

No. 9696

**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 Bagh-
dad on 19 December 1966**

Authentic texts: English and Arabic.

Registered by the United States of America on 2 July 1969.

**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 19 décembre 1966**

Textes authentiques: anglais et arabe.

Enregistré par les États-Unis d'Amérique le 2 juillet 1969.

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 ASSISTANCE ACT, AS
AMENDED

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 the Republic of 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 these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade ;

Recognizing further that by providing such commodities to the Republic of Iraq under long-term supply and credit arrangements, the resources and manpower of the Republic 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 the Republic of 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 periods specified below, 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 Government of the Republic of Iraq of the following commodities :

¹ Came into force on 19 December 1966 by signature, in accordance with article V.

<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>
Wheat and/or wheat flour	FY 1967	25,000	\$1,630
Ocean transportation (estimated)			196
		TOTAL	\$1,826

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 may limit the amount of financing provided in the credit purchase authorizations, as price declines or other marketing factors may require, so that the quantities of commodities financed will not substantially exceed the above specified approximate maximum quantities.

2. Applications for credit purchase authorizations will be made promptly after the effective date of this agreement. Purchase authorizations will include provisions relating to the sale and delivery of the 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 together with interest thereon.

2. The amount of the principal due for commodities delivered in each calendar year under this Agreement, including the applicable related ocean transportation costs, shall be made in 5 approximately equal annual payments, the first of which shall become due one year after the date of last delivery of commodities in any calendar year. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal due the Government of the United States of America for commodities delivered in each calendar year shall

begin on the date of last delivery of commodities in such calendar year and be paid annually beginning one year after such date of last delivery, but not later than the date on which the annual payment of principal becomes due. The interest shall be computed at the rate of $5\frac{1}{8}\%$ per annum.

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 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 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 (unless such resale, transshipment or use is specifically approved by the Government of the United States of America); 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 the same or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that sales and purchases of commodities pursuant to the Agreement will not displace usual 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. In carrying out this Agreement, the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Government of the Republic of Iraq will furnish information quarterly on the progress of the program, particularly with respect to the arrival and condition of the commodities, and information relating to imports and 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 carried out pursuant to this Agreement.

Article V

ENTRY INTO FORCE

This 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 19th day of December, 1966.

For the Government
of the United States of America :

Robert C. STRONG
Ambassador
of the United States of America

For the Government
of the Republic of Iraq :

Nuri JAMIL
Ambassador
Undersecretary of the Ministry
for Foreign Affairs

EXCHANGE OF NOTES

I

*The American Ambassador to the Iraq Undersecretary
of the Ministry for Foreign Affairs*

No. 477

Baghdad, December 19, 1966

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement under Title IV between our two Governments signed today and to inform you of my Government's understanding of the following :

1. With regard to paragraph 4 of Article III of the Agreement, the Government of the Republic of Iraq agrees to furnish the following information quarterly in connection with each shipment received of commodities financed under the agreement : the name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; the condition in which the commodity was received; the date unloading was completed; and the disposition of the cargo, i.e., stored, distributed locally, or, of shipped, where shipped. In addition, the Government of the Republic of Iraq agrees to furnish quarterly : (a) a statement of measures it has taken to prevent the re-export or transshipment of the commodities furnished, (b) assurances that the program has not resulted in the increased availability of the same or like commodities to other nations, and (c) a statement showing progress made toward fulfilling commitments on usual marketings. The Government of the Republic of Iraq agrees that the above statements will be accompanied by statistical data on imports and exports by country of origin or destination of commodities which are the same as or like those imported under the Agreement.

2. As agreed in conversations which have taken place between representatives of our two Governments, the dinars resulting from the sale of commodities financed under the Agreement will be deposited by the Government of the Republic of Iraq in a special account in the name of the Government of the Republic of Iraq and will be used by the Government of the Republic of Iraq for economic and social development programs as may be mutually agreed by our two Governments.

3. It is also understood that any dinars resulting from the sale in Iraq of the commodities financed under the agreement which are loaned by the Government of the Republic of Iraq to private or nongovernmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in Iraq.

4. The Government of the Republic of Iraq agrees to furnish the Government of the United States of America semi-annual reports showing the total dinars available to the Government of the Republic of Iraq from the sale of commodities, a list of the projects being undertaken, and related information including the name, location, amount invested in each project and status of completion.

5. In expressing its agreement with the Government of the United States of America that the delivery of commodities pursuant to the agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with

friendly nations, the Government of the Republic of Iraq agrees that in addition to the commodities to be purchased under the terms of the agreement, Iraq will procure and import with its own resources from Free World sources, including the United States of America, during U.S. fiscal year 1967 at least 200,000 metric tons of wheat and/or wheat flour on a grain equivalent basis.

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

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

Robert C. STRONG

His Excellency Nuri Jamil
Ambassador, Undersecretary
of the Ministry for Foreign Affairs
Baghdad

[TRANSLATION¹ — TRADUCTION²]

Baghdad 12/19/66

Dear Mr. Ambassador :

I have the honor to acknowledge receipt of your note dated 12/19/66 reading as follows :

[*See note I*]

I have the honor to inform you of my Government's confirmation of the provisions set forth above.

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

Nuri JAMIL

For the Government of the Republic of Iraq

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

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.