

No. 7703

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**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 29 September 1964**

*Official text of the Agreement: English.*

*Official texts of the notes: English and French.*

*Registered by the United States of America on 23 April 1965.*

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**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 29 septembre  
1964**

*Texte officiel de l'Accord: anglais.*

*Textes officiels des notes: anglais et français.*

*Enregistré par les États-Unis d'Amérique le 23 avril 1965.*

No. 7703. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
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  
ASSISTANCE ACT, AS AMENDED. SIGNED AT SAIGON,  
ON 29 SEPTEMBER 1964

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The Government of the United States of America and the Government of the Republic of Viet Nam;

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 piastres of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the 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 Viet Nam 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*

SALE FOR PIASTRES

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of Viet Nam of purchase authorizations and to the availability of commodities under the Act at the time

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<sup>1</sup> Came into force on 29 September 1964, upon signature, in accordance with article VI.

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

<i>Commodity</i>	<i>Export market value (millions)</i>
Wheat/wheat flour . . . . .	5.60
Sweetened condensed milk . . . . .	8.35
Dry whole milk . . . . .	.25
Evaporated milk . . . . .	.10
Tobacco . . . . .	5.73
Cotton . . . . .	10.43
Ocean transportation . . . . .	2.75
<b>TOTAL</b>	<b>33.21</b>

2. Applications for purchase authorizations will be made within 90 calendar days of 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 the piastres accruing from such sale, and other relevant matters.

3. The financing, sale and delivery 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 PIASTRES

The 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 or priority as the Government of the United States of America shall determine, for the following purposes, in the amounts shown :

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

B. To procure military equipment, materials, facilities and services for the common defense in accordance with Section 104 (c) of the Act, as amended, 90 percent of the piastres accruing pursuant to this Agreement.

In the event that Agreement is not reached on use of the Vietnamese piastres for grant under subsection (c) of Section 104 of the Act within three years from the date of this Agreement, the Government of the United States of America may use the Vietnamese piastres for any purpose authorized by Section 104 of the Act.

### *Article III*

#### DEPOSIT OF PIASTRES

1. The amount of piastres to be deposited to the account of the United States shall be the equivalent of the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States (except excess costs resulting from the requirement that United States flag vessels be used) converted into piastres as follows :

- (a) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of the Republic of Viet Nam, or
- (b) if more than one legal rate for foreign exchange transactions exists, the rate of exchange shall be mutually agreed upon from time to time between the Government of the United States and the Government of the Republic of Viet Nam.

2. The Government of the United States of America shall determine which of its funds shall be used to pay any refunds of Vietnamese 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 Vietnamese piastres accruing to the Government of the United States of America under this Agreement.

### *Article IV*

#### GENERAL UNDERTAKINGS

1. The Government of the Republic of Viet Nam will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic purposes (except where such resale, transshipment or use as specifically approved by the Government of the United States of America), of the agricultural commodities purchased pursuant to the provisions of this Agreement, 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 assure that the purchase of such commodities does not result in increased availability of these 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 or 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 Viet Nam 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*

##### CONSULTATION

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

The 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 29th day of September 1964.

For the Government  
of the Republic of Viet Nam :  
Nguyen KHANH

For the Government  
of the United States of America :  
Maxwell D. TAYLOR

## EXCHANGE OF NOTES — ÉCHANGE DE NOTES

## I

[TRANSDUCTION — TRANSLATION]

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

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

Saigon, September 29, 1964

Saigon, le 29 septembre 1964

No. 68

N° 68

Excellency :

Monsieur le Ministre,

I have the honor to refer to the Agricultural Commodities Agreement between the United States of America and the Republic of Viet Nam under Title I of the Agricultural Trade Development and Assistance Act, as amended, which was signed today and to confirm the following supplementary understanding of my Government.

Me référant à l'Accord relatif aux produits agricoles conclu ce jour entre les États-Unis d'Amérique et la République du Viet-Nam dans le cadre du titre I de la loi tendant à développer et à favoriser le commerce agricole, telle qu'elle a été modifiée, j'ai l'honneur de confirmer, au nom de mon Gouvernement, les clauses complémentaires suivantes :

1. The Government of the Republic of Viet Nam will provide, upon request of the Government of the United States of America, facilities for conversion in other non-dollar currencies of the following amounts of piastres : for purposes of Section 104 (a) of the Act \$664,000 or two percent of the piastres accruing under the Agreement, whichever is the 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 \$100,000 worth of piastres to finance educational and cultural exchange programs and activities in other countries.

1. À la demande du Gouvernement des États-Unis d'Amérique, le Gouvernement de la République du Viet-Nam facilitera la conversion en devises autres que le dollar des sommes suivantes en piastres : aux fins de l'alinéa a de l'article 104 de la loi, la contre-valeur en piastres de 664 000 dollars, et au minimum 2 p. 100 des piastres provenant des ventes prévues dans l'Accord, pour financer le développement des marchés de produits agricoles dans d'autres pays; aux fins de l'alinéa h de l'article 104 de la loi et aux fins du *Mutual Educational and Cultural Exchange Act* de 1961, la contre-valeur en piastres de 100 000 dollars au maximum, pour financer des activités et des programmes d'échanges éducatifs et culturels dans d'autres pays.

2. The Government of the United States of America may utilize piastres in Viet Nam to pay for travel which is

2. Le Gouvernement des États-Unis d'Amérique pourra se servir de piastres au Viet-Nam pour payer des voyages

part of a trip in which the traveler travels from, to or through Viet Nam. 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 Article III, Paragraph 1 concerning the rate of exchange, it is the understanding of the Government of the United States of America that 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 Viet Nam 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 Article III (1) (a) of the Agreement. It is further understood that if there should be any other change in the exchange system of Viet Nam, the amount of piastres to be deposited under this Agreement shall be mutually agreed as provided in Article III (1) (b) of the Agreement.

4. With regard to Paragraph 4 of Article IV of the Agreement, the Government of Viet Nam agrees to furnish quarterly, the following information in connection with each shipment of commodities received under this Agricultural Com-

internationaux en provenance ou à destination du Viet-Nam ou en transit via ce pays. Il est entendu qu'il devra s'agir uniquement de voyages officiels pour le compte du Gouvernement des États-Unis d'Amérique ou au titre d'activités financées par ce Gouvernement. Il est entendu, en outre, que les voyages ne se feront pas nécessairement à bord de moyens de transport vietnamiens.

3. En ce qui concerne le paragraphe 1 de l'article III, relatif au taux de change, le Gouvernement des États-Unis considère que, sous le régime des changes en vigueur au Viet-Nam, la somme en piastres à déposer en contrepartie des dollars déboursés par le Gouvernement des États-Unis sera calculée au cours vendeur du marché libre contrôlé, net de tous frais bancaires, aux dates auxquelles les dollars seront déboursés.

Au cas où le régime des changes du Viet-Nam serait modifié et où un taux uniforme serait rendu applicable à toutes les opérations sur devises, les sommes en piastres à déposer en contrepartie des dollars déboursés à partir de la date d'entrée en vigueur de la modification seraient calculées au taux de change indiqué à l'alinéa *a* du paragraphe 1 de l'article III de l'Accord. Il est entendu en outre que si le régime des changes du Viet-Nam était modifié de toute autre manière, la somme en piastres à déposer au titre de l'Accord serait convenue entre les deux Gouvernements comme il est dit à l'alinéa *b* du paragraphe 1 de l'article III de l'Accord.

4. En ce qui concerne le paragraphe 4 de l'article IV de l'Accord, le Gouvernement de la République du Viet-Nam s'engage à fournir, tous les trimestres, les renseignements ci-après concernant chaque envoi de produits reçu au titre

modities 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 Viet Nam 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 Viet Nam 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 this Agreement.

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

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

Maxwell D. TAYLOR

His Excellency  
Phan-Huy-Quat  
Minister of Foreign Affairs  
Saigon

de l'Accord: le nom de chaque navire; la date de son arrivée; le port d'arrivée; la nature du produit et la quantité reçue; l'état dans lequel il a été reçu; la date où a été terminé le déchargement et la manière dont a été utilisée la cargaison, c'est-à-dire si elle a été entreposée, distribuée localement ou réexpédiée et, en ce cas à quelle destination. En outre, le Gouvernement de la République du Viet-Nam s'engage à fournir tous les trimestres:

- A. Une liste des mesures qu'il aura prises pour empêcher la revente ou la réexpédition des produits livrés;
- B. L'assurance que le programme n'aura pas pour effet de permettre l'exportation vers d'autres pays de quantités accrues de ces produits ou de produits analogues.

Le Gouvernement de la République du Viet-Nam s'engage en outre à joindre aux renseignements susmentionnés les statistiques d'importation et d'exportation, par pays d'origine ou de destination, de produits identiques ou analogues à ceux qui seront importés au titre de l'Accord.

Je serais obligé à Votre Excellence de bien vouloir donner confirmation de ce qui précède.

Veuillez agréer, etc.

Maxwell D. TAYLOR

Son Excellence  
Monsieur Phan-Huy-Quat  
Ministre des affaires étrangères  
Saigon

## II

[TRANSLATION<sup>1</sup>—TRADUCTION<sup>2</sup>]

*Le Ministre des affaires étrangères de la  
République du Viet-nam à l'Ambassa-  
deur des États-Unis d'Amérique*

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

RÉPUBLIQUE DU VIET-NAM  
MINISTÈRE DES AFFAIRES ÉTRANGÈRES  
Le Ministre

REPUBLIC OF VIET NAM  
MINISTRY OF FOREIGN AFFAIRS  
The Minister

N° 4790/EF

No. 4790/EF

Saigon, le 29 Septembre 1964

Saigon, September 29, 1964

Excellence,

Excellency :

J'ai l'honneur d'accuser réception de  
votre lettre N° 68 en date de ce jour  
dont teneur suit :

I have the honor to acknowledge the  
receipt of your note No. 68, dated  
today, which reads as follows :

[Voir note I, texte anglais —  
See English text of note I]

[See note I]

En réponse, j'ai l'honneur de confir-  
mer, au nom du Gouvernement de la  
République du Viet-Nam, que telle est  
bien aussi l'interprétation de mon  
Gouvernement.

In reply, I have the honor to confirm,  
in the name of the Government of the  
Republic of Viet Nam, that this is also  
the understanding of my Government.

Veuillez agréer, Excellence, les assu-  
rances de ma très haute considération.

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

[SCEAU] Le Ministre :  
PHAN-HUY-QUAT

[SEAL] PHAN-HUY-QUAT  
Minister of Foreign Affairs

Son Excellence  
Monsieur Maxwell D. Taylor  
Ambassadeur Extraordinaire et Pléni-  
potentiaire des États-Unis d'Amé-  
rique  
Saigon

His Excellency  
Maxwell D. Taylor  
Ambassador Extraordinary and Pleni-  
potentiary of the United States of  
America  
Saigon

<sup>1</sup> Translation by the Government of the United States of America.

<sup>2</sup> Traduction du Gouvernement des États-Unis d'Amérique.