

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
IRAQ**

**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 sreources 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.