No. 6270

UNITED STATES OF AMERICA
and
IRAN

Agricultural Commodities Agreement under Title I of the Agricultural Trade Development and Assistance Act, as amended (with exchange of notes). Signed at Tehran, on 29 January 1962

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Tehran, 17 and 20 February 1962

Official text: English.

Registered by the United States of America on 2 August 1962.

ÉTATS-UNIS D'AMÉRIQUE
et
IRAN

Accord relatif aux produits agricoles, conclu dans le cadre du titre I 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 29 janvier 1962

Échange de notes constituant un avenant à l'Accord susmentionné. Téhéran, 17 et 20 février 1962

Texte officiel anglais.

Enregistrés par les États-Unis d'Amérique le 2 août 1962.

No. 6270. AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE IMPERIAL GOVERNMENT OF IRAN UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT TEHRAN, ON 29 JANUARY 1962

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 and with other friendly nations in a manner which would 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 with friendly countries;

Considering that the purchase for Iranian rials of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the rials accruing from such purchase will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to Iran pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities;

Have agreed as follows :

Article I

Sales for Iranian rials

1. Subject to issuance by the Government of the United States of America and acceptance by the Imperial Government of Iran of 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 the sales for Iranian rials, to purchasers authorized by the Imperial Government of Iran, of the following agricultural commodities in the amounts indicated :

[1] Came into force on 29 January 1962, upon signature, in accordance with article VI.

Commodity	*Export Market Value (millions)*
Wheat and/or wheat flour in grain equivalent	$6.4
Ocean transportation	1.1
TOTAL	$7.5

2. Applications for purchase authorizations will be made within 90 calendar days of the effective date of this Agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this Agreement will be made within 90 days after the effective date of such amendment. Purchase authorization will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the rials accruing from such sale, and other relevant matters.

3. Purchase and shipment of the commodities mentioned above will be made within 18 calendar months of the effective date of this Agreement.

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

Article II

USES OF IRANIAN RIALS

The Iranian rials accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement will be used by the Government of the United States of America, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, in the amounts shown :

A. For United States expenditures under subsections (*a*), (*b*), (*c*), (*d*), (*f*) and (*h*) through (*s*) of Section 104 of the Act, or under any of such subsections, twenty-five per cent of the rials accruing pursuant to this Agreement.

B. For loans to be made by the Export-Import Bank of Washington under Section 104 (*e*) of the Act and for administrative expenses of the Export-Import Bank of Washington in Iran incident thereto, five per cent of the rials accruing pursuant to this Agreement. It is understood that :

(1) Such loans under section 104 (*e*) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in Iran for business development and trade expansion in Iran, and to United States firms and Iranian firms for the establishment of

facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products.

(2) Loans will be mutually agreeable to the Export-Import Bank of Washington and the Imperial Government of Iran, acting through the Bank Markazi. The Governor of the Bank Markazi, or his designate, will act for the Imperial Government of Iran, and the President of the Export-Import Bank of Washington, or his designate, will act for the Export-Import Bank of Washington.

(3) Upon receipt of an application which the Export-Import Bank is prepared to consider the Export-Import Bank will inform the Bank Markazi of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes of which the loan proceeds would be expended.

(4) When the Export-Import Bank is prepared to act favorably upon an application, it will so notify the Bank Markazi and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to that prevailing in Iran on comparable loans, and the maturities will be consistent with the purposes of the financing.

(5) Within sixty days after the receipt of the notice that the Export-Import Bank is prepared to act favorably upon an application, the Bank Markazi will indicate to the Export-Import Bank whether or not the Bank Markazi has any objection to the proposed loan. When the Export-Import Bank approves or declines the proposed loan, it will notify the Bank Markazi.

(6) In the event the Iranian rials set aside for loans under Section 104 (*e*) of the Act are not advanced within three years from the date of this Agreement because the Export-Import Bank of Washington has not approved loans or because proposed loans have not been mutually agreeable to the Export-Import Bank of Washington and the Bank Markazi, the Government of the United States of America may use the rials for any purpose authorized by Section 104 of the Act.

C. For a loan to the Imperial Government of Iran under Section 104 (*g*) of the Act for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of Iran, as may be mutually agreed, seventy per cent of the Iranian rials accruing pursuant to this Agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement. In the event that agreement is not reached on the use of the rials for loan purposes within three years from the date of this Agreement, the Government of the United States of America may use the rials for any purposes authorized by Section 104 of the Act.

Article III

DEPOSIT OF IRANIAN RIALS

1. The amount of Iranian rials to be deposited to the account of the Government of the United States of America shall be the equivalent of the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) converted into rials, as follows:

(*a*) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Imperial Government of Iran, or

(*b*) if more than one legal rate for foreign exchange transactions exists, at a rate of exchange to be mutually agreed upon from time to time between the Government of the United States of America and the Imperial Government of Iran.

2. In the event that a subsequent Agricultural Commodities Agreement or Agreements should be signed by the two Governments under the Act, any refunds of Iranian rials which may be due or become due under this Agreement more than two years from the effective date of this Agreement would be made by the Government of the United States of America from funds available from the most recent Agricultural Commodities Agreement in effect at the time of the refund.

Article IV

GENERAL UNDERTAKINGS

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 purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America) of the agricultural commodities purchased pursuant to the provisions of this Agreement, and to assure that the purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that all sales or purchases of agricultural commodities pursuant to this 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 with friendly countries.