

No. 3868

**UNITED STATES OF AMERICA
and
PAKISTAN**

**Agreement relating to the construction of certain facilities
for use by the Pakistani Armed Forces under the
mutual defense assistance program. Signed at Karachi,
on 28 May 1956**

Official text: English.

Registered by the United States of America on 4 June 1957.

**ÉTATS-UNIS D'AMÉRIQUE
et
PAKISTAN**

**Accord relatif à la construction de certaines installations
destinées à l'usage des forces armées pakistanaïses
dans le cadre du programme d'aide pour la défense
mutuelle. Signé à Karachi, le 28 mai 1956**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 4 juin 1957.

No. 3868. AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND PAKISTAN RELATING TO THE CONSTRUCTION OF CERTAIN FACILITIES FOR USE BY THE PAKISTANI ARMED FORCES UNDER THE MUTUAL DEFENSE ASSISTANCE PROGRAM. SIGNED AT KARACHI, ON 28 MAY 1956

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

Having entered into the Mutual Defense Assistance Agreement of May 19, 1954,²

Considering the decision of the Government of Pakistan to construct certain facilities for use by the armed forces of Pakistan in furtherance of the Pakistan defence programme ;

Taking note of the request by the Government of Pakistan to the Government of the United States pursuant to that Agreement for assistance in carrying out such construction ;

Have agreed on the following understandings regarding such assistance as may, consistent with any applicable United States legislation, be provided by the Government of the United States pursuant to Article I, paragraph 1 of the Mutual Defence Assistance Agreement for making engineering studies and designing or constructing facilities for support of the Pakistan military forces, in accordance with detailed arrangements made from time to time between such officer as the Government of Pakistan may designate for this purpose and the Chief, Military Assistance Advisory Group, Karachi :

Article I

The Government of Pakistan will put at the temporary disposition of the District Engineer, Trans-East District, Corps of Engineers, U. S. Army, or his duly authorized representative, hereinafter referred to as the "District Engineer", at the time required by the District Engineer to permit orderly and economical prosecution of the work, the necessary areas for the carrying out of the functions contemplated by this Agreement. The term "necessary areas for the carrying out of the functions contemplated by this Agreement" shall include rights of entry for purposes of survey and investigation and such borrow area, spoil area, quarry

¹ Came into force on 28 May 1956, upon signature, in accordance with article VII.

² United Nations, *Treaty Series*, Vol. 202, p. 301.

sites and aggregate production sites in streams or elsewhere as may be necessary, together with rights in ingress and egress and rights to remove such materials or deposit excess materials as may be necessary. The Government of Pakistan will hold the Government of the United States harmless for the destruction of any buildings, streets, roads, public utilities, or improvements of any kind on real property so put at the disposition of the District Engineer. Should any relocation of such facilities be required, or if any resettlement costs are involved, relocation and resettlement will be accomplished by the Government of Pakistan at no cost to the United States, and in such time as not to interfere with the orderly and economical prosecution of the work.

Article II

The District Engineer shall normally have the right to select such corporations, companies, partnerships or individuals, hereinafter referred to as the "Contractors", for the purpose of carrying out such of the functions contemplated by this Agreement as may be appropriate. Such of these contractors as enter Pakistan for the performance of work under this Agreement shall not be required to pay licence or registration fees to work in Pakistan or to maintain a resident representative after completion of their contract. The Government of Pakistan will normally receive, without regard to nationality, persons employed by the Government of the United States and persons employed by contractors selected by or approved by the District Engineer, for the performance of work under this Agreement. No fee or charge shall be made by the Government of Pakistan for the entry or exit of such persons or for quarantine, work permits or residence permits, except in the case of persons who are residents of Pakistan. Visas will either be waived or administrative procedures will be devised to expedite entry into or exit from Pakistan.

Article III

All property, material, equipment, services and supplies brought into, procured in or taken out of Pakistan by the Government of the United States or its contractors to carry out the functions contemplated by this Agreement shall be exempt from import and export duties, taxes, licences, excises, imposts, charges except for services requested and rendered and inspections except for identification, such property, materials, equipment, services and supplies that do not become a part of the completed works, shall remain the property of the United States Government, and/or its contractors and may at any time be removed from or disposed of in Pakistan free of any restrictions or any claims which may arise by virtue of such removal or disposal, provided that the duty thereon is paid in the event of their sale or disposal in Pakistan. The Government of Pakistan will take all

reasonable steps within the framework of its laws, to prevent unwarranted increase in prices of either materials or services, including transportation, and fees for port-unloading facilities, purchased by the Government of the United States or its contractors to carry out the functions contemplated by this Agreement.

Article IV

All vehicles and equipment imported by the Government of the United States and its contractors to carry out the functions contemplated by this Agreement shall bear distinctive tags or markings normally used by the Corps of Engineers of the U. S. Army, and such vehicles and equipment shall not be subject to taxes or fees relating to their registration or licencing in Pakistan. Except for passenger vehicles, and provided that vessels are approved by the "District Engineer", the rules relating to construction or type of vehicles and equipment shall be waived as far as possible. The Government of Pakistan shall afford every facility for the speedy passage of such vehicles and equipment over the roads and inland and territorial waters of Pakistan and for the prompt issue of such operators' licences and permits as may be necessary.

Article V

1. Contractors and their employees, including their dependents, who enter Pakistan to carry out the functions contemplated by this Agreement, shall be exempt from Pakistan income tax with respect to

- (a) Salaries and emoluments or other forms of income derived from sources financed directly or indirectly by the Government of the United States in furtherance of the execution of this Agreement, and
- (b) Any non-Pakistani income upon which they are obliged to pay income tax or social security tax to another Government.

2. Such persons and members of their families shall receive exemption during their stay in Pakistan from the payment of customs import duties and sales, property or similar taxes on their personal and household goods and professional effects brought into the country for their own use and shall be exempt from any requirements of import licences in respect of such goods and effects, subject to the following conditions :

- (a) The concession is confined to direct imports only and not to local purchase or clearances from bond ;
- (b) No Pakistan foreign exchange is involved in such imports ;
- (c) The number of motor cars imported by any such employee under this concession will not exceed one ;
- (d) Goods imported under this concession will not ordinarily be sold or disposed of in Pakistan. In the event of their sale or disposal the duty thereon will duly be paid.

Article VI

Any contractor selected by the United States Government shall have the same right to select such subcontractors as the District Engineer under Article II for the purpose of performing construction work hereunder. The same rights, privileges and exemptions shall be accorded the sub-contractor, except for persons domiciled in Pakistan, as are herein granted to the United States Government's contractors under Articles II, III, IV and V.

Article VII

This Agreement shall enter into force upon signature and shall, without prejudice to rights or obligations already accrued, remain in force until ninety days after the receipt by either Government of written notice of the intention of the other Government to terminate it.

This Agreement is complementary to existing agreements between the two Governments and is not intended to supersede or modify them ; it is expressly subject to the provisions of the Mutual Defence Assistance Agreement of May 19, 1954 between the two Governments.

DONE in two copies at Karachi, the 28th day of May, 1956.

For the United States
of America :

A. Z. GARDINER
Minister and Chargé d'Affaires
ad interim of the United States
of America to Pakistan

For Pakistan :

M. S. K. BAIG
Secretary
Ministry of Foreign Affairs
and Commonwealth Relations
Government of Pakistan