

No. 2049

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND,
UNITED STATES OF AMERICA
and
SIAM**

**Exchange of notes (with memorandum of understanding)
constituting an agreement relating to the production
and export of Siamese rice. Bangkok, 6 May 1946**

Official text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
15 January 1953.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD,
ÉTATS-UNIS D'AMÉRIQUE
et
SIAM**

**Échange de notes (avec mémorandum d'accord) constituant
un accord relatif à la production et à l'exportation du
riz siamois. Bangkok, 6 mai 1946**

Texte officiel anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
15 janvier 1953.*

No. 2049. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, THE UNITED STATES OF AMERICA AND SIAM RELATING TO THE PRODUCTION AND EXPORT OF SIAMESE RICE. BANGKOK, 6 MAY 1946

I

His Britannic Majesty's Minister at Bangkok to the Minister of Foreign Affairs of Siam

BRITISH LEGATION
BANGKOK

(342/3/46)

6th May, 1946

Excellency,

I have the honour to refer to recent conversations held in Bangkok between Your Excellency, the United States Chargé d'Affaires and myself regarding the policies and procedures for carrying into effect the Tripartite Agreement² between the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland, and Siam relating to Siam rice and certain other commodities in short world supply, signed this day at Bangkok, insofar as the Tripartite Agreement relates to the production and export of Siam rice.

2. I enclose herewith a "Memorandum of Understanding" containing a statement of the agreements which were arrived at as a result of the conversations to which reference has been made with regard to the policies and procedures for implementing the Tripartite Agreement insofar as that agreement relates to the production and export of Siam rice.

3. I am sending an identical note to the United States Chargé d'Affaires and it is my understanding that he is sending an identical note to Your Excellency.

4. If the "Memorandum of Understanding" is in accordance with the understanding of the Government of Siam and of the Government of the United

¹ Came into force on 6 May 1946, by the exchange of the said notes.

² United Nations, *Treaty Series*, Vol. 99, p. 181.

States, these notes and the replies thereto of Your Excellency and of the United States Chargé d'Affaires will be regarded as placing on record the agreements between the three Governments set forth in the "Memorandum of Understanding".

I avail myself of this opportunity to renew to Your Excellency, the assurance of my highest consideration.

(Signed) G. H. THOMPSON

His Excellency Nai Direck Jayanama
etc., etc., etc.
Minister for Foreign Affairs
Bangkok

MEMORANDUM OF UNDERSTANDING

1. Representatives of the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the United Kingdom), and Siam have discussed the policies and procedures to be followed in carrying into effect the Agreement (hereinafter referred to as the Tripartite Agreement) between the Governments of the United States of America, the United Kingdom, and Siam relating to Siam rice and certain other export commodities in short world supply, signed this day at Bangkok, insofar as that Agreement relates to the production and export of Siam rice.

2. The Tripartite Agreement has been entered into and the Rice Commission is to be established pursuant to its terms for the sole purpose of relieving critical food deficiencies in other areas during the current period of short world supply by stimulating the economic production of Siam rice and expediting the export to importing countries upon an equitable basis of all rice surplus to the internal needs of Siam.

3. Under the Tripartite Agreement the Government of Siam has assumed the primary responsibility for achieving the foregoing objectives and the Rice Commission is to be established by the United Kingdom and United States Governments to assist the Government of Siam in achieving these objectives. While specific powers and responsibilities are given to the Rice Commission and specific undertakings are given by the Government of Siam, the Government of Siam and the Rice Commission will at all times work in harmonious cooperation in order to achieve the objectives to which all three Governments are committed.

4. In view of the present acute world shortage of rice, it is essential to maximize the quantity of Siam rice available for export. The production of low-milled rice with a high broken rice content not exceeding approximately thirty-five per cent should, therefore, be encouraged. An appropriate basic standard sample will be determined by the Government of Siam in agreement with the Rice Commission and the Government

of Siam will instruct millers to confine their output so far as practicable to this standard. Standards for other qualities already milled or which cannot be milled to the basic standard, and for broken rice which cannot be retained in the standard qualities, will be similarly determined.

5. It is intended that the prices to be paid for export rice and paddy (to be determined as provided in the Tripartite Agreement by agreement between the Government of Siam and the Rice Commission) should be sufficiently high from the outset not only to encourage the flow of paddy from grower to miller and the making of all surplus rice available for export under the control system of the Rice Commission, but also to stimulate economic expansion of rice production. The basic price will be based on the basic standard sample with appropriate differentials similarly determined for other grades, including loonsain and broken rice, at levels which will discourage the unnecessary production of broken rice. The Government of Siam, if so recommended by the Rice Commission, will license all millers and restrict all purchases and sales by millers to prices established by it in agreement with the Rice Commission.

6. Under the Tripartite Agreement the Government of Siam has undertaken to make all rice and paddy surplus to the internal needs of Siam promptly available for export under the control system of the Rice Commission and it will take all reasonable means to accomplish this, including requirement of returns from all holders of stocks of rice and paddy, the institution of collection schemes and, if need be, compulsory sales at the established prices, if so recommended by the Rice Commission. The Government of Siam will use all reasonable means to ensure adequate rice milling facilities, including, if necessary, the cannibalizing of mill or other machinery; to ensure adequate transport from paddy fields to mills and from mills to ports; and to effect prompt restoration of adequate port facilities.

7. The Government of Siam will notify the Rice Commission from time to time of the quantities of rice at Bangkok available for export under the control system of the Rice Commission, giving the names of suppliers, number of bags, locations, grades, and all other relevant particulars. Whether the rice is held by the Government of Siam or by a private supplier will be a matter for arrangements between the Government of Siam and the supplier.

8. The Rice Commission will at no time be a purchaser of rice or engage in the transportation of rice or similar operational activities. All export rice made available to the Rice Commission will be held as a pool subject to the control system of the Rice Commission. The Rice Commission will at no time have title to any rice or be financially responsible for any loss of rice which may occur.

9. The Combined Food Board or successor body will notify the Rice Commission of allocations of Siam rice as recommended by it. The Rice Commission will from time

to time determine the rice to be made available and so notify the respective countries or organisations to which allocations have been made or their agents or designees (hereinafter called the purchasers). Such notification will constitute authority to the purchaser to conclude a purchase contract or contracts, directly or through any agent, with the Government of Siam or designated private supplier, as the case may be, for the rice at the established prices and on the terms specified in the notification. The Rice Commission will reserve the right to reassign and may direct the reassignment of any such contract to another authorised purchaser. The Government of Siam will prohibit the making of any contract for the purchase of rice for export which is not authorized by the Rice Commission.

In exceptional cases the Rice Commission may order specific rice on board a ship, notifying the rice F.O.B. to a designated purchaser.

The provisions of this paragraph will not apply to any contract entered into before the conclusion of the Tripartite Agreement.

10. As used in this Memorandum the term "purchaser" includes any country or organisation to which the Government of Siam may supply rice at Bangkok under the provisions of Article XIV of the Formal Agreement between the Governments of the United Kingdom and of India and the Government of Siam signed at Singapore on January 1, 1946,¹ as modified by the notes exchanged between His Britannic Majesty's Minister at Bangkok and the Siamese Minister of Foreign Affairs at Bangkok on May 1, 1946.² Procedures whereby rice contracted to be purchased as provided in paragraph 9 may be made available to such a designated purchaser free of cost in accordance with such Article, as so modified, will be made by the Government of Siam and such purchaser without reference to the Rice Commission.

11. The basic contract price for rice to be exported will be *ex mill*, will exclude the cost of bags, and will be for net cash payment in sterling or U.S. dollars. The Rice Commission may, however, authorise contracts F.O.B. when desired by the purchaser and supplier, but all such contracts must be approved by the Rice Commission until such time as a schedule of uniform forwarding charges and lighterage fees is established by the Government of Siam in agreement with the Rice Commission.

The Rice Commission may also authorise contracts when desired by the purchaser and supplier providing for other than net cash payment and for payment in currency other than sterling or U.S. dollars. The terms and the price to be paid and/or the rate of exchange employed must, however, be submitted to the Rice Commission. The Rice Commission will approve such contracts if it is satisfied that they comply with the established prices and prevailing rates of exchange.

12. If rice is lost from any cause after notification of specific rice to a purchaser and prior to the arrival of such rice at a port in the country of destination, the Rice Commission will notify to the purchaser as replacement a similar amount from the pool under

¹ United Nations, *Treaty Series*, Vol. 99, p. 131.

² United Nations, *Treaty Series*, Vol. 99, p. 169.

the same Combined Food Board allocation and authorise a new contract therefor. If there should be substantial losses, the Rice Commission in its discretion may curtail *pro rata* the shares of all purchasers including those suffering losses.

13. Because all export rice will be held as a pool and purchase contracts may be reassigned at the direction of the Rice Commission, it is essential that the certification as to weight and quality of rice purchased for export should be by firms acceptable to all purchasers. The Rice Commission will therefore designate a panel of the firms whose certificates are so acceptable. Each purchaser, except on a reassigned contract, may designate a firm of its own choice from such panel.

14. Each purchase contract will provide that the purchaser will accept all sound rice delivered pursuant to the contract even though inferior to the standard qualities called for in the contract, but that as to any such inferior sound rice so delivered an allowance as to price will be assessed by arbitration.

15. In order to facilitate the prompt export of rice, the Rice Unit of the British Ministry of Food will from time to time as required make bags available under such arrangements as may be agreed upon between the Rice Unit and the Government of Siam providing for the prompt distribution of such bags under guarantee that they will be used only for bagging rice for export and that the cost of such bags, including all expenses of transportation, distribution and necessary overheads, will be paid by the purchasers of the rice.

16. Expenses incurred by the Rice Unit in connexion with the export of rice exported prior to the establishment of the Rice Commission including the cost of bags supplied free of cost, will be applied against the cost of that rice and borne by the recipients. To the extent that expenses were incurred by the Rice Unit on account of Rice exported under the control system of the Rice Commission the Rice Unit will be reimbursed by the purchaser or supplier as the case may be.

17. The Rice Commission will engage such personnel as may be necessary for the proper performance of the functions assigned to it and all personnel and operating expenses of the Rice Commission will be borne by the Governments of the United Kingdom and of the United States of America.

18. The Rice Commission will make such reports to the Rice Committee and to the Sub-Committee of the Rice Committee of the Combined Food Board or successor body as are necessary to the functioning of those committees and are proper under their respective terms of reference.

19. All decisions of the Rice Commission will be reached within the terms of the Tripartite Agreement and this Memorandum of Understanding in accordance with procedures agreed upon between the members of the Rice Commission who will work in close cooperation with each other in reaching the most practicable solution of problems as they arise, with a view to the effective accomplishment of the objectives of the Governments of Siam, of the United States of America, and of the United Kingdom.

II

*The Minister of Foreign Affairs of Siam to His Britannic Majesty's Minister
at Bangkok*

MINISTRY OF FOREIGN AFFAIRS
SARANROM PALACE

No. 2481/2489

6th May, 2489

Monsieur le Ministre,

I have the honour to acknowledge receipt of Your Excellency's note of the same date enclosing a " Memorandum of Understanding " containing a statement of the agreements which were arrived at as a result of recent conversations between you, the American Chargé d'Affaires and myself regarding the policies and procedures for carrying into effect the Tripartite Agreement between the Governments of Siam, the United States of America, and the United Kingdom, relating to Siam rice and certain other commodities in short world supply, signed this day at Bangkok, insofar as the Tripartite Agreement relates to the production and export of Siam rice.

I am happy to inform Your Excellency that the " Memorandum of Understanding " is in accordance with the understanding of my Government and that if the " Memorandum of Understanding " is in accordance with the understanding of the Government of the United States of America your note, the similar note which my Government has received from the American Chargé d'Affaires and the similar note which you inform me has been sent to the American Chargé d'Affaires, together with the respective replies to these notes, will be regarded as placing on record the agreements between the three Governments set forth in the " Memorandum of Understanding ".

I avail myself of this opportunity, Monsieur le Ministre, to renew to Your Excellency the assurance of my highest consideration.

Diréck JAYANAMA
Minister of Foreign Affairs

His Excellency Monsieur G. H. Thompson
His Britannic Majesty's Envoy
Extraordinary and Minister Plenipotentiary
Bangkok

III

His Britannic Majesty's Minister at Bangkok to the Chargé d'Affaires of the United States of America in Siam

BRITISH LEGATION
BANGKOK

(342/3/46)

6th May, 1946

Sir,

[See note I]

I am, Sir,

Yours truly,

(Signed) G. H. THOMPSON

Charles W. Yost, Esq.
Chargé d'Affaires
American Legation
Bangkok

IV

The Chargé d'Affaires of the United States of America in Siam to His Britannic Majesty's Minister at Bangkok

Bangkok, May 6, 1946

Sir,

[See note I]

Sincerely yours,

Charles W. YOST
Chargé d'Affaires

Enclosure :

Memorandum of Understanding

The Honorable G. H. Thompson
H. B. M. Minister
Bangkok

V

The Chargé d'Affaires of the United States of America in Siam to the Minister of Foreign Affairs of Siam

Bangkok, May 6, 1946

Excellency,

[See note I]

(Signed) Charles W. Yost
Chargé d'Affaires

Enclosure :

Memorandum of Understanding

His Excellency Nai Direk Chaianam
Minister of Foreign Affairs
Bangkok

VI

The Minister of Foreign Affairs of Siam to the Chargé d'Affaires of the United States of America in Siam

MINISTRY OF FOREIGN AFFAIRS
SARANROM PALACE

No. 2482/2489

6th May, 2489

Monsieur le Chargé d'Affaires,

[See note II]

Direck JAYANAMA
Minister of Foreign Affairs

Monsieur Charles W. Yost
The American Chargé d'Affaires
Bangkok