

No. 9695

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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 15 December 1966**

*Authentic text : English.*

*Registered by the United States of America on 2 July 1969.*

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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 Saigon le 15 décembre 1966**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 2 juillet 1969.*

AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup> BETWEEN  
THE GOVERNMENT OF THE UNITED STATES OF  
AMERICA AND THE GOVERNMENT OF THE REPUBLIC  
OF VIET-NAM UNDER TITLE I OF THE AGRICUL-  
TURAL TRADE DEVELOPMENT AND ASSISTANCE  
ACT, AS AMENDED

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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 those commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

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

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

Desiring to set forth the understandings which will govern the sales, as specified below, of 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 VIETNAMESE 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 the specified commodities under the Act at the time of exportation, the Government of the United States of America

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<sup>1</sup> Came into force on 15 December 1966 by signature, in accordance with article VI.

undertakes to finance the sales for Vietnamese 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 dollars)</i>
Wheat flour . . . . .	5.37
Sweetened condensed milk . . . . .	22.57
Evaporated milk . . . . .	.28
Dry whole milk . . . . .	.40
Nonfat dry milk . . . . .	.93
Tobacco . . . . .	12.70
Cotton . . . . .	10.46
Rice . . . . .	30.33
	TOTAL \$83.04

2. Applications for purchase authorizations will be made within 90 days 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. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of Vietnamese piastres accruing from such sale, and other relevant matters.

3. The Government of the United States of America will finance ocean transportation costs incurred pursuant to this agreement only to the extent that such costs are higher than otherwise would be the case by reason of the requirement that approximately 50 percent by tonnage of the commodities be transported in United States flag vessels. The balance of cost for commodities required to be carried in United States flag vessels shall be paid in dollars by the Government of the Republic of Viet-Nam. The Government of the Republic of Viet-Nam will not be required to deposit Vietnamese piastres for ocean transportation financed by the Government of the United States of America. Promptly after contracting for United States flag shipping space required to be used, and in any event not later than presentation of vessel for loading, the Government of the Republic of Viet-Nam will open a letter of credit, in dollars, for the estimated cost of ocean transportation for commodities carried in United States flag vessels.

4. 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 VIETNAMESE PIASTRES

The Vietnamese piastres accruing to the Government of the United States of America as a consequence of 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 proportions shown :

- A. For United States expenditures under subsections (a), (b), (d), (f) and (h) through (t) of Section 104 of the Act, or under any of such subsections, 20 percent of the Vietnamese piastres accruing pursuant to this agreement;
- B. For grants to the Government of the Republic of Viet-Nam under subsection (c) of Section 104 of the Act, 80 percent of the Vietnamese piastres accruing pursuant to this agreement. In the event that agreement is not reached on the use of the Vietnamese piastres for grants under subsection (c) of Section 104 of the Act within three years from the date of this agreement, the Government of the United States of America may use the Vietnamese piastres for any purpose authorized by Section 104 of the Act.

*Article III*

## DEPOSIT OF VIETNAMESE PIASTRES

1. The Government of the Republic of Viet-Nam will deposit to the account of the Government of the United States of America an amount of Vietnamese piastres equivalent to the dollar sales value of the commodities financed by the Government of the United States of America converted into Vietnamese piastres at the applicable rate of exchange in effect on the date of dollar disbursement by the Government of the United States of America.

(a) If a unitary exchange rate system is maintained by the Government of the Republic of Viet-Nam, the applicable rate will be the rate at which the central monetary authority of Viet-Nam, or its authorized agent, sells foreign exchange for Vietnamese piastres.

(b) If a unitary rate system is not maintained, the applicable rate will be the rate mutually agreed upon by the Government of the United States of America and the Government of the Republic of Viet-Nam.

2. The Government of the United States of America shall determine which of its funds shall be used to pay any refunds of Vietnamese piastres which become due under this agreement or which are due or become due under any prior agricultural commodities agreement. A reserve will be maintained under this agreement for two years from the effective date of this agreement which may be

used for the payment of such refunds. Any payment out of this reserve shall be treated as a reduction in the total Vietnamese piastres accruing to the Government of the United States of America under this agreement.

#### *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 of the agricultural commodities purchased pursuant to this agreement (except where such resale, transshipment or use is specifically approved by the Government of the United States of America); to prevent the export of any commodity of either domestic or foreign origin which is the same as, or like, the commodities purchased pursuant to this agreement during calendar year 1967 or any other period during which Title I commodities are being imported (except where such export is specifically approved by the Government of the United States); and to ensure that the purchase of commodities pursuant to this agreement does not result in increased availability of the same or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that sales and purchases of agricultural commodities 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 will furnish quarterly information on the progress of the program, particularly with respect to the arrival and condition of commodities and provisions for the maintenance of usual marketings, information relating to imports, and 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 Saigon, in duplicate this 15th day of December, 1966.

For the Government  
of the Republic of Viet-Nam :

TRAN VAN DO

For the Government  
of the United States of America :

William J. PORTER

[SEAL]

## EXCHANGE OF NOTES

## I

*The American Deputy Ambassador to the Vietnamese Minister of Foreign Affairs*

## EMBASSY OF THE UNITED STATES OF AMERICA

No. 153

Saigon, December 15, 1966

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the United States of America and the Government of the Republic of Viet-Nam signed today and to confirm the following understanding of my Government :

1. The Government of the Republic of Viet-Nam will provide, upon request of the Government of the United States of America, facilities for conversion into other non-dollar currencies of the following amounts of piastres : for purposes of Section 104 (a) of the Act, \$1,660,080 or two percent of the piastres accruing under the agreement, whichever is greater, to finance agricultural market development activities in other countries; and for purposes of Section 104 (b) of the Act and for the purposes of the Mutual Educational and Cultural Exchange Act of 1961, up to \$1,000,000 worth of piastres to finance educational and cultural exchange programs and activities in other countries.

2. The Government of the Republic of Viet-Nam agrees that it will prohibit the export of rice from Viet-Nam during the period of actual import and utilization of United States rice or until December 31, 1967, whichever is later.

3. The Government of the United States of America may utilize piastres in Viet-Nam to pay for travel which is part of a trip in which the traveler travels from, to or through Viet-Nam. It is understood that these funds are intended to cover only travel by persons who are traveling on official business for the Government of the United States of America

or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which piastres may be utilized shall not be limited to services provided by Vietnamese transportation facilities.

4. With respect to Paragraph 1 of Article III, under the current Vietnamese exchange system, the amount of piastres to be deposited against dollar disbursements by the Government of the United States of America shall be computed at official rate of 80 piastres per United States dollar plus an economic consolidation surtax of 38 piastres per dollar, resulting in an effective rate of 118 piastres per dollar.

5. The Government of the Republic of Viet-Nam agrees that the Vietnamese piastres received by the Government of the United States of America under the agreement may be deposited in interest-bearing accounts in banks in Viet-Nam selected by the Government of the United States of America.

6. In the event that the exchange system of Viet-Nam is changed to establish a unitary rate for all foreign exchange transactions, deposits of 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 subparagraph 1 (a) of Article III 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 piastres to be deposited under the agreement shall be mutually agreed as provided in subparagraph 1(b) of Article III of the agreement.

7. With regard to Paragraph 4 of Article IV of the agreement, the Government of the Republic of Viet-Nam agrees to furnish quarterly the following information in connection with each shipment of commodities received under the agreement: the name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; the date unloading was completed; and the disposition of the cargo, i.e., stored, distributed locally or, if shipped, where shipped. In addition, the Government of the Republic of Viet-Nam agrees to furnish quarterly:

- A. A statement of measures it has taken to prevent the resale or transshipment of commodities furnished, and
- B. Assurances that the program has not resulted in increased availability of the same or like commodities to other nations.

The Government of the Republic of Viet-Nam further agrees that the above statements will be accompanied by statistical data on imports and exports by country of origin or destination of commodities which are the same as or like those imported under the agreement.

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

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

William J. PORTER

His Excellency Tran Van Do  
Minister of Foreign Affairs  
Republic of Viet-Nam  
Saigon, Viet-Nam

## II

RÉPUBLIQUE DU VIÊTNAM<sup>1</sup>  
MINISTÈRE DES AFFAIRES ÉTRANGÈRES<sup>2</sup>

No. 5178/EF

Saigon, December 15, 1966

Excellency :

I have the honour to acknowledge receipt of your note No. 153 dated December 15, 1966 reading as follows :

[See note I]

I further have the honour to confirm to Your Excellency that the Government of the Republic of Viet-Nam accepts the above proposals and that Your note and this reply shall constitute an agreement between our two Governments, to enter into force on the date of December 15, 1966.

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

[SEAL] TRAN VAN DO  
Minister for Foreign Affairs  
Republic of Viet-Nam

His Excellency Mr. William J. Porter  
Ambassador of the United States of America  
Saigon

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<sup>1</sup> Republic of Viet-Nam.

<sup>2</sup> Ministry of Foreign Affairs.