

No. 10508

**UNITED STATES OF AMERICA
and
PAKISTAN**

**Fifth Supplementary Agreement for sales of agricultural
commodities (with annexes). Signed at Islamabad on
3 October 1969**

Authentic text: English.

Registered by the United States of America on 2 June 1970.

**ÉTATS-UNIS D'AMÉRIQUE
et
PAKISTAN**

**Cinquième accord supplémentaire relatif à la vente de
produits agricoles (avec annexes). Signé à Islamabad le
3 octobre 1969**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 2 juin 1970.

FIFTH 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 fifth supplement to the Agreement for Sales of Agricultural Commodities between the two Governments signed on May 11, 1967 ² (hereafter referred to as the May Agreement), have agreed to the sales of commodities specified below. The fifth 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 (U.S. Fiscal Year)</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value (Millions)</i>
<i>A. Convertible Local Currency Credit</i>			
Soybean and/or Cottonseed oil	1970	52,000 Metric Tons	\$10.1
Cotton (extra long staple) . .	1970	10,000 Bales	2.2
Tobacco	1970	500 Metric Tons	1.5
		Sub-total	\$13.8
<i>B. Local Currency Terms</i>			
Soybean and/or Cottonseed Oil	1970	48,000 Metric Tons	\$9.2
		TOTAL	\$23.0

¹ Came into force on 3 October 1969 by signature, in accordance with part III (B).

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

³ *Ibid.*, vol. 693, p. 21.

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 percent
6. Continuing Interest Rate — 3 percent

B. Local Currency Terms

1. Initial Payment in Dollars — None
2. Proportions of Local Currency Indicated for Specified Purposes :
 - a. United States expenditures — 15 percent, of which not more than \$322,000 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) — 9 percent;
 - c. Section 104(f) — 76 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 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 Agreements of May 11, August 3, December 26, 1967;¹ May 16, 1968 ;² and July 3, 1969 ³.

¹ United Nations, *Treaty Series*, vol. 697, p. 43.

² *Ibid.*, vol. 697, p. 137.

³ *Ibid.*, vol. 726, No. 10446.

3. Convertibility

- a. Section 104(b) (1) — \$184,000
- b. Section 104(b) (2) — \$184,000
- c. \$322,000 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 (Metric Tons)</i>
Edible Vegetable Oil. . .	1970	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 1970 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 :

Oilseeds and Edible Vegetable oils including soybean, cottonseed, rapeseed, mustard seed, sesame and products thereof.

Extra Long Staple Cotton and textiles made from extra long staple cotton.

Item V. Self-Help Measures

The two Governments have consulted on the problems of increasing Pakistan's food production and of improving nutrition and the Government of Pakistan advises that it intends to :

1. Continue to review price support policies for wheat and rice (including paddy).
2. Improve marketing through :
 - (a) Development of improved paddy rice drying and milling facilities.

- (b) Encouragement of private sector construction of improved fertilizer and foodgrain storage facilities.
- 3. Consider provisions and policies to promote agricultural diversification where appropriate in order to meet market demands and to improve nutrition.
- 4. Continue to give high priority to the provision of agricultural inputs :
 - (a) *Fertilizer*. Continue to increase fertilizer use and expand the role of the private sector in its distribution.
 - (b) *Irrigation*. Continue to encourage the installation of tubewells and lowlift pumps.
 - (c) *Protection*. Enhance the role of private sector in the protection of crops against insects and diseases and improve the coordination of educational, research and regulatory activities.
- 5. Expand research oriented to :
 - (a) Problems of increasing national interest such as diversification and improved marketing;
 - (b) Consolidating production gains already achieved through interdisciplinary efforts.

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

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 travelling 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.

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 I of the Convertible Local Currency Credit Annex, it shall not finance the balance of the cost of ocean transportation of such commodities.

C. In the event no additional PL 480 Title I sales agreements are signed during CY 1969, the Government of the importing country shall provide for the conversion of \$778,000 under Item II, B-2*a* and Item II, B-2*c* of this agreement instead of \$322,000.

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

DONE at Islamabad in duplicate, this third day of October, 1969.

For the Government of Pakistan:

[SEAL]

Vaqar AHMAD

Secretary, Economic Affairs Division

For the Government of the United States of America:

[SEAL]

James W. SPAIN

Chargé d'Affaires, a.i.
