

No. 6242

**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 27 December 1961**

Official text: English.

Registered by the United States of America on 13 July 1962.

**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.
Signé à Saigon, le 27 décembre 1961**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 13 juillet 1962.

No. 6242. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE REPUBLIC OF VIET-
NAM UNDER TITLE I OF THE AGRICULTURAL TRADE
DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED.
SIGNED AT SAIGON, ON 27 DECEMBER 1961

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 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 sale 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

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of Viet-Nam of purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance the sales for

¹ Came into force on 27 December 1961, upon signature, in accordance with article VI.

piastres to purchasers authorized by the Government of the Republic of Viet-Nam of the following agricultural commodities in the amounts indicated :

<i>Commodity</i>	<i>Export Market Value (million)</i>
Rice	\$5.8
Sweetened condensed milk	7.7
Dry whole milk	0.15
Ocean transportation (Estimated 50%)	1.5
TOTAL	\$15.15

2. Applications for purchase authorizations will be made promptly after the effective date of this Agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment 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.

3. The financing, sale and delivery of commodities under this Agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

Article II

USES OF PIASTRES

1. 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 :

A. For United States expenditures under subsections (a), (f), (h) through (r) of Section 104 of the Act, or under any of such subsections, 10 percent of the piastres accruing pursuant to this Agreement.

B. To procure military equipment, materials, facilities and services for the common defense in accordance with Section 104 (c) of the Act, as amended, 90 percent of the piastres accruing pursuant to this Agreement.

Article III

DEPOSIT OF PIASTRES

1. The amount of piastres to be deposited to the account of the United States shall be the equivalent of the dollar sales value of the commodities and ocean

transportation costs reimbursed or financed by the Government of the United States (except excess costs resulting from the requirement that United States flag vessels be used) converted into piastres as follows :

- (a) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of the Republic of Viet-Nam, or
- (b) if more than one legal rate for foreign exchange transactions exists, the rate of exchange shall be mutually agreed upon from time to time between the Government of the United States and the Government of the Republic of Viet-Nam.

2. In the event that a subsequent agricultural commodities agreement or agreements should be signed by the two Governments under the Act, any refunds of piastres which may be due or become due under this Agreement more than two years from the effective date of this Agreement will be made by the Government of the United States of America from funds available from the most recent agricultural commodities agreement in effect at the time of the refund.

Article IV

GENERAL UNDERTAKINGS

1. The Government of the Republic of Viet-Nam 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 agricultural commodities purchased pursuant to the provisions of this Agreement and to assure that the purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that sales or purchases of agricultural commodities made pursuant to this Agreement will 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.

3. 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.

4. 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 the arrival and condition of commodities and the provisions for the maintenance of usual marketings, and information relating to exports of the same or like commodities.

Article V

CONSULTATION

The two Governments will, upon 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

The 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 in duplicate, this 27th day of December, 1961.

For the Government
of the United States
of America :

F. E. NOLTING, Jr.

For the Government
of the Republic
of Viet-Nam :

HOANG

EXCHANGE OF NOTES

I

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

Saigon, December 27, 1961

No. 102

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, which was signed today¹ and to confirm the following supplementary understanding of my Government :

¹ See p. 186 of this volume.

1. The Title I sale of rice under this Agreement is not intended to increase the availability of this or like commodities for export and is made on the understanding that no export of rice will be made from Viet-Nam during the period ending June 30, 1962.

2. The Government of the Republic of Viet-Nam will provide facilities for the conversion of two percent of the sale proceeds accruing under the subject Agreement for agricultural market development purposes into currencies other than U.S. dollars on request of the Government of the United States of America. This facility is needed for the purpose of securing funds to finance agricultural market development activities of the Government of the United States in other countries.

3. With respect to Article III, Paragraph 1 concerning the rate of exchange, it is the understanding of the Government of the United States of America that under the current Vietnamese exchange system, the amount of Vietnamese piastres to be deposited against dollar disbursement by the Government of the United States of America shall be computed at the controlled free market rate which is 73.00 piastres per U.S. dollar.

In the event that the exchange system of Viet-Nam is changed to establish a unitary rate for all foreign exchange transactions, deposits of Vietnamese piastres against dollar disbursements which take place on or after the effective date of such change shall be made at the exchange rate specified in Article III(1) (a) of the Agreement. It is further understood that if there should be any other change in the exchange system of Viet-Nam, the amount of Vietnamese piastres to be deposited under this Agreement shall be mutually agreed as provided in Article III (1) (b) of the Agreement.

I shall appreciate receiving Your Excellency's confirmation of the above understanding.

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

F. E. NOLTING, Jr.

His Excellency Hoang Khac Thanh
Secretary of State for National Economy
Saigon

II

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

RÉPUBLIQUE DU VIÉT-NAM

Secrétariat d'État à l'économie nationale ¹

Saigon, le 27 December 1961

No 1820 BKT/VP/M

His Excellency,

I have the honor to acknowledge the receipt of your Note No. 102 under date of December 27th 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 Viet-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]

HOANG
Secretary of State for National Economy

His Excellency the Ambassador of United States
of America

¹ Republic of Viet-Nam
Secretariat of State for National Economy.