

No. 11782

**UNITED STATES OF AMERICA
and
ICELAND**

**Agreement for sales of agricultural commodities (with annex).
Signed at Reykjavik on 28 October 1971**

Authentic text: English.

Registered by the United States of America on 24 April 1972.

**ÉTATS-UNIS D'AMÉRIQUE
et
ISLANDE**

**Accord relatif à la vente de produits agricoles (avec annexe).
Signé à Reykjavik le 28 octobre 1971**

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 24 avril 1972.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE
UNITED STATES OF AMERICA AND THE GOVERNMENT
OF THE REPUBLIC OF ICELAND FOR SALES OF AGRICULTURAL
COMMODITIES

The Government of the United States of America and the Government of the Republic of Iceland have agreed to the sales of agricultural commodities specified below. This Agreement shall consist of the Preamble, Parts I and III, and the Dollar Credit Annex of the Agreement signed June 5, 1967,² and the following Part II:

PART II

PARTICULAR PROVISIONS

ITEM I. *Commodity Table*

| <i>Commodity</i> | <i>Supply Period (United States Fiscal Year)</i> | <i>Approximate Maximum Quantity (metric tons)</i> | <i>Maximum Export Market Value (1,000)</i> |
|---|--|---|--|
| Wheat flour | 1972 | 4,000 | \$520 |
| Tobacco unmanufactured and/or tobacco products | 1972 | 128 | \$282 |
| | | TOTAL | \$802 |

ITEM II. *Payment Terms*

Dollar Credit

1. Initial Payment – 5 percent.
2. Currency Use Payment – 35 percent of the dollar amount of the financing by the Government of the exporting country under this agreement is payable upon demand by the Government of the exporting country in amounts as it may determine and in accordance with paragraph 6 of the Dollar Credit Annex applicable to this agreement. No request for payment will be made by the Government of the exporting country prior to the first disbursement by the CCC under this agreement.

¹ Came into force on 28 October 1971 by signature, in accordance with part III (B).

² United Nations, *Treaty Series*, vol. 692, p. 229.

3. Number of Installment Payments – 15.
4. Amount of Each Installment Payment – approximately equal annual amounts.
5. Due Date of First Installment Payment – one year after date of last delivery of commodities in each calendar year.
6. Interest Rate – $6\frac{1}{8}$ percent.

ITEM III. *Usual Marketing Table*

| <i>Commodity</i> | <i>Import Period (United States Fiscal Year)</i> | <i>Usual Marketing Requirement</i> |
|--|--|--|
| Wheat/wheat flour (on a grain equivalent basis) | 1972 | 6,000 metric tons |
| Tobacco, unmanufactured and/or tobacco content of tobacco products | 1972 | 300 metric tons (of which at least 200 metric tons shall be imported from the United States) |

ITEM IV. *Export Limitations*

A. With respect to each commodity financed under this agreement, the export limitation period for the same or like commodity shall begin on the date of this agreement and end on the final date on which said commodity financed under this agreement is being imported or utilized.

B. For the purposes of Part I, Article III A 3, of the agreement, the commodities considered to be the same as, or like, the commodities financed under this agreement are: for wheat flour – wheat and products thereof.

ITEM V. *Self-Help Measures*

The Government of the importing country will:

- A. Strengthen its efforts to conserve agriculture's natural resources base by:
1. Encouraging sound range management practices;
 2. Improving soil erosion control measures; and
 3. Intensifying protective measures for existing forests and woods, and expanding the forest area through reforestation.

- B. Continue improvement in the storage and distribution of agricultural commodities.
- C. Carry out such other measures as may be mutually agreed upon for the purposes specified in Section 109(a) of the Act.

ITEM VI. *Economic Development Purposes for Which Proceeds Accruing to Importing Country are to be Used*

For the purposes specified in Item V and for other economic development purposes as may be mutually agreed upon.

ITEM VII. *Ocean Freight Financing*

The Government of the exporting country shall bear the cost of ocean freight differential for commodities it requires to be carried in U.S. flag vessels but, notwithstanding the provisions of paragraph 1 of the Dollar Credit Annex, it shall not finance the balance of the cost of ocean transportation of such commodities.

ITEM VIII. *Other Provisions*

A. The currency use payment under Part II, Item II 2 of this agreement shall be credited against (a) the amount of each year's interest payment due during the period prior to the due date of the first installment payment, starting with the first year, plus (b) the combined payments of principal and interest starting with the first installment payment, until value of the currency use payment has been offset.

B. Notwithstanding paragraph 4 of the Dollar Credit Annex, the Government of the importing country may withhold from deposit in the special account referred to in such paragraph or may withdraw from amounts deposited therein so much of the proceeds accruing to it from the sale of commodities financed under this agreement as is equal to the amount of the currency use payments made by the Government of the importing country.

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

DONE at Reykjavik, in duplicate, this twenty-eighth day of October 1971.

For the Government
of the United States of America :

For the Government
of the Republic of Iceland :

LUTHER I. REPLOGLE

EINAR AGUSTSSON