

No. 7709

**UNITED STATES OF AMERICA
and
ICELAND**

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance
Act, as amended (with exchange of notes). Signed at
Reykjavik, on 30 December 1964**

Official text: English.

Registered by the United States of America on 26 April 1965.

**ÉTATS-UNIS D'AMÉRIQUE
et
ISLANDE**

**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 Reykjavik, le 30 décembre
1964**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 26 avril 1965.

No. 7709. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
ICELAND UNDER TITLE IV OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT REYKJAVIK, ON 30 DECEMBER
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 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 Iceland;

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;

Recognizing further that by providing such commodities to Iceland under long term supply and credit arrangements, the resources and manpower of Iceland 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 Iceland 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 Iceland 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 in the following table or such longer periods as may be

¹ Came into force on 30 December 1964, upon signature, in accordance with article V.

authorized by the Government of the United States of America, sales for United States dollars, to purchasers authorized by the Government of Iceland, of the following commodities :

<i>Commodity</i>	<i>Supply period</i>	<i>Approximate Quantity (Metric tons)</i>	<i>Estimated export market value to be financed (1,000)</i>
Rice	Calendar Year 1965	246	\$ 40
Tobacco	Calendar Year 1965	227	500
Wheat flour . .	Calendar Year 1965	7,500	600
Ocean transportation (estimated)			156
		TOTAL	\$1,296

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 on shipments required to be made on U.S. flag vessels will be provided to defray increases in transportation rates on U.S. flag vessels. For commodities which are exported after December 31, 1965, however, the Government of the United States of America may reduce the financing of ocean transportation on shipments required to be made on U.S. flag vessels by which transportation costs on U.S. flag vessels exceed what it would have cost to make the shipments on foreign flag vessels. In such a case, the Government of Iceland shall pay the balance of the cost of transportation in United States flag vessels in United States dollars. 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 Government of Iceland will pay, or cause to be paid, in United States dollars to the Government of the United States of America for the com-

modities 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 cost related to such deliveries, shall be made in 18 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 17 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 four percent per annum and shall begin on the date of the 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 Government of Iceland 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 Government of Iceland 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