

No. 9996

**UNITED STATES OF AMERICA
and
PAKISTAN**

Third Supplementary Agreement for sales of agricultural commodities (with annex). Signed at Islamabad on 16 May 1968

Authentic text: English.

Registered by the United States of America on 1 November 1969.

**ÉTATS-UNIS D'AMÉRIQUE
et
PAKISTAN**

Troisième accord supplémentaire relatif à la vente des produits agricoles (avec annexe). Signé à Islamabad le 16 mai 1968

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 1^{er} novembre 1969.

THIRD SUPPLEMENTARY AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF PAKISTAN FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of Pakistan, as a third supplement to the Agreement for Sales of Agricultural Commodities between the two Governments signed on May 11, 1967² (hereinafter referred to as the May Agreement), have agreed to the sales of commodities specified below. The third supplementary agreement shall consist of the Preamble, Parts I and III, and the Local Currency Annex of the May Agreement, together with the Convertible Local Currency Credit Annex of the August 3, 1967 Agreement³ and the following Part II:

PART II

PARTICULAR PROVISIONS

Item I. *Commodity Table:*

<i>Commodity</i>	<i>Supply Period United States Fiscal Year</i>	<i>Approximate Maximum Quantity (metric tons)</i>	<i>Maximum Export Market Value (Millions)</i>
A. Convertible Local Currency Credit			
Wheat/Wheat Flour . . .	FY 1968/1969	80,000	\$ 4.9
Ocean transportation (estimated)			\$ 1.5
		Subtotal:	\$ 6.4
B. Local Currency Terms			
Wheat/Wheat Flour . . .	FY 1968/1969	320,000	\$19.7
		Subtotal:	\$19.7
		TOTAL:	\$26.1

¹ Came into force on 16 May 1968 by signature, in accordance with part III (B).

² United Nations, *Treaty Series*, vol. 685, p. 291.

³ *Ibid.*, vol. 693, No. I - 9912.

Item II. *Payment Terms:*

A. Convertible Local Currency Credit

1. Initial Payment—None
2. Number of Installment Payments—31
3. Amount of each Installment Payment—Approximately equal annual amounts
4. Due Date of First Installment Payment—10 years after the date of last delivery of commodities in each calendar year
5. Initial Interest Rate—2 per cent
6. Continuing Interest Rate—2½ per cent

B. Local Currency Terms

1. Initial Payment in Dollars—None
2. Proportions of Local Currency Indicated for Specified purposes
 - (a) United States expenditures—12 per cent, of which not more than \$1,442,000 shall be sold under Section 104 (j) of the Act, but the total available for United States expenditures shall be not less than the amount convertible under 3 below plus the amount sold under Section 104 (j);
 - (b) Section 104 (e)—7 per cent;
 - (c) Section 104 (f) loans—36 per cent;
 - (d) Section 104 (f) grants—25 per cent, subject to reduction as may be necessary to provide the local currencies required for United States expenditures under (a) above. These funds are for financing Rural Works projects in Pakistan, but not less than 20 per cent of the total local currencies accruing to the Government of the exporting country from sales of commodities under this agreement shall be used for the self-help measures described in Item V below, including those measures described in Item V of Part II of the May 11, August 3 and December 26, 1967 Agreements. If no agreement is reached on the use of the local currency available for Section 104 (f) grants within three years from the date of this Agreement, the Government of the exporting country may make available for any purpose authorized by Section 104 of the Act any of this local currency on which such agreement has not been reached.

(e) Section 104 (h)—20 per cent on a grant basis.

3. Convertibility

(a) Section 104 (b) (1)—\$394,000

(b) Section 104 (b) (2)—\$394,000

(c) \$1,442,000 less the amount sold under Section 104 (j).

Item III. *Usual Marketing Table:*

<i>Commodity</i>	<i>Import Period United States Fiscal Year</i>	<i>Usual Marketing Requirement (Metric Tons)</i>
Wheat/Wheat Flour	1968	200,000

Item IV. *Export Limitations:*

A. Export Limitation Period: with respect to each commodity financed under this agreement, the Export Limitation Period for the same or like commodity shall be for United States Fiscal Year 1968 or any subsequent United States Fiscal Year during which the said commodity financed under this agreement is being imported or utilized whichever is later.

B. For the purposes of Part I, Article III A 3, of the agreement, the commodities considered to be the same as, or like, the commodities imported under this agreement are: Food Grains, including wheat and rice (except for superior grades known as Basmati, Permal and Begmi) and products thereof.

Item V. *Self-Help Measures:*

The Government of Pakistan continues to accord high priority to the self-help measures contained in the Agreements of May 11, August 3 and December 26, 1967.¹ In addition the Government of Pakistan is undertaking to:

A. Reevaluate its program for the maintenance of foodgrain storage facilities and take appropriate steps prior to June 30, 1968 to ensure the availability of clean, weather-protected and reasonably rodent proof facilities adequate to store 850,000 metric tons of foodgrains in East and West Pakistan.

¹ See p. 43 of this volume.

B. Maintain incentive prices and insure that buffer stocks accumulated as a result of grain purchased under this agreement will not have the effect of depressing prices received by producers below incentive levels needed to encourage use of fertilizers, pesticides and other modern inputs.

Item VI. *Economic Development Purposes for Which Proceeds Accruing to Importing Country are to be Used:*

For purposes specified in Item V and for other economic development purposes as may be mutually agreed upon.

Item VII. *Other Provisions:*

In addition to any local currency authorized for sale under Section 104 (j) of the Act, the Government of the exporting country may utilize any local currency in the importing country to pay for travel which is part of a trip in which the traveler travels from, to or through the importing country. These funds (but not the sales under Section 104 (j)) are intended to cover only travel by persons who are traveling on official business for the Government of the exporting country or in connection with activities financed by the Government of the exporting country. The travel for which Pakistan rupees may be utilized shall not be limited to services provided by the transportation facilities of the importing country.

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

DONE at Islamabad, in duplicate, this 16th day of May, 1968.

Government of Pakistan:

I. A. KHAN

[SEAL]

Secretary, Economic Affairs Division

United States of America:

B. H. OEHLERT Jr.

[SEAL]

U. S. Ambassador to Pakistan