

No. 13454

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

Agreement for sales of agricultural commodities (with annex and official minutes of negotiations). Signed at Saigon on 21 January 1974

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Saigon, 28 February 1974

Authentic text: English.

Registered by the United States of America on 2 August 1974.

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

Accord relatif à la vente de produits agricoles (avec annexe et procès-verbal officiel des négociations). Signé à Saigon le 21 janvier 1974

Échange de notes constituant un accord modifiant l'Accord susmentionné. Saigon, 28 février 1974

Texte authentique: anglais.

Enregistrés par les États-Unis d'Amérique le 2 août 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, Agreement,² 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>
Rice	1974	100,000 M/T	\$55.2
			TOTAL \$55.2

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.
5. Due Date of First Installment Payment — 10 years after date of last delivery of commodities in each calendar year.

¹ Came into force on 21 January 1974 by signature, in accordance with part III (B).

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

³ *Ibid.*, vol. 845, p. 275.

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 rice-paddy, brown rice, and milled rice.

Item V. Self-Help Measures

The Government of the Republic of Vietnam 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 IV. 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 twenty-first day of January, 1974.

For the Government
of the United States of America :

[Signed]
GRAHAM MARTIN
American Ambassador

For the Government
of the Republic of Viet-Nam :

[Signed]
VUONG VAN BAC
Minister of Foreign Affairs

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

In consequence of discussions between representatives of the Ministry of Trade 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. Commodity deliveries are subject to both availability of funds and commodity.
2. The GVN 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. The annual report on progress of the self-help measures is due on December 1, in AID/Washington.
3. The GVN understands that Section 40 of the Foreign Assistance Act of 1973, approved on December 18, 1973, may have effect of prohibiting use after July 1, 1974, of foreign currencies under this Agreement for Section 104(C) Grants. Section 30 states: "Section 40. Effective July 1, 1974, no amount of any foreign currency (including principal and interest from loan payments which accrues in connection with any sale and foreign currency under any provision of law) may be used under any Agreement entered into after the date of the enactment of this Act, or any revision or extension entered into after such date of any prior or subsequent agreement, to provide any assistance to any foreign country to procure equipment, materials, facilities, or

services for the common defense, including internal security, unless such Agreement is specifically authorized by Legislation enacted after such date.” The demand would not be made under part II, item II, para. 2, for CUP to extent it may be determined that currencies could not be made available for Section 104(C) uses or would not be required for other purcell uses. To extent that CUP is not received, currencies generated in Viet-Nam by the sale of commodities financed under this Agreement would be utilized in accordance with items V and VI of part II of Agreement.

4. The GVN understands that any exports of commodities considered to be the same as or like the commodities financed under this Agreement cannot be permitted.

5. Responsible 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 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.

6. The USG shall bear only the cost of the ocean freight differential for the commodities it requires to be carried in U.S. flag vessels.

7. Both entities understand that the new Title I procedures not longer requires 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.

8. The GVN 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.

9. The GVN accepts the responsibility for preparation and submission of reports on the arrival and dispositions of commodities and, when applicable, the use of sales proceeds under credit sales programs, and on self-help measures, to USAID by the 15th of October, January, April and July.

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

11. The signing of the Agreement by representatives of the Republic of Viet-Nam and the Government of the United States shall take place on Monday, January 21, 1974, in Saigon, Republic of Viet-Nam.

[Signed]

GRAHAM MARTIN

January 21, 1974

[Signed]

VUONG VAN BAC

January 21, 1974

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND THE
REPUBLIC OF VIET-NAM AMENDING THE AGREEMENT OF
21 JANUARY 1974² FOR SALES OF AGRICULTURAL COMMODI-
TIES

I

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

EMBASSY OF THE UNITED STATES OF AMERICA

February 28, 1974

Nº 47

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 January 21, 1974,² and to propose that that Agreement be amended to provide additional quantities of rice as follows:

In part II, item I, Commodity Table, on the line entitled "Rice", and under appropriate column headings, delete "100,000 M/T — \$55.2" and insert "160,000 M/T — \$91.0". On the line entitled "Total", and under the column headed "Maximum Export Market Value", delete "\$55.2" and insert "\$91.0".

All other terms and conditions of the January 21, 1974, Agreement remain unchanged.

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

His Excellency Vuong Van Bac
Minister of Foreign Affairs
Republic of Viet-Nam
Saigon

¹ Came into force on 28 February 1974, the date of the note in reply, in accordance with the provisions of the said notes.

² See p. 134 of this volume.

II

*The Vietnamese Minister of Foreign Affairs
to the American Ambassador*REPUBLIC OF VIET-NAM
MINISTRY OF FOREIGN AFFAIRS

Saigon, February 28, 1974

No. 1094-EF/HT

Excellency,

I have the honour of acknowledge receipt of Your Excellency's note No. 47 dated February 28, 1974, which reads as follows:

[See note I]

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

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

[Signed]

VUONG VAN BAC

Minister of Foreign Affairs

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