

No. 3126

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
IRAQ**

**Exchange of notes (*with annex*) constituting an agreement
for the settlement of financial claims. Bagdad, 30 April
1955**

Official texts: English and Arabic.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
13 January 1956.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
IRAK**

**Échange de notes (*avec annexe*) constituant un accord relatif
au règlement de certaines créances. Bagdad, 30 avril
1955**

Textes officiels anglais et arabe.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
13 janvier 1956.*

No. 3126. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF IRAQ FOR THE SETTLEMENT OF FINANCIAL CLAIMS. BAGDAD, 30 APRIL 1955

I

Her Majesty's Ambassador at Bagdad to the Iraqi Minister of Finance

BRITISH EMBASSY

Bagdad, April 30, 1955

Your Excellency,

I have the honour upon instructions from Her Majesty's Principal Secretary of State for Foreign Affairs to refer your Excellency to the claims outstanding between Iraq and the United Kingdom of Great Britain and Northern Ireland which are listed in the annex to this note. Of these claims A (1) and B (1) are in respect of the sums which are agreed to be due from one party to the other. Claim A (2) is disputed by the Government of Iraq who admit no liability in respect of it. Claims B (2), B (3) and B (4) are disputed by the Government of the United Kingdom who admit no liability in respect of them.

The Government of the United Kingdom in a spirit of co-operation and goodwill and in order to put an end to long-standing differences between the two Governments are prepared, in return for the payment by the Government of Iraq of the sum of £150,000 into a Fund for the purposes set out below, to agree to a mutual cancellation of all listed claims disputed and undisputed and to a mutual undertaking not to raise claims in respect of these items against any other party; it being understood that the settlement represents no admission whatever by either party to liability in respect of any disputed claims and that none of the claims included in the settlement will be prosecuted against any third party.

The money paid into the Fund shall be invested in approved securities and the capital and interest earned shall be applied to the carrying out of educational, social or other projects for the promotion of good relations between Britain and Iraq as shall be agreed by a Committee set up to administer the Fund. Her Britannic Majesty's Ambassador shall be an *ex officio* member of the Committee which shall consist of two Iraqi and two British members.

¹ Came into force on 30 April 1955 by the exchange of the said notes.

The two Governments shall as soon as possible establish the Fund, set up the Committee and draw up rules for the administration of the Fund.

I have the honour to enquire whether the Government of Iraq would be willing to agree to a settlement in these terms and if so to propose that the present Note and your Excellency's reply to that effect should constitute an agreement between the two Governments in this matter, and that the appropriate steps should be taken to institute the Fund accordingly.

I have, &c.

Michael WRIGHT

ANNEX

A.—*British Claims*

- | | |
|----------------|--|
| (1) £1,359,789 | Bills due for war-time and post-war issues of equipment and stores to the Iraqi forces and police and for certain fixed assets left in Iraq. |
| (2) £989,500* | Sum claimed to be due on the basis of 25 per cent. rebate on the bills for British military freight carried by the Iraq State Railways during the 1939-45 war. |

B.—*Iraqi Claims*

- | | |
|---------------|---|
| (1) £468,526 | Orally agreed sum due for miscellaneous claims arising out of the war. |
| (2) £632,500* | Sum claimed to be due to the Iraq State Railways on a basis of 15 per cent. rebate for the bills for British freight carried during the war by these railways. |
| (3) £616,000* | Sum claimed to be due for income tax on gold sales conducted in Iraq on behalf of Her Majesty's Government. |
| (4) £281,000* | Sum claimed to be due for tax on freight and passage money earned by shipping, owned by or on charter to the British Ministry of War Transport and calling at Iraqi ports during the 1939-45 war. |

* Disputed claims.

[TRANSLATION¹ — TRADUCTION²]

MINISTRY OF FINANCE

Bagdad, 30th April, 1955

Your Excellency,

I have the honour to acknowledge receipt of your Note of even date which reads as follows :—

[*See note I*]

On behalf of the Government of Iraq I agree to the contents of your Note I avail, &c.

DHYA JA'FAR

ANNEX

[*See annex to note I*]

¹ Translation by the Government of the United Kingdom.

² Traduction du Gouvernement du Royaume-Uni.