

No. 5849

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

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act, as  
amended (with exchange of notes). Signed at Saigon,  
on 25 March 1961**

*Official text: English.*

*Registered by the United States of America on 6 September 1961.*

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

**Accord relatif aux produits agricoles, conclu dans le cadre  
du titre I de la loi tendant à développer et à favoriser  
le commerce agricole, telle qu'elle a été modifiée  
(avec échange de notes). Signé à Saïgon, le 25 mars 1961**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 6 septembre 1961.*

No. 5849. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE UNITED STATES OF AMERICA AND  
THE REPUBLIC OF VIET-NAM UNDER TITLE I OF THE  
AGRICULTURAL TRADE DEVELOPMENT AND AS-  
SISTANCE ACT, AS AMENDED. SIGNED AT SAIGON,  
ON 25 MARCH 1961

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The Government of the United States of America and the Government of the Republic of Viet-Nam :

Recognizing the desirability of expanding trade in agricultural commodities between their two countries and with other friendly nations in a manner which would not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Considering that the purchase for piastres of surplus agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the piastres accruing from such purchases will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which will govern the sales of surplus agricultural commodities to Viet-Nam pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended, (hereinafter referred to as the Act), and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities,

Have agreed as follows :

*Article I*

SALES FOR PIASTRES

Subject to the issuance by the Government of the United States of America and acceptance by the Government of the Republic of Viet-Nam of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of the Republic of Viet-Nam, for piastres, of the following agricultural commodities determined to be surplus pursuant to the Act, in the amount indicated :

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<sup>1</sup> Came into force on 25 March 1961, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Amount</i>
Cotton . . . . .	\$2,400,000
Ocean transportation (est. 50%) . . . . .	100,000
	TOTAL \$2,500,000

Application for purchase authorizations will be made within 90 calendar days after the effective date of this Agreement, except that application for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment or supplement to this Agreement will be made within 90 days after the effective date of such amendment or supplement. They will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the piastres accruing from such sale and other relevant matters.

## *Article II*

### USES OF PIASTRES

The two Governments agree that the piastres accruing to the Government of the United States of America as a consequence of the sales made pursuant to this Agreement will be used by the Government of the United States of America, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, in the amounts shown :

1. For United States expenditures under sub-sections (a), (e), (f), (h) through (r) of Section 104 of the Act, or under any of such sub-sections, the piastre equivalent of \$1,250,000.
2. To procure military equipment, materials, facilities and services for the common defense in accordance with Section 104 (c) of the Act, as amended, the piastre equivalent of \$1,250,000.

In the event the total piastres accruing to the Government of the United States of America, as a consequence of sales made pursuant to this Agreement, is less than the piastre equivalent of \$2,500,000, the amount available for common defense purposes under Section 104 (c) may be reduced by the amount of such difference; in the event the total piastre deposit exceeds the equivalent of \$2,500,000, 50 percent of the excess may be available for use of the Government of the United States of America under Section 104 (f) and 50 percent may be available for any use or uses authorized by Section 104 as the Government of the United States may determine.

## *Article III*

### DEPOSIT OF PIASTRES

Deposit of Vietnamese piastres to an account of the Government of the United States of America in the National Bank of Viet-Nam in payment of

commodities and ocean transportation costs financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) shall be made at the rate of exchange for United States dollars generally applicable to import transactions (excluding imports granted preferential rate) in effect on the dates of the dollar disbursements by United States banks or by the Government of the United States of America as provided in the purchase authorizations.

#### *Article IV*

##### GENERAL UNDERTAKINGS

The Government of the Republic of Viet-Nam agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or the use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America), of the surplus agricultural commodities purchased pursuant to the provisions of this Agreement, and to assure that the purchase of these commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States of America.

In carrying out this Agreement the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

The Government of the Republic of Viet-Nam agrees to furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to arrivals and condition of commodities and information relating to exports of the same or a like commodity.

#### *Article V*

##### CONSULTATION

The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to the operation of arrangements carried out pursuant to this Agreement.

#### *Article VI*

##### ENTRY INTO FORCE

This Agreement shall enter into force upon signature.

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

DONE at Saigon, this 25th day of March, 1961

For the Government  
of the United States of America :  
Elbridge DURBROW

For the Government  
of the Republic of Viet-Nam :  
NGUYEN NGOC THO

## EXCHANGE OF NOTES

### I

*The American Ambassador to the Vietnamese Secretary of State for National Economy*

No. 148

Saigon, March 25, 1961

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the United States of America and the Republic of Viet-Nam under Title I of the Agricultural Trade Development and Assistance Act, as amended, hereinafter referred to as the Act, which has been signed at Saigon today<sup>1</sup> and is hereinafter referred to as "Agricultural Commodities Agreement," and to confirm the following supplementary understanding :

1. In addition to depositing piastres in payment of commodities and ocean freight as specified in Article III of the Agricultural Commodities Agreement, the Government of the Republic of Viet-Nam agrees to pay an amount of VN\$48,125,000 piastres into the account of the Government of the United States of America specified in the said Article III. This amount shall be paid in full at the same time as the first deposit of piastres is made pursuant to the said Article.

2. If between the date of signature of the Agricultural Commodities Agreement and the time when the payment of VN\$48,125,000 piastres will become due, there should be a change in the Vietnamese exchange rate system, the amount of such payment shall be determined by mutual agreement.

3. In the event it is ultimately determined that the amount of sales, including ocean transportation, financed by the Government of the United States of America pursuant to Article I of the Agricultural Commodities Agreement is less than United States \$1,250,000, then the payment of the Government of the Republic of Viet-Nam described in the preceding paragraphs shall be reduced

<sup>1</sup> See p. 188 of this volume.

in the ratio which the amount of sales financed by the Government of the United States of America bears to the amount of \$1,250,000, and the Government of the United States of America will return to the Government of the Republic of Viet-Nam the difference between the payment so reduced and the amount paid pursuant to the preceding paragraphs.

4. For purposes of Sections 104 (a) of the Act, the Government of the Republic of Viet-Nam will provide, upon request of the Government of the United States of America, facilities for the conversion into other non-dollar currencies of up to \$50,000 worth of piastres. These facilities for conversion will be utilized to finance agricultural market development activities in other countries.

5. With regard to paragraph 1 of Article II of the Agricultural Commodities Agreement, it is understood that the piastre equivalent of \$625,000, but more than 25 percent of the currencies received under that Agreement, will be for loans to be made by the Export-Import Bank of Washington under Section 104 (e) of the Act and for administrative expenses of the Export-Import Bank of Washington in Viet-Nam incident thereto. It is also understood that :

- (a) Such loans under Section 104 (e) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in Viet-Nam for business development and trade expansion in Viet-Nam and to United States firms and Viet-Nam firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products. In the event the piastres set aside for loans under Section 104 (e) of the Act are not advanced within three years from the date of the Agricultural Commodities Agreement because the Export-Import Bank of Washington has not approved loans or because proposed loans have not been mutually agreeable to the Export-Import Bank of Washington and National Bank of Viet-Nam, the Government of the United States of America may use the piastres for any purpose authorized by Section 104 of the Act.
- (b) Loans will be mutually agreeable to the Export-Import Bank of Washington and the Government of the Republic of Viet-Nam acting through the National Bank of Viet-Nam. The Governor of the National Bank of Viet-Nam, or his designate, will act for the Government of the Republic of Viet-Nam, and the President of the Export-Import Bank of Washington, or his designate, will act for the Export-Import Bank of Washington.
- (c) Upon receipt of an application which the Export-Import Bank is prepared to consider, the Export-Import Bank will inform the National Bank of

Viet-Nam of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.

- (d) When the Export-Import Bank is prepared to act favorably upon an application it will so notify the National Bank of Viet-Nam and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to those prevailing in Viet-Nam on comparable loans and the maturities will be consistent with the purposes of the financing.
- (e) Within sixty days after the receipt of notice that the Export-Import Bank is prepared to act favorably upon an application the National Bank of Viet-Nam will indicate to the Export-Import Bank whether or not the National Bank of Viet-Nam has any objection to the proposed loan. Unless within the sixty-day period the Export-Import Bank has received such a communication from the National Bank of Viet-Nam it shall be understood that the National Bank of Viet-Nam has no objection to the proposed loan. When the Export-Import Bank approves or declines the proposed loan, it will notify the National Bank of Viet-Nam.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of the Republic of Viet-Nam, the Government of the United States of America will consider that this note and your reply thereto constitute an Agreement between the two Governments on this subject, which shall enter into force on the date of your note in reply.

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

Elbridge DUSBROW

His Excellency Nguyen Ngoc Tho  
Vice President of the Republic of Viet-Nam  
and Secretary of State for National Economy  
Saigon

## II

*The Vietnamese Secretary of State for National Economy to the American  
Ambassador*

RÉPUBLIQUE DU VIÊT-NAM  
VICE-PRÉSIDENTE<sup>1</sup>

N° 239-PT/VP

Saigon, 25 March 1961

His Excellency,

I have the honor to acknowledge the receipt of your Note No. 148 under date of March 25, 1961, which reads as follows :

[See note I]

In reply, I have the honor to inform you that the foregoing provisions are acceptable to the Government of the Republic of Viêt-Nam and to confirm that this exchange of notes constitutes an Agreement between the two Governments on this subject, which shall enter into force today.

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

[SEAL] NGUYEN NGOC THO  
Vice-President of the Republic of Viêt-Nam  
Secretary of State for National Economy

His Excellency the Ambassador of United States of America

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<sup>1</sup> Republic of Viet-Nam.  
Office of the Vice-President.