

No. 13363

**UNITED STATES OF AMERICA
and
REPUBLIC OF VIET-NAM**

Agreement for sales of agricultural commodities (with official minutes of negotiations of 8 November 1973). Signed at Saigon on 9 November 1973

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Saigon, 18 December 1973

Exchange of notes constituting an agreement amending the above-mentioned Agreement of 9 November 1973, as amended. Saigon, 21 January 1974

Authentic texts: English.

Registered by the United States of America on 30 May 1974.

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

Accord relatif à la vente de produits agricoles (avec procès-verbal officiel des négociations en date du 8 novembre 1973). Signé à Saigon le 9 novembre 1973

Échange de notes constituant un accord modifiant l'Accord susmentionné. Saigon, 18 décembre 1973

Échange de notes constituant un accord modifiant l'Accord susmentionné du 9 novembre 1973, tel que modifié. Saigon, 21 janvier 1974

Textes authentiques: anglais.

Enregistrés par les États-Unis d'Amérique le 30 mai 1974.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF VIET-NAM FOR SALES OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Republic of Viet-Nam have agreed to the sales of agricultural commodities specified below. This Agreement shall consist of the preamble and parts I and III of the July 8, 1970, Agreement² the Convertible Local Currency Credit Annex of the April 19, 1972, Agreement,³ and the following part II:

PART II PARTICULAR PROVISIONS

ITEM I. *Commodity table*

<i>Commodity</i>	<i>Supply period (United States fiscal year)</i>	<i>Approximate maximum quantity</i>	<i>Maximum export market value (millions)</i>
Wheat/wheat flour	1974	75,000 M.T.	\$15.4
Corn and/or grain sorghum	1974	30,000 M.T.	3.7
Cotton	1974	25,000 Bales	8.0
Soybean and/or cottonseed oil	1974	5,000 M.T.	2.5
		TOTAL	<u>29.6</u>

ITEM II. *Payment terms*

Convertible Local Currency Credit

1. Initial Payment—None.
2. Currency Use Payment—Up to 100 percent of the dollar amount disbursed by the Government of the exporting country plus accrued interest. The currency use payment is payable upon demand by the Government of the exporting country in amounts as it may determine and in accordance with paragraph 6 of the Convertible Local Currency Credit Annex applicable to this Agreement. No requests for payment will be made by the Government of the exporting country prior to the first disbursement under this Agreement. One hundred percent of all currency use payments made to the Government of the exporting country shall be granted to the Government of the importing country for Common Defense purposes under section 104(c) of Public Law 480.
3. Number of Installment Payments—31.
4. Amount of Each Installment Payment—approximately equal annual amounts.

¹ Came into force on 9 November 1973 by signature, in accordance with part III (B).

² United Nations, *Treaty Series*, vol. 775, p. 107.

³ *Ibid.*, vol. 845, p. 275.

5. Due Date of First Installment Payment—10 years after date of last delivery of commodities in each calendar year.
6. Initial Interest Rate—2 percent.
7. Continuing Interest Rate—3 percent.

ITEM III. *Usual marketing requirements:* None.

ITEM IV. *Export limitations*

A. The export limitation period shall be U.S. Fiscal Year 1974 or any subsequent United States Fiscal Year during which the commodities financed under this Agreement are being imported or utilized.

B. For purposes of part I, article III, A, 3, of the Agreement, the commodities considered to be the same as or like, the commodities financed under this Agreement are: for wheat/wheat flour—wheat, wheat flour, rolled wheat, semolina, farina and bulgur; for corn and/or grain sorghum—corn, cornmeal, barley, grain sorghum, rye and oats, including mixed feeds containing predominantly such grains; for cotton—raw cotton, and cotton textiles (including yarn and waste); for soybean and/or cottonseed oil—all edible vegetable oils including peanut oil, soybean oil, cotton-seed oil, rapeseed oil, sunflower oil, sesame oil and any other edible oil or oil-bearing seeds specified in the Agreement.

C. *Permissible exports*

<i>Commodity</i>	<i>Quantity</i>	<i>Period during which such exports are permitted</i>
Cotton waste.	4,000 M.T.	United States fiscal year 1974

ITEM V. *Self-help measures*

The Government of the Republic of Viet-Nam agrees that it will:

- A. Purchase and distribute to farmers about 250 tons of TN-20 rice seed and 120 tons of TN-15 (Juma One) rice seed for seed multiplication purposes.
- B. Import corn, new varieties of peanut, and soybean seeds for trial and introductory purposes so as to develop a feedgrain and oilseed production and processing industry.
- C. Establish about 4,000 agricultural extension demonstrations.
- D. Provide seeds and mechanical and hand farm implements to recently resettled Vietnamese.

ITEM VI. *Economic development purposes for which proceeds accruing to importing country are to be used*

For purposes specified in item V and for other economic development purposes as may be mutually agreed upon.

ITEM VII. *Ocean freight (differential)*

The Government of the exporting country shall bear the cost of ocean freight differential for commodities it requires to be carried in United States flag

vessels but, notwithstanding the provisions of paragraph 1 of the Convertible Local Currency Credit Annex, it shall not finance the balance of the cost of ocean transportation of such commodities.

ITEM VIII. *Other provisions*

A. The currency use payment under item II, 2, of this part II shall be credited against (a) the amount of each year's interest payment due during the period prior to the due date of the first installment payment, starting with the first year, plus (b) the combined payments of principal and interest starting with the first installment payment, until value of the currency use payment has been offset.

B. Substitute the following for paragraph 4 of the Convertible Local Currency Credit Annex:

“The total amount of the proceeds accruing to the importing country from the sale of commodities financed under this Agreement, to be applied to the economic development uses set forth in part II of this Agreement, shall be not less than the local currency equivalent of the dollar disbursement by the Government of the exporting country in connection with the financing of the commodities (other than the ocean freight differential), provided, however, that the sales proceeds to be so applied shall be reduced by the payment, if any, made by the Government of the importing country pursuant to the proviso in section 103 (b) of the Act (such payment is herein called ‘the currency use payment’). The exchange rate to be used in calculating this local currency equivalent shall be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency in connection with the commercial import of the same commodities. Any such accrued proceeds that are loaned by the Government of the importing country to private or non-governmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in the importing country. The Government of the importing country shall furnish, in accordance with its fiscal year budget reporting procedures, at such times as may be requested by the Government of the exporting country but not less often than annually, a report of the receipt and expenditure of the proceeds, certified by the appropriate audit authority of the Government of the importing country, and in the case of expenditures the budget sector in which they were used.”

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

DONE at Saigon, in duplicate, this ninth day of November, 1973.

For the Government
of the United States of America
[Signed]

GRAHAM MARTIN

For the Government
of the Republic of Viet-Nam
[Signed]

NGUYEN PHU DUC
Acting Minister
of Foreign Affairs

OFFICIAL MINUTES OF NEGOTIATIONS PERTAINING TO THE PROPOSED FISCAL YEAR 1974
TITLE I AGREEMENT FOR THE REPUBLIC OF VIET-NAM

In consequence of discussions between representatives of the Ministry of Commerce and Industry, Republic of Viet-Nam, and the United States Mission to the Republic of Viet-Nam, about the proposed Title I Agreement for fiscal year 1974, it is accepted by both Parties that:

1. In accordance with part I, article I, B, 2, of the July 8, 1970, Agreement delivery of all commodities offered in this proposed Amendment is subject to the availability of commodities and funds at the time of planned exportation.

2. This Agreement modifies the currency use payment by increasing the Grant for Common Defense from 80% to 100% of all currency use payments made for quantities and values of commodities provided under this Agreement and subsequent Amendments.

3. Responsive to section 103 (o) of Public Law 480, the Government of the Republic of Viet-Nam assures the Government of the United States of a "Fair Share" of any increase in the commercial purchases made by the purchasing country and that the United States will benefit equitably from the development of new commercial markets established in the Republic of Viet-Nam.

4. The Government of the Republic of Viet-Nam understands that the agreed minute on self-help, signed July 8, 1970, and the termination clause of the July 8, 1970, Agreement apply to this Agreement as well. It is also understood that a comprehensive, analytic report on progress of the self-help measures included in this Agreement is due in AID/Washington, December 1, 1974.

5. It is established and accepted that the Government of the United States shall bear only the cost of ocean freight differential for commodities it requires to be carried aboard United States flag vessels.

6. In accordance with part I, article III, paragraph I, of the July 8, 1970, Agreement, the Government of the Republic of Viet-Nam shall undertake measures, as may be mutually agreed prior to delivery, to publicize that commodities in this Agreement are provided by the United States Government on concessional terms. The importing Government also reaffirms its intent to provide additional publicity at the time of arrival of commodities in accordance with the provisions for identification and publicity of August 29, 1972, Agreement.¹

7. The Government of the Republic of Viet-Nam understands that the provisions included in part I, article III, section G, of the July 8, 1970, Agreement, "Applicable Exchange Rate," also apply to this Agreement.

8. The Government of the Republic of Viet-Nam accepts the responsibility for preparation and submission of specified reports to USAID by the 15th of October, January, April and July covering the following information:

- a. Measures taken to implement the provision that there has been no resale; no diversion in transit or transshipment to other countries; no use of commodities for other than the domestic purposes for which the agricultural commodities were purchased pursuant to this Agreement, except when approved by the United States Government.
- b. Measures taken to prevent export of commodities, domestic or foreign in origin, which are the same as or like commodities financed under this Agreement during the export limitation period specified in the export limitation section except as may be specified in item IV, C, [of] this Agreement.

¹United Nations, *Treaty Series*, vol. 853, p. 263.

9. It is agreed that the Government of the Republic of Viet-Nam will define and implement procedures which will allow for the return of arrival and shipping information with appropriate notations certifying receipt of commodities not later than 30 days from the date of unloading or 30 days from receipt of the automatic data processed sheets, whichever is later.

10. The Government of the Republic of Viet-Nam accepts the export limitations imposed in part II, section IV, paragraphs A, B and C, without reservations. The right of the importing country to export like or similar commodities described in the aforementioned subsections of this Agreement beyond that stated in this Agreement, will be dependent upon conditions and commodities mutually agreed to by the two Governments and stated in subsequent amendment or amendments to this Agreement. For Fiscal Year 1974, only 4,000 metric tons of cotton waste are exportable except if modified by amendment or amendments.

11. Both entities understand that the new Title I procedures no longer require PL 480 sales proceeds to be deposited in a special account. The language in this Agreement is included for the sake of consistency with the standard convertible local currency credit financing terms now in use program-wide.

12. It is understood and accepted that quantities provided for fiscal year 1974 through this Agreement are partial. Additional quantities will be added through amendment or amendments to this Agreement at a later date.

13. As for specifics about certain commodities, it is understood that:

- a. Nonfat dry milk and tallow are not available for financing under PL 480 Title I provisions during fiscal year 1974;
- b. The U.S. Government is unable to supply the full 420,000 metric tons of wheat requested for fiscal year 1974 under Title I provisions;
- c. Tobacco is not included in this Agreement but will be added through amendment or amendments at a later date;
- d. The U.S. Government is prepared to supply 3,000 bales of extra long staple (ELS) cotton after the Ministry of Commerce and Industry provides information about preferred delivery dates.

14. The Government of the Republic of Viet-Nam undertakes to arrange expeditiously the opening of Letters of Credit for commodities and ocean freight.

15. The signing of this Agreement shall take place at 1030 hours Friday, November 9, 1973, in Saigon, Republic of Viet-Nam. Acting Minister of Foreign Affairs, Nguyen Phu Duc, will sign for the Government of Viet-Nam and Ambassador Graham Martin, for the Government of the United States.

[Signed]

Do HUU NGOC
Assistant Minister for Logistics
November 8, 1973

[Signed]

VIVIAN L. C. ANDERSON
USAID/FFP
November 8, 1973

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND THE
REPUBLIC OF VIET-NAM AMENDING THE AGREEMENT
OF 9 NOVEMBER 1973² FOR SALES OF AGRICULTURAL
COMMODITIES

I

EMBASSY OF THE UNITED STATES OF AMERICA

December 18, 1973

No. 365

Excellency:

I have the honor to refer to the P.L. 480 Title I Agricultural Commodities Agreement signed by representatives of our two Governments on November 9, 1973,² and to propose that that Agreement be amended in order to provide for approximately 3,200 metric tons of tobacco as follows:

In part II, Particular Provisions, item I, Commodity Table: Under the appropriate column heading, add a new commodity line reading "Tobacco—1974—3,200 M/T—8.2". On the line entitled "Total", delete "\$29.6" and insert "\$37.8".

All other terms and conditions of the November 9, 1973, Agreement remain unchanged.

If the foregoing is acceptable to your Government, I propose that this note and your reply thereto constitute the agreement between our two Governments effective on the date of your note in reply.

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

Sincerely yours,

[Signed]
JOSIAH W. BENNETT
Chargé d'Affaires a.i.

His Excellency Le Van Thu
Acting Minister of Foreign Affairs
Republic of Viet-Nam
Saigon

¹ Came into force on 18 December 1973, the date of the note in reply, in accordance with the provisions of the said notes.

² See p. 384 of this volume.

II

REPUBLIC OF VIET-NAM
MINISTRY OF FOREIGN AFFAIRS
THE MINISTER

Saigon, December 18, 1973

No. 5620-EF/HT

Sir,

I have the honor to acknowledge receipt of your note No. 365 dated December 18, 1973, which reads as follows:

[*See note I*]

I have the honor to confirm my concurrence in the contents of your note. Accept, Sir, the renewed assurances of my highest consideration.

[*Signed*]

LE-VAN-THU

Acting Minister of Foreign Affairs

Mr. Joseph W. Bennett
Chargé d'Affaires
Embassy of the United States of America
Saigon

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND THE
REPUBLIC OF VIET-NAM AMENDING THE AGREEMENT
OF 9 NOVEMBER 1973, AS AMENDED,² FOR SALES OF
AGRICULTURAL COMMODITIES

I

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

EMBASSY OF THE UNITED STATES OF AMERICA

January 21, 1974

No. 18

Excellency:

I have the honor to refer to the P.L. 480 Title I Agricultural Commodities Agreement signed by representatives of our two Governments on November 9, 1973, as amended on December 18, 1973,² and to propose that that Agreement be further amended to provide additional quantities and values of commodities as follows:

In part II, Particular Provisions, item I, Commodity Table:

A. On the line entitled "Wheat/wheat flour", and under the appropriate column headings, delete "75,000 M/T—\$15.4", and insert "150,000 M/T—\$31.2".

B. On the line entitled "Corn and/or grain sorghum", and under the appropriate column headings, delete "30,000 M/T—\$3.7", and insert "65,000 M/T—\$8.0".

C. On the line entitled "Cotton", and under the appropriate column headings, delete "25,000 bales—\$8.0", and insert "50,000 bales—\$20.0".

D. On the line entitled "Soybean and/or cottonseed oil", and under the column headed "Maximum Export Market Value (Millions)", delete "\$2.5" and insert "\$3.8".

E. On the line entitled "Total", and under the column headed "Maximum Export Market Value (Millions)", delete "\$37.8", and insert "\$71.2".

All other terms and conditions of the November 9, 1973, Agreement, as amended, remain the same.

¹ Came into force on 21 January 1974, the date of the note in reply, in accordance with the provisions of the said notes.

² See pp. 384 and 389 of this volume.

If the foregoing is acceptable to your Government, I propose that this note and your reply thereto constitute an agreement between our two Governments effective on the date of your note in reply.

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

Sincerely yours,

[Signed]
GRAHAM MARTIN

II

REPUBLIC OF VIET-NAM
MINISTRY OF FOREIGN AFFAIRS

Saigon, January 21, 1974

No. 275-EF/HT

Excellency,

I have the honor to acknowledge the receipt of Your Excellency's note No. 18 dated January 21, 1974, which read as follows:

[See note I]

I have the honor to confirm to Your Excellency my concurrence in the contents of your note.

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

[Signed]
VUONG-VĂN-BẮC
Minister of Foreign Affairs

His Excellency Graham Martin
Ambassador of the United States of America
Saigon
