

No. 6955

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**UNITED STATES OF AMERICA  
and  
INDIA**

**Agreement under Title III of the Agricultural Trade Development and Assistance Act, as amended. Signed at Washington, on 27 June 1963**

*Official text: English.*

*Registered by the United States of America on 8 October 1963.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
INDE**

**Accord 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 27 juin 1963**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 8 octobre 1963.*

No. 6955. AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF INDIA UNDER TITLE III OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT WASHINGTON, ON 27 JUNE 1963

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With reference to discussions had between representatives of the Government of the United States of America and the Government of India regarding the proposed barter and exchange of cotton and other agricultural commodities, hereinafter referred to as "commodities", to be exported from the United States to India and of ferromanganese, manganese ore, beryl ore and mica, hereinafter referred to as "materials", to be exported from India to the United States, it is agreed as follows :

1. The Government of the United States agrees that it will undertake to facilitate the importation of materials into the United States from India and the exportation of commodities from the United States to India pursuant to agreements, hereinafter referred to as "exchange contracts", to be entered into between United States firms, hereinafter referred to as "exchange contractors", and the Commodity Credit Corporation, hereinafter referred to as the "CCC", an agency of the United States of America within the Department of Agriculture.

2. The Government of India agrees that it will undertake to facilitate the exportation of materials from India to the United States and the importation of commodities into India from the United States pursuant to agreements to be entered into between exchange contractors and The State Trading Corporation of India Ltd., hereinafter referred to as the "STC".

3. The Governments of the United States and India agree that they will undertake to facilitate the barter and exchange of such commodities for such materials by means of performance by exchange contractors.

4. The total exchange value of the materials and the total exchange value of the commodities each shall be equal to the other and between 36 and 42 million U.S. dollars, the total exchange value of such materials being their U.S. dollar cost debited by STC to the respective accounts of exchange contractors, basis ex United States import duty, f.o.b. inland carrier's conveyance at the port of arrival in the United States, and the total exchange value of such commodities being their U.S. dollar cost to STC (paid to such exchange contractors), basis f.o.b. ocean vessel at the port of shipment in the United States. The total exchange value of such commodities to be accepted by the Gov-

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<sup>1</sup> Came into force on 27 June 1963, upon signature, in accordance with paragraph 9.

ernment of India may be reduced by an amount up to the total commission due to exchange contractors from STC. "Total exchange value", as the term is used in this Agreement, means total exchange value determined on the basis referred to in this paragraph 4.

5. No less than 90% of the total exchange value of commodities shall represent cotton, and the balance of such total exchange value shall represent such other commodities as are agreed upon between CCC and STC.

6. *a.* The quantities, qualities, specifications, delivery periods and other relevant particulars, except prices, of the commodities and the materials to be so bartered and exchanged shall be such as are agreed upon between CCC and STC.

*b.* The Government of India assumes the obligation towards the Government of the United States to cause to be transported on privately-owned United States-flag commercial vessels at least 50% of the gross tonnage of each material (computed separately for dry bulk carriers, dry cargo liners and tankers) shipped from India to the United States by ocean vessel in connection with exchange contracts.

7. *a.* Each of the exchange contractors shall establish an account in a bank in India agreeable to CCC and STC.

*b.* Upon receipt by STC from any of the exchange contractors of a shipping document and invoice covering a shipment of commodities by such exchange contractor to India, STC shall effect a credit to the account of the exchange contractor in an amount in Indian rupees equal, at the exchange rate of 0.21 U.S. dollar for one Indian rupee, to the total exchange value in U.S. dollars at which such shipment was acquired from such exchange contractor. Upon receipt by such bank from STC of a shipping document and invoice covering a shipment of material to such exchange contractor, the bank shall debit the account of the exchange contractor in an amount in Indian rupees equal, at the exchange rate of 0.21 U.S. dollar for one Indian rupee, to the total exchange value of such shipment in U.S. dollars.

*c.* To the extent that such debits exceed such credits, the exchange contractor shall, if required by STC, furnish it a stand-by letter of credit in U.S. dollars to cover such excess.

8. If, for any reason within the control of the Government of India, any of the referred-to exchange contractors is prevented from utilizing fully such a credit balance for the purchase and shipment of materials within the periods required by its exchange contract, the Government of India will, at the expiration of such period and on demand by such exchange contractor, provide for and accomplish prompt payment to the exchange contractor, in the United States and in U.S. dollars, of a sum equal to such credit balance, determined by converting at an exchange rate of 0.21 U.S. dollar for one Indian rupee and deducting banking charges applicable to remittances from India to the United States, as determined by the Foreign Department of the State Bank of India at Calcutta. The Government of India will cause a clause to the same effect as this paragraph to be included in the referred-to agreements to be entered into between exchange contractors and STC.

9. This agreement shall enter into force on the date of its signature.

DONE at Washington this twenty-seventh day of June, 1963

For the Government of the United States of America :

Orville L. FREEMAN

For the Government of India :

Braj Kumar NEHRU

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