

No. 8224

**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 17 August 1965**

Official text : English.

Registered by the United States of America on 9 June 1966.

**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 17 août 1965**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 9 juin 1966.

No. 8224. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE IMPERIAL ETHIO-
PIAN GOVERNMENT UNDER TITLE IV OF THE AGRI-
CULTURAL TRADE DEVELOPMENT AND ASSISTANCE
ACT, AS AMENDED. SIGNED AT ADDIS ABABA, ON
17 AUGUST 1965

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 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 price 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 annual review for which provision is made in paragraph two, to issuance by the Government of the United States of America and acceptance by the Imperial Ethiopian Government of credit purchase

¹ Came into force on 17 August 1965, upon signature, in accordance with article V.

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, during those periods specified in the commodity table which appears below, or such longer periods as may be authorized by the Government of the United States of America, sales for United States dollars, to purchasers authorized by the Imperial Ethiopian Government, of the following :

<i>Commodity</i>	<i>Supply Period</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value To Be Financed</i>
		<i>(bales)</i>	<i>(1,000)</i>
	United States		
Cotton	Fiscal Year 1966	20,000	\$2,640
Ocean transportation (estimated)			70
		Subtotal	\$2,710
	United States		
Cotton	Fiscal Year 1967	20,000	\$2,640
Ocean transportation (estimated)			70
		Subtotal	\$2,710
		TOTAL	\$5,420

The total amount of financing provided in the credit purchase authorizations shall not exceed the above specified export market value to be financed, except that additional financing for ocean transportation will be provided if the estimated amount for financing shipments required to be made on United States flag vessels proves to be insufficient. It is understood that the Government of the United States of America may limit the amount of financing provided in the credit purchase authorizations as price declines or other marketing factors require, so that the quantities of commodities financed will not substantially exceed the approximate maximum quantities specified in the Agreement.

2. The two Governments will review annually supply and requirement factors and related matters, including normal patterns of trade with countries friendly to the United States of America, and agree upon any necessary adjustments of the approximate maximum quantities to be supplied and export market value to be financed for any period after United States fiscal year 1966.

3. Credit purchase authorizations will include provisions relating to sale and delivery and other relevant matters.

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, 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 nineteen approximately equal annual payments, the first of which shall become due two years after the date of last delivery of commodities in such calendar year. 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 begin on the date of the last delivery of commodities in such calendar year and be paid not later than the date on which the annual payments of principal become due. The interest shall be computed at the rate of one per cent per annum during the period from the date of last delivery of commodities in such calendar year and the due date of the first annual payment of principal and at two and one-half per cent per annum thereafter.

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 for credit to the Commodity Credit Corporation 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 last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the onboard 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 agricultural commodities purchased pursuant to this Agreement (unless 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 on the final date on which said commodities are being 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 sales and purchases of commodities pursuant to the 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 of countries friendly to the United States of America.

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 Imperial Ethiopian Government will furnish information quarterly on the progress of the program, particularly with respect to the arrival and condition of the commodities, provisions for the maintenance of usual marketings, and information relating to imports and exports of the same or like commodities.

Article IV

CONSULTATIONS

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.

Article V

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 seventeenth day of August, 1965.

For the Government
of the United States of America :
Sheldon B. VANCE

For the Imperial Ethiopian
Government :
Mulatu DEBEBE

[SEAL]

EXCHANGE OF NOTES

I

The American Chargé d' Affaires ad interim to the Ethiopian Minister of Finance

Addis Ababa, August 17, 1965

No. 99

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, and to confirm my Government's understanding of the following :

1. With regard to paragraph 4 of Article III of the Agreement, the Imperial Ethiopian Government agrees to furnish quarterly the following information in connection with each shipment of commodities received under the Agreement : name of each vessel, the date of arrival, the port of arrival, the commodity and quantity received, the condition in which received, date unloading was completed, and the disposition of the cargo, i.e., stored, distributed locally or, if shipped, where shipped. In addition, the Imperial Ethiopian Government agrees to furnish quarterly : (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 Imperial Ethiopian Government showing progress made toward fulfilling commitments on usual marketings, 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 the Agreement.

2. Any Ethiopian dollars resulting from the sale within Ethiopia of the commodities purchased pursuant to the Agreement which are loaned by the Imperial Ethiopian Government to private or non-governmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in Ethiopia.

3. As agreed in conversations which have taken place between representatives of our two Governments, the Imperial Ethiopian Government will use the Ethiopian dollars resulting from the sale of commodities financed under the agreement for economic and social development programs as may be mutually agreed upon by our two Governments.

4. The Imperial Ethiopian Government further agrees to furnish the Government of the United States of America semiannual reports showing the total Ethiopian dollars available to the Imperial Ethiopian Government from the sale of the commodities and reports listing the projects being undertaken including information on the name, location and amount invested in each project.

5. In agreeing that the delivery of cotton pursuant to the Agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries, the Imperial Ethiopian Government agrees that it will, during each United States fiscal year in which the cotton purchased under the Agreement is being imported, import with its own resources from Free World sources which produce cotton, including the United States of America, in addition to the cotton to be programmed under the Agreement, and subject to any adjustment which may be determined during any annual review to paragraph 2 of Article I of the Agreement, 11,700 bales of cotton of which at least 4,800 bales will be from the United States of America.

6. It is further understood that should the Imperial Ethiopian Government engage the services of a United States firm or individual as its agent to handle procurement of the commodity and/or ocean transportation, such agent must be approved by the United States Department of Agriculture. A copy of the written agreement between the agent and the Imperial Ethiopian

Government must be submitted to the United States Department of Agriculture for approval prior to the issuance of applicable purchase authorizations.

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.

Sheldon B. VANCE

His Excellency Ato Yilma Deressa
Minister of Finance
Imperial Ethiopian Government

II

The Ethiopian Vice Minister to the American Chargé d'Affaires ad interim

Addis Ababa, 17 August 1965

No. F/577/52

IMPERIAL ETHIOPIAN GOVERNMENT
MINISTRY OF FINANCE

Dear Mr. Vance :

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

This will confirm your understanding, as expressed in your supplementary Note of today's date.

Yours sincerely,

[SEAL] Mulatu DEBEBE
Vice Minister

Sheldon B. Vance, Esquire
Chargé d'Affaires ad interim
American Embassy
Addis Ababa, Ethiopia