

A ADMINISTRATIVE SUPPORT TEAM MEMORANDUM



Vientiane, Laos

Number 73-002

August 11, 1972

SUBJECT: Use of Dollars by Americans

Thus far the RIG has made only two official pronouncements bearing on the question of exchanging foreign currencies for kip and the payment of rentals that affect private transactions of the official American community.

(1) On November 8, the Ministry of Finance issued the following announcement:

"The Ministry of Finance has the honor to request all exchange offices established in Laos to suspend as of 8 November 1971 and until further notice all exchange of sales and purchase of foreign exchange to the public"

"Only authorized banks henceforward are authorized to carry out these operations."

By this directive the RIG officially ordered money changers to close their offices, and stated that only authorized banks could exchange kip for foreign exchange and vice versa. It was determined with the RIG that the U.S. Disbursing Officer and the ACA exchange service fall within the definition of those authorized to effect such exchange.

Therefore it is clear that the action of changing dollars and dollar instruments for kip (or vice versa) except at authorized banks, or Embassy disbursing office, or the ACA is illegal. Such actions are therefore prohibited for personnel of this Mission and appropriate disciplinary action provided in Vol. 3, Personnel Section, FAM 620 applies.

DIST:

Embassy - 100
USIS - 15

ARMA/AIRA - 60
USAID - B, E

Air America - 300
CASI - 80

(2) On May 15, 1972, Presidential Decree #492 required that rental contracts be made payable in Kip.

The Mission has taken necessary action to convert all its housing and other official leases to Kip. All official Americans having private leases have been directed to do the same.

Any American who makes payment of rent in currencies other than Kip is in violation of restrictions of the RIG and cannot be afforded assistance of the Embassy if he is brought to justice for violation of this ruling. If dollar payments for rentals are demanded, Presidential Decree No. 492 should be brought to the attention of the landlord. If this does not result in a favorable settlement the matter should be referred to the Counselor for Administration who will intercede with the appropriate authorities.

While the Kip is the national currency and should therefore be used for commercial transactions in Laos, the RIG has as yet taken no specific measures to require that Kip be used for all commercial transactions in Laos. Should the RIG issue instructions in this respect you will be promptly informed.

This augments AST Memorandum 72-015 dated November 10, 1971, Conduct of Americans in Laos (Prohibited Activities), Acquisition and Conversion of Local Currency.

[Signature]
Reed P. Robinson
Chairman

Clark - Politics

Cong. Woolf - NARCOTICS

JAFFRY -

IGA -

*Friday Morning
Norm to Refugee
Schools - with
Me.*

*\$50 limit
Dollar at RIG*

*School supplies
Chalk
Pencils*