No. 10259

UNITED STATES OF AMERICA and INDIA

Fourth Supplementary Agreement for sales of agricultural commodities (with annexes). Signed at New Delhi on 23 December 1968

Exchange of notes constituting an agreement amending the abovementioned Agreement. New Delhi, 29 May 1969

Authentic text: English.

Registered by the United States of America on 3 February 1970.

ÉTATS-UNIS D'AMÉRIQUE et INDE

Quatrième Accord supplémentaire relatif à la vente de produits agricoles (avec annexes). Signé à New Delhi le 23 décembre 1968

Échange de notes portant modification de l'Accord susmentionné. New Delhi, 29 mai 1969

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 3 février 1970.

FOURTH SUPPLEMENTARY AGREEMENT 1 BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF INDIA FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of India, as a fourth supplement to the Agreement for Sales of Agricultural Commodities between the two Governments signed on February 20, 1967 ² (hereinafter referred to as the February Agreement), have agreed to the sales of commodities specified below. This fourth supplementary agreement shall consist of the Preamble, Parts I and III, and the Local Currency Annex of the February Agreement, together with the Convertible Local Currency Credit Annex of the June 24, 1967 Agreement ³ and the following Part II:

PART II PARTICULAR PROVISIONS

Item I. Commodity Table

	Commodity	Supply Period (United States Fiscal Year)		Maximum Export Market Value (Millions)
A.	Convertible Local Currency Credit			
	Wheat and/or wheat flour	1969	1,025,000	\$ 64.7
	Ocean Transportation (est.) .			6.9
			Subtotal	\$ 71.6
В.	Local Currency			
	Wheat and/or wheat flour	1969	1,275,000	\$ 80.5
	Tallow (Inedible)	1969	90,000	13.3
	Tobacco	1969	200	0.7
	Nonfat dry milk	1969	4,000	1.0
			Subtotal	\$ 95.5
			Total	\$167.1

¹ Came into force on 23 December 1968 by signature, in accordance with Part III (B).

² United Nations, Treaty Series, vol. 688, p. 197.

^{*} Ibid., vol. 692, p. 309.

Item II. Payment Terms

- A. Convertible Local Currency Credit
 - 1. Initial Payment None
 - 2. Number of Installment Payments 31
 - 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 percent
 - 6. Continuing Interest Rate 3 percent

B. Local Currency

- 1. Proportions of local currency accruals indicated for specified purposes:
 - a. United States expenditures 7 percent
 - b. Section 104(e) 5 percent
 - c. Section 104(f) loans 66 percent. These funds are for financing such projects as are mutually agreed by the two Governments but not less than 20 percent of the total local currencies accruing to the Government of the exporting country from sales of commodities under this agreement shall be used for self-help measures described in Item V.
 - d. Section 104(h) 20 percent on grant basis
 - e. Section 104(k) 2 percent on grant basis
- 2. Convertibility
 - a. Section 104(b) (1) purposes \$1,910,000
 - b. Section 104(b) (2) purposes \$1,910,000

Item III. Usual Marketing Table

Commodity	Import Period (United States Fiscal Year)	Usual Marketing Requirements (Metric Tons)
Wheat and/or wheat flour	1969	200,000
Tallow	1969	10,000
Nonfat dry milk	1969	4,000

Item IV. Export Limitations

The export limitation period for commodities the same as or like any particular commodity financed under this agreement shall be the period beginning on the date of this agreement and ending on the final date on which the relevant commodities financed under this agreement are being imported and utilized.

Item V. Self-Help Measures

- 1. The Government of India is undertaking an intensive program to construct additional storage in important interior grain-producing areas in order to meet increased needs of procurement and price support operations brought about by the recent rapid increase in foodgrain production potential. The immediate aim of this program is to complete substantially additional storage facilities in such areas prior to July 1, 1969.
- 2. To further encourage the accumulation of buffer stocks and to strengthen producer incentives, the Government of India will continue through the 1968/69 crop year its policy of purchasing all grain offered at established procurement prices, even when procurement targets are exceeded.
- 3. The Government of India is devoting increasing attention to minor irrigation, with special emphasis on exploration of new sources of water in areas now insufficiently irrigated and on strengthening soil and water management research, technical assistance, training, and demonstration projects.
- 4. To get the optimum benefit from major and medium irrigation, the Government of India is reviewing the works completed and under construction as well as the design of new works to determine how they can be operated to maximize agricultural production, and is investigating the costs and benefits of modifications, if any, needed for the purpose.
- 5. Recognizing the indispensable contribution of continuing research programs to sustained increases in agricultural output, the Government of India is taking steps to strengthen and expand its action-oriented research efforts, and to supply them with facilities and personnel required.

6. In the field of agricultural credit, the Government of India is exploring new sources of credit services for cultivators and agroindustries, as well as an increase in the effectiveness and magnitude of credit operations by cooperative credit societies. In this connection, the Government of India will encourage support for agricultural credit operations by commercial banks and the Reserve Bank of India, as appropriate.

Item VI. Proceeds to Constitute Resources for Economic Development

The proceeds of commodities financed under Convertible Local Currency Credit terms will constitute an additional resource for financing India's annual and long-range economic development plans, including the self-help measures referred to in this agreement.

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 Indian 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 New Delhi, India, in duplicate, this twenty-third day of December, 1968.

For the Government of the United States of America:

For the Government of India:

Herbert D. Spivack

A. T. BAMBAWALE

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT ¹
AMENDING THE AGREEMENT OF 23 DECEMBER 1968 ²
BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF INDIA FOR
SALES OF AGRICULTURAL COMMODITIES

Ι

The American Minister-Counselor for Political-Economic Affairs to the Joint Secretary of the Department of Economic Affairs, Ministry of Finance of India

New Delhi, May 29, 1969

Dear Mr. Bambawale:

I have the honor to refer to the Fourth Supplementary Agreement between the Government of the United States of America and the Government of India for Sales of Agricultural Commodities signed by representatives of our two Governments on December 23, 1968,² and to propose that Part II of that Agreement be amended as follows:

A. In Item 1.A. insert in appropriate columns: Cotton, Upland, 1969, 18,100 bales, \$2.3; reduce quantity for wheat and/or wheat flour from 1,025,000 Metric Tons to 990,000 Metric Tons and reduce value from \$64.7 to \$62.4.

B. In Item 1.B. insert in appropriate columns: Cotton, Upland, 1969, 81,900 bales, \$10.3; reduce quantity for wheat and/or wheat flour from 1,275,000 Metric Tons to 1,150,000 Metric Tons and reduce value from \$80.5 to \$70.2.

C. In Item III insert in appropriate column: Cotton, 1969, 325,000 bales.

² See p. 70, of this volume.

¹ Came into force on 29 May 1969, the date of the note in reply, in accordance with the provisions of the said notes.

D. In Item IV add following new paragraphs:

"India will not export domestic cotton other than Bengal Deshi, Dholleras, Kalyan, Oomras, Mathia and Moglai and other lower Jarilla, all of which varieties normally do not exceed staple lengths longer than ¹³/₁₆ inch, during United States Fiscal Year 1969 or during any subsequent United States Fiscal Year in which upland cotton under this agreement is being imported."

"Should Indian exports of cotton textiles during any United States Fiscal Year that cotton is being imported under this agreement exceed the average level of such exports during United States Fiscal Years 1963, 1964 and 1965, the Government of India will procure and import with its own resources on a commercial basis from the United States an equivalent weight of raw cotton content of such excess exports of cotton textiles. These additional imports are to be over and above established usual marketings for raw cotton specified in the Usual Marketing Table."

If the foregoing is acceptable to your Government, I propose that this note and your reply thereto constitute an agreement between our two Governments effective on the date of your note in reply.

Accept, dear Mr. Bambawale, the renewed assurances of my high consideration.

Herbert D. SPIVACK

Minister-Counselor
for Political-Economic Affairs

Embassy of the United States of America

Mr. A. T. Bambawale Joint Secretary Department of Economic Affairs Ministry of Finance

Π

The Joint Secretary of the Department of Economic Affairs, Ministry of Finance of India, to the American Minister-Counselor for Political-Economic Affairs

MINISTRY OF FINANCE DEPT. OF ECONOMIC AFFAIRS NEW DELHI

29th May, 1969

Dear Mr. Spivack,

I have the honour to refer to your letter dated May 29, 1969 which reads as under:

[See note I]

I have the honour to inform you that the foregoing amendment is acceptable to the Government of India. I agree that your note together with this reply shall constitute an agreement between our two Governments effective on the date of this reply.

Accept, dear Mr. Spivack, the renewed assurances of my high consideration.

A. T. Bambawale Joint Secretary

Mr. Herbert D. Spivack Minister-Counselor for Political-Economic Affairs Embassy of the United States of America New Delhi