

No. 3537

**UNITED STATES OF AMERICA
and
PAKISTAN**

**Agreement on United States aid under Chapter 3 — Defense
Support — of Title I in the Mutual Security Act of 1954.
Signed at Karachi, on 11 January 1955**

Official text: English.

Registered by the United States of America on 26 September 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
PAKISTAN**

**Accord relatif à l'aide américaine accordée en vertu du
chapitre 3 (Aide pour la défense) du titre I de la loi de
1954 relative à la sécurité mutuelle. Signé à Karachi,
le 11 janvier 1955**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 26 septembre 1956.

No. 3537. AGREEMENT¹ BETWEEN THE GOVERNMENT OF PAKISTAN AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA ON UNITED STATES AID UNDER CHAPTER 3—DEFENSE SUPPORT—OF TITLE I IN THE MUTUAL SECURITY ACT OF 1954. SIGNED AT KARACHI, ON 11 JANUARY 1955

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

In order to contribute further to the development of Pakistan's capacity to maintain its independence and security, in a manner which will assist the people of Pakistan in strengthening the economy of their country as a sound basis for a strong democratic society, and

In order to provide the basis upon which the Government of the United States is prepared to extend defense support assistance to the Government of Pakistan,

Have agreed as follows :

Article I

The Government of the United States will, subject to the requirements and conditions of any applicable United States legislation and to the availability of funds for this purpose, furnish to the Government of Pakistan such commodities, services or such other assistance as may be requested by it and authorized by the Government of the United States. The two Governments will, from time to time and as necessary, negotiate detailed arrangements to carry out the provisions of this Agreement.

Article II

For the period ending June 30, 1955, the Government of the United States is prepared to allocate about Sixty Million Dollars (\$60,000,000) for the furnishing of assistance under this Agreement, provided that the two Governments agree on the content of such a program in time to obligate such funds within the periods during which they will be legally available for this purpose. Future allocations of funds by the United States for assistance requested by Pakistan may be made in accordance with this Agreement and subject to the availability

¹ Came into force on 11 January 1955, upon signature, in accordance with article VIII.

of funds for this purpose; the Government of the United States will notify the Government of Pakistan of any such allocations. The two Governments will cooperate to assure that any procurement under this program will be carried out at reasonable prices and on reasonable terms, and in order to achieve the greatest benefit from the assistance will agree on terms and conditions for the distribution and use within Pakistan of items and services which may be made available under this Agreement.

Article III

A. In order to assure maximum benefits to the people of Pakistan from assistance furnished under this Agreement, the Government of Pakistan will continue to use its best endeavors :

1. To assure efficient use of all resources available to it and to promote the economic development of Pakistan on a sound basis;
2. To assure that the commodities and services obtained under this Agreement are used exclusively for the purposes for which furnished;
3. To foster and maintain the stability of its currency and confidence in its economic condition; and
4. To take measures insofar as practicable, and to cooperate with other countries, to reduce barriers to international trade and to prevent, on the part of private or public enterprises, business practices or business arrangements which restrain competition or limit access to markets, whenever such practices hinder domestic or international trade.

B. The Government of Pakistan will :

1. Join in promoting international understanding and good will, and maintaining world peace;
2. Take such action as may be mutually agreed upon to eliminate causes of international tension;
3. Make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;
4. Take all reasonable measures which may be needed to develop its defense capacities; and
5. Take appropriate steps to insure the effective utilization of any assistance provided by the United States in furtherance of the purposes of such assistance.