

**No. 16601**

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**UNITED STATES OF AMERICA  
and  
PAKISTAN**

**Agreement relating to transfers of agricultural commodities  
(with minutes). Signed at Islamabad on 9 September  
1976**

*Authentic text: English.*

*Registered by the United States of America on 27 April 1978.*

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

**Accord relatif à des transferts de produits agricoles (avec  
procès-verbal). Signé à Islamabad le 9 septembre 1976**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 27 avril 1978.*

# AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND PAKISTAN RELATING TO TRANSFERS OF AGRICUL- TURAL COMMODITIES

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C.

## TRANSFER AUTHORIZATION

<p><i>Program Classification:</i> Disaster Relief</p> <p>Executive Vice President Commodity Credit Corporation U.S. Department of Agriculture Washington, D.C.</p>	<p>AID No. 391-041.0020-000-6632</p> <p><i>Program Approval Date:</i> September 3, 1976</p> <p><i>Program Title:</i> Emergency Flood Relief</p>
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In accordance with the provisions of Title II, PL 480 (as amended), Section 2 of Executive Order 10900, State Department Delegation Order No. 104 effective September 30, 1961, and A.I.D. Program Authorization dated September 3, 1976, the Commodity Credit Corporation is hereby authorized to transfer and deliver Wheat to Pakistan in an amount not to exceed \$7,700,000 pursuant to the following instructions:

1. Quantity (metric tons not to exceed):

<i>Previous Total</i>	<i>Increase</i>	<i>Decrease</i>	<i>Total to Date</i>
	50,000		50,000

2. Commodity Authorized:

<i>Code</i>	<i>Commodity</i>	<i>Amount Metric Tons</i>	<i>CCC Value \$</i>	<i>Export Market Value \$</i>
041.0020	Wheat	50,000	\$7,700,000	\$7,550,000
	TOTAL	<u>50,000</u>	<u>\$7,700,000</u>	<u>\$7,550,000</u>

3. Estimated U.S. Government Ocean Transportation Costs: \$2,125,000

All actual ocean transportation expenditures under this program, regardless of estimate shown above, are to be charged to Blanket Freight Transfer Authorization No. 935-9500-000-6899. An individual Ocean Freight Transfer Authorization will not be issued.

4. Commodity Specifications:

Wheat, hard red winter.

5. Shipping Instructions:

A. Delivery Schedule: to be advised

B. Discharge Port: Karachi

<sup>1</sup> Came into force on 9 September 1976 by signature.

- C. Consignee: Government of Pakistan  
Cabinet Division, Disaster Relief Cell  
Islamabad
- D. Copies of Bills of Lading to be sent as follows:
- (1) First original and one copy by international airmail to Consignee.
  - (2) After ship's loading, second original and one copy of Consignee accompanying cargo.
  - (3) Third original and two copies to A.I.D. Transportation and Support Division, Office of Commodity Management, Washington, D.C. 20523, Att: R. E. James.
  - (4) Original and one copy to USAID/Pakistan, Islamabad/ID, State Department, Washington, D.C. 20520.
- E. Transportation:
- (1) The U.S. Government will be responsible for all costs incurred in the procurement, inspection and delivery of the commodity authorized herein F.A.S. vessel at designated U.S. ports and will be responsible for arranging ocean transportation and payment of ocean freight.
  - (2) The wheat will be shipped from the U.S. in bulk without accompanying bags. To the extent possible, the wheat will be consolidated with other PL 480 wheat shipments from the U.S.
6. Program Objectives, Use of Commodity and Conditions of Transfer:
- The wheat authorized herein is donated by the United States in response to an appeal from the Government of Pakistan to replace wheat used by the Government of Pakistan to alleviate hunger and malnutrition in flood-affected areas.
- A. The wheat authorized herein will be used primarily to replace GOP grains distributed to needy recipients in the flood-affected areas.
  - B. Delivery shall be construed as meaning at the end of ship's tackle or discharge spout in Pakistan ports, at which time the GOP will be fully responsible for maintenance, use and disposal of this commodity and all related costs.
  - C. This Transfer Authorization is subject to the following conditions:
    - (1) The Government of Pakistan will furnish to the U.S. Mission reports on the receipt, both in quantity and quality, of the wheat provided herein by means of outturn and cargo survey reports described in Section 211.9C of AID Regulation 11.
    - (2) The Government of Pakistan will furnish to the U.S. Mission a report based on the provisions of Section 211.10*b* of AID Regulation 11 which will describe the quantity of grains distributed in the disaster zone for which the wheat provided herein shall replace. This report will detail the geographic areas and numbers of victims receiving assistance.

- (3) The Government of Pakistan agrees to give reasonable assistance to U.S. Government representatives to enable them to review compliance with this Transfer Authorization.

[Signed]

For the Government  
of the United States of America:  
HENRY A. BYROADE  
Ambassador

*Date:* September 9, 1976

REQUEST AND ACCEPTANCE: The assistance described in this authorization is hereby requested and the terms and conditions of this agreement are hereby accepted.

[Signed]

For the Government of Pakistan:  
AFTAB AHMAD KHAN  
Secretary, Economic Affairs Division

*Date:* September 9, 1976

MINUTES OF THE MEETING HELD SEPTEMBER 7, 1976, REGARDING  
THE GRANT OF 50,000 MT OF WHEAT UNDER TITLE II OF U.S.  
PUBLIC LAW 480 SIGNED ON SEPTEMBER 9, 1976

1. The Government of Pakistan ("Pakistan") and the United States Government ("USG") representatives agreed that the Transfer Authorization dated September 9, 1976, is the legal and binding agreement between the two governments concerning the grant of 50,000 MT of wheat under Title II of PL 480.

2. The USG representatives advised the Pakistan representatives that the wheat was being granted to replace Pakistan wheat previously used for flood relief and that, as a result, many of the regulations usually applying to PL 480 Title II grants would not be applied in this case. The USG representatives noted that under the terms of the Transfer Agreement, the Government of Pakistan would be required to:

- a) provide a report to USAID describing the amounts of Pakistan grain previously distributed in the disaster area, the numbers of people fed and the general locations of these relief efforts;
- b) provide both an independent cargo survey report (with the surveyor to be employed by the Government of Pakistan) and a vessel outturn report to USAID. These reports will certify the quantity and quality of the wheat received;
- c) provide reasonable assistance to USG representatives who may wish to review compliance with the terms of the Transfer Agreement authorization.

3. The USG representatives advised the Pakistan representatives that the wheat would be shipped in a manner similar to Title I shipments, on the basis of "berth terms discharge", which means that the vessels delivering the wheat would be responsible for any necessary lightering and the hiring of stevedores when the vessel

reaches the berth. This method also provides that the receiver (the Government of Pakistan) then becomes fully responsible for the wheat including the provision of bags at the end of ship's tackle or discharge spout. The USG representatives noted that the USG will pay ocean freight expenses.

4. The Pakistan representatives agreed that two 25,000 MT shipments on full berth terms was acceptable and within the handling capacity of the Karachi port. However, the Pakistan representative pointed out that in selecting the ships, AID should consider the ship's draft and channel limits of the Karachi port at the time of arrival. Also, in case the ship requires lighterage, arrangements will be made by the shipper. The USG representatives advised the Pakistan representatives that it was the USG intention to initiate these shipments in September. The Pakistan representatives expressed some concern over the timing of the shipments because they also have a requirement to ship 150,000 MT of Title I wheat by September 30 and they have some commercial shipments due in the same time frame. This combination puts a strain on Karachi port as well as storage capacity in the Karachi area. The USG representatives agreed to monitor the situation and to the maximum extent possible, the shipments will be staggered or delayed in routing so as to avoid unusual hardships in handling the wheat arrivals.

5. It was agreed that the report described in paragraph 2(a) above would be provided by November 1, 1976. It was further agreed that the reports required in paragraph 2(b) above would be provided within 30 days after vessel discharge.

6. The USG representatives suggested that, to the extent feasible, currency proceeds accruing from any sale of the 50,000 MT of wheat be applied to housing or other suitable programs for flood-affected people. The USG representatives requested a report on such currency uses should they occur. The Pakistan representatives pointed out since this wheat is replacing Government stocks already used for disaster relief, there will be no supplemental currency generation unless the Government has not used 50,000 MT in which case there may be a small differential of additional currency generation. Although this likelihood is very small, the Pakistan representatives agreed to report on the use of such currency if in fact it is available.

The above sets forth the understanding between the Government of Pakistan and the United States Government.

For the Government  
of Pakistan:

By: [Signed]

Name: AFTAB AHMAD KHAN

Title: Secretary, Economic Affairs  
Division

For the Government  
of the United States of America:

By: [Signed]

Name: HENRY A. BYROADE

Title: The Ambassador of the  
United States of America