

No. 8584

**UNITED STATES OF AMERICA
and
MOROCCO**

Exchange of notes (with related notes) constituting an agreement relating to agricultural commodities. Rabat, 29 December 1964

Official texts: English and French.

Registered by the United States of America on 28 March 1967.

**ÉTATS-UNIS D'AMÉRIQUE
et
MAROC**

Échange de notes (avec notes connexes) constituant un accord relatif aux produits agricoles. Rabat, 29 décembre 1964

Textes officiels anglais et français.

Enregistré par les États-Unis d'Amérique le 28 mars 1967.

No. 8584. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND MOROCCO RELATING TO AGRICULTURAL COMMODITIES. RABAT, 29 DECEMBER 1964

Nº 8584. ÉCHANGE DE NOTES CONSTITUANT UN ACCORD¹ ENTRE LES ÉTATS-UNIS D'AMÉRIQUE ET LE MAROC RELATIF AUX PRODUITS AGRICOLES. RABAT, 29 DÉCEMBRE 1964

I

The American Chargé d'Affaires ad interim to the Moroccan Minister of Foreign Affairs

Le Chargé d'affaires par intérim des États-Unis d'Amérique au Ministre des affaires étrangères du Maroc

No. 309

Rabat, December 29, 1964

Excellency :

I have the honor to refer to conversations between representatives of our two Governments looking toward the conclusion of an Agreement involving the purchase by the Government of the Kingdom of Morocco of certain agricultural products and the utilization of the proceeds from such purchases. Our representatives have reached an understanding on the language for such an agreement :

AGRICULTURAL COMMODITIES AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF MOROCCO UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED

The Government of the United States of America and the Government of the Kingdom of Morocco :

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

Considering that the Moroccan dirhams accruing from such purchase will be utilized in a manner beneficial to both countries;

¹ Came into force on 29 December 1964 by the exchange of the said notes.

¹ Entré en vigueur le 29 décembre 1964 par l'échange desdites notes.

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to Morocco 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 MOROCCAN DIRHAMS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Kingdom of Morocco 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 sale for Moroccan dirhams to purchasers authorized by the Government of the Kingdom of Morocco of the following agricultural commodities during United States Fiscal Year 1965 in the amounts indicated :

<i>Commodity</i>	<i>Export Market Value (millions)</i>
Wheat and/or wheat flour	\$6.9
Ocean transportation (estimated)9
	<hr/>
TOTAL	\$7.8

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 of 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 Moroccan dirhams 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 MOROCCAN DIRHAMS

The Moroccan dirhams 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, 30 percent of the Moroccan dirhams 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 Section 104 (e) of the Act and for administrative expenses of AID in the Kingdom of Morocco incident thereto, 10 percent of the Moroccan dirhams 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 the Kingdom of Morocco for business development and trade expansion in the Kingdom of Morocco and to United States firms and Moroccan 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 Kingdom of Morocco, acting through the Ministry of Economic Affairs and Finance of Morocco (hereinafter referred to as the Ministry). The Minister of Economic Affairs and Finance, or his designate, will act for the Government of the Kingdom of Morocco, 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 the Kingdom of Morocco 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 the Ministry 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 Moroccan dirhams 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 Moroccan dirhams for any purpose authorized by Section 104 of the Act.

C. For a loan to the Government of the Kingdom of Morocco 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 Morocco, as may be mutually agreed, 60 percent of the Moroccan dirhams 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 Moroccan dirhams 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 Moroccan dirhams for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF MOROCCAN DIRHAMS

1. The amount of Moroccan dirhams 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 Moroccan dirhams 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 Kingdom of Morocco, 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 Government of the Kingdom of Morocco.

2. The Government of the United States of America shall determine which of its funds shall be used to pay any refunds of Moroccan dirhams which become due under this agreement or which are due or become due under any prior agricultural commodities 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 dirhams accruing to the Government of the United States of America under this agreement.

Article IV

GENERAL UNDERTAKINGS

1. The Government of the Kingdom of Morocco 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 Kingdom of Morocco 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.

If the foregoing agreement is acceptable to the Government of the Kingdom of Morocco, it is understood that this note and Your Excellency's affirmative reply thereto shall constitute an agreement between our two Governments on this matter which shall enter into force on the date of Your Excellency's affirmative reply.

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

Chargé d'Affaires ad interim :

L. Dean BROWN

His Excellency Ahmed Taïbi Benhima
Minister of Foreign Affairs
Rabat

[TRADUCTION — TRANSLATION]

N° 309

Rabat, le 29 décembre 1964

Excellence,

[*Voir note II*]

Veuillez agréer, etc.

Le Chargé d'Affaires par intérim :

L. Dean BROWN

Son Excellence Ahmed Taïbi Benhima
Ministre des affaires étrangères
Rabat

[TRANSLATION¹ — TRADUCTION²]

Rabat, December 29, 1964

Mr. Chargé d'Affaires :

I have the honor to acknowledge the receipt of your note of today's date, which reads as follows :

[See note I]

I have the honor to confirm my Government's approval of the provisions set forth above.

Please accept, Mr. Chargé d'Affaires, the assurance of my high consideration.

Abdelhamid KRIEM
Director of Economic Affairs

The Chargé d'Affaires ad interim
of the United States of America
Rabat

RELATED NOTES — NOTES CONNEXES

I

The American Chargé d'Affaires ad interim to the Moroccan Minister of Foreign Affairs *Le Chargé d'affaires par intérim des États-Unis d'Amérique au Ministre des affaires étrangères du Maroc*

No. 310

Rabat, December 29, 1964

Excellency :

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

(1) In expressing its agreement with the Government of the United States of America that deliveries under the agreement should not unduly disrupt world prices of agricultural commodities or impair trade relations among friendly nations, the Government of the Kingdom of Morocco agrees that it will procure and import with its own resources in addition to the wheat to be purchased under the terms of the agreement,

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.

at least 125,000 metric tons of wheat and/or wheat flour in grain equivalent from the United States of America and countries friendly to it during the United States fiscal year 1965. This will be in addition to purchases under the terms of the 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. The Government of the Kingdom of Morocco further agrees not to export wheat (including durum) and/or products thereof while commodities under the agreement are being imported and utilized.

(2) With regard to paragraph 4 of Article IV of the agreement, the Government of the Kingdom of Morocco 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 Kingdom of Morocco 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 Kingdom of Morocco 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 or like those imported under the agreement.

(3) The Government of the Kingdom of Morocco 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 dirhams: (1) for purposes of section 104 (a) of the Act, \$156,000 worth or two percent of the dirhams accruing under the agreement, whichever is greater, to finance agricultural market development activities in other countries; and (2) 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 \$150,000 worth of dirhams to finance educational and cultural exchange programs and activities in other countries.

(4) The Government of the United States of America may utilize the dirhams in the Kingdom of Morocco to pay for travel which is part of a trip in which the traveler travels from, to or through the Kingdom of Morocco. 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 dirhams may be utilized shall not be limited to services provided by Moroccan transportation facilities.

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

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

Chargé d'Affaires ad interim :

L. Dean BROWN

His Excellency Ahmed Taibi Benhima
Minister of Foreign Affairs
Rabat

[TRADUCTION — TRANSLATION]

N° 310

Rabat, le 29 décembre 1964

Excellence,

[*Voir note connexe II*]

Veuillez agréer, etc.

Le Chargé d'Affaires par intérim :

L. Dean BROWN

Son Excellence Ahmed Taibi Benhima
Ministre des affaires étrangères
Rabat

II

The Moroccan Director of Economic Affairs to the American Chargé d'Affaires ad interim *Le Directeur des affaires économiques du Maroc au Chargé d'affaires par intérim des États-Unis d'Amérique*

Rabat, le 29 Décembre 1964

Monsieur le Chargé d'Affaires,

J'ai l'honneur d'accuser réception de votre lettre de ce jour ainsi conçue :

« J'ai l'honneur de me référer à l'Accord sur les Produits Agricoles réalisé ce jour par échange de notes entre nos deux Gouvernements et de vous faire part de l'entente de mon Gouvernement sur ce qui suit :

« (1) Tout en exprimant son accord avec le Gouvernement des États-Unis d'Amérique sur le fait que les livraisons prévues par l'Accord ne doivent

sur les Échanges Éducatifs et Culturels de 1961, une somme ne dépassant pas l'équivalent en dirhams de \$150 000 pour financer les programmes et activités en matière d'échanges éducatifs et culturels dans d'autres pays.

« (4) Le Gouvernement des États-Unis d'Amérique pourra utiliser les dirhams au Royaume du Maroc pour payer les frais de déplacement faisant partie de voyages au départ, à destination ou à l'intérieur du Maroc. Il est entendu que ces fonds serviront uniquement à couvrir les frais de voyage des personnes qui sont en déplacement officiel pour le Gouvernement des États-Unis d'Amérique ou en rapport avec des activités financées par le Gouvernement des États-Unis d'Amérique. Il est également entendu que les voyages pour lesquels les dirhams peuvent être utilisés ne seront pas limités aux services offerts par les sociétés de transport marocaines.

« Je serais obligé à Votre Excellence de me confirmer son accord sur ce qui précède ».

J'ai l'honneur de vous confirmer l'accord de mon Gouvernement sur les dispositions prévues ci-dessus.

Veuillez agréer, Monsieur le Chargé d'Affaires, l'assurance de ma haute considération.

Abdelhamid KRIEM
Directeur des affaires Économiques

Monsieur le Chargé d'Affaires a.i.
des États-Unis d'Amérique
Rabat

[TRANSLATION¹ — TRADUCTION²]

Rabat, December 29, 1964

Mr. Chargé d'Affaires :

I have the honor to acknowledge the receipt of your note of today's date, which reads as follows :

[*See note I*]

I have the honor to confirm my Government's approval of the foregoing provisions.

Please accept, Mr. Chargé d'Affaires, the assurance of my high consideration.

Abdelhamid KRIEM
Director of Economic Affairs

The Chargé d'Affaires ad interim
of the United States of America
Rabat

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.