

No. 2284

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

**Economic Co-operation Agreement (with annex and exchange
of notes). Signed at Saigon, on 7 September 1951**

Official texts: English, French and Vietnamese.

Registered by the United States of America on 7 October 1953.

**ÉTATS-UNIS D'AMÉRIQUE
et
VIET-NAM**

**Accord de coopération économique (avec annexe et échange
de notes). Signé à Saigon, le 7 septembre 1951**

Textes officiels anglais, français et vietnamien.

Enregistré par les États-Unis d'Amérique le 7 octobre 1953.

No. 2284. ECONOMIC CO-OPERATION AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF VIET-NAM. SIGNED AT SAIGON, ON 7 SEPTEMBER 1951

The Government of the United States of America and the Government of Vietnam :

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 Vietnam in order that the Government of Vietnam, through its own individual efforts and through concerted effort with the other Associated States and other parts of the French Union, with other countries or 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 Vietnam and the measures which the two Governments will take individually and together in furtherance of the above objectives : with due regard to accords and agreements previously entered into by the High Contracting Parties ;

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 Vietnam 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 Vietnam 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 under the present Agreement may be distributed within Vietnam on terms and conditions agreed upon between the two Governments.

Article II

In order to assure maximum benefits to the people of Vietnam from the assistance to be furnished under the present Agreement by the Government of the

¹ Came into force on 7 September 1951, upon notification given to the Government of the United States of America by the Government of Viet-Nam, in accordance with article V.

United States of America, the Government of Vietnam 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 and with the general objectives indicated in the aid program presented by the Government of Vietnam and agreed to by the Government of the United States of America.

B. To promote the economic development of Vietnam on a sound basis and to achieve such economic objectives as may be agreed upon.

C. To assure the stability of its currency and the validity of its rate of exchange, and generally to assure confidence in its 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 Vietnam will provide detailed information necessary to carrying out the provisions of this Agreement including a quarterly statement on the use of funds, commodities, and services received under the present Agreement, and other relevant information which the Government of the United States of America may need to determine the nature and scope of operations under the present Agreement and to evaluate the effectiveness of assistance furnished or contemplated.

Article IV

The Government of Vietnam agrees to receive a Special Technical and Economic Mission which will discharge the responsibilities of the Government of the United States of America under the present Agreement and upon appropriate notification from 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 Vietnam for the purpose of enjoying the privileges and immunities accorded to that Diplomatic Mission and its personnel of comparable rank. The Government of Vietnam will further give full cooperation to the Special Mission, including the provision of facilities necessary for observation and review 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 Vietnam 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 Vietnam have been fulfilled. This Agreement shall continue in force until the date agreed upon by the two Governments or may be terminated three months after a written notification has been given by either of the two Governments.

2. The Annex to this Agreement forms an integral part thereof.

3. This Agreement shall be registered with the Secretary General of the United Nations.

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

DONE at Saigon this Seventh day of September, 1951, in duplicate, in each of the English, French, and Vietnamese languages, all texts authentic except that in the case of divergencies, the English and French texts shall govern.

For the Government
of the United States of America :
Edmund A. GULLION

[SEAL]

For the Government
of Vietnam :
NGUYEN-KHAC-VE

A N N E X

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 Vietnam will establish a Special Account in the Institute of Emission (hereinafter called Special Account) and will make deposits in piasters to this account as follows :

A. The piasters accruing to the Government of Vietnam from the sale of commodities or services supplied under this Agreement, or otherwise accruing to the Government of Vietnam as a result of the import of such commodities or services, shall be deposited upon receipt of such piasters.

B. If the amount of piasters deposited :

- (1) is not commensurate with the value in dollars, given in the periodic notification made by the Government of the United States of America of the commodities and services furnished according to the provisions of this Agreement ; and
- (2) in the opinion of the Government of the United States of America, appears insufficient in comparison with the amount of expenditures in piasters which the execution of the aid program will entail,

the Government of Vietnam, at the request of the Government of the United States of America, will deposit supplementary amounts of piasters, on condition, however, that total deposits of piasters do not exceed such commensurate value.

The rate of exchange of the piaster to be applied in computing commensurate value shall be that which shall have been agreed to at such time with the International Monetary Fund, on condition that this rate is the single rate applicable to the purchase of dollars for imports into Vietnam.

If no such rate of exchange has been agreed, the rate adopted shall be the highest rate of exchange of the dollar in terms of piasters lawfully quoted for imports into Vietnam to which any legal personality shall be entitled at the time of each request for deposit made in accordance with the terms of this Agreement.

The Government of Vietnam may at any time make advance deposits in the Special Account which shall be applied against subsequent requests for deposits pursuant to this paragraph.

C. In making requests for counterpart deposits under Annex, Section 1, Paragraph 2, B, the Government of the United States of America will have due regard to the ability of the Government of Vietnam to make such deposits.

3. The Government of the United States of America will from time to time notify the Government of Vietnam of its local currency requirements for administrative expenditures incident to the furnishing of assistance under this Agreement, and the Government of Vietnam will thereupon make such required sums in local currency 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 Vietnam will further make such sums of local currency available out of any balances in the Special Account as may be necessary to cover costs (including port, storage, handling, and similar charges) of transportation from any point of entry in Vietnam to the consignee's designated point of delivery in Vietnam of such commodities as are referred to in Section 4 of this Annex.

5. The Government of Vietnam may draw upon any remaining balance in the Special Account for such purposes beneficial to Vietnam and connected with the purposes of this Agreement as may be agreed to from time to time by the High Contracting Parties.

Section 2

The Government of Vietnam agrees to facilitate the production, transport, within its means, and the transfer to the Government of the United States of America for such period of time in such quantities and upon such terms and conditions of purchase as may be agreed upon, of raw and semi-processed materials required by the United States of America as a result of actual or potential deficiencies in its own resources, and which may be available in Vietnam.

The conditions governing such transfers will be the object of particular agreements and will take into account the needs of Vietnam and the normal requirements of the French Union with respect to internal consumption and commercial export of such materials. The Government of the United States of America, taking into account the needs expressed above, will have due regard for the need to maintain reasonable domestic stocks of Vietnam and of the French Union of the materials concerned.

Section 3

The Government of Vietnam 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 under the present Agreement including information as to the use of funds, commodities, and services received.

Section 4

The two Governments, upon request of either of them, will enter into negotiations for agreements compatible with the obligations of Vietnam within the framework of the customs union among Vietnam, Cambodia and Laos to facilitate the entry into Vietnam (including the provision of duty free treatment under appropriate safeguards) and the distribution in Vietnam of commodities sent in furtherance of projects of relief, rehabilitation and reconstruction in Vietnam and financed by such United States voluntary non-profit agencies as may be approved by the two Governments.

E. A. G.

N. K. VE

EXCHANGE OF NOTES

I

The American Chargé d'Affaires ad interim to the Vietnamese Minister for Foreign Affairs ad interim

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

AMERICAN LEGATION

Saigon, September 7, 1951

Excellency :

I have the honor to refer to the Economic Cooperation Agreement signed this day by the Government of the United States of America and the Government of Vietnam. My Government has authorized me to give assurance that, in connection with the provisions of the Annex, Section 1, Paragraph 3, relative to the

deposit of local currency by the Government of Vietnam for the use of the Government of the United States of America for administrative expenditures incident to the furnishing of assistance under this Agreement, the Government of the United States of America does not intend in the period ending June 30, 1952, to request an amount of local currency for administrative expenses in excess of five percent of the total value of the dollar economic and technical aid furnished. This assurance is given subject to the terms of legislation to be enacted by the Government of the United States of America to authorize furnishing of economic aid to Vietnam during the latter portion of the aforementioned period.

It is also understood that the Government of the United States of America, in making the notifications referred to in Article IV, will take into account the necessity to limit as far as practicable the number of officials for whom diplomatic privileges would be requested. It is also understood that the detailed application of Article IV would, when necessary, be the subject of discussions between the two Governments.

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

Edmund A. GULLION

His Excellency Nguyen-Khac-Ve
Minister for Foreign Affairs ad interim
State of Vietnam

II

[TRANSLATION¹ — TRADUCTION²]

*The Vietnamese Minister for Foreign Affairs ad interim to the American
Chargé d'Affaires ad interim*

STATE OF VIET-NAM

THE PRESIDENT OF THE GOVERNMENT
MINISTER OF FOREIGN AFFAIRS

Saigon, September 7, 1951

Excellency,

Referring to the Economic Cooperation Agreement between the Government of the United States of America and the Government of Viet-Nam, signed today, I have the honor to inform you that my Government, in connection with the provisions contained in the first paragraph of Article V of the aforementioned Agreement concerning its annulment before a date agreed upon by the Government of the United States of America and the Government of Viet-Nam, confirms that,

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.

if either of the parties annuls the said Agreement by giving the other three months' written notice as provided in the annulment clause contained in Article V, paragraph 1, the Government of Viet-Nam will discharge its outstanding obligations relating to the deposit and utilization of the counterpart funds as specified in Section 1 of the Annex to the aforementioned Agreement.

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

NGUYEN-KHAC-VE

His Excellency Edmund A. Gullion
Chargé d'Affaires Ad Interim
of the United States of America
Saigon