

No. 5660

**UNITED STATES OF AMERICA
and
PORTUGAL**

**Exchange of notes constituting an agreement relating to a
Weapons Production Program. Lisbon, 26 September
1960**

Official texts: English and Portuguese.

Registered by the United States of America on 28 March 1961.

**ÉTATS-UNIS D'AMÉRIQUE
et
PORTUGAL**

**Échange de notes constituant un accord relatif à un pro-
gramme de production d'armes. Lisbonne, 26 septem-
bre 1960**

Textes officiels anglais et portugais.

Enregistré par les États-Unis d'Amérique le 28 mars 1961.

No. 5660. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND PORTUGAL RELATING TO A WEAPONS PRODUCTION PROGRAM. LISBON, 26 SEPTEMBER 1960

I

*The American Chargé d'Affaires ad interim to the Portuguese Minister
for Foreign Affairs*

EMBASSY OF THE UNITED STATES OF AMERICA

Lisbon, September 26, 1960

No. 93

Excellency,

I have the honor to refer to recent discussions between representatives of our two Governments concerning a Weapons Production Program, the purpose of which is to increase the capacity of North Atlantic Treaty² Organization countries, jointly and severally, to produce, maintain, repair, and overhaul equipment and materials needed for their mutual defense.

As a result of these discussions, the following understandings were reached :

1. The Government of the United States of America will furnish under the Weapons Production Program to the Government of Portugal such equipment, materials, services, and information as may be mutually arranged in accordance with paragraph 8 hereof, to assist in the production, maintenance, repair, and overhaul of equipment and materials needed for the common defense.

2. The assistance furnished by the Government of the United States of America under this program will be made available in accordance with the terms and conditions of the Mutual Defense Assistance Agreement between the United States of America and Portugal, signed at Lisbon on January 5, 1951,³ and agreements amendatory and supplementary thereto.

3. The Weapons Production Program shall be carried on through mutually agreed projects, which may include projects carried on solely by Portugal as well as joint projects of coordinated production. Such joint projects may include those in which NATO countries carry out the project work through the North Atlantic Treaty Organization, including subsidiary bodies of the North Atlantic Council.

¹ Came into force on 26 September 1960 by the exchange of the said notes.

² United Nations, *Treaty Series*, Vol. 34, p. 243; Vol. 126, p. 350, and Vol. 243, p. 308.

³ United Nations, *Treaty Series*, Vol. 133, p. 75.

Accordingly, assistance furnished by the Government of the United States of America under this agreement may, at the request of the Government of Portugal, be furnished to the North Atlantic Treaty Organization or such a subsidiary body. The undertakings of the Government of Portugal set forth in this agreement will extend to all joint projects in which Portugal participates, as well as to projects carried out exclusively by the Government of Portugal.

4. (a) The Government of Portugal, in connection with assistance intended to create or expand facilities under this program, will :

(1) Use its best efforts to maintain or cause to be maintained those facilities which the Government of the United States of America has assisted in establishing or expanding so that they will be in a condition properly to produce, maintain, repair, and overhaul equipment and materials, when they may be required. Pending such time, such additional facilities and equipment furnished by the Government of the United States of America may be used for other agreed purposes, provided, that such use will not interfere with the ready availability of such facilities for use for the purpose for which they were established or expanded.

(2) Subject to the provisions of paragraph 8 hereof, furnish all of the land, buildings, equipment, materials, and services required for such additional facilities, except for the equipment, materials, services, and information to be furnished either by private industry, by the Government of the United States of America or by other governments participating in joint projects, and take whatever measures are required to establish or expand such facilities in good operating order.

(3) 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 established or expanded with the assistance of the Government of the United States of America, which shall not be less than the aggregate of the capacity of such facilities already existing, those already programmed for construction in Portugal under public or private ownership on the date of the conclusion of the project arrangements for such a corresponding facility, and those established or expanded with United States assistance.

(4) Use its best efforts to maintain or cause to be maintained in usable condition a total capacity of facilities for the maintenance, repair, or overhaul of military equipment or material of the same type as those established or expanded with the assistance of the Government of the United States of America, which shall not be less than the aggregate of the capacity of such facilities already existing, those already programmed for construction in Portugal under public ownership on the date of the conclusion of the project arrangement for such a corresponding facility, and those established or expanded with United States assistance.

(b) The undertakings in this paragraph with respect to the maintenance of facilities are subject to the understanding that should changed conditions make continued compliance with these undertakings either unnecessary as a matter of defense, or impracticable, the Government of Portugal may, after consultation with the Government of the United States of America, modify those undertakings to accord with these changed conditions.

5. The Government of Portugal also will :

(a) Sell, or cause to be sold, the products and services resulting from this program to other NATO nations at fair and reasonable prices, and shall not discriminate, or permit discrimination, among such nations in terms of the price charged for, or the quality of, such products or services, the time within which such products or services are delivered and performed, or in any other manner.

(b) Sell, or permit the sale of, the products and services resulting from this program to non-NATO nations only in such cases as may be mutually agreed upon.

(c) Insure that the savings in cost which have resulted from the materials, equipment, or services supplied by the Government of the United States of America will subsequently be passed on in the prices to be charged to nations referred to in sub-paragraphs (a) and (b) above.

(d) Implement the provisions of sub-paragraphs (a), (b), and (c) above either directly or through its contractual relationships with private industry doing work in connection with this program.

(e) Permit the importation and exportation free from customs duties, taxes, or other similar charges of equipment and materials sent to Portugal for production, maintenance, repair, or overhaul in any facility expanded or established with United States assistance, and permit the exportation free from customs duties, taxes, or other similar charges of the products and services of such facilities sold to other nations in accordance with the provisions of this note.

6. Agreement of our two Governments shall be a prerequisite to the sale or transfer to any other nation by Portugal of the following :

a. Items produced under this program to which the Government of the United States of America has contributed, either directly or indirectly, classified information essential to their manufacture, use or maintenance;

b. Any classified information of United States origin furnished in connection with the production, maintenance, repair, overhaul, or use of items produced under this program.

7. The Government of Portugal will furnish without cost to the Government of the United States of America for defense purposes technical information (proprietary or other) developed in, or essential to, the production, maintenance, repair, overhaul, or development of military items under this program, and will grant to the Government of the United States of America for defense purposes a royalty-free license on inventions, improvements, and discoveries made in connection with the work carried out under this program, to the extent to which, and subject to the conditions under which, the Government of Portugal has the right so to do without the payment of royalties or other compensation to others. The Government of Portugal undertakes that, in entering into contracts subsequent to the effective date of this agreement for the production, maintenance, repair, overhaul, or development of military items under this program, it will obtain for the Government of the United States of America rights to technical information (proprietary or other) and to inventions, improvements and discoveries equal to those obtained under such contracts by the Government of Portugal for itself, and at charges, if any, no greater than those made to the Government of Portugal for its own use.

8. It is recognized that this agreement does not commit either Government to contribute any definite amount of funds to any given project to be carried out hereunder. In carrying out this program, our two Governments, acting through their appropriate contracting officers, 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 each Government, the description and purpose of the facilities to be established, appropriate security arrangements and other appropriate details. Joint projects may be covered by supplementary arrangements entered into between the Government of the United States of America and the North Atlantic Treaty Organization, including subsidiary bodies of the North Atlantic Council.

I have the honor to propose that, if these understandings meet with the approval of the Government of Portugal, the present note and Your Excellency's note in reply concurring therein shall constitute detailed arrangements pursuant to Article I, paragraph 1 of the Mutual Defense Assistance Agreement between our two Governments, and shall enter into force on the date of Your Excellency's reply.

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

John GOODYEAR
Chargé d'Affaires ad interim

His Excellency Dr. Marcello Mathias
Minister for Foreign Affairs
Lisbon

II

The Portuguese Minister for Foreign Affairs to the American Chargé d'Affaires ad interim

[PORTUGUESE TEXT — TEXTE PORTUGAIS]

MINISTÉRIO DOS NEGÓCIOS ESTRANGEIROS
SERVIÇO DO PACTO DO ATLÂNTICO NORTE

Lisboa, 26 de Setembro de 1960

PA/1.595

Senhor Encarregado de Negócios,

Tenho a honra de acusar a recepção da nota de V.Exa. nº. 93, de 26 de Setembro, cujo teor, em português, é o seguinte :

“ Tenho a honra de me referir às recentes conversações entre os representantes dos nossos dois Governos, relativas a um Programa de Produção de