

No. 6655

UNITED STATES OF AMERICA
and
BURMA

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at Ran-
goon, on 9 November 1962**

Official text: English.

Registered by the United States of America on 22 April 1963.

ÉTATS-UNIS D'AMÉRIQUE
et
BIRMANIE

**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 Rangoon, le 9 novembre 1962**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 22 avril 1963.

No. 6655. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE REVOLUTIONARY GOVERN-
MENT OF THE UNION OF BURMA UNDER TITLE I OF
THE AGRICULTURAL TRADE DEVELOPMENT AND
ASSISTANCE ACT, AS AMENDED. SIGNED AT RAN-
GOON, ON 9 NOVEMBER 1962

The Government of the United States of America and the Revolutionary Govern-
ment of the Union of Burma :

Recognizing the desirability of expanding trade in agricultural commodities be-
tween 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 Burmese kyats of surplus agricultural com-
modities produced in the United States of America will assist in achieving such
an expansion of trade ;

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

Desiring to set forth understandings which will govern the sales of surplus
agricultural commodities to Burma 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 BURMESE KYATS

Subject to the issuance by the Government of the United States of America and
acceptance by the Revolutionary Government of the Union of Burma 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

¹ Came into force on 9 November 1962, upon signature, in accordance with article VI.

the sale to purchasers authorized by the Revolutionary Government of the Union of Burma, for Burmese kyats, for the following agricultural commodities determined to be surplus pursuant to the Act, in the amount indicated :

<i>Commodity</i>	<i>Export Market Value (millions)</i>
Cotton, upland (domestic processing)	\$ 1.50
Cotton, upland (off-shore processing)	\$ 7.60
Tobacco	\$ 1.15
	Sub-total \$10.25
Ocean transportation (50% est.)	\$.42
	TOTAL \$10.67

Applications for purchase authorizations will be made within 90 days after the effective date of this Agreement, except that applications 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. The purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the Burmese kyats accruing from such sale, and other relevant matters.

Article II

USE OF BURMESE KYATS

1. The two Governments agree that the Burmese kyats 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 may determine, for the following purposes, in the amounts shown :

a. For payment of expenditures by the United States of America in Burma under subsections (*a*), (*b*), (*f*), (*h*), (*i*), (*j*), (*k*), (*l*), (*m*), (*n*), (*o*), (*p*), (*q*), and (*r*) of Section 104 of the Act or under any of such subsections, 24 percent of the kyats accruing pursuant to this Agreement.

b. For a loan to the Revolutionary Government of the Union of Burma under subsection (*g*) of Section 104 of the Act, 56 percent of the kyats accruing pursuant to this Agreement for financing such projects to promote economic development, including projects not heretofore included in plans of the Revolutionary Government of the Union of Burma, as may be mutually agreed upon. The terms and conditions of the loan and other provisions will be set forth in a separate agreement. A portion of the kyats set aside under this subsection of the Act equivalent to not less than

10 percent of the total kyats accruing pursuant to this Agreement will be reserved for relending to private enterprise through established banking facilities under procedures to be agreed upon by the two Governments.

c. For a grant to the Revolutionary Government of the Union of Burma under subsection 104 (*e*) of Section 104 of the Act, 20 percent of the kyats accruing pursuant to this Agreement for financing such projects to promote economic development as may be mutually agreed upon.

2. In the event that kyats set aside for loans to the Revolutionary Government of the Union of Burma are not advanced within 3 years from the date of this Agreement as a result of failure of the two Governments to reach agreement on the use of the kyats for loan purposes, the Government of the United States of America may use the kyats for the purpose specified in sub-paragraphs *a* and *b* of this Article.

Article III

DEPOSIT OF BURMESE KYATS

1. The amount of kyats to be deposited to the account of the United States of America 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 kyats, 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 Revolutionary Government of the Union of Burma, 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 of America and the Revolutionary Government of the Union of Burma.

2. In the event that a subsequent agricultural commodities agreement or agreements should be signed by the two Governments under this Act, any refund of kyats which may be due or become due under this Agreement more than two years from the effective date of this Agreement would 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 Revolutionary Government of the Union of Burma 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 such commodities does not result in increased availability of these or like commodities for export to other countries.

2. The two Governments agree that they will take reasonable precautions to assure that sales or purchases of surplus agricultural commodities pursuant to the Agreement will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States of America in these commodities, or materially impair trade relations among the countries of the free world.

3. In carrying out this Agreement appropriate steps shall be taken to assure that private trade channels in the United States are used to the maximum extent practicable. The two Governments will also use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Revolutionary Government of the Union of Burma 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 conditions 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

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 Rangoon this ninth day of November, 1962.

For the Government
of the United States of America :

John Scott EVERTON
[SEAL]

For the Revolutionary Government
of the Union of Burma :

THI HAN
[SEAL]

EXCHANGE OF NOTES

I

Rangoon, November 9, 1962

No. 770

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement signed today¹ between the Government of the United States of America and the Revolutionary Government of the Union of Burma, and state that the understanding of the Government of the United States of America is, with respect to Paragraph 1 (a) of Article II, as follows :

The Revolutionary Government of the Union of Burma will provide facilities for the conversion of two percent of the kyats under the subject Agreement for agricultural market development purposes into currencies other than United States 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.

The Government of the United States of America may utilize kyats in Burma to pay for goods and services, including international transportation, needed in connection with market development and other agricultural projects and activities in Burma and other countries.

I shall appreciate your confirming to me that the contents of this note also represent the understanding of the Revolutionary Government of the Union of Burma.

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

John Scott EVERTON

The Honorable U Thi Han
Minister for Foreign Affairs
Rangoon

II

FOREIGN OFFICE

9th November 1962

No. USAE 696/NYA

Excellency,

I have the honour to acknowledge the receipt of your note of today's date which reads as follows :

[See note I]

¹ See p. 114 of this volume.

I have the honour to confirm the above understanding.

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

THI HAN
Minister for Foreign Affairs

His Excellency Mr. John S. Everton
Ambassador Extraordinary and Plenipotentiary
of the United States of America

III

Rangoon, November 9, 1962

No. 774

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Revolutionary Government of the Union of Burma signed today.

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of our two Governments with respect to subparagraph 1 (c) of Article II of the Agreement concerning the grant of funds under subsection 104 (e) of the Act, as amended. It is understood that no funds will be granted pursuant to subparagraph 1 (c) until all funds available for loan or grant to the Revolutionary Government of the Union of Burma under subsections 104 (g) and 104 (e) of the Act, which have accrued pursuant to previous Agricultural Commodities Agreements between our two Governments, have been obligated, and mutually acceptable arrangements have been made for their effective expenditure.

I shall appreciate receiving your confirmation of the above understanding.

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

John Scott EVERTON

The Honorable U Thi Han
Minister for Foreign Affairs
Rangoon

IV

FOREIGN OFFICE

9th November 1962

No. USAE 697/NYA

Excellency,

I have the honour to acknowledge the receipt of your note of today's date which reads as follows :

[See note III]

I have the honour to confirm the above understanding.

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

THI HAN
Minister for Foreign Affairs

His Excellency Mr. John S. Everton
Ambassador Extraordinary and Plenipotentiary
of the United States of America