

No. 8005

UNITED STATES OF AMERICA
and
REPUBLIC OF VIET-NAM

**Agricultural Commodities Agreement under Title I of
the Agricultural Trade Development and Assistance
Act, as amended (with exchange of notes). Signed
at Saigon, on 26 May 1965**

**Exchange of notes constituting an agreement amending
the above-mentioned Agreement. Saigon, 9 July 1965**

*Official text of the Agricultural Commodities Agreement and of the notes of
9 July 1965 : English.*

Official texts of the notes of 26 May 1965 : English and French.

Registered by the United States of America on 8 December 1965.

ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE DU VIET-NAM

**Accord relatif aux produits agricoles, conclu dans le
cadre du titre I de la loi tendant à développer et
à favoriser le commerce agricole, telle qu'elle a été
modifiée (avec échange de notes). Signé à Saigon,
le 26 mai 1965**

**Échange de notes constituant un avenant à l'Accord
susmentionné. Saigon, 9 juillet 1965**

*Texte officiel de l'Accord relatif aux produits agricoles et des notes du 9 juillet 1965 :
anglais.*

Textes officiels des notes du 26 mai 1965 : anglais et français.

Enregistré par les États-Unis d'Amérique le 8 décembre 1965.

No. 8005. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF THE
REPUBLIC OF VIET-NAM UNDER TITLE I OF THE
AGRICULTURAL TRADE DEVELOPMENT AND AS-
SISTANCE ACT, AS AMENDED. SIGNED AT SAIGON,
ON 26 MAY 1965

The Government of the United States of America and the Government of the Republic of Vietnam ;

Recognizing the desirability of expanding trade in agricultural commodities between their two countries and with other friendly nations in a manner which would not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries ;

Considering that the purchase for Vietnam piastres of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade ;

Considering that the Vietnam piastres accruing from such purchase will be utilized in a manner beneficial to both countries ;

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to Vietnam pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities ;

Have agreed as follows :

Article I

SALES FOR VIETNAM PIASTRES

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of Vietnam of purchase authorizations and to the availability of the specified commodities under the

¹ Came into force on 26 May 1965, upon signature, in accordance with article VI.

Act at the time of exportation, the Government of the United States of America undertakes to finance the sales for Vietnam piastres to purchasers authorized by the Government of the Republic of Vietnam, of the following agricultural commodities in the amounts indicated :

<i>Commodities</i>	<i>Export Market Value (millions)</i>
Sweetened condensed milk	\$ 3.75
Rice	3.11
TOTAL	\$ 6.86

2. Applications for purchase authorizations will be made within 90 days after the effective date of this agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of Vietnam piastres accruing from such sale, and other relevant matters.

The Government of the United States of America will finance ocean transportation costs incurred pursuant to this agreement only to the extent that such costs are higher than otherwise would be the case by reason of the requirement that approximately 50 percent by tonnage of the commodities be transported in United States flag vessels. The balance of cost for commodities required to be carried in United States flag vessels shall be paid in dollars by the Government of the Republic of Vietnam. The Government of the Republic of Vietnam will not be required to deposit piastres for ocean transportation financed by the Government of the United States of America.

Promptly after contracting for United States flag shipping space required to be used, and in any event not later than presentation of vessel for loading, the Government of the Republic of Vietnam will open a letter of credit, in dollars, for the estimated cost of ocean transportation for commodities carried in United States flag vessels.

3. The financing, sale and delivering of commodities under this agreement may be terminated by either government if that government determines that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

Article II

USES OF VIETNAM PIASTRES

The Vietnam piastres accruing to the Government of the United States of America as a consequence of sales made pursuant to this agreement will be used by the Government of the United States of America, in such manner and

order of priority as the Government of the United States of America shall determine, for the following purposes, in the proportions shown.

A. For United States expenditures under subsections (a), (f), (h) through (t) of Section 104 of the Act, or under any of such subsections, 10 percent of the Vietnam piastres accruing pursuant to this agreement.

B. For grant to the Government of the Republic of Vietnam under subsection (c) of Section 104 of the Act, 90 percent of the Vietnam piastres accruing pursuant to this agreement. On the event that agreement is not reached on the use of the Vietnam piastres for grant under subsection (c) of Section 104 of the Act within 3 years from the date of this agreement, the Government of the United States of America may use the Vietnam piastres for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF VIETNAM PIASTRES

1. The amount of Vietnam piastres to be deposited to the account of the Government of the United States of America shall be the equivalent of the dollar sales value of the commodities financed by the Government of the United States of America converted into Vietnam piastres, as follows :

- (a) at the rate applying to all foreign exchange transactions on the dates of dollar disbursement by the United States, provided that a unitary exchange rate is maintained by the Government of the Republic of Vietnam, or
- (b) if more than one legal rate for foreign exchange transactions exist, at a rate of exchange to be mutually agreed upon from time to time between the Government of the United States of America and the Government of the Republic of Vietnam.

2. The Government of the United States of America shall determine which of its funds shall be used to pay any refunds of Vietnam piastres which become due under this agreement or which are due or become due under any prior agricultural commodities agreement. A reserve will be maintained under this agreement for two years from the effective date of this agreement which may be used for the payment of such refunds. Any payment out of this reserve shall be treated as a reduction in the total Vietnam piastres accruing to the Government of the United States of America under this agreement.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Vietnam will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domes-

tic purposes of the agricultural commodities purchased pursuant to this agreement (except where such resale, transshipment or use is specifically approved by the Government of the United States of America) ; to prevent the export of any commodity of either domestic or foreign origin which is the same as, or like, the commodities purchased pursuant to this agreement during the period beginning on the date of this agreement and ending with the final date on which such commodities are received and utilized, (except where such export is specifically approved by the Government of the United States of America) ; and to ensure that the purchase of commodities pursuant to this agreement does not result in increased availability of the same or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that all sales and purchases of agricultural commodities pursuant to this agreement will not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries.

3. In carrying out this agreement, the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Government of the Republic of Vietnam will furnish quarterly information on the progress of the program, particularly with respect to the arrival and condition of commodities ; provisions for the maintenance of usual marketings ; and information relating to imports and exports of the same or like commodities.

Article V

CONTRIBUTION

The two Governments will, upon request of either of them, consult regarding any matter relating to the application of this agreement, or to the operation of arrangements carried out pursuant to this agreement.

Article VI

ENTRY INTO FORCE

This agreement shall enter into force upon signature.

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

DONE at Saigon, in duplicate, this 26th day of May, 1965.

For the Government
of the United States of America :

Maxwell D. TAYLOR

For the Government
of the Republic of Vietnam :

PHAN HUY QUAT

EXCHANGE OF NOTES

I

*The American Ambassador to the Vietnamese Minister
of Foreign Affairs*

No. 332

Saigon, May 26, 1965

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the United States of America and the Republic of Vietnam signed today and to confirm the following understanding of my Government.

1. The Government of the Republic of Vietnam will provide, upon request of the Government of the United States of America, facilities for conversion into other non-dollar currencies of the following amounts of piastres : for purposes of Section 104 (a) of the Act, \$137,200 or two percent of the piastres accruing under the agreement, whichever is greater, to finance agricultural market development activities in other countries ; and for purposes of Section 104 (h) of the Act and for the purposes of the mutual educational and cultural exchange Act of 1961, up to \$80,000 worth of piastres to finance educational and cultural exchange programs and activities in other countries.

2. The Government of the United States of America may utilize piastres in Vietnam to pay for travel which is part of a trip in which the traveler travels from, to or through Vietnam. It is understood that these funds are intended to cover only travel by persons who are traveling on official business for the Government of the United States of America or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which piastres may be utilized shall not be limited to services provided by Vietnamese transportation facilities.

3. With respect to Paragraph 1 of Article III, under the current Vietnamese exchange system, the amount of piastres to be deposited against dollar disbursements by the Government of the United States of America shall be computed at the controlled free market selling rate, net of all banking charges, in effect on the dates of dollar disbursements.

In the event that the exchange system of Vietnam is changed to establish a unitary rate for all foreign exchange transactions, deposits of piastres against dollar disbursements which take place on or after the effective date of such change shall be made at the exchange rate specified in subparagraph 1 (a) of Article III of the agreement. It is further understood that if there should be any other change in the exchange system of Vietnam, the amount of piastres to be deposited under the agreement shall be mutually agreed as provided in subparagraph 1 (b) of Article III of the agreement.

4. The Government of the Republic of Vietnam agrees that it will prohibit the export of rice from Vietnam during the period of actual import and utilization of United States rice or until December 31, 1965, whichever is later.

5. With regard to Paragraph 4 of Article IV of the agreement, the Government of Vietnam agrees to furnish quarterly the following information in connection with each shipment of commodities received under the agreement: the name of each vessel, the date of arrival; the port of arrival; the commodity and quantity received; the condition in which received; the date unloading was completed; and the disposition of the cargo, i.e., stored, distributed locally or, if shipped, where shipped. In addition, the Government of Vietnam agrees to furnish quarterly:

- A. A statement of measures it has taken to prevent the resale or transshipment of commodities furnished, and
- B. Assurances that the program has not resulted in increased availability of the same or like commodities to other nations.

The Government of Vietnam further agrees that the above statements will be accompanied by statistical data on imports and exports by country of origin or destination of commodities which are the same as or like those imported under the agreement.

I shall appreciate receiving Your Excellency's confirmation of the above understanding.

Maxwell D. TAYLOR

His Excellency Tran Van Do
Minister of Foreign Affairs
Saigon

II

*The Vietnamese Minister of Foreign Affairs
to the American Ambassador*

[TRANSLATION ¹ — TRADUCTION ²]

REPUBLIC OF VIET-NAM
MINISTRY OF FOREIGN AFFAIRS
The Minister

Nº 2308-EF/NC

Saigon, May 26, 1965

Excellency :

I have the honor to acknowledge the receipt of your note No. 332, dated May 26, 1965, which reads as follows :

[*See note I*]

I have the honor to confirm to Your Excellency that the Government of the Republic of Viet-Nam accepts the foregoing proposals, and that the present exchange of notes constitutes an agreement between our two Governments which shall enter into force today.

Accept, Excellency, the assurances of my very high consideration.

[SEAL] Dr. TRAN-VAN-DO
Vice President
Minister of Foreign Affairs

His Excellency Maxwell D. Taylor
Ambassador Extraordinary and Plenipotentiary
of the United States of America
Saigon

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT ¹
 BETWEEN THE UNITED STATES OF AMERICA AND
 THE REPUBLIC OF VIET-NAM AMENDING THE AGRICULTURAL
 COMMODITIES AGREEMENT OF 26 MAY
 1965. ² SAIGON, 9 JULY 1965

I

*The American Ambassador to the Vietnamese Minister
 of Foreign Affairs*

No. 2

Saigon, July 9, 1965

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between our two Governments signed on May 26, 1965 and to propose that :

1. The Agreement be amended by substituting the following for the commodity table in Paragraph 1 of Article I :

<i>Commodities</i>	<i>Export Market Value (millions)</i>
Sweetened condensed milk	\$ 3.75
Rice	9.41
Tobacco79
TOTAL	\$ 13.95

2. The Notes exchanged on May 26, 1965, relating to the Agreement to be amended by substituting “ \$ 279,000 ” for “ \$ 137,000 ” and “ \$ 160,000 ” for “ \$ 80,000 ” in numbered Paragraph 1.

If the foregoing is acceptable to Your Excellency's Government, I have the honor to propose that this Note and your reply concurring therein shall constitute an agreement between our two Governments to enter into force on the date of your reply.

Accept, Excellency, the renewed assurances of my highest consideration.

Maxwell D. TAYLOR

His Excellency Tran Van Do
 Minister of Foreign Affairs
 Saigon

¹ Came into force on 9 July 1965 by the exchange of the said notes.

² See p. 4 of this volume.

II

*The Vietnamese Minister of Foreign Affairs
to the American Ambassador*

RÉPUBLIQUE DU VIETNAM
MINISTÈRE DES AFFAIRES ÉTRANGÈRES
Le Ministre ¹

No. 3205-TTK/EF/NC

Saigon, July 9, 1965

Excellency,

I have the honour to acknowledge receipt of your Note No. 2 dated July 9, 1965 reading as follows :

[See note I]

I further have the honour to confirm to Your Excellency that the Government of the Republic of Viet Nam accepts the above proposed amendments and that your Note and this reply shall constitute an agreement between our two Governments, to enter into force on the date of 9th of July, 1965.

Please accept, Excellency, the renewed assurances of my highest consideration.

[SEAL] Dr. TRẦN-VĂN-DŨ
Minister of Foreign Affairs

His Excellency General Maxwell D. Taylor
Ambassador Extraordinary and Plenipotentiary
of the United States of America
Saigon

¹ Republic of Vietnam.
Ministry of Foreign Affairs.
The Minister.