

**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 7 August 1956**

**Exchange of notes constituting an agreement amending
the above-mentioned Agreement. Karachi, 7 Sep-
tember 1956**

**Exchange of notes constituting an agreement further
amending the above-mentioned Agreement of 7 August
1956. Karachi, 3 December 1956**

Official text: English.

Registered by the United States of America on 11 November 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, telle qu'elle a été modifiée.
Signé à Karachi, le 7 août 1956**

**Échange de notes constituant un accord modifiant l'Accord
susmentionné. Karachi, 7 septembre 1956**

**Échange de notes constituant un accord modifiant de nou-
veau l'Accord susmentionné du 7 août 1956. Karachi,
3 décembre 1956**

Texte officiel anglais.

Enregistrés par les États-Unis d'Amérique le 11 novembre 1957.

No. 4071. 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 7 AUGUST 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, 1957, the sale for Pakistan rupees of certain agricultural commodities 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 7 August 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 agricultural commodities, 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. Certain commodities, and amounts, with respect to which agreement has been reached by the two governments, are listed in paragraph 3 of this Article.

3. The United States Government undertakes to finance the sale to Pakistan of the following commodities, in the export market value indicated, during the United States fiscal year 1957, under the terms of the said Act, as amended, and of this Agreement.

<i>Commodity</i>	<i>Export Market Value (Million Dollars)</i>
Wheat	\$ 11.8
Tobacco	1.5
Dairy products1
Cotton (1- ¹ / ₁₆ " & longer staple)	7.5
Rice	18.1
	<hr/>
	SUB-TOTAL \$ 39.0
Ocean transportation (Estimated 50%)	7.4
	<hr/>
	TOTAL \$ 46.4

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 sub-sections (a), (f) and (h) of Section 104 of the Act, the Pakistan rupee equivalent of \$9.2 million.
- b. To procure military equipment, materials, facilities and services for the common defense in accordance with sub-section (c) of Section 104 of the Act, subject to project agreement between the two governments, the Pakistan rupee equivalent of \$30.2 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 equi-

valent of \$7.0 million subject to supplemental agreement between the two governments. It is understood that the loan will be denominated in dollars, with payment to be made in United States dollars or, at the option of the Government of Pakistan, in Pakistan rupees, such payments in rupees to be made in accordance with the provisions of the loan agreement and any agreement supplemental thereto. 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. Not less than \$1.7 million of this sum will be reserved for relending to private enterprise through established banking facilities under procedures to be agreed upon by the two Governments.

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

Article III

DEPOSITS OF PAKISTAN RUPEES AND RATE OF EXCHANGE

The deposit of Pakistan rupees in payment for the commodities and for ocean freight costs financed by the United States (except excess costs resulting from the requirement that United States flag vessels be used) shall be made at the rate of exchange for United States dollars generally applicable to import transactions (excluding imports granted preferential rate) in effect on the dates of dollar disbursement by United States banks, or by the United States, as provided in the purchase authorizations.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Pakistan agrees that it will take all possible measures to prevent the resale or trans-shipment to other countries, or use for other than domestic purposes (except where such resale, trans-shipment 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 or 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 Seventh day of August, 1956.

For the Government
of the United States of America :
Arthur Z. GARDINER
Chargé d'Affaires, a. i.

For the Government
of Pakistan :
S. AMJAD ALI
Minister for Finance
and Economic Affairs

[SEAL]

[SEAL]

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
AMENDING THE AGRICULTURAL COMMODITIES
AGREEMENT OF 7 AUGUST 1956² BETWEEN THE
UNITED STATES OF AMERICA AND PAKISTAN. KA-
RACHI, 7 SEPTEMBER 1956

I

The American Ambassador to the Pakistani Minister of Finance

AMERICAN EMBASSY
KARACHI, PAKISTAN

September 7, 1956

Dear Mr. Minister :

I have the honor to refer to the Agricultural Commodities Agreement entered into by our two Governments on August 7, 1956² providing for financing certain agricultural commodities.

I have the honor to propose that the Agreement of August 7, 1956 be amended by adding to the list of commodities in paragraph 3, Article I, edible vegetable oils in the amount of dollars 2.4 million, including the cost of ocean transportation to be financed by the United States. I also have the honor to propose that dollars 9.2 million in paragraph 1*a* of Article II be changed to read dollars 9.6 million; the dollars 30.2 million in paragraph 1*b* of Article II be changed to read dollars 31.8 million; and the dollars 7.0 million in paragraph 1*c* of Article II be changed to read dollars 7.4 million.

If you concur in the foregoing, this note and your reply thereto will constitute an Agreement between our two Governments effective on the date of your note in reply.

Yours sincerely,

Horace A. HILDRETH
Ambassador

The Honorable Syed Amjad Ali
Minister of Finance
Government of Pakistan
Karachi

¹ Came into force on 7 September 1956 by the exchange of the said notes.

² See p. 76 of this volume.

II

The Pakistani Minister of Finance to the American Ambassador

MINISTER OF FINANCE
GOVERNMENT OF PAKISTAN

Karachi, the 7th Sept. 1956

Dear Mr. Ambassador :

I have the honour to acknowledge the receipt of your letter dated September 7, 1956, and to state that the proposals made therein are concurred in by the Government of Pakistan. The effect of these proposals will be that edible vegetable oil (cottonseed oil) of a value of \$2.4 million, including the cost of ocean transportation, will be added to the list of commodities in paragraph 3, Article I of the Agreement of August 7, 1956, signed between our two respective Governments. Article II of the Agreement will also get amended to the extent that the allocation of Pakistani rupees accruing from sales of commodities for the three purposes stated in this Article will be changed from \$9.2 million in paragraph 1(a), \$30.2 million in paragraph 1(b) and \$7.0 million in paragraph 1(c) to \$9.6 million, \$31.8 million and \$7.4 million respectively.

2. We agree that your letter dated September 7, and this letter may be deemed to constitute an agreement between our two Governments.

Yours sincerely,

S. AMJAD ALI
Minister of Finance and Economic Affairs

His Excellency Mr. Horace A. Hildreth
Ambassador for the United States of America
Karachi

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
FURTHER AMENDING THE AGRICULTURAL COM-
MODITIES AGREEMENT OF 7 AUGUST 1956² BE-
TWEEN THE UNITED STATES OF AMERICA AND
PAKISTAN. KARACHI, 3 DECEMBER 1956

I

The American Ambassador to the Pakistani Minister of Finance

AMERICAN EMBASSY
KARACHI, PAKISTAN

December 3, 1956

My dear Mr. Minister :

I have the honor to refer to the Agricultural Commodities Agreement entered into by our two Governments on August 7, 1956,² as amended by the exchange of notes of September 7, 1956,³ providing for financing certain agricultural commodities.

I have the honor to propose that the Agreement of August 7, 1956 be amended by changing the list of commodities in paragraph 3 of Article I as follows: increase wheat from \$11.8 million to \$25.5 million; increase rice from \$18.1 million to \$25.0 million; increase ocean transportation from \$7.4 million to \$12.4 million; and increase the total from \$48.8 million to \$74.4 million.

I also have the honor to propose that paragraph 1 (a) of Article II be amended to read in part as follows: "... under subsections (a), (f), (h), and (i) of Section 104 of the Act", and that the \$9.6 million be amended to \$13.9 million; in paragraph 1 (b) of Article II the \$31.8 million be amended to \$48.4 million; in paragraph 1 (c) Article II the \$7.4 million be amended to \$11.1 million; and in the last sentence of paragraph 1 (c) Article II the \$1.7 million be amended to \$2.5 million; and that a new sub-paragraph 1 (d) of Article II be added to read as follows: "To provide assistance of the types provided for under subsection 104 (j) of the Act, the Pakistan rupee equivalent of \$1.0 million."

I also have the honor to propose that of the \$13.9 million in paragraph 1 (a) of Article II of the Agreement an amount not to exceed the Pakistan rupee equivalent of \$50,000 may be converted into other currencies upon request of

¹ Came into force on 3 December 1956 by the exchange of the said notes.

² See p. 76 of this volume.

³ See p. 84 of this volume.

the Government of the United States of America. This facility is requested for the purpose of having funds to pay for international transportation of United States and other personnel engaged in agricultural marketing development activities and supplies and equipment for such purposes.

If you concur in the foregoing, this note and your reply thereto will constitute an agreement between our two Governments effective on the date of your note in reply.

Sincerely yours,

Horace A. HILDRETH
Ambassador

The Honorable Syed Amjad Ali
Minister of Finance
Government of Pakistan
Karachi

II

The Pakistani Minister of Finance to the American Ambassador

MINISTER OF FINANCE
GOVERNMENT OF PAKISTAN

No. 2(10)-FA (US)/56

Karachi, the 3rd Dec. 1956

Dear Mr. Ambassador,

I have the honour to acknowledge the receipt of your letter dated 3rd December, 1956, and to state that the proposals made therein are concurred in by the Government of Pakistan.

2. We agree that your letter dated 3rd December, 1956, and this letter may be deemed to constitute an agreement between our two Governments.

3. It is requested that the gratitude of the Government of Pakistan may be conveyed to your Government for this and other generous aid which Pakistan has been receiving from the U. S. A.

Yours sincerely,

S. AMJAD ALI

His Excellency Mr. Horace A. Hildreth
Ambassador for the United States of America
Karachi