

No. 11496

---

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

**Seventh Supplementary Agreement for sales of agricultural commodities (with annex). Signed at Seoul on 12 April 1971**

*Authentic text: English.*

*Registered by the United States of America on 5 January 1972.*

---

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

**Septième Accord supplémentaire relatif à la vente de produits agricoles (avec annexe). Signé à Séoul le 12 avril 1971**

*Texte authentique: anglais.*

*Enregistré par les États-Unis d'Amérique le 5 janvier 1972.*

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

The Government of the United States of America and the Government of the Republic of Korea, as the Seventh Supplement to the Agreement for Sales of Agricultural Commodities between the two Governments signed on March 25, 1967<sup>2</sup> (hereafter referred to as the March Agreement), have agreed to the commodity sales specified below. The Seventh Supplementary Agreement shall consist of the Preamble, Parts I and III of the March Agreement, the Convertible Local Currency Credit Annex of the October 23, 1968 Agreement,<sup>3</sup> and the following Part II:

PART II  
PARTICULAR PROVISIONS

*Item I.* Commodity Table:

<i>Commodity</i>	<i>Supply Period (United States Calendar Year)</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value (Millions)</i>
Wheat/wheat flour.....	1971	260,000 M/T	\$16.2
Corn .....	1971	67,500 M/T	4.5
Cotton .....	1971	75,000 Bales	9.6
		TOTAL	\$30.3

*Item II.* Payment Terms:

Convertible Local Currency Credit

1. Initial Payment — 5 percent
2. Currency Use Payment — 35 percent

<sup>1</sup> Came into force on 12 April 1971 by signature, in accordance with part III (B).

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

<sup>3</sup> *Ibid.*, vol. 707, p. 31.

3. Number of Installment Payments — 31
4. Amount of Each Installment Payment — approximately equal annual amounts
5. Due Date of First Installment Payment — 10 years after date of last delivery of commodities in each calendar year
6. Initial Interest Rate — 2 percent
7. Continuing Interest Rate — 3 percent

*Item III. Usual Marketing Table:*

<i>Commodity</i>	<i>Import Period (United States Calendar Year)</i>	<i>Usual Marketing Requirement</i>
Wheat/wheat flour . . . . .	1971	325,000 M/T
Corn . . . . .	July-December 1971	40,000 M/T
Cotton . . . . .	1971	75,000 bales (of which at least 70,000 bales shall be imported from the United States of America)

*Item IV. Export Limitations:*

A. With respect to each commodity financed under this agreement, the export limitation period for same or like commodities shall be United States Calendar Year 1971 and each subsequent calendar year during which the relevant commodities financed under this agreement are being imported and utilized.

B. For the purpose of Part I, Article III A 3, of the agreement, commodities considered to be same as, or like, commodities imported under this agreement are: for wheat/wheat flour — wheat/wheat flour and products thereof; for corn — corn, sorghum, barley, oats and products thereof; and for cotton — raw cotton, cotton yarn and textiles.

## C. Permissible Exports:

<i>Commodity</i>	<i>Quantity and Conditions</i>	<i>Period Exports Permitted</i>
Cotton Textiles	Raw cotton content equivalent in weight to 70,000 bales (480 pounds net) during U.S. CY 1971. If this export quantity is exceeded, the raw cotton equivalent in weight of such cotton textile exports will, in addition to the U.S. portion of the UMR provided in Item III, be imported from the United States by the Republic of Korea, with its own resources, but such offset purchases need not exceed the level of total PL 480 imports.	During U.S. CY 1971 and any subsequent period during which cotton purchased under this agreement is being imported and utilized.

*Item V. Self-Help Measures:*

The Government of the Republic of Korea is undertaking to:

1. Provide sufficient budgetary support to assure rearrangement of 50,000 hectares of rice land and development of 28,000 hectares of upland during the 1971/72 paddy rearrangement season.

2. Make necessary arrangements, including the provision of funds for subsidies and loans to distribute a minimum of 650,000 metric tons of limestone for use on Korean farms during 1971. Private production and marketing facilities should be encouraged. Also the Government of the Republic of Korea should insure that adequate credit is available so farmers may increase fertilizer application by a minimum of 15 percent during 1971. This target is to be reflected in national and provincial plans.

3. Adopt policies and initiate programs which will strengthen member investment and control of farmer organizations to facilitate increased use of farm inputs and improved storage and marketing of output.

4. Complete a comprehensive analysis of the agricultural sector.

5. Improve the agricultural analysis process by continuation of consolidation and development of various agricultural economic, statistical and planning units of agricultural agencies into functional units with control and guidance provided by the Ministry of Agriculture and Forestry.

*Item VI.* Economic Development Purposes for Which Proceeds Accruing to Importing Country are to be Used:

For purposes specified in Item V above and for other economic development purposes as may be mutually agreed upon.

*Item VII.* Other Provisions:

The Government of the United States 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 Seoul, in duplicate, this 12th day of April 1971.

For the Government  
of the United States of America:

[Signed]

WILLIAM J. PORTER  
Ambassador  
of the United States of America

For the Government  
of the Republic of Korea:

[Signed]

KIM, HAK-YUL  
Deputy Prime Minister  
and Minister,  
Economic Planning Board