



Treaty Series No. 159 (1975)

Exchange of Notes

concerning Grain to be supplied by the
Government of the United Kingdom
of Great Britain and Northern Ireland
to the Government of India within the
framework of the Cereals Food Aid
Programme of the European Economic
Community

(United Kingdom Food Aid Grant: India Agreement, 1975)

New Delhi, 11 March 1975

[The Agreement entered into force on 11 March 1975]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
December 1975*

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**EXCHANGE OF NOTES
CONCERNING GRAIN TO BE SUPPLIED BY THE
GOVERNMENT OF THE UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN IRELAND TO THE GOVERNMENT
OF INDIA WITHIN THE FRAMEWORK OF THE CEREALS
FOOD AID PROGRAMME OF THE EUROPEAN ECONOMIC
COMMUNITY**

No. 1

*The United Kingdom High Commissioner at New Delhi to the
Secretary, Department of Economic Affairs, Ministry of Finance of India*

*British High Commission,
New Delhi.*

11 March 1975

Dear Mr. Kaul,

**THE UNITED KINGDOM FOOD AID GRANT: INDIA AGREEMENT,
1975**

1. I have the honour to inform you that as the result of the accession of the United Kingdom of Great Britain and Northern Ireland to the European Economic Community the Government of the United Kingdom has accepted an obligation to participate in the supply of cereals under the Food Aid Convention of 1971⁽¹⁾. Within the framework of the EEC Cereals Food Aid Programme for the harvest year 1973/74 it is the intention of the Government of the United Kingdom to grant the Government of India for human consumption a quantity of grain not exceeding 30,000 metric tons, of a type to be agreed between the Government of the United Kingdom and the Government of India, but excluding rice.

Part A

The Government of the United Kingdom declare that it is their intention to order and pay for a quantity or quantities of grain not exceeding 30,000 metric tons for use within the territory of the Government of India from sources to be chosen by the Government of the United Kingdom or, at their discretion, by its agent.

Part B

(1) The Government of the United Kingdom shall adopt the arrangements and procedures described in the following sub-paragraphs of this Note

⁽¹⁾ Treaty Series No. 21 (1972), Cmnd. 4953. The United Kingdom acceded to the Food Aid Convention of 1971 with effect from 1 January 1973.

insofar as they relate to things to be done by or on behalf of that Government. The Government of India shall adopt the arrangements and procedures so described insofar as they relate to things to be done by or on behalf of that Government.

(2) The grain shall be delivered as soon as possible after a date to be agreed by the Government of the United Kingdom and the Government of India. On delivery it shall be of sound marketable quality, fit for human consumption and have a moisture content of not more than fourteen and one half per cent.

(3) Deliveries of the grain shall be made in bulk in accordance with the details laid down in the Annex which shall form an integral part of the present Agreement.

(4) The Government of India shall undertake to make all necessary arrangements for transport and insurance from the point of exportation to places of destination.

(5) The Government of India shall pay regard to Article 9 of the Wheat Trade Convention opened for signature in Washington on 29 March 1971, which requires the Government of the United Kingdom to arrange concessional transactions in wheat in such a way as to avoid interference with normal patterns of production and international commercial trade. To this end the Government of India shall take measures to ensure that any wheat supplied as aid is in addition to and not in place of commercial supplies which could otherwise be reasonably foreseen and shall take all appropriate measures to prevent the re-export of wheat, whether received as aid or commercially, and of the by-product of the first stage processing of such wheat. The Government of India shall also take measures to prevent the commercial or non-commercial export within a period of six months from the last receipt of any such wheat as aid, both of locally produced cereals of the same type as that received as aid and the products of first stage processing and the by-products derived from those cereals.

(6) The Government of India shall ensure that the grain is used exclusively for human consumption in their own country and that charges are levied for any part of the grain sold in markets or distributed through their ration shops to disadvantaged people equal to the prices that are normally charged on those markets or in those shops for products of comparable quality. The funds generated by the sale of any such grain shall be entered as Revenue in the budget of the Government of India and shall be applied for the purposes of rural development, and in particular towards the costs of schemes supported by technical assistance from the Government of the United Kingdom.

(7) The Government of India shall furnish, on request, to the officers of the British High Commission and other servants or agents of the Government of the United Kingdom such information relating to the receipt and disposal of the consignment or consignments of the grain and disposal of any funds referred to in sub-paragraph (6) above as the Government of the United

Kingdom may reasonably require to meet its obligations under the Food Aid Convention, it being understood that such information shall not be published without the approval of the Government of India.

2. If the foregoing proposals are acceptable to the Government of India I propose that the present Note, together with your reply in that sense, shall constitute an agreement between the two Governments which shall enter into force on the date of receipt by the Government of the United Kingdom of your reply and which shall be known as "The United Kingdom Food Aid Grant: India Agreement, 1975."

Yours sincerely,

MICHAEL WALKER

High Commissioner

*For and on behalf of the
Government of the United Kingdom*

ANNEX

Section I. Detailed procedure for effecting delivery

1. Delivery shall be effected and risks shall pass from the Government of the United Kingdom to the Government of India at the moment at which the goods are put down at the point of exportation named by the Government of the United Kingdom at the berth specified by the Government of India or their agent appointed in accordance with paragraph 3 of this Annex and under the terms specified in the following paragraphs. The Government of the United Kingdom shall be liable for the costs of delivering the grain to the point of exportation but not otherwise.

2. On delivery a tolerance of 5% less than the quantity of the grain to be supplied in accordance with paragraph 1 of the Note shall be admissible.

3. The Government of the United Kingdom shall appoint an agent to implement the provisions of this Annex (or for each consignment thereunder) whose name and address it shall make known to the Government of India immediately following his appointment. The Government of India shall appoint an agent in the point or points of exportation at least 4 clear weeks before the commencement of the period during which delivery must begin as established under paragraph 4 of this Annex, whose name and address they shall immediately make known to the Government of the United Kingdom.

4. Before appointing the agent of the Government of the United Kingdom and the agent of the Government of India referred to in paragraph 3 of this Annex, the Government of the United Kingdom and the Government of India shall jointly establish the period during which delivery must begin.

Section II. Obligation of the Government of the United Kingdom

5. (1) Should the Government of the United Kingdom through their fault not be in a position to commence delivery on the date and deliver according to the schedule provided for in paragraph 7 of this Annex, all costs arising from such default for the Government of India—for example demurrage void freight and dead freight—shall be borne by the Government of the United Kingdom.

(2) The charges and the arrangements relating to demurrage laid down in the contract between the Government of India and the carrier shall be agreed in advance by the Government of India and the agent of the Government of the United Kingdom.

(3) The other costs referred to in paragraph (1) above shall only be refunded by the Government of the United Kingdom if they have been paid by the Government of India with the approval, prior to payment of the Government of the United Kingdom.

6. In any circumstances where delivery is not commenced on the date or carried out in accordance with the schedule provided for in paragraph 7 of this Annex, a new date and/or schedule shall be agreed between the agents of the Government of the United Kingdom and of the Government of India for the delivery of all the grain or of the undelivered part thereof without prejudice to the provisions of paragraph 5 of this Annex.

Section III. Obligations of the Government of India

7. (1) The Government of India shall procure and be responsible for all costs in respect of one or more vessels of dimensions corresponding to the normal capacity of the port of shipment necessary to transport all the quantity of grain provided for in paragraph 1 of the Note; these vessels shall be ready for loading at the relevant points of exportation on a date falling within the period referred to in paragraph 4 of this Annex.

(2) The agent of the Government of India shall immediately inform the Government of the United Kingdom of this date and also that for commencement of delivery, if possible twenty days in advance and in any case ten days before the date for commencement of delivery.

(3) He shall establish with the agent of the Government of the United Kingdom the schedule in accordance with which delivery and loading shall take place.

8. (1) Should the Government of India be unable to begin loading on the date or carry on loading in accordance with the schedule provided for in paragraph 7 of this Annex the agent of the Government of India shall immediately inform the agent of the Government of the United Kingdom of such delay.

(2) In this event a new date for the commencement of loading and/or a new schedule shall be agreed between the agents of the Government of the United Kingdom and the Government of India.

(3) Should the new date provided for in paragraph (2) above result in a delay of more than 30 clear days after the date for commencement of loading provided for in paragraph 7, (1) of this Annex, the Government of the United Kingdom may dispose of the goods without prejudice to their commitment under paragraph 1 of the Note.

(4) All losses and costs to the Government of the United Kingdom arising out of any delay referred to in this paragraph shall in all cases be borne by the Government of India.

9. (1) If the quantity made available for loading on a vessel cannot be put on board in its entirety or the Government of India does not desire any part of the quantity of grain referred to in paragraph 1 of the Note, the Government of India shall inform the Government of the United Kingdom as soon as possible and no later than fifteen clear days after loading has been completed whether it intends to accept or to renounce the balance.

(2) In the former case the provisions of paragraphs 8, (2), (3) and (4) shall apply to the balance.

(3) In the latter case the Government of the United Kingdom may consider that they have discharged their commitment to the Government of India under paragraph 1 of the Note. In the event that the Government of the United Kingdom suffers loss as a result of such renunciation the provisions of paragraph 8 (4) shall apply.

(4) In any event after the expiry of an interval of fifteen clear days and in the absence of any notice on the part of the Government of India the renunciation shall be deemed to have taken place.

10. Upon delivery of the goods, the Government of India shall hand to the agent of the Government of the United Kingdom a certificate of acceptance stating the point of exportation, date of acceptance, the nature and quantity of the goods accepted and including any comments on the quality of the goods and send a copy thereof to the Government of the United Kingdom.

No. 2

*The Secretary, Department of Economic Affairs, Ministry of Finance of
India to the United Kingdom High Commissioner at New Delhi*

New Delhi,

11 March, 1975

Dear Sir Michael Walker,

**THE UNITED KINGDOM FOOD AID GRANT: INDIA AGREEMENT,
1975**

I thank you for your letter of today's date reading as follows:

[As in No. 1]

I confirm that the foregoing proposals are acceptable to the Government of India and that therefore your Note and this reply shall constitute an agreement between the two Governments in this matter, which shall enter into force on the date of this Note and shall be known as "The United Kingdom Food Aid Grant: India Agreement 1975".

Yours sincerely,

M. G. KAUL

*Secretary to the Government of India
For and on behalf of the President of
India*