

**No. 3738**

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**UNITED STATES OF AMERICA  
and  
THAILAND**

**Surplus Agricultural Commodities Agreement under Title I  
of the Agricultural Trade Development and Assistance  
Act. Signed at Bangkok, on 21 June 1955**

*Official text: English.*

*Registered by the United States of America on 19 March 1957.*

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

**Accord relatif aux produits agricoles en surplus, conclu  
dans le cadre du titre I de la loi tendant à développer  
et à favoriser le commerce agricole. Signé à Bangkok,  
le 21 juin 1955**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 19 mars 1957.*

No. 3738. SURPLUS AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND THAILAND UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT. SIGNED AT BANGKOK, ON 21 JUNE 1955

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

Considering that the purchase of surplus agricultural commodities produced in the United States for baht 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 govern the sales of surplus agricultural commodities by the Government of the United States of America pursuant to the Agricultural Trade Development and Assistance Act of 1954, 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*

SALE FOR LOCAL CURRENCY

1. Subject to the negotiation and execution of supplemental commodity agreements referred to in paragraph 2 of this Article, the Government of the United States of America undertakes to finance on or before June 30, 1955 the sale for baht of certain agricultural commodities determined to be surplus pursuant to the Agricultural Trade Development and Assistance Act of 1954 to purchasers authorized by the Government of Thailand.

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<sup>1</sup> Came into force on 21 June 1955, upon signature, in accordance with article VI.

2. The two Governments will conclude supplemental agreements which, together with the terms of this Agreement, shall apply to the sale of commodities and the uses of the currency accruing from such sales. The supplemental agreements shall include provisions relating to the sale, transfer and delivery of commodities, the time and circumstances of deposit of such currency, and other relevant matters. The provisions of such supplemental agreements will be incorporated in purchase authorizations issued by the Government of the United States and subject to acceptance by the Government of Thailand.

3. The United States Government agrees to finance the sale to Thailand of tobacco, in C. I. F. value of \$2.0 million during the United States fiscal year 1955, under the terms of Title I of United States Public Law 480 of the 83rd Congress.

Purchase authorizations will be issued by the United States Government up to the above indicated value of this commodity. The commodity will be procured by Thailand importers from the United States private trade at prices and qualities to be negotiated between buyers and sellers.

## *Article II*

### USES OF LOCAL CURRENCY

1. The two Governments agree that baht 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 for the following purposes in the approximate amounts shown :

- (i) The baht equivalent of \$1.2 million, in accordance with subsections (a), (f), and (h) of Section 104 of the Act, for payment of United States Government expenses in Thailand, including activities to help develop new markets for United States agricultural commodities on a mutually benefiting basis, and expenses related to the international educational exchange activities between the United States and Thailand;
- (ii) The baht equivalent of \$0.8 million, in accordance with subsection (g) of Section 104 of the Act, for loans to promote multilateral trade and economic development, made through established banking facilities of Thailand or in any other manner which the United States Government may deem to be appropriate. Loans of baht to borrowers domiciled outside Thailand shall be subjected to prior consultation between the two Governments. Strategic materials, services, or foreign currencies may be accepted in repayment of such loans.

2. The baht currency accruing to the United States under this agreement shall be expended by the United States Government for the purposes stated in paragraph 1 of this Article in such manner and order of priority as the Government of the United States shall determine.

### *Article III*

#### DEPOSITS OF BAHT

The dollar sales value of the commodities reimbursed or financed by the Government of the United States shall be converted into baht at the average Bangkok commercial banks' selling rate for U. S. dollars prevailing on the date of dollar disbursement and shall be deposited to the account of the United States Government at the Bank of Thailand. Such dollar sales value shall include ocean freight and handling reimbursed or financed by the Government of the United States, except that it shall not include any extra cost of ocean freight resulting from a United States requirement that the commodities be transported on United States flag vessels.

### *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 use for other than domestic purposes, (except where such resale, transshipment or use is specifically approved by the Government of the United States) of surplus agricultural commodities purchased under this Agreement pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954, and to assure that its purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States.

2. The two Governments agree that they will take reasonable precautions to assure that all sales of surplus agricultural commodities pursuant to the Agricultural Trade Development and Assistance Act of 1954 will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States 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.

*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 or 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, in the English language, at Bangkok, this twenty-first day of June, 1955.

For the United States of America :

John E. PEURIFOY

United States Ambassador

[SEAL]

For Thailand :

WORAKAN BANCHAI

Acting Minister of Foreign Affairs

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