

No. 10449

**UNITED STATES OF AMERICA
and
INDIA**

**Sixth Supplementary Agreement for sales of agricultural
commodities (with annexes). Signed at New Delhi on
13 October 1969**

Authentic text: English.

Registered by the United States of America on 1 May 1970.

**ÉTATS-UNIS D'AMÉRIQUE
et
INDE**

**Sixième accord supplémentaire relatif à la vente de
produits agricoles (avec annexes). Signé à New Delhi
le 13 octobre 1969**

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 1^{er} mai 1970.

**SIXTH 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 sixth 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 sixth 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

<i>Commodity</i>	<i>Supply Period (United States Fiscal Year)</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value (Millions)</i>
A. Convertible Local Currency Credit Terms			
Wheat/wheat flour .	1970	2,157,000 Metric Tons	\$ 114.9
		Subtotal	\$ 114.9
B. Local Currency Terms			
Wheat/wheat flour .	1970	843,000 Metric Tons	\$ 44.9
Cotton	1970	100,000 Bales	12.6
Soybean and/or Cot- tonseed Oil	1970	95,000 Metric Tons	19.1
		Subtotal	\$ 76.6
		TOTAL	\$ 191.5

¹ Came into force on 13 October 1969 by signature, in accordance with part III (B).

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

³ *Ibid.*, vol. 692, p. 309.

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 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. Initial Payment in Dollars — None.
2. Proportions of local currency accruals indicated for specified purposes:
 - a. United States expenditures, 9 percent of which not more than \$1,072,000 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)—5 percent
 - c. Section 104 (f) loans—86 percent, 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 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.
3. Convertibility
 - a. Section 104 (b) (1) purposes—\$1,532,000
 - b. Section 104 (b) (2) purposes—\$1,532,000
 - c. \$1,072,000, 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 Requirements</i>
Cotton	1970	325,000 Bales
Wheat/wheat flour	1970	200,000 Metric Tons

*Item IV. Export Limitations**A. Export Limitation Period*

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

B. Permissible Exports

During United States Fiscal Year 1970, and during any subsequent United States Fiscal Year in which vegetable oils are being imported or utilized under this agreement, Indian exports of edible vegetable oil and oil equivalent of peanuts exported for crushing, excluding hand-picked selected peanuts for direct human consumption (oil value calculated at 69 percent of value of peanuts), shall be deemed consistent with the terms of this agreement, provided that the Government of India ensures that total imports from the exporting country and other friendly countries into the importing country paid for with the resources of the importing country will equal at least the quantity of vegetable oil and oil equivalent of copra (oil value calculated at 92 percent of value of copra) having C.I.F. value equal to F.O.B. value of Indian exports.

India will not export domestic cotton other than Bengal Deshi, Dholle-ras, Kalyan, Oomres, 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 1970 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 above.

Item V. Self-Help Measures

In addition to continuing to accord high priority to the self-help provisions outlined in the agreements of June 24 and December 30, 1967,¹ December 23, 1968,² and April 25, 1969,³ the Government of India will place additional emphasis on buffer stocks and dryland crops research.

1. In order to improve food distribution programs, the GOI intends to build its buffer stocks of foodgrains up to 3.5 million tons by October 31, 1969.
2. The GOI will accelerate the expansion of research programs on dryland food crops (nonirrigated crops grown under limited natural moisture conditions), by such means, among others, as providing additional financial support and facilities to those institutions, including the agricultural universities, which are engaged in such research.

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

A. 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.

¹ United Nations, *Treaty Series*, vol. 697, p. 107.

² *Ibid.*, vol. 714, p. 69.

³ *Ibid.*, p. 117.

B. The Government of the exporting country shall bear the cost of ocean freight differential for commodities it requires to be carried in United States flag vessels but, notwithstanding the provisions of Paragraph 1 of the Convertible Local Currency Credit Annex, it shall not finance the balance of the cost of ocean transportation of such commodities.

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

DONE at New Delhi, India, in duplicate, this thirteenth day of October, 1969.

For the Government
of the United States of America:

[Illegible] ¹

For the Government
of India:

[Ilisible] ²

¹ Galen L. Stone.

² A. T. Bambawale.