

N° 2727.

GRANDE-BRETAGNE
ET IRLANDE DU NORD
ET IRAK

Echange de notes constituant l'arrangement séparé sur des questions financières mentionné au deuxième échange de notes annexé au Traité entre le Royaume-Uni et l'Irak, du 30 juin 1930. Londres, le 19 août 1930.

GREAT BRITAIN
AND NORTHERN IRELAND
AND IRAQ

Exchange of Notes embodying the separate Agreement on Financial Questions referred to in the Second Exchange of Notes appended to the Anglo-Irak Treaty of 30 June, 1930. London, August 19, 1930.

No. 2727. — EXCHANGE OF NOTES¹ BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE 'IRAQ GOVERNMENT EMBODYING THE SEPARATE AGREEMENT ON FINANCIAL QUESTIONS REFERRED TO IN THE SECOND EXCHANGE OF NOTES APPENDED TO THE ANGLO-'IRAQ TREATY OF 30TH JUNE, 1930. LONDON, AUGUST 19, 1930.

Texte officiel anglais communiqué par le Secrétaire d'Etat aux Affaires étrangères de Sa Majesté en Grande-Bretagne. L'enregistrement de cet échange de notes a eu lieu le 10 juin 1931.

I.

LONDON, August 19, 1930.

SIR,

With reference to our conversations in London, I have the honour to propose that the following provisions shall be considered as embodying the separate agreement on all financial questions referred to in the second exchange of Notes between Your Excellency and myself at the time of the signature of the Treaty of Alliance on the 30th June, 1930.

It is understood that the agreement constituted by this note and by Your Excellency's reply thereto shall be included in the instruments of ratification of the Treaty of Alliance and shall become operative on the exchange of ratifications.

1. The Government of the United Kingdom of Great Britain and Northern Ireland shall transfer to the Iraq Government, within the period stipulated in Clause I of the Annexure to the Treaty of Alliance signed on the 30th of June, 1930, the aerodromes and encampments at Hinaidi and Mosul at present occupied by the Forces of His Britannic Majesty, and the 'Iraq Government shall accept the transfer thereof (less two "A" type steel hangars and the ice plants at Hinaidi and Mosul to be removed by the Government of the United Kingdom) at one-third of the cost price certified as correct by the Air Ministry of the Government of the United Kingdom, of the permanent buildings, plant and structures thereon, no account being taken of the mud buildings which shall be transferred to the 'Iraq Government free of cost. The 'Iraq Government shall pay this sum to the Government of the United Kingdom not later than the date upon which the aforesaid transfer is completed.

During the maximum period stipulated in Clause 1 of the Annexure to the Treaty of Alliance the Forces of His Britannic Majesty shall remain in undisturbed occupation of their present stations of Hinaidi and Mosul and at Shaiba and in the use of their existing emergency landing grounds, and the Government of the United Kingdom shall not be called upon to pay higher rental charges in respect thereof than those at present paid.

¹ L'échange des ratifications a eu lieu à Bagdad, le 26 janvier 1931.

¹ TRADUCTION. — TRANSLATION.

N^o 2727. — ÉCHANGE DE NOTES² ENTRE LE GOUVERNEMENT DE SA MAJESTÉ DANS LE ROYAUME-UNI ET LE GOUVERNEMENT DE L'IRAK CONSTITUANT L'ARRANGEMENT SÉPARÉ SUR DES QUESTIONS FINANCIÈRES MENTIONNÉ AU DEUXIÈME ÉCHANGE DE NOTES ANNEXÉ AU TRAITÉ ENTRE LE ROYAUME-UNI ET L'IRAK, DU 30 JUIN 1930. LONDRES, LE 19 AOUT 1930.

English official text communicated by His Majesty's Secretary of State for Foreign Affairs in Great Britain. The registration of this Exchange of Notes took place June 10, 1931.

I.

LONDRES, le 19 août 1930.

MONSIEUR LE PRÉSIDENT DU CONSEIL,

Comme suite à nos conversations de Londres, j'ai l'honneur de vous proposer que les dispositions suivantes soient considérées comme constituant l'accord séparé sur toutes les questions financières dont il a été question dans le second échange de notes entre Votre Excellence et moi-même, au moment de la signature du Traité d'alliance du 30 juin 1930.

Il est entendu que l'accord constitué par la présente note et la réponse de Votre Excellence à celle-ci seront compris dans les instruments de ratification du Traité d'Alliance et prendra effet dès l'échange des ratifications.

1. Le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord cédera au Gouvernement de l'Irak, avant la fin de la période stipulée à la clause 1 de l'annexe au Traité d'alliance signé le 30 juin 1930, les aérodromes et camps militaires de Hinaidi et de Mossoul actuellement occupés par les forces de Sa Majesté britannique et le Gouvernement de l'Irak acceptera d'acquiescer les bâtiments permanents, ateliers et constructions établis sur ces aérodromes et dans ces camps (moins deux hangars métalliques du type A et les glaciers de Hinaidi et de Mossoul qui seront enlevés par le Gouvernement du Royaume-Uni), au tiers du prix d'achat dont l'exactitude sera certifiée par le Ministère de l'Air du Gouvernement du Royaume-Uni, et sans tenir compte des constructions en terre qui seront cédées gratuitement au Gouvernement de l'Irak. Le Gouvernement de l'Irak paiera la somme correspondante au Gouvernement du Royaume-Uni, au plus tard à la date où la cession sera complètement effectuée.

Durant la période maximum stipulée à la clause 1 de l'annexe au Traité d'alliance, les forces de Sa Majesté britannique continueront, sans qu'il leur soit opposé aucun obstacle, à occuper leurs stations actuelles de Hinaidi, de Mossoul et de Shaiba, et à utiliser leurs terrains d'atterrissage auxiliaires, et le Gouvernement du Royaume-Uni n'aura pas à payer, pour ces stations et ces terrains, un loyer plus élevé que celui qui est payé actuellement.

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

² The exchange of ratifications took place at Bagdad, January 26, 1931.

2. If upon the withdrawal of the Forces of His Britannic Majesty from Hinaidi and Mosul in accordance with Clause 1 of the Annexure to the Treaty of Alliance, the Government of the United Kingdom should decide to establish a British air base in the neighbourhood of Habbaniya, then the 'Iraq Government shall take all possible steps, at no cost to either Government, to arrange for the construction of a railway to connect such air base with the railway system of 'Iraq.

3. The leases of the sites for air bases to be granted to His Britannic Majesty, in accordance with the provisions of Article 5 of the Treaty of Alliance, shall, in so far as such sites are on waste Government land, be free of all rental charges, and, in so far as they are on non-Government land, every facility shall be given for their acquisition on reasonable terms, such acquisition being effected by the 'Iraq Government at the request and at the cost of the Government of the United Kingdom. The leased lands shall be free of all taxes and rates and the leases shall continue so long as these bases remain in the occupation of the Forces of His Britannic Majesty in accordance with the provisions of the aforesaid Treaty of Alliance or of any extension thereof. On the final termination of the leases of the said sites, or of any one of them, the 'Iraq Government shall either themselves take over the buildings and permanent structures thereon at a fair valuation, having regard to the use to which they have been put, or shall afford such facilities as may reasonably be necessary to enable the Government of the United Kingdom to dispose thereof to the best advantage.

After the expiry of the maximum period stipulated in Clause 1 of the Annexure to the Treaty of Alliance and so long as the said Treaty of Alliance remains in force the Government of the United Kingdom shall not be called upon to pay any charges in respect of the use of any of the existing emergency landing grounds in 'Iraq.

4. The following arrangements for the disposal and administration of the 'Iraq railway system shall be carried into effect as soon as possible and in any case within a maximum period of one year from the entry into force of the Treaty of Alliance :

(a) Legal ownership of the railway system shall be transferred by the Government of the United Kingdom to the 'Iraq Government and registered in the name of the 'Iraq Government, and simultaneously with such transfer full beneficial ownership shall be vested, by lease or otherwise and at a nominal rent and on terms satisfactory to the Government of the United Kingdom, in a special body or corporation having legal personality, to be constituted by a special Statute of the 'Iraq Legislature, the terms of which shall have been agreed by both Governments.

(b) The above-mentioned Corporation shall be wholly responsible for the administration and management of the 'Iraq railway system, and, subject to such limitations as may be imposed in the Statute referred to above, shall have sole and exclusive authority to raise new capital by public issue or private loan and to dispose of the revenues of that system.

(c) The capital of the said Corporation shall comprise :

(1) Rs. 275 Lakhs of Preferred Stock, bearing interest at 6 per cent., such interest being non-cumulative for a period of twenty years from the date of the transfer of the ownership of the system and thereafter cumulative, to be allotted to the Government of the United Kingdom, of which Rs. 25 Lakhs represents the capitalized value of the debt of the railways to the Government of the United Kingdom on liquidation account ;

(2) Rs. 45.85 Lakhs of similar Preferred Stock, to be allotted to the 'Iraq Government, being an amount equal to the loans which the 'Iraq Government have made to the railways on which interest charges have been waived ; and

(3) Rs. 250 Lakhs of Deferred Stock also to be allotted to the 'Iraq Government.

The 'Iraq Government shall have the option to buy at any time at par the Stock allotted to the Government of the United Kingdom.

(d) The Board of the Corporation shall consist of five Directors of whom two shall be appointed by the Government of the United Kingdom and two by the 'Iraq Government and the fifth, who shall be the Chairman, shall be appointed by both Governments in agreement. The first Chairman shall be the present Director of the 'Iraq Railways.

(e) The Corporation shall be responsible for raising loan capital required for the reconditioning and development of the 'Iraq railway system, and neither Government shall be under any obligation to guarantee such loan capital either in respect of interest or of capital.

(f) Any loan capital raised by the Corporation for the reconditioning or development of the 'Iraq railway system shall rank before the Stock allotted to the two Governments in accordance with Clause (c) above.

(g) The 'Iraq Government, as owners of the equity of the system, shall accept ultimate responsibility for any liabilities relating thereto, not devolving upon the Corporation, that may subsequently come to light and in consideration thereof the Government of the United Kingdom shall transfer to the 'Iraq Government an amount of Preferred Stock of a nominal value equal to the amount of any irrecoverable disbursements that the 'Iraq Government may have to make in the discharge of any of the aforesaid liabilities, the validity of which may have been established to the satisfaction of the Government of the United Kingdom.

(h) In anticipation of the transfer of the railway system and the establishment of the Corporation, the 'Iraq Government shall forthwith grant three-year contracts, on "Treaty" conditions, to such British railway officials as may be recommended therefor by the Director of the 'Iraq Railways, and shall not terminate any such contracts when granted except with the agreement of the Government of the United Kingdom. The question of granting these officials contracts of longer duration shall be left for the decision of the corporation when constituted.

5. The property in the port of Basra at present held by the Government of the United Kingdom shall be transferred to the 'Iraq Government and the port shall be administered by a Port Trust. For this purpose legislation in terms agreed with the Government of the United Kingdom shall be enacted in 'Iraq for the establishment of a Port Trust having legal personality and such legislation shall not be amended, except by agreement with the Government of the United Kingdom, so long as any part of the debt owing to the Government of the United Kingdom in respect of the port is still outstanding.

Upon the enactment of the above legislation and the establishment of the Port Trust, the property in the port shall be transferred to the 'Iraq Government in whose name it will then be registered, and, simultaneously with such transfer, full beneficial ownership shall be conferred, by lease, concession or other appropriate instrument, the terms of which shall be subject to the approval of the Government of the United Kingdom, upon the Port Trust for the period during which any part of the debt owing to the Government of the United Kingdom in respect of the port remains outstanding.

I have, etc.

(Signed) F. H. HUMPHRYS.

His Excellency,
Nuri Pasha Al Sa'id, C.M.G., D.S.O.,
Prime Minister and Minister for Foreign Affairs,
'Iraq.

II.

LONDON, August 19, 1930.

SIR,

I have the honour to acknowledge the receipt of your note of to-day's date setting out the provisions to be considered as embodying the separate agreement on all financial questions referred to in the second exchange of Notes between Your Excellency and myself at the time of signature of the Treaty of Alliance on the 30th June, 1930, and to confirm that your Note accurately sets out the agreement at which we have arrived.

I have, etc.,

(Signed) NOURY SAID.

His Excellency,

Sir F. H. Humphrys, G.C.V.O., K.C.M.G., K.B.E., C.I.E.,
His Britannic Majesty's High Commissioner
in 'Iraq.
