No. 7420

UNITED STATES OF AMERICA
and
ICELAND

Agricultural Commodities Agreement under Title I of the Agricultural Trade Development and Assistance Act, as amended (with exchange of notes). Signed at Reykjavik, on 13 February 1964

Official text: English.

Registered by the United States of America on 30 September 1964.

ÉTATS-UNIS D'AMÉRIQUE
et
ISLANDE

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 Reykjavik, le 13 février 1964

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 30 septembre 1964.

No. 7420. AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ICELAND UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT REYKJAVIK, ON 13 FEBRUARY 1964

The Government of the United States of America and the Government of Iceland :

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 kronur of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the kronur 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 Iceland 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 KRONUR

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Iceland of purchase authorizations and to the availability of the specified commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance the sales for kronur to purchasers authorized by the Government of Iceland, of the following agricultural commodities in the amounts indicated :

[1] Came into force on 13 February 1964, upon signature, in accordance with article VI.

Commodity	*Export Market Value (thousands)*
Cracked corn and cornmeal (in terms of cornmeal)	$700
Cottonseed and/or soybean oil	100
Rice	40
Ocean transportation (estimated)	100
TOTAL	$940

2. Applications for purchase authorizations will be made within 90 days after 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 authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of kronur accruing from such sale, and other relevant matters.

3. 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 KRONUR

The kronur 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 proportions shown :

A. For United States expenditures under subsections (*a*), (*b*), (*c*), (*d*), (*f*) and (*h*) through (*r*) of Section 104 of the Act, or under any of such subsections, 25 percent of the kronur accruing pursuant to this agreement.

B. For a loan to the Government of Iceland 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 Iceland, as may be mutually agreed, 75 percent of the kronur 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 agreements not reached[1] on the use of the kronur for loan purposes under Section 104 (*g*) of the Act

[1] According to the information provided by the United States of America, this phrase should read " In the event that agreement is not reached ".

within three years from the date of this agreement, the Government of the United States of America may use the kronur for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF KRONUR

1. The amount of kronur 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 kronur as follows:

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

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

2. Any refunds of kronur which may become due under this agreement will be made by the Government of the United States of America from funds available under this agreement. Any refunds of kronur which may be due or become due under any prior agreement under the Act for which undisbursed funds are no longer available in the accounts of the United States' disbursing officer in Iceland will be made by the Government of the United States of America from funds available under this agreement. Any refunds of kronur which may be due or become due under this agreement more than two years from the effective date of this agreement, may, in the event that any subsequent agreement or agreements should be signed by the two Governments under the Act, be made by the Government of the United States of America from funds available from the most recent agreement in effect at the time of the refund.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Iceland will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic purposes of the agricultural commodities purchased pursuant to this agreement (except where such resale, transshipment or use is specifically approved by the Government of the United States of America); to prevent the export of any