

No. 7864

**UNITED STATES OF AMERICA
and
INDIA**

Exchange of notes (with annexes) constituting an agreement relating to military assistance to India. New Delhi, 13 January 1965

Official text: English.

Registered by the United States of America on 27 July 1965.

**ÉTATS-UNIS D'AMÉRIQUE
et
INDE**

Échange de notes (avec annexes) constituant un accord relatif à l'assistance militaire à l'Inde. New Delhi, 13 janvier 1965

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 27 juillet 1965.

No. 7864. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND INDIA RELATING TO MILITARY ASSISTANCE TO INDIA. NEW DELHI, 13 JANUARY 1965

I

The American Ambassador to the Indian Minister for External Affairs

No. 418

New Delhi, January 13, 1965

Excellency :

Taking account of the assurances contained in the agreement between the Government of the United States of America and the Government of India effected by an exchange of notes signed at Washington on March 7 and 16, 1951,² as amended and supplemented by an exchange of notes signed at New Delhi on April 16 and December 17, 1958,³ and in accordance with the agreement effected by an exchange of notes signed at Washington on November 14, 1962⁴ and subsequent agreements reached concerning the provision of military assistance to the Government of India by the Government of the United States of America, I have the honor to propose the following additional understandings relating to United States military assistance :

1. The United States, in response to requests from the Government of India, will furnish such grant assistance to the Government of India as may be mutually agreed for the purpose of defense against outright Chinese aggression directed from Peking.

2. The terms and conditions of the present agreement apply to defense articles and defense services furnished to India during the period beginning November 13, 1962, and ending at such time as the Government of the United States and the Government of India may subsequently agree.

3. The cost of transportation of defense articles provided on a grant basis under the present agreement to agreed ports of entry in India will be paid by the Government of the United States. Delivery and transfer of title to the Government of India shall be effected at such ports of entry.

4. Any duties, taxes, tariffs, customs, off-loading expenses or other charges assessable on material and equipment provided under the present agreement shall be paid by the Government of India.

¹ Came into force on 13 January 1965 by the exchange of the said notes.

² United Nations, *Treaty Series*, Vol. 141, p. 47.

³ United Nations, *Treaty Series*, Vol. 358, p. 77.

⁴ United Nations, *Treaty Series*, Vol. 461, p. 224.

5. The Government of India will make available reasonable facilities and services in accordance with the provisions of Annex A to this Agreement to enable United States Government personnel in India to carry out United States military assistance duties.

6. The Government of India will also make available to the Government of the United States, in accordance with the provisions of Annex B to this Agreement, Indian rupees for administrative and related expenses in connection with United States military assistance to India.

7. The two Governments will consult at any time at the request of either of them on any matter relating to the application or amendment of this Agreement or the Annexes thereto.

A reply to the effect that the above terms and conditions and the terms and conditions of the Annexes hereto are acceptable to the Government of India shall constitute an Agreement between the Governments of India and the United States which shall enter into force on the date of the Government of India's reply.

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

Chester BOWLES

Enclosures :

1. Annex A—Assistance in Kind.
2. Annex B—Contributed Currency.

His Excellency Sardar Swaran Singh
Minister for External Affairs
Government of India
New Delhi

ANNEX A ASSISTANCE IN KIND

The following understandings and procedures will govern the provision of assistance in kind to the Government of the United States of America by the Government of India under the terms of Article 5 of this agreement :

(1) The Government of India will arrange for the establishment of a rupee account in an agreed suitable bank from which will be paid amounts due for facilities and services of the types specified in paragraph (2) below.

(2) The facilities and services to be provided under the provisions of this Annex include, but are not limited to, the following :

- (a) Rentals of office space, residences and warehouse facilities;
- (b) Utilities, including electricity, heat and water, for these facilities;
- (c) Local personnel expenses, including clerical, custodial and other services;
- (d) Motor vehicle requirements, including vehicles and drivers.

(3) The Government of the United States will procure services and facilities of the types listed in (2) above for the United States Military Supply Mission, India and its personnel to the extent considered appropriate by them. Claims arising out of such procurement will be submitted to the bank holding the account referred to in paragraph (1) above, for payment out of that account.

(4) The Government of India will, at such time or times requested by the Government of the United States, deposit in the designated account such amounts in rupees, to cover the cost of facilities and services to be provided in accordance with the terms of this agreement (and amendments thereto), as may be agreed between representatives of the two Governments for each United States fiscal year beginning July 1, 1964.

(5) It is understood that the amounts to be deposited by the Government of India may be subject to adjustment by mutual agreement.

(6) Detailed procedures for implementing the provisions of this Annex will be worked out through consultations between appropriate officials of the Government of the United States of America and the Government of India.

(7) The foregoing provisions of this Annex shall not be interpreted to preclude the Government of India from providing directly to the Government of the United States such facilities and services, as may be mutually agreed upon, in addition to those which are to be supplied through the account referred to in paragraph (1) above.

A N N E X B

CONTRIBUTED CURRENCY

The following understandings and procedures will govern the provision of contributed currency to the Government of the United States of America by the Government of India under the terms of Article 6 of this Agreement :

(1) The Government of India will contribute Indian currency to the Government of the United States to cover administrative and related expenses, not otherwise provided for in accordance with annex A to this Agreement, incurred in carrying out the United States program of military assistance in India.

(2) Deposits of contributed currency in accordance with the terms of this Annex shall be made in a separate U.S. Treasury account.

(3) The Government of India will deposit in this account at such time or times requested by the Government of the United States such amounts in rupees as may be agreed between the two Governments, to cover the administrative and related expenses incurred by the Government of the United States from November 3, 1962, up to and including June 30, 1964, in connection with the provision of military assistance to India.

(4) The Government of India will, at such time or times requested by the Government of the United States, deposit in the account referred to in paragraph (2) above such amounts in rupees, to cover the cost of administrative and related expenses referred to in paragraph (1) above (and amendments thereto), as may be agreed upon between the Government of the United States of America and the Government of India for each United States fiscal year beginning July 1, 1964.

(5) It is understood that the amounts to be deposited by the Government of India may be subject to adjustment by mutual agreement.

(6) The rate of exchange to be used for the purpose of computing the rupee equivalent to be deposited under the terms of this Agreement and the Annexes thereto shall be :

- (a) The rate for dollar exchange applicable to commercial import transactions on the date of the United States Government's request for such deposits, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of India, or
- (b) if more than one legal rate for foreign exchange transactions exists, 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 India;

(7) Detailed procedures for implementing the provisions of this Annex will be worked out through consultations between appropriate officials of the Government of the United States of America and the Government of India.

II

The Indian Minister for External Affairs to the American Ambassador

MINISTRY OF EXTERNAL AFFAIRS
NEW DELHI

No. 59-F.M/65

New Delhi, January 13, 1965

Excellency :

I have the honour to refer to your letter number 418 dated January 13, 1965 which reads as follows :

[See note I]

I have the honour to confirm that the understandings set forth in the above quoted letter are correct. I agree that your letter and its Annexes, copies of which are enclosed, together with this reply shall constitute an agreement between our two Governments which comes into force on the date of this reply.

I avail myself of the opportunity to convey to Your Excellency the assurances of my highest consideration.

Swaran SINGH
Minister of External Affairs

His Excellency Mr. Chester Bowles
Ambassador of the United States of America
New Delhi

Enclosures :

1. Annex A—Assistance in Kind.
2. Annex B—Contributed Currency.