

No. 4297

**UNITED STATES OF AMERICA
and
FRANCE**

**Exchange of notes constituting an agreement relating to a
facilities assistance program. Paris, 23 September 1957**

Official texts: English and French.

Registered by the United States of America on 23 April 1958.

**ÉTATS-UNIS D'AMÉRIQUE
et
FRANCE**

**Échange de notes constituant un accord relatif à un pro-
gramme d'aide en moyens de production. Paris,
23 septembre 1957**

Textes officiels anglais et français.

Enregistré par les États-Unis d'Amérique le 23 avril 1958.

No. 4297. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND FRANCE RELATING TO A FACILITIES ASSISTANCE PROGRAM. PARIS, 23 SEPTEMBER 1957

N° 4297. ÉCHANGE DE NOTES CONSTITUANT UN ACCORD² ENTRE LES ÉTATS-UNIS D'AMÉRIQUE ET LA FRANCE RELATIF À UN PROGRAMME D'AIDE EN MOYENS DE PRODUCTION. PARIS, 23 SEPTEMBRE 1957

I

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

*L'Ambassadeur des États-Unis
d'Amérique au Ministre des affaires
étrangères de la République française*

Paris, September 23, 1957

Excellency :

I have the honor to propose that the following arrangements supersede the arrangements concluded with the Government of France in an exchange of letters dated May 31, 1954,³ concerning a special program of facilities assistance by the Government of the United States to the Government of France.

The purpose of the present Facilities Assistance Program is to increase the capacity of France to produce propellants and explosives. It is now proposed to extend this program, as needs arise and within limitations of funds provided therefor, to the expansion of existing facilities and the establishment of new facilities for the production, fabrication, maintenance, repair, or overhaul of all types of military equipment and materials used for the purposes of common defense. In order to facilitate the extension of this program to such facilities, discussions have been held between representatives of our two Governments and the following mutual understandings have been reached :

(1) The program of facilities assistance will be continued to be carried out in accordance with the principles and conditions set forth in the Mutual Defense Assistance Agreement between our two governments, dated January 27, 1950,⁴ as amended and supplemented by the agreements of January 5, 1952⁵ and September 23, 1955,⁶ and any other applicable agreements between our two governments.

¹ Came into force on 23 September 1957 by the exchange of the said notes.

² Entré en vigueur le 23 septembre 1957 par l'échange desdites notes.

³ United Nations, *Treaty Series*, Vol. 236, p. 141.

⁴ United Nations, *Treaty Series*, Vol. 80, p. 171.

⁵ United Nations, *Treaty Series*, Vol. 181, p. 177.

⁶ United Nations, *Treaty Series*, Vol. 270, p. 341.

(2) The Government of the United States will furnish to the Government of France such equipment and technical advice as may be mutually arranged, as provided in paragraph (11) of this note.

(3) The Government of France will furnish or cause to be furnished all of the land, buildings, equipment, materials, and services required for the expansion of existing facilities or the establishment of new facilities, except for the equipment and technical advice to be furnished by the Government of the United States, and will take whatever measures are required to accomplish the expansion of or increase in facilities envisaged in the program.

(4) The Government of France will maintain or cause to be maintained the additional facilities made available with United States assistance so that they will be in a condition to produce, fabricate, maintain, repair, or overhaul military equipment and materials used for the purposes of common defense promptly when they may be required ; but pending such time, equipment furnished by the United States and such additional facilities may be used for other purposes, provided such use will not interfere with the ready availability of such equipment and facilities for the use for the purpose for which they were created.

(5) To the fullest extent compatible with the satisfaction of its own requirements the Government of France agrees that it is willing to make the products or services of the facilities expanded or established with United States assistance available to NATO¹ nations at fair and reasonable prices and that it will not discriminate in terms of the prices charged for such products or services, the quality of products or services made available, the time within which such products or services are delivered or performed, or in any other manner. The Government of France further agrees that it is willing to make the products or services of the facilities expanded or established with United States assistance available to other free nations of the world under the same terms as those envisaged herein, but subject to the reservation that France has concluded appropriate arrangements with such nations. The provisions of this paragraph shall, however, be subject to the further understanding set forth in paragraph (6) of this note.

(6) When an item which is produced or fabricated in a facility made available with United States assistance is classified by either Government, or involves a technique or information which is classified by either Government, it is mutually understood that before the item and/or rights essential to its production, fabrication or maintenance are sold or transferred to any other nation or nations, our two Governments will agree that under the conditions then prevailing there is no security objection to such sale or transfer.

(7) The Government of France agrees that it will not include as an element of the price of the products or services made available to NATO nations or other free nations any charge which is attributable in any way to the initial cost of equipment, materials, or services furnished by the Government of the United States in connection with the establishment or expansion of the facility concerned or otherwise provided to the Government of France by the Government of the United States under the Mutual Security Program.

(8) Military equipment and materials sent temporarily into France to be maintained, repaired or overhauled in facilities provided with United States assistance will benefit

¹ North Atlantic Treaty Organization.

from the suspension of custom duties and taxes under the conditions provided by French legislation.

Likewise the benefit of fiscal or customs exemptions applicable to exports will be granted to the following :

a) work executed on equipment or materials referred to in the preceding provision by virtue of contracts made by a foreign government either directly with the establishment carrying out the work or with the Government of France to the extent that the contract between the two governments specifies that the work involved will be executed in a facility designated by name and established with the assistance of the United States.

b) the export of articles for the production or fabrication of which the Government of the United States has provided assistance in the form of production facilities and which have been produced or fabricated in the facilities thus created, when they are sold or transferred to NATO nations or to other nations of the free world.

(9) It is mutually understood that the funds provided by the Government of the United States for the Facilities Assistance Program are for the purpose of assisting in the creation of a net addition to facilities of the type which the Government of the United States is assisting to establish or expand. In furtherance of this purpose, the Government of France undertakes that :

a) In the case of facilities for the production or fabrication of military equipment or materials, in addition to the new facilities envisaged herein, it will use its best efforts to maintain or cause to be maintained in usable condition a total capacity of facilities for the production or fabrication, for military purposes, of equipment and materials of the same type as those which may be produced or fabricated in a facility that the United States is assisting or may assist hereunder to create, which shall be not less than the aggregate of the capacity of such facilities already existing and those already programmed for construction in France, under public or private ownership.

b) In the case of facilities for the maintenance, repair or overhaul of military equipment and materials, in addition to the new facilities envisaged herein, it will maintain or cause to be maintained in usable condition a total capacity of facilities of the same type as those which the Government of the United States may assist hereunder to create which shall be not less than the aggregate of the capacity of such facilities already existing and those already programmed for construction in France under public ownership.

c) The total capacity of facilities for production, fabrication, maintenance, repair or overhaul referred to in subsections (a) and (b) above shall be the aggregate capacity of facilities already existing or already programmed for construction on the date of the conclusion of the project arrangements for a corresponding facility pursuant to the provisions of this note and the agreement effected by the exchange of letters signed at Paris on May 31, 1954.

(10) The undertakings in paragraph (4) and in paragraph (9) herein with respect to the maintenance of facilities are subject to the understanding that should changed conditions make continued compliance with this undertaking either unnecessary as a matter of defense, or impracticable, the Government of France may, after consultation with the Government of the United States, modify this undertaking to accord with such changed conditions.

(11) In carrying out the Facilities Assistance Program, our two Governments, acting through their appropriate representatives, will enter into supplementary arrangements covering the specific projects involved, which will set forth the nature and amounts of the contributions to be made by the Government of the United States and the Government of France, the description and purposes of the facilities to be established, and other appropriate details. Such arrangements may include provisions for the procurement of equipment to be furnished by the Government of the United States through the Government of France under the Offshore Procurement Program, and the transfer of such equipment to the Government of France in accordance with the provisions of the Mutual Defense Assistance Agreement.

I have the honor to propose that if these understandings meet with the approval of the Government of France, this present note and Your Excellency's note in reply shall constitute detailed arrangements pursuant to Article I, paragraph 1, of the Mutual Defense Assistance Agreement, as supplemented, superseding in its entirety the agreement concerning a special program of facilities assistance effected by an exchange of letters signed at Paris, May 31, 1954, and shall enter into force on the date of Your Excellency's reply.

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

Amory HOUGHTON

His Excellency Monsieur Christian Pineau
Minister of Foreign Affairs
Paris

[TRADUCTION — TRANSLATION]

Paris, le 23 septembre 1957

Monsieur le Ministre,

[*Voir note II*]

Veillez agréer, etc.

Amory HOUGHTON

Son Excellence Monsieur Christian Pineau
Ministre des affaires étrangères
Paris

[TRANSLATION¹ — TRADUCTION²]

LIBERTY—EQUALITY—FRATERNITY

FRENCH REPUBLIC

MINISTRY OF FOREIGN AFFAIRS

Paris, September 23, 1957

Mr. Ambassador :

I have the honor to acknowledge the receipt of your note dated today, the French translation of which reads as follows :

[*See note I*]

I have the honor to inform you of the agreement of the Government of France to the provisions contained in this note.

Please accept, Mr. Ambassador, the assurances of my very high consideration.

C. PINEAU

His Excellency Amory Houghton
Ambassador of the United States of America
Paris

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

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