

No. 12405

---

**UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND  
and  
LAOS**

**Exchange of notes constituting an agreement concerning the participation of the United Kingdom in the Foreign Exchange Operations Fund for Laos. Vientiane, 13 June 1972**

*Authentic texts : French and English.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on 30 March 1973.*

---

**ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD  
et  
LAOS**

**Échange de notes constituant un accord concernant la participation du Royaume-Uni au Fonds des opérations de change pour le Laos. Vientiane, 13 juin 1972**

*Textes authentiques : français et anglais.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 30 mars 1973.*

**EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE KINGDOM OF LAOS CONCERNING THE PARTICIPATION OF THE UNITED KINGDOM IN THE FOREIGN EXCHANGE OPERATIONS FUND FOR LAOS**

**ÉCHANGE DE NOTES CONSTITUANT UN ACCORD<sup>1</sup> ENTRE LE GOUVERNEMENT DU ROYAUME-UNI DE GRANDE-BRETAGNE ET D'IRLANDE DU NORD ET LE GOUVERNEMENT DU ROYAUME DU LAOS CONCERNANT LA PARTICIPATION DU ROYAUME-UNI AU FONDS DES OPÉRATIONS DE CHANGEMENT POUR LE LAOS**

**I**

*The Prime Minister of Laos to Her Majesty's Ambassador at Vientiane*

*Le Premier Ministre du Laos à l'Ambassadeur de Sa Majesté à Vientiane*

Excellence,

Vientiane, le 13 juin 1972

J'ai l'honneur de me référer au programme de stabilisation sur lequel le Gouvernement royal du Laos, en consultation avec le Fonds monétaire international, s'est engagé le 24 décembre 1963, par échange de lettres à cette date, avec les Gouvernements d'Australie<sup>2</sup>, du Royaume-Uni<sup>3</sup>, des Etats-Unis d'Amérique et de la France, programme auquel le Gouvernement du Japon a accédé par échange de lettres en date du 7 avril 1965<sup>4</sup>.

Afin de poursuivre le programme de stabilisation pendant l'année calendaire 1972, le Gouvernement royal du Laos s'engage à prendre les mesures spécifiques suivantes :

I.A. Le Gouvernement royal du Laos limitera l'inflation nette de Trésorerie pendant l'année calendaire 1972 à un plafond de 14,2 milliards de Kip en prenant d'urgence les mesures fiscales nécessaires pour atteindre cet objectif. Dans ce but le Gouvernement royal du Laos limitera le déficit budgétaire à 15 milliards de Kip pendant l'exercice budgétaire 1971/72 et se propose de limiter à 14,5 milliards de Kip le déficit budgétaire pendant l'exercice budgétaire 1972/73.

B. Le Gouvernement royal du Laos assurera un contrôle effectif de ses dépenses de telle sorte que le plafond des dépenses autorisées ne soit pas dépassé.

C. Le Gouvernement royal du Laos prendra les mesures nécessaires pour préparer un Budget Kip intégré ainsi qu'un budget en devises y afférant pour l'année budgétaire

<sup>1</sup> Came into force on 13 June 1972, the date of the note in reply, in accordance with the provisions of the said notes.

<sup>1</sup> Entré en vigueur le 13 juin 1972, date de la note de réponse, conformément aux dispositions desdites notes.

<sup>2</sup> Nations Unies, *Recueil des Traité*, vol. 503, p. 315.

<sup>3</sup> *Ibid.*, vol. 502, p. 189.

<sup>4</sup> *Ibid.*, vol. 538, p. 340.

dix pour cent des fonds de contrepartie provenant de sa contribution pour 1970 après un an de fonctionnement et jusqu'à concurrence de dix pour cent de contrepartie provenant de chaque paiement de ses contributions au titre des années 1970, 1971 et 1972 après un délai d'un an à compter de la date de ce paiement au fonds pour couvrir des frais engagés sur place et d'autres dépenses pour les projets de développement économique au Laos auxquels participe le Gouvernement du Royaume-Uni.

VI. Conscient de ce que le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord apprécierait que d'autres gouvernements participent au Fonds des opérations de change pour le Laos en plus des Gouvernements contributaires actuels, le Gouvernement royal du Laos est disposé à solliciter activement de telles contributions nouvelles.

VII. Si l'une des parties à cet Accord pense qu'elle est dans l'incapacité de remplir les engagements qui y sont inclus, elle consultera sans délai l'autre partie.

VIII. Le présent Accord pourra être amendé d'un commun accord.

IX. Après consultation entre nos deux Gouvernements, l'une ou l'autre partie pourra mettre fin au présent Accord.

X. Le présent Accord, dans la mesure où il se trouve en contradiction avec les clauses de précédents Accords entre nos deux Gouvernements concernant le Fonds des opérations de change pour le Laos, annule ces précédents Accords<sup>1</sup>.

Dès réception de la lettre de Votre Excellence indiquant que les présents engagements et propositions sont agréés par le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord, le Gouvernement royal du Laos considérera que cette lettre et la réponse de Votre Excellence constitueront un accord entre nos deux Gouvernements, devant entrer en vigueur à la date de la réponse de Votre Excellence.

Le Gouvernement royal du Laos remercie le Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord de l'aide qu'il apporte à la réalisation de ce programme et je suis particulièrement heureux de vous exprimer à cette occasion nos sentiments de gratitude.

Je saisissis cette occasion pour renouveler à Votre Excellence les assurances de ma très haute considération.

Prince SOUVANNA PHOUМА  
(Chao Krommana)

[TRANSLATION — TRADUCTION]

Vientiane, 13 June 1972

Excellency,

[See note II]

I avail myself of this opportunity, etc.

Prince SOUVANNA PHOUМА  
(Chao Krommana)

<sup>1</sup> Nations Unies, *Recueil des Traités*, vol. 502 p. 189; vol. 551, p. 336; vol. 565, p. 320; vol. 605, p. 364; vol. 649, p. 360; vol. 713, p. 79; vol. 749, p. 229, et vol. 805, p. 27.

## II

*Her Majesty's Ambassador at Vientiane    L'Ambassadeur de Sa Majesté à Vientiane to the Prime Minister of Laos    au Premier Ministre du Laos*

BRITISH EMBASSY  
VIENTIANE

Your Highness,

13 June 1972

I have the honour to acknowledge the receipt of Your Highness's letter of this date which reads in English as follows :

"I have the honour to refer to the Stabilization Programme into which the Royal Lao Government, in consultation with the International Monetary Fund, entered on 24 December 1963 by letters exchanged on that date with the Governments of Australia,<sup>1</sup> France, the United Kingdom,<sup>2</sup> and the United States and to which the Government of Japan acceded by exchange of letters dated 7 April 1965.<sup>3</sup>

"To extend the Stabilization Programme through the calendar year 1972 the Royal Lao Government undertakes to introduce the following specific measures :

"I.A. The Royal Lao Government shall limit its net inflationary borrowing during the calendar year 1972 to a maximum of 14.2 billion kip, taking necessary fiscal measures on an urgent basis to achieve this. To this end, the Royal Lao Government shall limit its budgetary deficit during the fiscal year 1971/72 to 15.0 billion kip and proposes to limit its budgetary deficit during the fiscal year 1972/73 to 14.5 billion kip.

"I.B. The Royal Lao Government shall exercise effective control over its expenditures to ensure that authorized expenditure ceilings are not exceeded.

"I.C. The Royal Lao Government shall take the necessary measures to prepare an integrated kip budget and a thereto related foreign exchange budget for the fiscal year 1972/73 before 30 June 1972. The Royal Lao Government shall inform the other Contributing Governments of the measures taken in this respect and of the progress achieved.

"I.D. The Royal Lao Government shall make more strenuous efforts to broaden the basis of tax collection, to assure full collection of existing taxes and duties, and to ensure the prompt deposit into the Treasury of all revenues. If actual collections exceed budget revenues, the excess shall be used to reduce the budgetary deficit or be programmed for developmental expenditures.

"I.E. The Royal Lao Government agrees that the other Contributing Governments should continue to furnish budget experts to the Royal Lao Government to assist in the formulation and to advise on the implementation of the national budget.

"II. The Royal Lao Government shall restrict expansion of the money supply through appropriate controls on public and private credit in harmony with its policy of reform for the national economy.

"III.A. The Royal Lao Government, in order to control its receipts and expenditures of foreign exchange, shall establish and maintain accounts related to the

<sup>1</sup> United Nations, *Treaty Series*, vol. 503, p. 315.

<sup>2</sup> *Ibid.*, vol. 502, p. 189.

<sup>3</sup> *Ibid.*, vol. 538, p. 340.

Foreign Exchange Budget for all its foreign exchange transactions. The Foreign Exchange Regulations shall be administered by the National Exchange Office which shall be responsible for control and accountability of all official foreign exchange transactions.

“III.B. The Royal Lao Government and the National Bank of Laos shall acquire and disburse foreign exchange only by the means and for the purposes prescribed in the Foreign Exchange Budget and the Foreign Exchange Regulations. The same applies to the Sociétés d’Etat and the Sociétés d’économie mixte with respect to the repayment of their medium and long-term external debts. However in the case of difficulties the other contributing Governments will be prepared to consider during the fourth quarter of the calendar year 1972 requests by the Royal Lao Government to authorize the Sociétés d’Etat and the Sociétés d’économie mixte to acquire the foreign exchange by recourse to the Foreign Exchange Operations Fund for the repayment of their medium and long-term external debts which are falling due.

“III.C. The Royal Lao Government shall maintain a legal market in foreign exchange.

“To assist in maintaining orderly conditions in the legal market, I have the honour to request that your Government shall join the Royal Lao Government in contributing to a Foreign Exchange Operations Fund for Laos and to make the following further proposals :

“IV.A. A Stabilization Consultative Committee shall be established which will include representatives of the Royal Lao Government, the Manager of the Foreign Exchange Operations Fund for Laos, the Resident Representative of the International Monetary Fund, and a representative of each of the other contributing Governments.

“IV.B. The Stabilization Consultative Committee shall be responsible for examining monthly the progress of the Stabilization Programme and shall receive no later than twenty days after the close of each month, reports in writing covering the previous month’s operations, from the Budget Office, the National Exchange Office, the Exchange Authorizing Commission, the National Bank of Laos, and the Manager of the Foreign Exchange Operations Fund for Laos with a view to assuring the proper implementation of the Stabilization Programme. The Stabilization Consultative Committee shall make recommendations to the contributing Governments and to the Manager of the Foreign Exchange Operations Fund for Laos on the progress of the Stabilization Programme and ways to improve its implementation.

“V. The Government of the United Kingdom of Great Britain and Northern Ireland agree that the kip generated by the sale through the Foreign Exchange Operations Fund of dollars contributed to the Fund by the Government of the United Kingdom, shall, at the request of the Royal Lao Government, be paid to the National Bank of Laos for retirement of the Royal Lao Government debt owed to the Bank, with the provision despite the foregoing that the Government of the United Kingdom of Great Britain and Northern Ireland reserve the right to use up to ten per cent of the counterpart funds generated by their 1969 contribution after one year of operations and up to ten per cent of the counterpart funds generated by any instalment of their 1970, 1971 and 1972 contributions after the elapse of one year from the date of payment of the instalment into the Fund to defray local costs and other expenses of economic development projects in Laos to which the Government of the United Kingdom contribute.

“VI. Being aware that the Government of the United Kingdom of Great Britain and Northern Ireland would welcome contributions to the Foreign Exchange Operations Fund by other Governments in addition to the existing Contributing Governments, the Royal Lao Government agrees actively to seek contributions to the Fund from such other Governments.

"VII. Should either party to this Agreement come to believe it will be unable to fulfill any of its obligations under the Agreement, it shall consult the other party immediately.

"VIII. This Agreement may be amended by mutual agreement.

"IX. This Agreement may be terminated by either Government after consultation between our two Governments.

"X. This Agreement shall, to the extent that it is inconsistent with the provisions of previous Agreements between our two Governments regarding the Foreign Exchange Operations Fund, supersede those previous Agreements.<sup>1</sup>

"On receipt of your letter indicating that the foregoing undertakings and proposals are acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland the Royal Lao Government shall consider that this letter and your reply constitute an agreement between our two Governments to enter into force on the date of your reply.

"The Royal Lao Government thanks your Government for bringing its assistance to the realization of this programme and I am particularly happy to express to you on this occasion our sentiments of gratitude."

I have the honour to inform Your Highness that the foregoing undertakings and proposals are acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland who therefore agree that Your Highness's letter together with the present reply shall constitute an agreement between the two Governments which shall enter into force as of this date. Specifically, my Government hereby accede to the request of the Royal Lao Government to participate in the Foreign Exchange Operations Fund for Laos during calendar year 1972.

I avail myself of this opportunity to renew to Your Highness the assurances of my highest consideration.

J. O. LLOYD  
HBM Ambassador

[TRADUCTION — TRANSLATION]

AMBASSADE DU ROYAUME-UNI  
VIENTIANE

Excellence,

Le 13 juin 1972

J'ai l'honneur d'accuser réception de la lettre de Votre Excellence en date de ce jour qui se lit comme suit :

*[Voir note I]*

J'ai le plaisir d'informer Votre Excellence que les engagements et propositions formulés ci-dessus rencontrent l'agrément du Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord qui accepte donc que la lettre de Votre

<sup>1</sup> United Nations, *Treaty Series*, vol. 502, p. 189; vol. 551, p. 336; vol. 565, p. 320; vol. 605, p. 364; vol. 649, p. 360; vol. 713, p. 79; vol. 749, p. 229, and vol. 805, p. 27.