

No. 10139

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**UNITED STATES OF AMERICA  
and  
REPUBLIC OF KOREA**

**Supplementary Agreement for sales of agricultural commodities (with annex). Signed at Seoul on 10 May 1968**

*Authentic text : English.*

*Registered by the United States of America on 5 January 1970.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
RÉPUBLIQUE DE CORÉE**

**Accord supplémentaire relatif à la vente de produits agricoles (avec annexe). Signé à Séoul le 10 mai 1968**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 5 janvier 1970.*

SUPPLEMENTARY AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF KOREA FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Republic of Korea have agreed to the sales of the agricultural commodities specified below. This Agreement shall consist of the Preamble, Parts I and III, and the Local Currency Annex of the Agreement signed March 25, 1967,<sup>2</sup> together with the following Part II :

PART II

PARTICULAR PROVISIONS

*Item I.* Commodity Table :

A. Local Currency Terms

<i>Commodity</i>	<i>Supply Period</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value (in million)</i>
Wheat/wheat flour . . .	United States Calendar Year 1968	500, 000 metric tons	\$31.50
Cotton . . . . .	United States Calendar Year 1968	220, 000 bales	25.35
Tallow, inedible . . .	United States Calendar Year 1968	20, 000 metric tons	2.60
		Sub-total	\$59.45

B. Local Currency Terms

<i>Commodity</i>	<i>Supply Period</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value (in millions)</i>
Cotton . . . . .	United States Calendar Year 1968	110, 000 bales	\$12. 65
		Sub-total	\$12. 65
		TOTAL	\$72. 10

<sup>1</sup> Came into force on 10 May 1968 by signature in accordance with part III (B).

<sup>2</sup> United Nations, *Treaty Series*, vol. 685, p. 101.

*Item II.* Payment Terms :

## A. Local Currency in Item I, A

## 1. Proportions of local currency indicated for specified purposes—

- a. U.S. expenditures—25 percent
- b. Section 104 (e)—3 percent
- c. Section 104 (c)—72 percent, on a grant basis to the Government of the importing country to be used as mutually agreed by the Governments. If agreement is not reached on the use of this local currency 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 the local currency with respect to which such agreement is not reached.

## 2. Convertibility

Section 104 (b)—(1) \$1,189,000.

## B. Local Currency in Item I, B

## 1. Proportions of local currency indicated for specified purposes—

- a. U.S. expenditures—50 percent
- b. Section 104 (e)—5 percent
- c. Section 104 (c)—45 percent, on a grant basis to the Government of the importing country to be used as mutually agreed by the two Governments. If agreement is not reached on the use of this local currency 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 the local currency with respect to which such agreement is not reached.

## 2. Convertibility

Section 104 (b)—\$253,000.

*Item III.* Usual Marketing Table :

<i>Commodity</i>	<i>Import Period</i>	<i>Usual Marketing Requirement</i>
Cotton	United States Calendar Year 1968	60,000 bales of which at least 55,000 bales shall be imported from the USA. Of the 60,000 bales at least 30,000 bales shall be imported by June 30; 45,000 bales by September 30; and 60,000 bales by December 31.

*Item IV. Export Limitations :*

A. With respect to each commodity financed under this Agreement, the export limitation period for the same or like commodity shall be the United States Calendar Year 1968 and each subsequent period during which the commodity financed under this Agreement that is the same or like such commodity, is being imported.

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 : for wheat/wheat flour—food grains; for cotton—cotton, including the cotton content of textiles or yarns; and for tallow, inedible—tallow, inedible.

C. Permissible Exports

<i>Commodity</i>	<i>Quantity or Conditions on Which it may be Exported</i>	<i>Period During Which Such Exports are Permitted</i>
Cotton textiles including yarns	The cotton content equivalent in weight to 60,000 bales (480 pounds net) plus additional such textiles provided Korea imports from the United States with its own resources by March 31, of the succeeding Calendar Year, cotton equivalent in weight of such exports in addition to the 55,000 bales provided in Item III.	United States Calendar Year 1968 and during each subsequent calendar year cotton financed under this Agreement is being imported.

*Item V. Self-help Measures :*

In accordance with its Second Five-Year Plan, the Government of the Republic of Korea is taking further steps to implement the self-help measures described in the March 25, 1967 Sales Agreement. In particular, it is working to : (a) speed the development and dissemination of high-yielding seed varieties; (b) strengthen food marketing through improved grading, storage and transportation facilities, encouraging maximum participation by private commercial enterprise; and (c) improve the credit system for, and the transportation and distribution of, increased supplies of fertilizer, pesticides, and lime in 1968 for use by small farmers. In addition, the Government of the Republic of Korea is undertaking to : (a) develop a program to expand short-term agricultural production and marketing credit and in addition to make available medium and long-term farm credit; and (b) develop a comprehensive land and water use policy, including economic feasibility analyses of alternative land development,

irrigation, and conservation projects, with the aim of achieving maximum returns in additional production from investments in these areas.

*Item VI.* 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 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. It is understood that these funds 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. It is further understood that the travel for which local currency 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 Seoul, Korea, in duplicate, this 10th day of May 1968.

For the Government  
of the United States of America :

William J. PORTER  
Ambassador  
of the United States of America

For the Government  
of the Republic of Korea :

Choong H. PARK  
Deputy Prime Minister  
and Minister,  
Economic Planning Board