

No. 9695

**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.

**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 AGREEMENT¹ 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

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

¹ 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