

**No. 4979**

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**UNION OF SOVIET SOCIALIST REPUBLICS  
and  
IRAQ**

**Agreement on economic and technical co-operation (with annexes). Signed at Moscow, on 16 March 1959**

*Official texts: Russian and Arabic.*

*Registered by the Union of Soviet Socialist Republics on 21 December 1959.*

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**UNION DES RÉPUBLIQUES SOCIALISTES  
SOVIÉTIQUES  
et  
IRAK**

**Accord de coopération économique et technique (avec annexes). Signé à Moscou, le 16 mars 1959**

*Textes officiels russe et arabe.*

*Enregistré par l'Union des Républiques socialistes soviétiques le 21 décembre 1959.*

## [TRANSLATION — TRADUCTION]

No. 4979. AGREEMENT<sup>1</sup> ON ECONOMIC AND TECHNICAL  
CO-OPERATION BETWEEN THE UNION OF SOVIET  
SOCIALIST REPUBLICS AND THE REPUBLIC OF IRAQ.  
SIGNED AT MOSCOW, ON 16 MARCH 1959

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The Government of the Union of Soviet Socialist Republics and the Government of the Republic of Iraq,

Considering the friendly relations existing between the Soviet Union and the Republic of Iraq, and

Desiring to expand and strengthen their economic and technical co-operation, based on the principles of equality, non-interference in domestic affairs and full respect for the national dignity and sovereignty of the two countries,

Have agreed on the following provisions :

*Article 1*

The Government of the Union of Soviet Socialist Republics, with a view to promoting the economic development of the Republic of Iraq and in order to meet the wishes of the Government of the Republic of Iraq, expresses its consent to co-operate with the Government of the Republic of Iraq in the implementation of plans for the development of Iraq's economy in the spheres of the metallurgical, chemical, mechanical engineering, electrical engineering, textile, food and pharmaceutical industries, means of transportation and communication, agricultural production, irrigation and land reclamation, and also in the sphere of geological exploration for minerals.

The projects and operations with respect to which the Soviet organizations will furnish technical assistance to the Iraqi State organizations are enumerated in annex 1<sup>2</sup> to this Agreement.

*Article 2*

For the purpose of furnishing the co-operation provided for in article 1 of this Agreement, the Government of the USSR shall, through the appropriate Soviet organizations, ensure :

The carrying out, in co-operation with the Iraqi State organizations, of geological surveys and planning, exploratory and research work, and the supply of machinery and equipment with the regular complement of spare parts, and of

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<sup>1</sup> Came into force on 16 April 1959, the date of the exchange of the instruments of ratification at Baghdad, in accordance with article 12.

<sup>2</sup> See p. 154 of this volume.

certain materials unobtainable in Iraq, for the construction of the projects and the completion of the operations specified in annex 1 to this Agreement;

The provision by Soviet experts of technical assistance in the selection of construction sites and the collection of initial planning data, in the construction of the projects through consultations and direct supervision by the originators of the plans, in the assembly and adjustment of equipment, and in the initial operation of projects being constructed with the assistance of the Soviet Union; and the provision of assistance, for a period agreed on by the Parties, in organizing the operation of those projects and bringing them up to their planned capacities;

The provision of assistance in the training of Iraqi national personnel for work at the projects which are to be constructed with the assistance of the USSR, through the dispatch to Iraq of Soviet expert-instructors, and also the admission to the USSR, if the Iraqi Party so desires, of Iraqi citizens for industrial and technical training at similar projects.

### *Article 3*

The Government of the Union of Soviet Socialist Republics shall ensure the delivery to the Government of the Republic of Iraq by the Soviet organizations of drawings and descriptions of technological processes necessary for organizing the output of the appropriate products at the projects constructed with the assistance of the USSR under this Agreement.

The delivery of these documents shall be effected without charge save for the repayment of actual expenditures in connexion with their preparation and delivery.

It is understood that the documents aforesaid shall be used within the Republic of Iraq and shall not be delivered to foreign persons, either natural or juridical.

Deviations from this principle may be permitted only with the consent of the appropriate Soviet organizations in each individual case.

### *Article 4*

The Government of the Republic of Iraq shall, through the appropriate Iraqi organizations, carry out the construction of the projects and the completion of the operations enumerated in annex 1 to this Agreement, and shall arrange for their financing. It is understood in this connexion that the organization of the construction and assembly work, the supply of labour for the construction work and of such of the requisite materials as are obtainable in Iraq, as well as the construction of subsidiary establishments and the provision of communal services shall be the responsibility of the Iraqi Party.

The Iraqi organizations shall provide the Soviet organizations with all preliminary data necessary for the planning of the projects enumerated in annex 1

to this Agreement, agreement being reached beforehand between the Parties on the planning specifications.

### *Article 5*

For the purpose of the repayment of the expenditures incurred in the provision by the Soviet Union of technical assistance in the construction of the projects and the completion of the operations enumerated in annex 1 to this Agreement, the Government of the Union of Soviet Socialist Republics shall grant the Government of the Republic of Iraq a loan of 550 million roubles (1 rouble is equivalent to 0.222168 gramme of fine gold) at 2.5 per cent interest per annum which may be drawn upon over a period of seven years from the date of the entry into force of this Agreement.

The loan granted in accordance with this article shall be used to pay for :

(a) The geological surveys and planning, exploratory and research work to be carried out by the Soviet organizations;

(b) The machinery and equipment for the construction of projects and the completion of operations, and certain materials necessary for construction and unobtainable in Iraq, to be delivered from the USSR to Iraq c.i.f. Iraqi ports;

(c) The travel to and from Iraq of Soviet experts sent to furnish technical assistance;

(d) The cost of the industrial and technical training of Iraqi citizens in the USSR; and

(e) The actual cost of preparing and delivering the technical documents mentioned in article 3 of this Agreement.

If the gold value of the rouble should change, the portions of the loan expressed in roubles shall be recalculated in accordance with such change in order to preserve the gold equivalent of the amount of the loan granted.

If the cost of the geological surveys, the planning, exploratory and research work, the supplies of equipment, machinery and materials and the other services carried out or furnished by the Soviet Party, for the projects and operations specified in annex 1 to this Agreement, proves to be less than the amount of the loan aforesaid, the Parties shall agree at a later date on a list of supplementary projects for which technical assistance shall be given under the loan. If the cost of the services of the Soviet Party exceeds the amount of the loan aforesaid, the sum in excess shall be paid by the Iraqi Party by means of deliveries to the USSR of Iraqi goods in accordance with the Trade Agreement in force between the USSR and the Republic of Iraq and/or in a convertible currency to be determined by agreement between the State Bank of the USSR and the Central Bank of the Republic of Iraq.

### *Article 6*

The Government of the Republic of Iraq shall repay those portions of the loan granted to it in accordance with article 5 of this Agreement which are used

for each project in equal annual instalments over a period of twelve years, beginning one year after the delivery from the USSR of the complete set of equipment provided for in the contracts relating to that project has been completed.

Where the provision of technical assistance with respect to a particular project is not linked with the delivery from the USSR of a complete set of equipment, the amount of the loan used shall be repaid by the Iraqi Party, over a period of twelve years beginning from the date on which the account is rendered for the operations completed by the Soviet organizations.

Interest on the loan shall accrue from the date on which the relevant portion of the loan is taken down, and shall be paid during the first quarter of the year following the year for which it is payable. The date of the bill of lading shall be deemed to be the date on which the loan was taken down for the purchase of equipment, machinery and materials, and the date of the rendering of the account shall be deemed to be that on which the loan was taken down to pay for the planning, geological-survey and other operations, and also for the travel to and from Iraq of the Soviet experts, the industrial and technical training of Iraqi citizens in the USSR and other costs.

#### *Article 7*

The repayment of the loan and the payment of accrued interest thereon shall be made by the Government of the Republic of Iraq by the deposit of the sums due in Iraqi dinars (1 dinar = 2.48828 grammes of fine gold) in a separate account to be opened in the Central Bank of Iraq in the name of the State Bank of the USSR.

The conversion of roubles into Iraqi dinars shall be effected on the basis of the gold value of the rouble and the Iraqi dinar on the day of payment.

The sums deposited in this account may be used by the Soviet Union for the purchase of Iraqi goods in accordance with the terms of the Trade Agreement in force between the USSR and the Republic of Iraq and/or may be converted into a convertible currency to be determined by agreement between the State Bank of the USSR and the Central Bank of the Republic of Iraq.

The conversion of Iraqi dinars into the convertible currency shall be effected on the basis of the gold value of the two currencies on the day of conversion.

If the exchange rate of the Iraqi dinar is changed, the balance existing in the account of the State Bank of the USSR in the Central Bank of the Republic of Iraq on the day of such change shall be adjusted proportionally to the change which has taken place in the gold value of the Iraqi dinar.

#### *Article 8*

For the purpose of recording transactions relating to the use and repayment of the loan to be granted in accordance with this Agreement, and the payment of

the interest accruing thereon, the State Bank of the USSR and the Central Bank of the Republic of Iraq shall open for each other special loan accounts and shall together determine the technical procedure for the management of the said accounts.

### *Article 9*

The Government of the Republic of Iraq shall reimburse the Soviet Party for the expenditures incurred by the Soviet organizations in connexion with the dispatch to Iraq of Soviet experts to furnish technical assistance in the construction of the projects specified in annex 1 to this Agreement, excluding the cost of their travel to and from Iraq, through the payment of the sums stipulated in the contracts in Iraqi dinars into a separate account to be opened in the Central Bank of the Republic of Iraq in the name of the State Bank of the USSR in favour of the Soviet organizations.

The sums paid into that account may be used for the current expenditures of the Soviet organizations in Iraq but the unused balance may be converted into a convertible currency to be determined by agreement between the State Bank of the USSR and the Central Bank of the Republic of Iraq.

### *Article 10*

The Government of the USSR expresses its readiness to meet requests by the Government of the Republic of Iraq for the purchase in the USSR of spare parts (over and above the normal complement delivered with the equipment) and certain types of raw materials necessary to ensure the regular operation of the projects constructed with the assistance of the USSR. The delivery of the spare parts and raw materials shall be made within the framework of the Trade Agreement in force between the USSR and the Republic of Iraq.

### *Article 11*

The carrying out of the geological surveys and the planning, exploratory and research work, the delivery by the USSR of equipment, machinery and materials, the dispatch to Iraq of Soviet experts, the industrial and technical training of Iraqi citizens and the provision by the Soviet Party of other forms of technical assistance in accordance with this Agreement shall be effected on the basis of the contracts to be concluded between the competent Soviet and Iraqi organizations, empowered for the purpose by the Government of the USSR and the Government of the Republic of Iraq respectively.

The contracts shall specify quantities, delivery periods, prices, guarantees of the quality of machinery and equipment and of their conformity to capacity specifications, the responsibility of the Parties in the event of *force majeure*, and also other detailed conditions for the performance by the Parties of their obligations under this Agreement. The prices of the equipment, machinery

and materials to be delivered to Iraq in accordance with this Agreement and of the Iraqi goods to be delivered to the USSR in repayment of the loan and in payment of the interest thereon, shall be determined on the basis of world market prices.

### *Article 12*

The Soviet Party, in addition to providing technical assistance in the construction of projects under the loan granted in accordance with this Agreement, also expresses its agreement to provide, at the request of the Iraqi Party, technical assistance in the construction of the industrial, agricultural and other projects enumerated in annex 2<sup>1</sup> to this Agreement. The Soviet organizations shall be reimbursed by the Iraqi Party for expenditures incurred in connexion with the provision of technical assistance in the construction of these projects by means of deliveries of goods to the USSR under the Soviet-Iraqi Trade Agreement in force and/or in a convertible currency.

The extent and the forms of technical assistance to be furnished by the Soviet organizations in accordance with this article shall be defined in supplementary agreements between the Parties and in contracts to be concluded on the basis of those agreements.

This Agreement shall be ratified as soon as possible and shall enter into force on the date of the exchange of the instruments of ratification, which shall take place at Bagdad.

DONE in duplicate at Moscow, on 16 March 1959, in the Russian and Arabic languages, both texts being equally authentic.

For the Government  
of the Union of Soviet  
Socialist Republics :

I. I. KUZMIN  
I. V. ARKHIPOV

For the Government  
of the Republic of Iraq :

Ibrahim KUBBA  
Talaat ASH-SHAIBANI

<sup>1</sup> See p. 162 of this volume.

## ANNEX 1

## LIST OF PROJECTS AND STUDIES IN CONNEXION WITH WHICH THE SOVIET ORGANIZATIONS WILL FURNISH TECHNICAL ASSISTANCE TO THE IRAQI STATE ORGANIZATIONS

No.	<i>Designation and brief description of projects and studies and forms of technical assistance to be given</i>	<i>Period for completion</i>
1.	A metal works with an annual capacity of 60,000 tons of medium—and small—section rolled steel, the rolling-shop operating on a three-shift basis The works to include : a cast-iron foundry with an annual capacity of 5,000 tons of cast-iron pipes and 5,000 tons of shaped castings Planning operations Delivery of equipment	1960-1962 1961-1963
2.	A nitrogenous fertilizer factory with an annual ammonia capacity of up to 60,000 tons, to be processed at the plant into ammonium nitrate and ammonium sulphate Exploratory studies Planning operations Delivery of equipment	1959-1960 1960-1962 1962-1964
3.	A sulphur and sulphuric acid factory with an annual capacity of up to 110,000 tons of sulphuric acid and up to 65,000 tons of sulphur Exploratory studies Planning operations Delivery of equipment	1959-1960 1960-1962 1962-1964
4.	A factory for the production of antibiotics and pharmaceutical preparations in the following amounts per annum : Penicillin : 5.5 tons Streptomycin : 5.5 tons Biomycin : 6.5 tons Tinctures, extracts (liquid, dry and viscous) : 800 tons Ointments and pastes : 250 tons Tablets : 100 tons, and Ampoules : 40 million pieces Planning operations Delivery of equipment	1959-1960 1960-1961
5.	A factory for the manufacture of agricultural machinery, implements and their spare parts, with the following annual output : Agricultural machinery : 12,000 tons (30,000 pieces) Spare parts : 2,000 tons Hand tools and implements : 1,000 tons, and Castings for other factories : 2,000 tons	



No.	Designation and brief description of projects and studies and forms of technical assistance to be given	Period for completion
	Exploratory studies	1959-1960
	Planning operations	1960-1961
	Delivery of equipment	1961-1962
6.	An electrical engineering plant with the following annual output : Power transformers with a capacity of up to 1,000 kw and an aggregate capacity of 100,000 kw Electric motors of up to 1 kw : 50,000 pieces Electric motors of up to 50 kw : 25,000 pieces Motor generators of up to 50 kw : 2,000 pieces Low-voltage apparatus, in quantity corresponding to plant output The plant is also to be equipped with a workshop for the repair of transformers and electric motors with a volume amounting to 20 per cent of plant output	
	Exploratory studies	1959-1960
	Planning operations	1960-1962
	Delivery of equipment	1961-1962
7.	An electric-bulb factory with the following annual capacity: Up to 15 million bulbs, of which : 8 million of up to 100 watts and 7 million of up to 200 watts and 2 million fluorescent bulbs	
	Exploratory studies	1959-1960
	Planning operations	1960-1962
	Delivery of equipment	1961-1962
8.	A radio station comprising four 100-kilowatt short-wave radio transmitters in the Baghdad region Exploratory studies, planning operations and delivery of equipment	1959-1960
9.	A glassworks with a daily capacity of 83 tons of glass melt, for the production of bottles, jars, glassware and window glass Exploratory studies and planning operations Delivery of equipment	1959-1960 1961-1962
10.	A 60,000-spindle cotton mill, complete with weaving and finishing equipment, with an annual output of 30 million running metres of cloth and 1,100 tons of cotton yarn Exploratory studies Planning operations Delivery of equipment	1959 1960-1961 1961-1962
11.	A woollen mill with an annual output of 1.7 to 2 million square metres of cloth, including a shed for washing wool Exploratory studies and planning operations Delivery of equipment	1959-1960 1961-1962

No.	Designation and brief description of projects and studies and forms of technical assistance to be given	Period for completion
12.	A hosiery and knitted goods factory with an annual output of up to 6 millions pairs of stockings and socks, up to 3.8 million pieces of underwear and up to one million pieces of knitted outer wear* Exploratory studies and planning operations Delivery of equipment	1959-1960 1960-1961
13.	A garment factory equipped with 130 universal sewing machines, to process up to 3 million metres of fabric a year Exploratory studies and planning operations Delivery of equipment	1959-1960 1961
14.	Geological work : (a) Geological mapping of the whole territory of Iraq on the scale of 1:200,000, and prospecting and exploratory work in the most promising regions (b) Magnetic survey over an area of 500 square kilometres on a scale of 1:25,000, and detailed survey of promising areas (c) Ground seismic survey and subsequent exploratory drilling, as indicated, in the Jaribak region over an area of up to 300 sq. km., and also in promising areas of territorial waters (d) Prospecting for phosphate rock and sulphur	Period of provision of technical assistance to be determined by agreement between the Parties
15.	A centre for the repair of geological equipment and a geological-survey laboratory Delivery of equipment and other services	Period of provision of technical assistance to be determined by agreement between the Parties
16.	Two reinforced concrete silo-type elevators each of 12,000 tons capacity, with two bucket conveyors, each having an output of 100 tons an hour Exploratory studies and planning operations Delivery of equipment	1959-1960 1960-1961
17.	A canning factory for the processing of vegetables, fruit and meat, with a capacity of up to 3 million cans a year, and a refrigerating unit with a storage capacity of 50 tons Exploratory studies and planning operations Delivery of equipment	1959-1960 1960-1961
18.	Technical assistance in organizing four State farms for the cultivation of sugar beet (sown area up to 2,500 hectares), cotton (sown area up to 3,000 hectares), unirrigated grain crops (sown area up to 10,000 hectares) and rice (sown	

\* The precise figure to be agreed upon by the Parties at the planning stage.

No.	Designation and brief description of projects and studies and forms of technical assistance to be given	Period for completion
	area up to 3,000 hectares), and a farm for the cultivation of medicinal plants over an area of up to 200 hectares	
19.	Exploratory studies, planning operations and supply of basic equipment Technical assistance in the organization of four tractor-hire stations at the State farms or independently, for servicing peasant farms, with a combined park of up to 100 tractors	1959-1960
20.	Exploratory studies, planning operations and delivery of basic equipment Drainage of 1.5 million hectares of irrigable land in southern Iraq	1959-1960
21.	Exploratory studies and planning operations The preparation of a scheme for the use of the waters of the Tigris river basin for irrigation, navigation and electric power production	1959-1995
22.	Exploratory studies and planning operations The preparation of a scheme for the use of the waters of the river Euphrates	1959-1963
23.	Exploratory and planning work Improvement of navigation on the River Tigris (over the Baghdad-Basra-mouth of the Shatt al Arab section) and the River Euphrates (over the Hit-Basra section)	1959-1963
24.	Exploratory studies, preparation of plans for primary projects, delivery of equipment for exploratory studies Baghdad-Basra Railway (improvement of existing narrow-gauge track and construction of wide-gauge track)	1959-1960
25.	Exploratory studies, and planning operations Delivery of equipment for exploratory studies Kirkuk-Sulaimaniya railway Exploratory studies and planning operations Delivery of equipment for exploratory studies	1959-1962 1959-1960 1960-1962 1960

## NOTE

1. The scale of technical assistance to be furnished on each of the projects and studies enumerated above may be changed by agreement between the Parties within the limits of the loan granted under this Agreement.

2. In carrying out the planning operations the Soviet organizations shall take account of the wishes of the Iraqi Party concerning the delivery to it of the technical documents, in order to expedite the start of construction work on the individual projects.

I. K.  
I. A.

Ibrahim KUBBA  
Talaat ASH-SHAIBANI

## ANNEX 2

## LIST OF PROJECTS AND STUDIES IN CONNEXION WITH WHICH THE SOVIET ORGANIZATIONS WILL FURNISH TECHNICAL ASSISTANCE TO THE IRAQI STATE ORGANIZATIONS

No.	<i>Designation and brief description of projects and studies</i>
1.	A factory for the production of caustic soda by the electrolytic method, with an annual output of 22,400 tons of caustic soda and 20,000 tons of chlorine, and for the processing of chlorine into bleaching powder, ferric chloride, potassium chlorate, hydrochloric acid, and liquid chlorine
2.	A plastics factory with an annual capacity of up to 20,000 tons of polyvinyl chloride and up to 20,000 tons of polyethylene
3.	A factory for the construction and repair of rivercraft with an annual output of 10 self-propelled craft with an engine rating of up to 400 h.p., and 10 non-self-propelled craft
4.	A wagon-assembly shop at the central railway workshops at Baghdad, with an annual output of up to 300 wagons (assembly only)
5.	Technical assistance in the construction of, and the supply of equipment for, installations to regulate the flow of water in the upper Euphrates
6.	Technical assistance in the construction of and the supply of equipment for a number of installations on the River Tigris for the purpose of developing irrigation, navigation and the use of hydroelectric power
7.	Technical assistance in the construction of, and the supply of equipment for, the necessary installations for the reclamation of approximately 1.5 million hectares of irrigable land in southern Iraq
8.	Technical assistance in and the supply of equipment for the drilling of 300 water wells to a depth of 100-200 metres
9.	Technical assistance in the construction of the Baghdad-Basra railway line (improvement of the existing narrow-gauge track and construction of a wide-gauge track)
10.	Technical assistance in the construction of a Kirkuk-Sulaimaniya railway line
11.	Repair of existing wharfs in the port of Basra, and construction of new wharfs
12.	Technical assistance in the construction of installations for the improvement of navigation on the River Tigris (over the Baghdad-Basra — mouth of the Shatt al Arab section) and the River Euphrates (over the Hit-Basra section)
13.	Three 10,000-line automatic telephone exchanges in Baghdad
14.	Technical assistance in the preparation of a long-range plan for the development of broadcasting and television facilities and the supply of equipment for projects to be completed in accordance with this plan
15.	Reconstruction of the aerial arrays of the existing medium- and short-wave radio station in Baghdad

No.	<i>Designation and brief description of projects and studies</i>
16.	Reconstruction of existing broadcasting studios in Baghdad
17.	Technical assistance in the study of motor-roads
18.	Research on methods of using dates for industrial purposes and for the production of foodstuffs
I. K. I. A.	Ibrahim KUBBA Talaat ASH-SHAIBANI