

**No. 8405**

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**UNITED STATES OF AMERICA  
and  
GHANA**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act, as  
amended (with exchange of notes). Signed at Accra, on  
1 April 1966**

*Official text: English.*

*Registered by the United States of America on 21 November 1966.*

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

**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 Accra, le 1<sup>er</sup> avril 1966**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 21 novembre 1966.*

No. 8405. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF GHANA  
UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED.  
SIGNED AT ACCRA, ON 1 APRIL 1966

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The Government of the United States of America and the Government of Ghana :

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

Considering that the Ghana cedis 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 Ghana 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 GHANA CEDIS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Ghana of purchase authorizations and to the availability of the specified commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance the sales

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<sup>1</sup> Came into force on 1 April 1966, upon signature, in accordance with article VI.

for Ghana cedis to purchasers authorized by the Government of Ghana, of the following agricultural commodities in the amounts indicated :

| <i>Commodity</i>               | <i>Export<br/>Market Value<br/>(Millions)</i> |
|--------------------------------|---|
| Tobacco . . . . .              | \$ .90  |
| Wheat flour . . . . .          | 2.00  |
| Rice . . . . .                 | 2.70  |
| Grain sorghums . . . . .       | .24   |
| Yellow corn . . . . .          | .28   |
| Edible vegetable oil . . . . . | .14   |
| Cotton . . . . .               | 1.20  |
| <b>TOTAL</b>                   | <b>\$7.46</b>                                 |

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 Ghana cedis accruing from such sales, and other relevant matters.

The Government of the United States of America will finance ocean transportation costs incurred pursuant to this agreement only to the extent that such costs are higher than otherwise would be the case by reason of the requirement that approximately 50 percent by tonnage of the commodities be transported in United States flag vessels. The balance of ocean freight charges for transportation of commodities required to be carried in United States flag vessels shall be paid in dollars by the Government of Ghana. The Government of Ghana will not be required to deposit cedis for ocean transportation financed by the Government of the United States of America.

Promptly after contracting for United States flag shipping space required to be used, and in any event not later than presentation of vessel for loading, the Government of Ghana will open a letter of credit, in dollars, for the estimated cost of ocean transportation for commodities carried in United States flag vessels.

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 GHANA CEDIS

The Ghana cedis 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, 25 percent of the Ghana cedis accruing pursuant to this agreement.

B. For a loan to the Government of Ghana 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 Ghana, as may be mutually agreed, 75 percent of the Ghana cedis 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 Ghana cedis 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 Ghana cedis for any purposes authorised by Section 104 of the Act.

*Article III*

## DEPOSIT OF GHANA CEDIS

1. The Government of Ghana will deposit to the account of the Government of the United States of America an amount of Ghana cedis equivalent to the dollar sales value of the commodities financed by the Government of the United States of America converted into Ghana cedis at the applicable rate of exchange in effect on the date of dollar disbursement by the Government of the United States of America.

(a) If a unitary exchange rate system is maintained by the Government of Ghana, the applicable rate will be the rate at which the central monetary authority of Ghana or its authorized agent sells foreign exchange for Ghana cedis.

(b) If a unitary exchange rate system is not maintained, the applicable rate will be the rate mutually agreed upon by the Government of the United States of America and the Government of Ghana.

2. The Government of the United States of America shall determine which of its funds shall be used to pay any refunds of Ghana cedis which become due under this agreement. A reserve will be maintained under this agreement for two years from the effective date of this agreement which may be used for the

payment of such refunds. Any payment out of this reserve shall be treated as a reduction in the total cedis accruing to the Government of the United States of America under this agreement.

#### *Article IV*

##### GENERAL UNDERTAKINGS

1. The Government of Ghana 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); 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 those 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 Ghana 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 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*

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 Accra in duplicate this first day of April 1966.

For the Government  
of the United States of America :

Franklin H. WILLIAMS

For and on behalf of the Government  
of Ghana :

E. N. OMABOE

### EXCHANGE OF NOTES

#### I

*The American Ambassador to the Ghanaian Chairman, Economic Committee  
of the National Liberation Council*

Accra, Ghana, April 1, 1966

Mr. Chairman :

I have the honour 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. With regard to paragraph 4 of Article IV of the agreement, the Government of Ghana 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 Ghana agrees to furnish quarterly : (a) a statement of measures it has taken to prevent the resale or transshipment of commodities furnished and (b) assurances that the program has not resulted in increased availability of the same or like commodities to other nations. The Government of Ghana 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 the agreement.

2. The Government of Ghana agrees that Ghana cedis received by the Government of the United States of America under the agreement may be deposited in interest-bearing accounts in banks in Ghana selected by the Government of the United States of America.

3. The Government of Ghana will provide, upon request of the Government of the United States of America, facilities for conversion into other non-dollar currencies of the following amounts of cedis : for purposes of section 104 (a) of the Act \$149,200 worth or two percent of the cedis accruing under the agreement, whichever is greater, of proceeds from sales and payments from 104 (g) loans (including principal and interest), to finance agricultural market development activities in other countries; and for purposes of section 104 (h) of the Act and for the purposes of the Mutual Educational and Cultural Exchange Act of 1961, up to \$20,000 worth of cedis to finance educational and cultural exchange programs and activities in other countries.

4. The Government of the United States of America may utilize cedis in Ghana to pay for travel which is part of a trip in which the traveler travels from, to or through Ghana. 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. It is further understood that the travel for which cedis may be utilized shall not be limited to services provided by Ghana transportation facilities.

5. The Government of Ghana agrees to designate an individual or agency in Ghana with whom representatives of the United States of America may consult with regard to implementing all the provisions of the agreement.

6. The Government of Ghana agrees to designate one or more persons in the United States to consult with representatives of the United States of America for purposes of orientation in connection with the implementation of the agreement.

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

Accept, Mr. Chairman, the renewed assurances of my highest consideration.

Franklin H. WILLIAMS  
Ambassador of the United States of America

Mr. E. N. Omaboe  
Chairman  
National Economic Committee

## II

*The Ghanaian Chairman, Economic Committee of the National Liberation Council,  
to the American Ambassador*

Freedom and Justice

ECONOMIC COMMITTEE  
(NATIONAL LIBERATION COUNCIL)

ACCRA

1<sup>st</sup> April, 1966

Excellency :

I have the honour to acknowledge the receipt of your note of April 1, 1966 which reads as follows :

[See note I]

I have the honour to inform your Excellency that the terms of the foregoing note are acceptable to the Government of the Republic of Ghana and that the Government of the Republic of Ghana considers your Excellency's note and the present reply as constituting an agreement between our two Governments on this subject, the agreement to enter into force on today's date.

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

E. N. OMABOE  
Chairman, Economic Committee  
of the National Liberation Council

His Excellency Franklin H. Williams  
U.S. Ambassador to Ghana  
Accra