No. 5302

UNITED STATES OF AMERICA
and
PAKISTAN

Agricultural Commodities Agreement under Title I of the Agricultural Trade Development and Assistance Act, as amended (with exchange of notes). Signed at Karachi, on 11 April 1960

Official text: English.

Registered by the United States of America on 12 August 1960.

ÉTATS-UNIS D'AMÉRIQUE
et
PAKISTAN

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 Karachi, le 11 avril 1960

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 12 août 1960.

No. 5302. AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF PAKISTAN UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT KARACHI, ON 11 APRIL 1960

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

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 in these commodities, unduly disrupt world prices of agricultural commodities, or disrupt normal patterns of commercial trade with friendly countries;

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

Considering that the Pakistan rupees accruing from such purchases 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 surplus agricultural commodities to Pakistan 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 Pakistan rupees

Subject to the issuance by the Government of the United States of America and acceptance by the Government of Pakistan of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of Pakistan for Pakistan rupees, of wheat determined to be surplus pursuant to the Act up to the amount indicated :

[1] Came into force on 11 April 1960, upon signature, in accordance with article VI.

Commodity	*Amount (million)*
Wheat and wheat products	$61.4
Ocean transportation	10.8
	$72.2

Applications for purchase authorizations shall be made not later than 90 calendar days after the effective date of this agreement for $33.8 million worth of wheat for U.S. Fiscal Year 1961. Applications for purchase authorizations for the financing of additional wheat for U.S. Fiscal Year 1962 will be made on or before September 1, 1961. The amount for financing additional wheat will be determined after review by the two Governments prior to June 30, 1961 taking into account such factors as changes in production, consumption, stocks and other related factors. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the rupees accruing from such sale and other relevant matters.

The two Governments agree that the issuance of purchase authorizations for wheat providing for purchase after June 30, 1961, shall be dependent upon the determination by the United States Government that wheat is in surplus supply and available for sale under Title I, of the Act at that time. The United States Government shall have the right to terminate the financing of further sales of wheat under this Agreement if it determines at any time after June 30, 1961, that such action is necessitated by the existence of an international emergency.

Article II

USES OF RUPEES

The two Governments agree that the rupees accruing to the Government of the United States of America as a consequence of the sales made pursuant to this agreement will be used by the Government of the United States in such manner and order of priority as the Government of the United States of America may determine, for the following purposes, in the amounts shown :

1. For the United States expenditures under subsections (*a*) (*b*) (*c*) (*d*) (*f*) (*h*) (*i*) (*j*) (*k*) (*l*) (*m*) (*n*) (*o*) (*p*) (*q*) and (*r*) of Section 104 of the Act, or under any such subsections, the Pakistan rupee equivalent of $14.4 million.

2. For loans to be made by the Export-Import Bank of Washington under Section 104 (*e*) of said Act and for administrative expenses of the Export-Import Bank of Washington in Pakistan incident thereto the rupee equivalent of $7.2 million, but not more than 25 percent of the currencies received under the agreement. It is understood that ;

(*a*) 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 Pakistan for business development and trade expansion in Pakistan and to United States firms and Pakistan 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. In the event the rupees set aside for loans under Section 104 (*e*) of the Act, as amended, 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 State Bank of Pakistan, the Government of the United States of America may use the rupees for any purpose authorized by Section 104 of the Act, as amended.

(*b*) Loans will be mutually agreeable to the Export-Import Bank of Washington and the Government of Pakistan acting through the State Bank of Pakistan. The Governor of the State Bank of Pakistan, or his designate, will act for the Government of Pakistan, and the President of the Export-Import Bank of Washington, or his designate, will act for the Export-Import Bank of Washington.

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

(*d*) When the Export-Import Bank is prepared to act favorably upon an application it will so notify the State Bank of Pakistan 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 those prevailing in Pakistan on comparable loans and the maturities will be consistent with the purposes of the financing.

(*e*) Within sixty days after the receipt of notice that the Export-Import Bank is prepared to act favorably upon an application the State Bank of Pakistan will indicate to the Export-Import Bank whether or not the State Bank of Pakistan has any objection to the proposed loan. Unless within the sixty-day period the Export-Import Bank has received such a communication from the State Bank of Pakistan it shall be understood that the State Bank of Pakistan has no objection to the proposed loan. When the Export-Import Bank approves or declines the proposed loan, it will notify the State Bank of Pakistan.

3. For a grant to the Government of Pakistan under subsection (*e*) of Section 104 of the Act, the rupee equivalent of not more than $25.3 million for