

No. 7144

**UNITED STATES OF AMERICA
and
IRAQ**

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at
Baghdad, on 27 August 1963**

Official texts: English and Arabic.

Registered by the United States of America on 28 February 1964.

**ÉTATS-UNIS D'AMÉRIQUE
et
IRAK**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre IV de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée (avec
échange de notes). Signé à Bagdad, le 27 août 1963**

Textes officiels anglais et arabe.

Enregistré par les États-Unis d'Amérique le 28 février 1964.

No. 7144. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
THE REPUBLIC OF IRAQ UNDER TITLE IV OF THE
AGRICULTURAL TRADE DEVELOPMENT AND AS-
SISTANCE ACT, AS AMENDED. SIGNED AT BAGHDAD,
ON 27 AUGUST 1963

The Government of the United States of America and the Government of the Republic of Iraq :

Recognizing the desirability of expanding trade in agricultural commodities between their two countries in a manner which would utilize surplus agricultural commodities, including the products thereof, produced in the United States of America to assist economic development in Iraq;

Recognizing that such expanded trade should be carried on in a manner which would not displace cash 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 ;

Recognizing further that by providing such commodities to Iraq under long-term supply and credit arrangements, the resources and manpower of Iraq can be utilized more effectively for economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use;

Desiring to set forth the understandings which will govern the sales, as specified below, of commodities to Iraq pursuant to Title IV of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act);

Have agreed as follows :

Article I

COMMODITY SALES PROVISIONS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of Iraq of credit purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance during the period July 1, 1963 to June 30, 1964, or such longer period as may be authorized by the Government of the United States of America, sales

¹ Came into force on 27 August 1963, upon signature, in accordance with article V.

for United States dollars, to purchasers authorized by the Government of the Republic of Iraq of the following commodities :

<i>Commodity</i>	<i>Approximate Maximum Quantity (Metric Tons)</i>	<i>Maximum Export Market Value to be Financed (Thousands)</i>
Wheat	50,000	\$3,210
Tobacco, leaf	1,500	2,513
Poultry	450	317
Ocean transportation (estimated)		816
	TOTAL	\$6,856

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified export market value to be financed, except that additional financing for ocean transportation will be provided if the estimated amount for financing shipments required to be made on United States flag vessels proves to be insufficient. It is understood that the Government of the United States of America will, as price declines or other marketing factors may require, limit the amount of financing provided in the credit purchase authorizations so that the quantities of commodities financed will not substantially exceed the above specified approximate maximum quantities.

2. Credit purchase authorizations will include provisions relating to the sale and delivery of such commodities and other relevant matters.

3. The financing, sale, and delivery of commodities hereunder may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale, and delivery is unnecessary or undesirable.

Article II

CREDIT PROVISIONS

1. The Government of the Republic of Iraq will pay or cause to be paid in United States dollars to the Government of the United States of America for the commodities specified in Article I and related ocean transportation (except excess ocean transportation costs resulting from the requirement that United States flag vessels be used), the amount financed by the Government of the United States of America.

2. Payment of amounts financed in connection with shipments made in each calendar year will be made in 19 annual installments. The first annual payment will be due on March 31 immediately following the calendar year of shipment. This payment will be for $\frac{1}{19}$ th of the amount of commodity value

(including related ocean transportation and insurance in the case of c. & f. or c.i.f. shipments) financed by Commodity Credit Corporation on shipments made during the preceding calendar year. Payment for the balance of amounts financed (including ocean transportation financed separately from commodity value) in connection with shipment made in each calendar year, plus accrued interest, will be made in 18 approximately equal annual installments due on March 31 of successive calendar years. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal amount due the Government of the United States of America for commodities delivered in each calendar year shall be computed at the rate of $\frac{3}{4}$ of 1% per annum and shall begin on the date of the last delivery of commodities in such calendar year.

4. All payments shall be made in United States dollars and the Government of the Republic of Iraq shall deposit or cause to be deposited such payments in the United States Treasury unless another depository is agreed upon by the two Governments.

5. The two Governments will each establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year.

6. For the purpose of determining the date of the last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier.

Article III

GENERAL PROVISIONS

1. The Government of the Republic of Iraq will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic consumption of the agricultural commodities purchased pursuant to this Agreement; 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 on the final date on which said commodities are being 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 these or like commodities for export from Iraq.

2. The two Governments will take reasonable precautions to assure that sales or purchases of commodities pursuant to this Agreement will not displace cash marketings of the United States of America in these commodities or un-

duly disrupt world prices of agricultural commodities or normal patterns of commercial trade of countries friendly to the United States of America.

3. In carrying out the provisions of this Agreement, the two Governments will seek to assure, to the extent practicable, conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and extend continuous market demand for commodities.

4. The Government of the Republic of Iraq will furnish, upon request of the Government of the United States of America, information on the progress of the program, including the arrival and condition of commodities, imports of commodities which may be required under this Agreement to be purchased from the United States of America or other countries friendly to the United States of America in addition to commodities financed under this Agreement, and any exports of the same or like commodities.

Article IV

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 entered into pursuant to this Agreement.

Article V

ENTRY INTO FORCE

The Agreement shall enter into force upon signature.

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

DONE in duplicate at Baghdad this 27th day of August, 1963.

For the Government
of the United States of America :

Robert C. STRONG

[SEAL]

For the Government
of the Republic of Iraq :

Sadoon HAMMADI

[SEAL]

EXCHANGE OF NOTES

I

*The American Ambassador to the Iraqi Minister of Agrarian Reform*¹

Baghdad, August 27, 1963

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of the Republic of Iraq signed today.²

I wish to confirm my Government's understanding of the Agreement reached in conversations which have taken place between representatives of our two Governments with respect to the use by the Government of the Republic of Iraq of dinars resulting from the sale of commodities financed under the Agreement. It is understood that these dinars will be used for economic and social development programs.

It is my Government's further understanding that in agreeing that the delivery of commodities pursuant to the above cited Agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with countries friendly to the United States of America, the Government of the Republic of Iraq agrees that Iraq will, in addition to the commodities to be programmed under this Agreement, import from such countries including the United States of America 200,000 metric tons of wheat and/or wheat flour and 350,000 pounds of tobacco and/or tobacco products during the fiscal year ending June 30, 1964, or any subsequent fiscal year during which the commodities purchased under the Agreement are being imported.

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

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

Robert C. STRONG

His Excellency Sa'dun Hammadi
Minister of Agrarian Reform
Baghdad

¹ The Arabic language version of this note was not included in the copies of the Agreement transmitted for registration. For the Arabic text of paragraphs 1-3 of the note, see note II.

² See p. 272 of this volume.

[ENGLISH VERSION OF NOTE II — VERSION ANGLAISE DE LA NOTE II]

Baghdad, August 27, 1963

Dear Mr. Ambassador :

I have the honor to acknowledge receipt of your letter dated 27-8-1963 the contents of which are as follows :

[*See note I*]

I have the honor to inform you that my Government approves the provisions of this letter.

Accept, Excellency the renewed assurances of my highest consideration.

Sadoon HAMMADI

Mr. Robert C. Strong
Ambassador of the United States of America
Baghdad