

**No. 10509**

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**UNITED STATES OF AMERICA  
and  
PAKISTAN**

**Sixth Supplementary Agreement for sales of agricultural  
commodities (with annexes). Signed at Islamabad on  
10 January 1970**

*Authentic text: English.*

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

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
PAKISTAN**

**Sixième accord supplémentaire relatif à la vente de produits  
agricoles (avec annexes). Signé à Islamabad le  
10 janvier 1970**

*Texte authentique : anglais.*

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

SIXTH SUPPLEMENTARY AGREEMENT <sup>1</sup> 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 sixth supplement to the Agreement for Sales of Agricultural Commodities between the two Governments signed on May 11, 1967 <sup>2</sup> (hereinafter referred to as the May Agreement), have agreed to the Sales of commodities specified below. This 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 <sup>3</sup> 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 (Metric Tons)</i>	<i>Maximum Export Market Value (Millions)</i>
<i>A. Convertible Local Currency Credit</i>			
Wheat/wheat flour . . . . .	1970	600,000	\$31.3
		Subtotal	\$31.3
<i>B. Local Currency Terms</i>			
Wheat/wheat flour . . . . .	1970	400,000	\$20.8
		Subtotal	\$20.8
		TOTAL	\$52.1

<sup>1</sup> Came into force on 10 January 1970 by signature, in accordance with part III (B).

<sup>2</sup> United Nations, *Treaty Series*, vol. 685, p. 291.

<sup>3</sup> *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 per cent
6. Continuing Interest Rate — 3 per cent

## B. Local Currency

1. Initial Payment — None
2. Proportions of Local Currency Indicated for Specified Purposes :
  - a.* United States expenditures — 11 percent, of which not more than \$731,000 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*) and (*h*) grants — 50 percent, to be used as grants for Rural Works and Family Planning. The wheat equivalent of these grants will be considered as a part of the U.S. contribution under Food Aid Convention;<sup>1</sup>
  - d.* Section 104(*f*) loans — 30 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,

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<sup>1</sup> United Nations, *Treaty Series*, vol. 727, No. 10455.

December 26, 1967; <sup>1</sup> May 16, 1968; <sup>2</sup> July 3, 1969<sup>3</sup> and October 3, 1969.<sup>4</sup> If no agreement is reached on the use of the local currency available for Section 104(f) loans 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.

### 3. Convertibility

- a. Section 104(b) (1) — \$416,000
- b. Section 104(b) (2) — \$416,000
- c. \$731,000 less the amount sold under Section 104(j)

### Item III. Usual Marketing Table

<i>Commodity</i>	<i>Import Period (U.S. Fiscal Year)</i>	<i>Usual Marketing Requirements (Metric Tons)</i>
Wheat/wheat flour (wheat equivalent) . . . . .	1970	100,000

### 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 purpose 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 : Foodgrains, including wheat, corn, barley, jowar,

<sup>1</sup> United Nations, *Treaty Series*, vol. 697, p. 43.

<sup>2</sup> *Ibid.*, vol. 697, p. 137.

<sup>3</sup> *Ibid.*, vol. 726, No. 10446.

<sup>4</sup> See p. 47 of this volume.

bajra, rice (except for superior grades known as Basmati, Permal and Begmi) and products thereof.

C. Permissible Exports

1. Rice, superior grades known as Basmati, Permal and Begmi.
2. Coarse Rice, including IRRI-type — 25,000 metric tons.

*Item V.* Self-Help Measures

The two Governments have consulted on the problems of Pakistan's agriculture, and the Government of Pakistan advises that it intends to :

1. Encourage agricultural research by appreciably increasing expenditures in this area, particularly in East Pakistan.
2. Study the effectiveness and scope of the price support program for paddy rice in East Pakistan.
3. Continue to encourage oil seed production and the setting up of solvent extraction plants.

*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 sales 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 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 Islamabad, in duplicate, this tenth day of January, 1970.

For the Government of Pakistan :

[SEAL]           Vaqar AHMAD  
                    Secretary, Economic Affairs Division

For the Government of the United States of America :

[SEAL]           Joseph S. FARLAND  
                    U.S. Ambassador to Pakistan

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