

No. 3927

**UNITED STATES OF AMERICA
and
PAKISTAN**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended. Signed at Karachi, on 2 March 1956**

Official text: English.

Registered by the United States of America on 10 July 1957.

**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, sous sa forme modifiée. Signé
à Karachi, le 2 mars 1956**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 10 juillet 1957.

No. 3927. AGRICULTURAL COMMODITIES AGREEMENT¹
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 2 MARCH 1956

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 or unduly disrupt world prices of agricultural commodities ;

Considering that the purchase for Pakistan rupees of surplus agricultural commodities produced in the United States 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 of surplus agricultural commodities to Pakistan pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, 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

1. Subject to the issuance and acceptance of purchase authorizations referred to in paragraph 2 of this Article, the Government of the United States of America undertakes to finance on or before June 30, 1956, the sale for Pakistan rupees of rice determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, to purchasers authorized by the Government of Pakistan.

¹ Came into force on 2 March 1956, upon signature, in accordance with article VI.

2. The United States Government will issue, within the terms of this Agreement, purchase authorizations which shall include provisions relating to the sale and delivery of rice, the time and circumstances of deposit of the Pakistan rupees accruing from such sales, and other relevant matters, and which shall be subject to acceptance by the Government of Pakistan. The amount of rice, with respect to which tentative agreement has been reached by the two governments, is stated in paragraph three of this Article.

3. The United States Government undertakes to finance the sale to Pakistan of rice in the export market value of \$16.9 million, including the estimated cost of ocean transportation of the 50 per cent of the rice required to be shipped on United States flag vessels, during the United States fiscal year 1956 under the terms of Title I of the said Act and of this Agreement.

Article II

USE OF PAKISTAN RUPEES

1. The two governments agree that Pakistan rupees accruing to the Government of the United States as a consequence of sales made pursuant to this Agreement will be used by the Government of the United States for the following purposes in the amounts shown :

- a. For payment of United States expenses in Pakistan including agricultural market development, international education exchange activities, and expenses of other United States agencies in Pakistan in accordance with subsections A, F, and H of Section 104 of the Act, the Pakistan rupee equivalent of \$3.4 million.
- b. To procure military equipment, materials, facilities and services for the common defense in accordance with subsection C of section 104 of the Act, subject to supplemental agreement between the two governments, the Pakistan rupee equivalent of \$11.0 million.
- c. For loans to the Government of Pakistan to promote the economic development of Pakistan under section 104 G of the Act, the Pakistan rupee equivalent of \$2.5 million subject to supplemental agreement between the two governments. In the event rupees set aside for loans to the Government of Pakistan are not advanced within three years from the date of this Agreement as a result of failure of the two governments to reach agreement on the use of the rupees for loan purposes, or for any other purpose authorized by Section 104 of the Act, the Government of the United States may use the rupees for any such other purpose.

2. The rupees accruing under this agreement shall be expended for the purposes stated in paragraph 1 of this Article in such manner and order of priority as the Government of the United States shall determine after discussion with the Government of Pakistan.

Article III

DEPOSITS

The amount of local currency to be deposited to the account of the United States shall be the dollar sales value of the commodities reimbursed or financed by the Government of the United States converted into Pakistan rupees at the rate of exchange for United States dollars generally applicable to import transactions (excluding imports granted a preferential rate) on the dates of dollar disbursement by the United States or U. S. banks on behalf of the United States. Such dollar sales value shall include ocean freight and handling reimbursed or financed by the Government of the United States, but shall not include any extra cost of ocean freight resulting from a United States requirement that the commodities be transported on United States flag vessels.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Pakistan agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States) of surplus agricultural commodities purchased pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, and to assure that its purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States.

2. The two governments agree that they will take reasonable precautions to assure that all sales of surplus agricultural commodities pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended, will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States in these commodities, or materially impair trade relations among the countries of the free world.

3. In carrying out this Agreement the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will

use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Government of Pakistan agrees to furnish, upon request of the Government of the United States, information on the progress of the program, particularly with respect to arrivals and condition of commodities and the provisions for the maintenance of usual marketings, and information relating to exports of the same and like commodities.

Article V

CONSULTATION

The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to the operation or arrangements carried out pursuant to this Agreement.

Article VI

ENTRY INTO FORCE

This Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE at Karachi in duplicate, this 2nd day of March, 1956.

For the Government
of the United States of America :

Horace A. HILDRETH
Ambassador
of the United States of America
in Pakistan

[SEAL]

For the Government
of Pakistan :

S. AMJAD ALI
Minister for Finance

[SEAL]