

No. 4886

**UNITED STATES OF AMERICA
and
INDIA**

**Agricultural Commodities Agreement under Title III of the
Agricultural Trade Development and Assistance Act,
as amended. Signed at Washington, on 3 March 1959**

Official text: English.

Registered by the United States of America on 16 September 1959.

**ÉTATS-UNIS D'AMÉRIQUE
et
INDE**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre III de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée.
Signé à Washington, le 3 mars 1959**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 16 septembre 1959.

No. 4886. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
INDIA UNDER TITLE III OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT WASHINGTON, ON 3 MARCH
1959

With reference to discussions which have taken place between representatives of the Government of the United States of America and the Government of India relating to shipment of food grains pursuant to Section 303 of the Agricultural Trade Development and Assistance Act, as amended, it is agreed as follows :

(1) The Government of the United States of America, acting under authority contained in Section 303 of the Agricultural Trade Development and Assistance Act, as amended, undertakes to make available for shipment to India a total of approximately 450,000 metric tons of food grains in exchange for such quantities of manganese ore, ferromanganese and such other materials as may be agreed upon, as have a total f.o.b. cars (United States port) cost, (United States contractor's cost), ex United States import duty, equal to the total f.o.b. vessel (United States port) cost at which the Government of India will acquire the food grains from United States firms.

(2) The Government of India undertakes to facilitate the exportation of materials originating in India to be delivered under appropriate exchange contracts to the designated United States Government agency through United States firms. In case such firms undertake the processing of manganese ore covered by such exchange contracts into ferromanganese outside India, for delivery to such Government agency, the Government of India will facilitate the exportation of such manganese ore also. In that event, the Government of India will accept food grains for the total f.o.b. cars (United States port) cost, (United States contractor's cost), ex United States import duty, of the manganese ore supplied from India.

(3) The kinds, quantities, qualities, specifications, delivery periods and other relevant particulars, except prices, of the food grains and of materials to be exchanged hereunder, will be such as are agreed upon between the appropriate authorities of the two Governments.

(4) Each United States firm participating in the exchange of materials and food grains within the framework of this agreement, shall establish an account

¹ Came into force on 3 March 1959, the date of its signature, in accordance with paragraph 7.

in a bank or banks in India agreeable to the designated agency of the United States of America and the appropriate authority of the Government of India.

- (a) Upon receipt by the appropriate Indian authority from a United States firm of shipping documents and invoice covering a shipment of food grains acquired by the Government of India, such authority shall effect a credit to the account of such firm in an amount in Indian rupees equal, at the exchange rate of 0.21 United States dollar for one Indian rupee, to the total cost in United States dollars (basis f.o.b. vessel, United States port) at which such shipment was acquired by the Government of India from such United States firm.
- (b) Upon receipt by such bank from the appropriate Indian authority of shipping documents and invoices covering a shipment of material to a United States firm, the bank shall debit the account of such firm in an amount in Indian rupees equal, at the exchange rate of 0.21 United States dollar for one Indian rupee, to the total f.o.b. cars (United States port) cost, (United States contractor's cost), ex United States import duty, of such shipment, in United States Dollars.

(5) To the extent that such debits exceed such credits, the United States firm shall, if required by the appropriate Indian authority, secure compensation for material by stand-by letter of credit.

(6) If for any reasons within the control of the Government of India, a United States firm concerned is prevented from utilizing fully a rupee credit balance in its referred-to account in a bank in India for the purchase and shipment of material within the period provided for in its exchange contract with the United States agency, the Government of India will, at the expiration of such period and on demand by the United States firm concerned, provide for and accomplish prompt payment to such United States firm of a sum equal to such credit balance, in the United States and in United States dollars. The amount of United States dollars to be paid pursuant to this provision, shall be determined by converting such rupee balance into United States dollars at the exchange rate of 0.21 United States dollar for one Indian rupee, less banking charges applicable to remittances from India to the United States as determined by the State Bank of India, Foreign Department, Calcutta. The Government of India will cause a clause to this effect to be included in food grain purchase contracts concluded with United States firms pursuant to this agreement.

(7) This agreement shall enter into force on the date of its signature.

DONE at Washington this 3rd day of March, 1959.

For the Government of the United States of America :

Donald KENNEDY

Deputy Assistant Secretary of State

For the Government of India :

S. G. RAMACHANDRAN
