

No. 7719

**UNITED STATES OF AMERICA
and
IRAN**

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at Tehran,
on 16 November 1964**

**Exchange of notes constituting an agreement amending the
above-mentioned Agreement. Tehran, 15 December
1964**

Official text: English.

Registered by the United States of America on 27 April 1965.

**ÉTATS-UNIS D'AMÉRIQUE
et
IRAN**

**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 Téhéran, le 16 no-
vembre 1964**

**Échange de notes constituant un avenant à l'Accord sus-
mentionné. Téhéran, 15 décembre 1964**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 27 avril 1965.

No. 7719. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE IMPERIAL GOVERN-
MENT OF IRAN UNDER TITLE IV OF THE AGRICUL-
TURAL TRADE DEVELOPMENT AND ASSISTANCE
ACT, AS AMENDED. SIGNED AT TEHRAN, ON 16 NO-
VEMBER 1964

The Government of the United States of America and the Imperial Government of Iran :

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 Iran;

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 Iran under long-term supply and credit arrangements, the resources and manpower of Iran 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 Iran 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 Imperial Government of Iran 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

¹ Came into force on 16 November 1964, upon signature, in accordance with article V.

finance, during the periods specified in the following table or such longer periods as may be authorized by the Government of the United States of America, sales for United States dollars, to purchasers authorized by the Imperial Government of Iran, of the following commodities :

<i>Commodity</i>	<i>Supply Period</i>	<i>Approximate Maximum Quantity (Metric Tons)</i>	<i>Maximum Export Market Value to be Financed (1,000)</i>
Corn and/or grain sorghums . .	U.S. Fiscal Year 1965	25,000	\$1,609
Ocean Transportation (estimated)			541
	TOTAL		<u>\$2,150</u>

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 Imperial Government of Iran 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 together with interest thereon.

2. Payment of amounts financed in connection with shipments made in each calendar year, including the applicable ocean transportation costs related to such deliveries, shall be made in 19 annual installments. The first annual payment shall become due on March 31 immediately following the calendar year of shipment.

This payment shall be for 25 percent of the amount of commodity value financed by the Government of the United States of America on shipments made during the preceding calendar year. Payment for the balance of amounts financed in connection with shipments made in each calendar year shall 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 $3\frac{1}{2}$ percent per annum and shall begin on the date of last delivery of commodities in such calendar year. Interest on each such unpaid balance shall be paid annually not later than the date on which the annual payment of principal becomes due.

4. All payments shall be made in United States dollars and the Imperial Government of Iran shall deposit, or cause to be deposited, such payments in the United States Treasury for credit to the Commodity Credit Corporation 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 Imperial Government of Iran 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 to other countries.

2. The two Governments will take reasonable precautions to assure that sales or purchases of commodities pursuant to the Agreement will not displace cash marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade of countries friendly to the United States of America.

3. The Imperial Government of Iran agrees to furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to arrivals and conditions of commodities and the provisions for the maintenance of usual marketings, and information relating to exports of the same or like commodities.

4. 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 agricultural commodities.

Article IV

CONSULTATIONS

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 at Tehran in duplicate this Sixteenth day of November 1964.

For the Government
of the United States of America :
Julius C. HOLMES

For the Imperial
Government of Iran :
Amir Abbas HOVEYDA

EXCHANGE OF NOTES

I

The American Ambassador to the Iranian Minister of Foreign Affairs

No. 254

Tehran, November 16, 1964

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement¹ between the Government of the United States of America and the Imperial

¹ See p. 214 of this volume.

Government of Iran signed today and to confirm my Government's understanding of the following :

With regard to paragraph 3 of Article III of the Agreement, the Imperial Government of Iran agrees to furnish quarterly the following information in connection with each shipment of commodities received under this Agricultural Commodities 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 Imperial Government of Iran 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 Imperial Government of Iran showing progress made toward fulfilling commitments on usual marketings 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 this Agreement.

The Imperial Government of Iran will use the rials resulting from the sale of commodities financed under the Agreement for economic and social development programs as may be mutually agreed upon by our two Governments.

It is also understood that any rials resulting from the sale within Iran of the commodities purchased pursuant to the Agreement which are loaned by the Imperial Government of Iran to private or non-governmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in Iran.

Upon request, the Imperial Government of Iran will furnish the Government of the United States of America reports showing the total rials available to the Imperial Government of Iran from the sale of the commodities and reports listing the projects being undertaken including information on the name, location and amount invested in each project.

I shall appreciate receiving your confirmation that the foregoing also represents the understanding of the Imperial Government of Iran.

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

J. C. HOLMES

His Excellency Abbas Aram
Minister of Foreign Affairs
Tehran, Iran

II

The Iranian Minister of Foreign Affairs to the American Ambassador

MINISTÈRE IMPÉRIAL DES AFFAIRES ÉTRANGÈRES

November 16, 1964

Excellency :

I have the honor to convey to Your Excellency the concurrence of the Imperial Government of Iran with the contents of your Note No. 254 of November 16, 1964, regarding the Public Law 480, Title IV, Agricultural Commodities Agreement concluded between the Imperial Government of Iran and the Government of the United States of America on November 16, 1964.

With the renewed assurances of my highest esteem.

A. ARAM

Minister of Foreign Affairs

His Excellency Julius C. Holmes
Ambassador of the United States of America
Tehran, Iran

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
IRAN AMENDING THE AGRICULTURAL COMMODI-
TIES AGREEMENT OF 16 NOVEMBER 1964.² TEHRAN,
15 DECEMBER 1964

I

The American Ambassador to the Iranian Acting Minister of Foreign Affairs

Note No. 284

Tehran, December 15, 1964

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between our two governments of November 16, 1964² and to propose, in response to the request of the Imperial Government of Iran, that Article I of the agreement be amended as follows :

The appropriate maximum quantity of corn and/or grain sorghums be increased to 50,000 metric tons; the maximum export market value to be financed be increased to \$3,218,000; the ocean transportation (estimated) be increased to \$1,082,000; and the total increased to \$4,300,000.

It is proposed that this note and Your Excellency's reply concurring therein shall constitute an agreement between our two governments on this matter to enter into force on the date of Your Excellency's note in reply.

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

J. C. HOLMES

His Excellency Ahmad Mir Fendereski
Acting Minister of Foreign Affairs
Tehran

¹ Came into force on 15 December 1964 by the exchange of the said notes.

² See p. 214 of this volume.

II

The Iranian Acting Minister of Foreign Affairs to the American Ambassador

MINISTÈRE IMPÉRIAL DES AFFAIRES ÉTRANGÈRES

Tehran, December 15, 1964

Excellency,

With reference to your Note No. 284 of December 15, 1964, in connection with the Agricultural Commodities Agreement of November 16, 1964, concluded between the Imperial Government of Iran and the Government of the United States of America, I have the honor to convey to your Excellency the Imperial Government's accord to the amendments proposed in the above-mentioned Note.

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

A. MIR FENDERESKI

His Excellency Julius C. Holmes
Ambassador of the United States of America
Tehran, Iran
