

No. 3347

**UNITED STATES OF AMERICA
and
THAILAND**

Exchange of notes constituting an agreement relating to investment guaranties pursuant to section 413 (b) (4) of the Mutual Security Act of 1954, as amended. Washington, 27 August and 1 September 1954

Official text: English.

Registered by the United States of America on 3 May 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
THAÏLANDE**

Échange de notes constituant un accord relatif aux garanties en matière d'investissement prévues à l'alinéa b, 4, de l'article 413 de la loi de 1954 sur la sécurité mutuelle, sous sa forme modifiée. Washington, 27 août et 1^{er} septembre 1954

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 3 mai 1956.

No. 3347. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THAILAND RELATING TO INVESTMENT GUARANTIES PURSUANT TO SECTION 413 (b) (4) OF THE MUTUAL SECURITY ACT OF 1954, AS AMENDED. WASHINGTON, 27 AUGUST AND 1 SEPTEMBER 1954

I

The Secretary of State to the Thai Chargé d'Affaires ad interim

DEPARTMENT OF STATE
WASHINGTON

August 27 1954

Sir :

I refer to conversations which have recently taken place between representatives of our two Governments, relating to guaranties authorized by Section 413 (b) (4) of the Mutual Security Act of 1954.² I also confirm the understandings reached as a result of these conversations as follows :

The Governments of Thailand and of the United States of America will, upon the request of either of them, consult respecting projects in Thailand proposed by nationals of the United States of America with regard to which guaranties under the aforesaid Section 413 (b) (4), have been made or are under consideration. With respect to such guaranties extending to projects which are approved by the Government of Thailand in accordance with the provisions of the aforesaid Section, the Government of Thailand agrees :

a. That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of Thailand will recognize the transfer to the United States of America of any right, title or interest of such person in assets, currency, credits, or other property on account of which such payment was made and the subrogation of the United States of America to any claim or cause of action of such person arising in connection therewith. The Government of Thailand shall also recognize any transfer to the Government of the United States of America pursuant to such guaranty of any compensation for loss covered by such guaranties received from any source other than the Government of the United States of America ;

¹ Came into force on 1 September 1954 by the exchange of the said notes.

² United States of America : 68 Stat. 847 ; 22 U.S.C. § 1933 (b).

b. That Baht amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such Baht amounts will be freely available to the Government of the United States of America for administrative expenditures ;

c. That any claim against the Government of Thailand to which the Government of the United States of America may be subrogated as the result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If, within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government.

Upon receipt of a note from you indicating that the foregoing provisions are acceptable to the Government of Thailand, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of your note in reply.

Accept, Sir, the renewed assurances of my high consideration.

For the Secretary of State :

Walter S. ROBERTSON

The Honorable M. R. Thuaithep Devakul
Chargé d'Affaires ad interim of Thailand

II

The Thai Chargé d'Affaires ad interim to the Secretary of State

THE ROYAL THAI EMBASSY
WASHINGTON 8, D. C.

No. 2576/2497

September 1, 1954

Excellency,

I have the honour to refer to Your Excellency's note dated August 27, 1954, which reads as follows :

[See note I]

I have the honour to state, on behalf of the Government of Thailand, that the understandings between Your Excellency's Government and mine as stated in the note above referred to are correct and hereby confirmed.

Accept, Excellency, the assurances of my highest consideration.

T. DEVARUL
Chargé d'Affaires ad interim

His Excellency John Foster Dulles
Secretary of State
Washington, D. C.