

No. 9990

**UNITED STATES OF AMERICA
and
PAKISTAN**

Second Supplementary Agreement for sales of agricultural commodities (with annexes). Signed at Islamabad on 26 December 1967

Authentic text: English.

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

**ÉTATS-UNIS D'AMÉRIQUE
et
PAKISTAN**

Deuxième accord supplémentaire relatif à la vente de produits agricoles (avec annexes). Signé à Islamabad le 26 décembre 1967

Texte authentique: anglais.

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

SECOND SUPPLEMENTARY AGREEMENT ¹ 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 second supplement to the Agreement for Sales of Agricultural Commodities between the two Governments signed on May 11, 1967 ² (hereinafter referred to as the May agreement), have agreed to the sales of commodities specified below. This second 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 Agreement ³ 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	1968	127,000	\$ 7.9
Ocean transportation (estimated)			<u>.8</u>
		Subtotal:	\$ 8.7
B. Local Currency Terms			
Wheat/Wheat Flour	1968	373,000	\$23.1
Soybean and/or cottonseed oil	1968	20,000	4.2
Nonfat Dry Milk	1968	3,000	1.4
Tobacco	1968	900	<u>2.7</u>
		Subtotal:	\$31.4
		TOTAL:	\$40.1

¹ Came into force on 26 December 1967 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—1 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—8 per cent, of which not more than \$900,000 shall be sold under Section 104 (j) of the Act, but the total available for United States expenditures shall not be less than the amount convertible under 3 below plus the amount sold under Section 104 (j);
 - (b) Section 104 (e)—9 per cent;
 - (c) Section 104 (f) loans—53 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, 1967 and the August 3, 1967 (supplemental) 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)—5 per cent on a grant basis.

3. Convertibility

(a) Section 104 (b)(1)—\$628,000

(b) Section 104 (b)(2)—\$241,000

(c) \$900,000 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
Edible Vegetable Oils	1968	17,500 (of which at least 500 metric tons shall be imported from the United States of America).

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.

Oilseeds and edible vegetable oils, including soybean, cottonseed, rapeseed, mustardseed, sesame and products thereof.

Item V. *Self-Help Measures:*

The May 11, 1967 and August 3, 1967 Agreements contain descriptions of programs related to the production of food. The Government of Pakistan continues to accord high priority to the execution of these programs; and will in addition reevaluate plant protection policies and systems of pesticide application in light of the need for more effective protection of crops against insects and insect-carried diseases, and for expansion of acreage under protective treatment.

Item VI. *Economic Development Purposes for Which Proceeds Acruing 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 26th day of December, 1967.

Government of Pakistan:

[SEAL]

I. A. KHAN

Government of the United States of America:

[SEAL]

B. H. OEHLERT Jr.
