

No. 3132

**UNITED STATES OF AMERICA
and
PAKISTAN**

**Exchange of notes constituting an agreement relating to a
loan to Pakistan for emergency purchase of wheat.
Washington, 17 September 1952**

Official text: English.

Registered by the United States of America on 30 January 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
PAKISTAN**

**Échange de notes constituant un accord relatif à l'octroi
d'un prêt au Pakistan en vue d'achats exceptionnels
de blé. Washington, 17 septembre 1952**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 30 janvier 1956.

No. 3132. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND PAKISTAN RELATING TO A LOAN TO PAKISTAN FOR EMERGENCY PURCHASE OF WHEAT. WASHINGTON, 17 SEPTEMBER 1952

I

The Secretary of State to the Pakistani Ambassador

The Secretary of State presents his compliments to His Excellency the Ambassador of Pakistan and has the honor to refer to the request of the Government of Pakistan for assistance in furnishing wheat to Pakistan to meet the emergency need which has arisen as a result of this year's drought.

Recognizing the danger of famine and unrest inherent in the present grave emergency confronting the people of Pakistan, the Government of the United States is prepared to assist the Government of Pakistan to obtain wheat, which is vital to the maintenance of internal stability in Pakistan and its capacity to develop its resources in the interest of Pakistan's security and independence. For this purpose the Government of the United States is prepared to provide assistance to the Government of Pakistan on credit terms, for the purchase of wheat in the United States, in a sum not to exceed \$15,000,000.

Such assistance will be made available in accordance with the following understandings:

(a) A line of credit will be established at the Export-Import Bank in the amount of \$15,000,000 to assist the Government of Pakistan in financing the acquisition of wheat. The line of credit shall expire on December 31, 1952, except as to amounts theretofore disbursed or amounts approved by the Government of the United States as being theretofore committed.

(b) The Government of Pakistan will execute in favor of the Export-Import Bank a promissory note and loan agreement in the forms attached as Exhibits A and B respectively.

(c) Procurement and shipment of the wheat will be arranged by the Embassy of the Government of Pakistan or by agencies of the Government of the United States as may be mutually agreeable, and in accordance with procedures to be established by the United States Technical Cooperation Administration after consultation with the Government of Pakistan.

¹ Came into force on 17 September 1952 by the exchange of the said notes.

(d) Unless otherwise agreed, all expenses relating to ocean transport and distribution of the wheat will be paid by the Government of Pakistan out of funds other than those made available hereunder.

(e) Procurement of the wheat will be subject to any certification, priority, allocation, permit, or license which may be required under existing or future laws of the United States or any existing or future regulations of any agency or Department thereof.

(f) The Government of Pakistan will keep the Government of the United States informed concerning arrivals and distribution of the aforementioned wheat and the procedures for distribution.

(g) The Government of Pakistan agrees to give full publicity to the conclusion of this agreement with the Government of the United States and to the arrivals and distribution of the wheat.

(h) The Government of Pakistan will continue to exert diligent efforts to obtain maximum procurement of food grains from domestic and other friendly sources.

(i) To assist in carrying out this agreement, it is contemplated that one or two technicians will be attached to the staff of the United States Director of Technical Cooperation for Pakistan.

(j) The assistance to be provided hereunder is subject to the provisions of the Mutual Security Act of 1951, as amended,¹ and all other applicable provisions of the laws of the United States.

If the foregoing understandings are satisfactory to the Government of Pakistan, it is respectfully suggested that the Government of Pakistan so indicate in an appropriate reply, in which case the Government of the United States will initiate such steps as may be necessary to open the line of credit and establish the necessary procedures for procurement of the wheat.

D. K.²

Department of State
Washington, September 17, 1952

II

The Pakistani Ambassador to the Secretary of State

The Ambassador of Pakistan presents his compliments to the Secretary of State and has the honor to refer to his note of 17th September, 1952, which states the following understandings in connection with the providing of wheat to the Government of Pakistan on credit terms in an amount not to exceed \$15,000,000 :

[See note I]

¹ United States of America : 65 Stat. 373; 22 U.S.C. § 1651 *et seq.*

² Donald Kennedy.

The understandings stated above are acceptable to the Government of Pakistan. It is the Government of Pakistan's intention to devote the proceeds derived from the distribution and sale of wheat under this Agreement to the economic development of Pakistan.

Md. ALI
The Embassy of Pakistan
Washington, D. C.
17th September, 1952

The Secretary of State
Department of State
Washington, D. C.