No. 6141

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 14 October 1961

Official text: English.

Registered by the United States of America on 7 May 1962.

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 14 octobre 1961

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 7 mai 1962.

No. 6141. 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 14 OCTOBER 1961

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

Recognizing the unique opportunity that now exists for a sustained cooperative effort undertaken by both Governments to ensure the continuing development and progress of the agricultural sector of Pakistan's economy ;

Recognizing that the United States of America, by undertaking a four-year program of sharing its abundance of agricultural commodities while the Government of Pakistan devotes its energies and resources toward achieving agricultural self-sufficiency can make a significant contribution to Pakistan's second five-year plan and to her efforts to meet current food requirements, establish food reserves, increase agricultural production and stabilize food prices ;

Considering that the Pakistan rupees accruing from such purchase will be utilized in a manner beneficial to both countries ;

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 trade with friendly countries ;

Desiring to set forth the understandings which will govern the sales, as specified below, of surplus agricultural commodities to the Government of 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 such trade in such commodities ;

Have agreed as follows :

[1] Came into force on 14 October 1961, upon signature, in accordance with article VI.

Article I

SALES FOR PAKISTAN RUPEES

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Pakistan of 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 the sales for Pakistan rupees to purchasers authorized by the Government of Pakistan of the following agricultural commodities in the amounts indicated :

Commodity	*Export Market Value (Millions)*
Wheat and wheat products	$ 341.1
Feedgrains	23.6
Cotton (extra long staple)	9.6
Cotton (upland)	6.3
Tobacco	8.0
Cottonseed and /or soybean oil	127.65
Nonfat dry skim milk	1.8
Dried eggs	0.6
Poultry (frozen)	0.4
Tallow (inedible)	16.0
Ocean transportation	86.5
TOTAL	$ 621.55

2. Applications for purchase authorizations for $108.0 million of wheat, $5.9 million of feedgrains, $6.3 million of upland cotton, $2.4 million of tobacco, $28.7 million of cottonseed and/or soybean oil, $450 thousand of nonfat dry milk, $125 thousand of dried eggs, $400 thousand of poultry, $4.0 million of tallow and certain ocean transportation, will be made within 90 calendar days after the effective date of this Agreement for procurement during United States fiscal year 1962. The amount for subsequent years will be determined on the basis of annual review to be made by the two Governments prior to the beginning of each United States fiscal year 1962-64. The reviews shall take into account United States stocks position, changes in Pakistan's production, consumption, and stocks of food grains, other imports from the United States and countries friendly to the United States, storage facilities, the extent to which agreement has been reached on the use of grant and loan funds, and other related matters. Purchase authorizations will include provisions relating to the sale and delivery of commodities, including the classes, types and/or varieties of food grain, the time and circumstances of deposit of the rupees accruing from such sale, and other relevant matters.

3. The two Governments agree that the issuance of purchase authorizations for agricultural commodities providing for purchase after June 30, 1962, shall be depen-

dent upon the determination by the United States Government that these commodities are available under Title I of the Act at that time. The United States Government shall have the right to terminate the financing of further sales under this Agreement of any commodity if it determines at any time after June 30, 1962, that such action is necessitated by the existence of an international emergency.

Article II

USES OF PAKISTAN RUPEES

The rupees 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 amounts shown :

1. For United States expenditures under subsections (*a*), (*b*), (*c*), (*d*), (*f*), (*h*) through (*r*) of Section 104 of the Act or under any of such subsections, six percent of the rupees received under the agreement.

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, five 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 seven 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 the 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