

No. 10268

**UNITED STATES OF AMERICA
and
MOROCCO**

**Agreement for sales of agricultural commodities (with annexes).
Signed at Rabat on 25 February 1969**

Authentic text: English.

Registered by the United States of America on 3 February 1970.

**ÉTATS-UNIS D'AMÉRIQUE
et
MAROC**

**Accord relatif à la vente de produits agricoles (avec annexes).
Signé à Rabat le 25 février 1969**

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 3 février 1970.

**AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE
UNITED STATES OF AMERICA AND THE GOVERN-
MENT OF THE KINGDOM OF MOROCCO FOR SALES
OF AGRICULTURAL COMMODITIES**

The Government of the United States of America and the Government of the Kingdom of Morocco have agreed to the sales of agricultural commodities specified below. This agreement shall consist of the Preamble, Parts I and III, and the Dollar Credit Annex of the agreement signed April 20, 1967,² together with the attached Convertible Local Currency Credit Annex and the following Part II:

**PART II
PARTICULAR PROVISIONS**

Item I. Commodity Table:

<i>Commodity</i>	<i>Supply Period (United States Fiscal Year)</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value (Thousands)</i>
A. Dollar Credit Terms			
Cotton, upland	1969	18,400 bales	\$2,437
Tallow, inedible	1969	5,000 metric tons	750
Ocean transportation (estimated)			231
		Subtotal	\$3,418
B. Convertible Local Currency Credit Terms			
Cotton, upland	1969	18,400 bales	\$2,437
Tallow, inedible	1969	5,000 metric tons	750
Ocean transportation (estimated)			231
		Subtotal	\$3,418
		TOTAL	\$6,836

¹ Came into force on 25 February 1969 by signature, in accordance with Part III (B).

² United Nations, *Treaty Series*, Vol. 685, p. 177.

*Item II. Payment Terms:**A. Dollar Credit*

1. Initial Payment — 5 per cent
2. Number of Installment Payments — 19
3. Amount of Each Installment Payment — Approximately equal annual amounts
4. Due Date of First Installment Payment — 2 years after date of last delivery of commodities in each calendar year
5. Initial Interest Rate — 2 per cent
6. Continuing Interest Rate — 3 per cent

B. Convertible Local Currency Credit

1. Initial Payment in Dollars — 5 per cent
2. Number of Installment Payments — 31
3. Amount of Each Installment Payment — Approximately equal annual amounts
4. Due Date of First Installment Payment — 10 years after date of last delivery of commodities in each calendar year
5. Initial Interest Rate — 2 per cent
6. Continuing Interest Rate — 3 per cent

Item III. Usual Marketing Table:

<i>Commodity</i>	<i>Import Period (United States Fiscal Year)</i>	<i>Usual Marketing Requirement</i>
Cotton, upland	1969	16,000 bales (of which at least 5,600 bales shall be imported from the United States of America)
Tallow, inedible	1969	4,000 MT (of which at least 2,000 MT shall be imported from the United States of America)

Item IV. Export Limitations:

A. With respect to each commodity financed under this agreement, the export limitation period for the same or like commodities shall be the period beginning on the date of this agreement and ending on the final date on which the commodity financed under this agreement is imported and utilized.

B. For the purposes of Part I, Article III A 3, of the agreement, the commodities considered to be the same as, or like, the commodities imported under this agreement are: for upland cotton — upland cotton (including Ashmouni) and textiles made from cotton; for inedible tallow — inedible tallow and edible tallow.

C. Permissible Exports

<i>Commodity</i>	<i>Quantity</i>	<i>Period During Which Such Exports Are Permitted</i>
Cotton, textile.	278 Metric Tons	United States Fiscal Year 1969

Should the export of cotton textiles during United States Fiscal Year 1969, or any subsequent fiscal year during which the cotton purchased under this agreement is being imported or utilized, exceed the above stated level, the government of the importing country will purchase with its own resources from the United States the raw cotton equivalent of the textiles exported in excess of the above level.

Item V. Self-Help Measures:

The Government of the importing country agrees to:

1. Increase efforts to improve livestock production by continuing to support forage production, range management and improve livestock management practices.
2. Within the area of irrigation, give first priority to completing on-going irrigation projects and effectively using land and water resources at the farm level.
3. Establish and maintain erosion control measures in upper watersheds adjoining irrigation development projects.

4. Carry out studies to determine the adequacy of storage facilities for cereals and provide for construction of additional facilities as required.
5. Strengthen systems of collection, computation and analysis of statistics to better measure the availability of agricultural inputs and progress in expanding production of agricultural commodities.

Item VI. Economic Development Purposes for Which Proceeds Accruing to Importing Country are to be Used:

For purposes specified in Item V and for other economic development purposes as may be mutually agreed upon.

Item VII. Other Provisions:

The Government of the importing country shall bear the costs of port charges at the discharge port except on deliveries made under letters of conditional reimbursement issued by the Government of the exporting country and signed by the Government of the importing country before January 1, 1969. Except for these deliveries, the balance of ocean transportation costs to be financed on credit terms pursuant to paragraph 1 of the Annexes shall be reduced by 10 per cent of ocean transportation costs on packaged commodities carried as liner parcels where the freight rate includes the cost of stevedoring at the discharge port and by 2 per cent on all other deliveries.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose have signed the present agreement.

DONE at Rabat, in duplicate, this 25th Day of February, 1969.

For the Government
of the United States of America:

Henry J. TASCA
Ambassador
of the United States of America

For the Government
of the Kingdom of Morocco:

Mohamed SIJILMASSI
Secretary General,
Ministry of Foreign Affairs

[SEAL]

CONVERTIBLE LOCAL CURRENCY CREDIT ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF MOROCCO FOR SALES OF AGRICULTURAL COMMODITIES

The following provisions apply with respect to the sales of commodities financed on convertible local currency credit terms:

1. In addition to bearing the cost of ocean freight differential as provided in Part I, Article I F, of this agreement, the Government of the exporting country will finance on credit terms the balance of the costs for ocean transportation of those commodities that are required to be carried in United States flag vessels. The amount for ocean transportation (estimated) included in any commodity table specifying credit terms does not include the ocean freight differential to be borne by the Government of the exporting country and is only an estimate of the amount that will be necessary to cover the ocean transportation costs to be financed on credit terms by the Government of the exporting country. If this estimate is not sufficient to cover these costs, additional financing on credit terms shall be provided by the Government of the exporting country to cover them.

2. With respect to commodities delivered in each calendar year, the principal of the credit (hereinafter referred to as principal) will consist of:

- (a) The dollar amount disbursed by the Government of the exporting country for the commodities (not including any ocean transportation costs) less any portion of the initial payment payable to the Government of the exporting country, and
- (b) The ocean transportation costs financed by the Government of the exporting country in accordance with paragraph 1 of this annex (but not the ocean freight differential).

This principal shall be paid in accordance with the payment schedule in Part II of this agreement. The first installment payment shall be due and payable on the date specified in Part II of this agreement. Subsequent installment payments shall be due and payable at intervals of one year thereafter. Any payment of principal may be made prior to its due date.

3. Interest on the unpaid balance of the principal due the Government of the exporting country for commodities delivered in each calendar year under this agreement shall begin on the date of dollar disbursement by the Government of

the exporting country. Such interest shall be paid annually beginning one year after the date of last delivery of commodities in such calendar year, except that if the installment payments for these commodities are not due on some anniversary of such date of last delivery, any such interest accrued on the date of the first installment payment shall be due on the same date as the first installment and thereafter such interest shall be paid on the due dates of the subsequent installment payments. For the period from the date the interest begins to the due date for the first installment payment, the interest shall be computed at the initial interest rate specified in Part II of this agreement. Thereafter, the interest shall be computed at the continuing interest rate specified in Part II of this agreement.

4. The Government of the importing country shall deposit the proceeds accruing to it from the sale of commodities financed under this agreement (upon the sale of the commodities within the importing country) in a special account in its name that will be used for the sole purpose of holding the proceeds covered by this paragraph. Withdrawals from this account shall be made for the economic development purposes specified in Part II of this agreement in accordance with procedures mutually satisfactory to the two Governments. The total amount deposited under this paragraph shall not be less than the local currency equivalent of the dollar disbursement by the Government of the exporting country in connection with the financing of the commodities including the related ocean transportation costs other than the ocean differential. The exchange rate to be used in calculating this local currency equivalent shall be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency in connection with the commercial import of the same commodities. Any such accrued proceeds that are loaned by the Government of the importing country to private or nongovernmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in the importing country. The Government of the importing country shall furnish, in such form and at such times as may be requested by the Government of the exporting country, but not less frequently than on an annual basis, reports containing relevant information concerning the accumulation and use of these proceeds, including information concerning the programs for which these proceeds are used, and, when the proceeds are used for loans, the prevailing rate of interest for comparable loans in the importing country.

5. The computation of the initial payment under Part I, Article II, A of this agreement and all computations of principal and interest under numbered paragraphs 2 and 3 of this annex shall be made in United States dollars.

6. All payments shall be in United States dollars or, if the Government of the exporting country so elects,

- (a) The payments shall be made in local currency at the applicable exchange rate specified in Part I, Article III, G of this agreement in effect on the date of payment and shall, at the option of the Government of the exporting country, be converted to United States dollars at the same rate, or used by the Government of the exporting country for payment of its obligations in the importing country, or
- (b) The payments shall be made in readily convertible currencies of third countries at a mutually agreed rate of exchange and shall be used by the Government of the exporting country for payment of its obligations.
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