

No. 1280

**UNITED STATES OF AMERICA
and
BURMA**

Economic Co-operation Agreement (with annex and exchange of notes). Signed at Rangoon, on 13 September 1950

Official texts: English and Burmese.

Registered by the United States of America on 10 July 1951.

**ÉTATS-UNIS D'AMÉRIQUE
et
BIRMANIE**

Accord de coopération économique (avec annexe et échange de notes). Signé à Rangoon, le 13 septembre 1950

Textes officiels anglais et birman.

Enregistré par les États-Unis d'Amérique le 10 juillet 1951.

No. 1280. ECONOMIC CO-OPERATION AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF BURMA. SIGNED AT RANGOON, ON 13 SEPTEMBER 1950

The Government of the United States of America and the Government of the Union of Burma :

Recognizing that individual liberty, free institutions, and independence depend largely upon sound economic conditions and stable international economic relationships;

Considering that the Congress of the United States of America has enacted legislation enabling the United States to furnish assistance to the Government of the Union of Burma in order that the Government of the Union of Burma through its own individual efforts and through concerted effort with other countries and with the United Nations may achieve such objectives;

Desiring to set forth the understandings which govern the furnishing of assistance by the Government of the United States of America, the receipt of such assistance by the Government of the Union of Burma and the measures which the two governments will take individually and together in furtherance of the above objectives;

Have agreed as follows :

Article I

The Government of the United States of America will, subject to the terms and conditions prescribed by law and to arrangements provided for in this Agreement, furnish the Government of the Union of Burma such economic and technical assistance as may be requested by it and agreed to by the Government of the United States of America. The Government of the Union of Burma will cooperate with the Government of the United States of America to assure that procurement will be at reasonable prices and on reasonable terms. Commodities or services furnished hereunder may be distributed within the Union of Burma on terms and conditions mutually agreed upon between the Governments.

¹ Came into force on 10 October 1950, by a notification given by the Government of Burma to the Government of the United States of America, in accordance with article V.

Article II

In order to assure maximum benefits to the people of the Union of Burma from the assistance to be furnished hereunder by the Government of the United States of America, the Government of the Union of Burma will use its best endeavors :

- (a) To assure efficient and practical use of all resources available and to assure that the commodities and services obtained under this Agreement are used for purposes consistent therewith.
- (b) To promote the economic development of the Union of Burma on a sound basis and to achieve such objectives as may be agreed upon by the two governments.
- (c) To assure the stability of its currency and the validity of its rate of exchange, and generally to assure confidence in its internal financial stability.
- (d) To cooperate with other countries to reduce barriers to international trade, and to take appropriate measures singly and in cooperation with other countries to eliminate public or private restrictive practices hindering domestic or international trade.

Article III

The Governments will, upon request of either of them, consult regarding any matter relating to the application of this Agreement or operations thereunder. The Government of the Union of Burma will provide such information as may be necessary to carry out the provisions of this Agreement including a quarterly statement on the use of commodities, funds, and services received hereunder, and other relevant information which the Government of the United States of America may need to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of assistance furnished or contemplated.

Article IV

The Government of the Union of Burma agrees to receive a special technical and economic mission which will discharge the responsibilities of the Government of the United States of America under this Agreement and upon appropriate notification of the Government of the United States of America will consider this special mission and its personnel as part of the diplomatic mission of the United States of America in the Union of Burma for the purpose of enjoying the privileges and immunities accorded to that mission and its personnel of comparable rank. The Government of the Union of Burma will

further give full cooperation to the special mission including the provision of facilities necessary for observation and survey of the carrying out of this Agreement including the use of assistance furnished under it.

Article V

1. This Agreement shall take effect upon notification by the Government of the Union of Burma to the Government of the United States of America that all necessary legal requirements in connection with the conclusion of this Agreement by the Government of the Union of Burma have been fulfilled.
This Agreement shall continue in force until three months after the receipt by either party of written notice of the intention of the other party to terminate it.
2. This Agreement may be amended at any time by agreement between the two governments.
3. The annex to this Agreement forms an integral part thereof.
4. This Agreement shall be registered with the Secretary-General of the United Nations.

IN WITNESS WHEREOF, the undersigned, duly authorized for the purpose, have affixed their respective signatures to the agreement.

DONE at Rangoon this 13th day of September, 1950, in duplicate in the English and Burmese languages, both texts to be authentic, except that in the case of divergencies, the English text shall govern.

For the Government of the United States of America :
David MCK. KEY

For the Government of the Union of Burma :
S. H. HKIO

ANNEX

Section I

1. The provisions of this section shall apply only with respect to assistance furnished on a grant basis.
2. Recognizing that the success of the assistance program will depend upon expenditures of local currency in addition to aid rendered by the Government of the United States of America, the Government of the Union of Burma will establish a special account in the Union Bank of Burma, in the name of the Government of the Union of Burma, (hereinafter called the Special Account), and will make deposits in local currency to this account as follows:
 - (a) The local currency accruing to the Government of the Union of Burma from the sale of commodities or services supplied under this Agreement, or otherwise accruing to the Government of the Union of Burma as a result of the import of such commodities or services, shall be deposited upon receipt of such local currency.
 - (b) If the amount deposited under subparagraph (a) does not equal an amount of local currency commensurate with the dollar value indicated in the notifications of the commodities and services made available under this Agreement and in the opinion of the Government of the United States of America appears insufficient for local currency expenditures incident to the assistance program, the Government of the Union of Burma shall, when requested by the Government of the United States of America, deposit additional amounts of local currency, provided that the total deposits shall not exceed such commensurate value. The rate of exchange to be used for the purpose of computing the commensurate value shall be the par value for the Rupee agreed at such time with the International Monetary Fund, provided that this agreed par value is the single rate applicable to the purchase of dollars for imports into Burma. If no such par value has been agreed, the rate shall be the highest rate of exchange of the dollar in terms of rupees which is lawfully available, at the time of each request for deposit under this subparagraph, in Burma to any legal personality and which is then applicable to imports into Burma. The Government of the Union of Burma may at any time make advance deposits in the Special Account which shall be applied against subsequent requests for deposits pursuant to this paragraph.
3. The Government of the United States of America will from time to time notify the Government of the Union of Burma of its local currency requirements for administrative expenditures incident to the furnishing of assistance under this Agreement and for expenditures incident to the furnishing of technical assistance, and the Government of the Union of Burma will thereupon make such sums available out of any balances in the Special Account in the manner requested by the Government of the United States of America in the notification.

4. The Government of the Union of Burma may draw upon any remaining balance in the Special Account for such purposes beneficial to the Union of Burma and connected with the purposes of this Agreement as may be agreed to from time to time by the Government of the Union of Burma in consultation with the Government of the United States of America.

Section II

The Government of the Union of Burma will cooperate by facilitating acquisition by the United States of America on reasonable commercial terms, no less favorable than those provided to nationals of other countries, of materials in which the United States of America is actually or potentially deficient, giving due regard to the reasonable requirements of the Union of Burma for the domestic use and commercial export of such materials.

Section III

The Government of the Union of Burma will permit and give full publicity to the objectives and progress of the program under this Agreement and will make public each quarter full statements of operations hereunder including information as to the use of funds, commodities and services received.

EXCHANGE OF NOTES

I

The American Ambassador to the Burmese Minister for Foreign Affairs

AMERICAN EMBASSY

Rangoon, September 13, 1950

No. 68

My dear Mr. Minister :

I am authorized by my Government to clarify, as below, the position of the United States of America with respect to certain provisions of the Agreement whereunder the United States undertakes to furnish economic assistance, including technical assistance, to the Government of the Union of Burma.

The references below are to sections of the Agreement dated September 13, 1950, entitled :

“Economic Cooperation Agreement Between the Government of the United States of America and the Government of the Union of Burma.”

1. *Article II* (d)—Article II (d) is not intended to require elimination of any import restrictions deemed essential by the Government of the Union

of Burma for balance of payments reasons within the terms of the General Agreement on Tariffs and Trade.¹

2. *Article IV*—The size and composition of the special technical and economic mission will be determined solely by the responsibilities which the Mission must discharge, having regard to the nature and scope of assistance mutually agreed upon or contemplated by the Government of the Union of Burma and the Government of the United States of America under this Agreement.

3. *Annex Section I, paragraph 2 (b)*—In making requests for counterpart deposits under Annex Section I, paragraph 2 (b), the Government of the United States of America will have due regard to the ability of the Government of the Union of Burma to make such deposits.

4. *Annex Section I, paragraph 3*—With reference to Annex Section I, paragraph 3, the sums to be made available by the Government of the Union of Burma to the Government of the United States of America will be such amounts as the special technical and economic mission deems necessary to the carrying out of its responsibilities under this bilateral Agreement and will represent only a fraction of deposits in the Special Account.

5. *Annex Section II*—With respect to Annex Section II, the words “ domestic use ” are understood to include potential use and stockpiling.

Sincerely yours,

David McK. Key

The Honorable Sao Hkun Hkio
Minister for Foreign Affairs
Rangoon

¹ United Nations, *Treaty Series*, Vol. 55, p. 187.

II

The Burmese Minister for Foreign Affairs to the American Ambassador

FOREIGN OFFICE
RANGOON

13th September, 1950

A251/D

My dear Mr. Ambassador,

I acknowledge with thanks the receipt of your letter, dated the 13th September, 1950, signed by yourself in the following terms:—

[See note I]

2. I confirm that the statements in this letter correctly set out the Union Government's understanding of the position.

Believe me,

My dear Mr. Ambassador,

Yours very sincerely,

S. H. Hkio
(Sao Hkun Hkio)

His Excellency Mr. David McKendree Key
Ambassador for the Republic
of the United States of America,
American Embassy
Rangoon