

No. 4043

**UNITED STATES OF AMERICA
and
THAILAND**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act
(with exchange of notes). Signed at Bangkok, on
4 March 1957**

Official text: English.

Registered by the United States of America on 25 October 1957.

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

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I de la loi tendant à développer et à favoriser
le commerce agricole (avec échange de notes). Signé à
Bangkok, le 4 mars 1957**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 25 octobre 1957.

No. 4043. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
THAILAND UNDER TITLE I OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT.
SIGNED AT BANGKOK, ON 4 MARCH 1957

The Government of the United States of America and the Government of Thailand :

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 these commodities, or unduly disrupt world prices of agricultural commodities;

Considering that the purchase for baht of surplus agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the baht accruing from such purchases will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which will govern the sales of surplus agricultural commodities to the Government of Thailand pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended, 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 BAHT

Subject to the issuance by the Government of the United States of America and acceptance by the Government of Thailand during the period ending June 30, 1957, of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of Thailand, for baht, of the following agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act in the amount indicated.

¹ Came into force on 4 March 1957, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Amount (million)</i>
Tobacco	\$2.0
Ocean Transportation (est.)1

Purchase authorizations issued pursuant to the above will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the baht accruing from such sale and other relevant matters.

Article II

USES OF BAHT

1. The two Governments agree that the baht accruing to the Government of the United States of America as a consequence of the 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 amounts shown :

- (a) To help develop new markets for United States agricultural commodities, for international education exchange, for financing the translation, publication and distribution of books and periodicals, and for other expenditures by the Government of the United States of America in Thailand under subsections 104 (a), 104 (f), 104 (h) and 104 (i) of the Act, the baht equivalent of \$0.77 million.
- (b) To provide assistance of the types provided for under subsection 104 (j) of the Act, an amount not to exceed the baht equivalent of \$0.28 million.
- (c) For a loan to the Government of Thailand to promote the economic development of Thailand under subsection 104 (g) of the Act, the baht equivalent of \$1.05 million, the terms and conditions of which will be included in a supplemental agreement between the two Governments. The major portion of this sum will be reserved for relending to private enterprise through established banking facilities under procedures to be agreed upon by the two Governments. It is understood that the loan will be denominated in dollars, with payment of principal and interest to be made in U.S. dollars or, at the option of the Government of Thailand, in baht, such payments in baht to be made at the applicable exchange rate as defined in the loan agreement, in effect on the date of the payment. It is further understood that loan funds shall be disbursed only after prior agreement as to the uses of such loan funds. These and other provisions will be set forth in the loan agreement and any agreement supplemental thereto. In the event the baht set aside for loans to the Government of Thailand are not advanced within three years from the date of this Agreement as a result of failure of the two

Governments to reach agreement on the use of the baht for loan purposes, the Government of the United States of America may use the baht for any other purpose authorized by Section 104 of the Act.

2. In the event the total of baht accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement is less than the baht equivalent of \$2.1 million the amount available for a loan to the Government of Thailand under subsection 104 (g) would be reduced by the amount of such difference; in the event the total baht deposit exceeds the equivalent of \$2.1 million, 50 percent of the excess would be available for the use of the Government of the United States of America under Subsection 104 (f) and 50 percent would be available for the loan.

Article III

DEPOSIT OF BAHT

The deposit of baht to the account of the Government of the United States of America in payment for the commodities and for ocean transportation costs financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) shall be made at the rate of exchange for United States dollars generally applicable to import transactions (excluding imports granted a preferential rate) in effect on the dates of dollar disbursement by United States banks, or by the Government of the United States of America, as provided in the purchase authorizations.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Thailand agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or the use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America), of the surplus agricultural commodities purchased pursuant to the provisions of this Agreement, and to assure that the purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States of America.

2. The two Governments agree that they will take reasonable precautions to assure that sales or purchases of surplus agricultural commodities pursuant to this Agreement will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States of America in these commodities, or materially impair trade relations among the countries of the free world.

3. In carrying out this Agreement the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Government of Thailand agrees to furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to arrivals and conditions of commodities and the provisions for the maintenance of usual marketings and information relating to exports of the same or like commodities.

Article V

CONSULTATION

The two Governments will, upon the request of either of them consult regarding any matter relating to the application of this Agreement or to the operation of arrangements carried out pursuant to this Agreement.

Article VI

ENTRY INTO FORCE

This Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE in duplicate at Ministry of Foreign Affairs Bangkok this 4th day March, 1957.

For the Government
of the United States of America :
Max W. BISHOP

For the Government
of Thailand :
Rak PANYARACHUN

EXCHANGE OF NOTES

I

The American Ambassador to the Thai Acting Minister of Foreign Affairs

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA
AMERICAN EMBASSY

No. 3000

Bangkok, March 4, 1957

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of Thailand signed today¹ and in particular to Article II, Paragraph 1 (a), concerning the development of new markets for United States agricultural commodities.

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between this Embassy and the Ministry of Foreign Affairs with reference to the conversion of an amount not to exceed the baht equivalent of \$50,000 into other currencies upon request by the Government of the United States of America. This facility is requested for the purpose of having funds to pay for international transportation of United States and other personnel engaged in agricultural marketing development activities and supplies and equipment for such purposes. Such conversion as would be made for these purposes would be at the free rate of exchange.

I shall appreciate receiving Your Excellency's confirmation of the above understanding.

Accept, Excellency, the renewed assurances of my highest and most distinguished consideration.

Max W. BISHOP

His Excellency Major Bak Panyarachun
Acting Minister of Foreign Affairs
Bangkok

¹ See p. 236 of this volume.

II

The Thai Acting Minister of Foreign Affairs to the American Ambassador

MINISTRY OF FOREIGN AFFAIRS
SARANROM PALACE

No. 5601/2500

March 4, B. E. 2500¹

Monsieur l'Ambassadeur,

I have the honour to acknowledge the receipt of Your Excellency's Note No. 3000 dated March 4, 1957, reading as follows :

[*See note I*]

In reply, I have the honour to confirm hereby the above understanding of the agreement reached in this connection.

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

Rak PANYARACHUN
Acting for Minister of Foreign Affairs

His Excellency Monsieur Max W. Bishop
Ambassador Extraordinary and Plenipotentiary
of the United States of America
Bangkok

¹ March 4, 1957.