*Textes officiels anglais et français.*

*Enregistré par les États-Unis d'Amérique le 27 juillet 1965.*

No. 7865. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED  
STATES OF AMERICA AND THE GOVERNMENT OF  
THE REPUBLIC OF DAHOMEY UNDER TITLE I OF  
THE AGRICULTURAL TRADE DEVELOPMENT AND  
ASSISTANCE ACT, AS AMENDED. SIGNED AT COTO-  
NOU, ON 31 DECEMBER 1964

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The Government of the United States of America and the Government of the Republic of Dahomey :

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 the Communauté Financière Africaine francs (hereinafter referred to as CFA francs) of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the CFA francs 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 Dahomey 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 CFA FRANCS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of Dahomey of purchase authorizations and to the availability of the commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance the sales for CFA francs to purchasers authorized by the Government

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<sup>1</sup> Came into force on 31 December 1964, upon signature, in accordance with article VI.

of the Republic of Dahomey, of the following agricultural commodity in the amount indicated :

<i>Commodity</i>	<i>Export Market Value (thousands)</i>
Rice, milled . . . . .	\$244
Ocean transportation (estimated) . . . . .	25
	TOTAL \$269

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 CFA francs accruing from such sale, and other relevant matters.

3. 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 CFA FRANCS

The CFA francs 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, 35 percent of the CFA francs accruing pursuant to this Agreement. It is understood that the Government of the United States may use the CFA francs reserved for United States expenditures in other countries served by the Banque Centrale des États de l'Afrique de l'Ouest.

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 Dahomey incident thereto, 15 percent of the CFA francs 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 Dahomey for business development and trade expansion in Dahomey and to United States firms and Dahomean 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 Republic of Dahomey, acting through the Ministry of Finance, Economic Affairs and the Plan (hereinafter referred to as the Ministry). The Minister of Finance, Economic Affairs and the Plan, or his designate, will act for the Government of the Republic of Dahomey, 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 Dahomey on comparable loans, provided such rate is not lower than the 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 it 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 CFA francs 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 CFA francs for any purpose authorized by Section 104 of the Act.

C. For a loan to the Government of the Republic of Dahomey under Section 104 (g) of the Act for financing such projects to promote economic development, including projects not heretofore included in plans of the Govern-

ment of the Republic of Dahomey as may be mutually agreed, 50 percent of the CFA francs 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 CFA francs 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 CFA francs for any purpose authorized by Section 104 of the Act.

### *Article III*

#### DEPOSIT OF CFA FRANCS

1. The amount of CFA francs 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 CFA francs as follows :

- (a) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursement by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of the Republic of Dahomey, or
- (b) if more than one legal rate for foreign exchange transactions exist, 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 the Republic of Dahomey.

2. Any refunds of CFA francs which may be due or become due under this agreement more than two years from the effective date of this agreement may, in the event that any subsequent agreement or agreements should be signed by the two Governments under the Act, be made by the Government of the United States of America from funds available from the most recent agreement in effect at the time of the refund.

### *Article IV*

#### GENERAL UNDERTAKINGS

1. The Government of the Republic of Dahomey will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic purposes of the agricultural commodities purchased pursuant to this agreement (except where such resale, transshipment or use is specifically approved by the Government of the United States of America); to prevent the

export of any commodity of either domestic or foreign origin which is the same as, or like, the commodities purchased pursuant to this agreement during the period beginning on the date of this agreement and ending with the final date on which such commodities are received and utilized, (except where such export is specifically approved by the Government of the United States of America); and to ensure that the purchase of commodities pursuant to this agreement does not result in increased availability of the same 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 and 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 the Republic of Dahomey will furnish quarterly information on the progress of the program, particularly with respect to the arrival and condition of commodities; provisions for the maintenance of usual marketings; and information relating to imports and 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.

#### *Article VI*

##### ENTRY INTO FORCE

This 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 Cotonou this 31st day of December, 1964, in duplicate, in the English and French languages, both equally authentic.

For the Government of the United States of America :  
Clinton E. KNOX

For the Government of the Republic of Dahomey :  
APLOGAN

## EXCHANGE OF NOTES — ÉCHANGE DE NOTES

## I

*The American Ambassador to the Dahomean Minister of Finance, Economic Affairs and Planning*

*L'Ambassadeur des États-Unis d'Amérique au Ministre des finances, des affaires économiques et du plan du Dahomey*

Cotonou, December 31, 1964

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between our two Governments signed today and to inform you of my Government's understanding of the following :

1. The Government of the Republic of Dahomey agrees that it will procure and import with its own resources from the United States of America and countries friendly to it not less than 3,300 metric tons of milled rice during calendar year 1965 in addition to purchases under the terms of the cited agreement. If deliveries extend into a subsequent period, the level of usual marketing requirements for such period will be determined at the time the request for extension of deliveries is made.

2. With regard to paragraph 4, Article IV of the agreement, the Government of the Republic of Dahomey agrees to furnish quarterly the following information in connection with each shipment of commodities received under the agreement: The name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; the condition in which received; the date unloading was completed; and the disposition of the cargo i.e., stored, distributed locally or, if shipped, where shipped. In addition, the Government of the Republic of Dahomey agrees to furnish quarterly: (a) a statement of measures it has taken to prevent the resale or transshipment of commodities furnished, (b) assurances that the program has not resulted in increased availability of the same or like commodities to other nations and (c) a statement by the Government showing progress made toward fulfilling commitments on usual marketings.

The Government of the Republic of Dahomey further agrees that the above statements will be accompanied by statistical data on imports and exports by country of origin or destination of commodities which are the same as or like those imported under this agreement.

3. The Government of the Republic of Dahomey will provide, upon request of the Government of the United States of America, for purposes of Section 104 (a) of the Act, facilities for conversion into other non-dollar currencies \$5,380 worth or two percent of the CFA francs accruing under the Agreement, whichever is the greater, to finance agricultural market development activities in other countries.

4. The Government of the United States of America may utilize CFA francs in Dahomey to pay for international travel originating in Dahomey, or originating outside Dahomey when the travel (including connecting travel) is to or through Dahomey, and for travel within the United States of America or other areas outside Dahomey when the travel is part of a trip in which the traveler travels from, or through Dahomey. It



is understood that these funds are intended to cover only travel by persons who are traveling 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 CFA francs may be utilized shall not be limited to services provided by Dahomean transportation facilities.

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

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

Clinton E. KNOX

Son Excellence François Aplogan  
Ministère des Finances, des Affaires Économiques et du Plan  
Cotonou

[TRADUCTION — TRANSLATION]

Cotonou, le 31 décembre 1964

Excellence,

[*Voir note II*]

Veillez agréer, etc.

Clinton E. KNOX

Son Excellence François Aplogan  
Ministère des Finances, des Affaires Économiques et du Plan  
Cotonou

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

REPUBLIC OF DAHOMEY  
MINISTRY OF FINANCE, ECONOMIC AFFAIRES AND PLANNING

The Minister

No. 3748/M.F.A.E.P.

Porto-Novo, December 31, 1964

The Minister of Finance,  
Economic Affairs and Planning  
To the Ambassador  
of the United States of America  
Cotonou

Excellency :

I have the honor to acknowledge the receipt of your note of this date informing me, with regard to the Agricultural Commodities Agreement concluded today between our two Governments, of the United States Government's understanding of certain provisions of the Agreement, and reading as follows :

[*See note I*]

I have the honor to confirm to Your Excellency the agreement of the Government of Dahomey to the contents of the aforesaid note, and I avail myself of this occasion to renew the assurances of my very high consideration.

[SEAL] F. APLOGAN

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

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