

No. 813

**UNITED STATES OF AMERICA
and
KOREA**

Agreement on aid. Signed at Seoul, on 10 December 1948

Official texts : English and Korean.

Registered by the United States of America on 29 May 1950.

**ÉTATS-UNIS D'AMÉRIQUE
et
CORÉE**

Accord d'assistance. Signé à Séoul, le 10 décembre 1948

Textes officiels anglais et coréen.

Enregistré par les États-Unis d'Amérique le 29 mai 1950.

No. 813. AGREEMENT¹ ON AID BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF KOREA. SIGNED AT SEOUL, ON 10 DECEMBER 1948

PREAMBLE

The Government of the Republic of Korea having requested the Government of the United States of America for financial, material and technical assistance to avert economic crisis, promote national recovery, and insure domestic tranquility in the Republic of Korea, and

The Congress of the United States of America, in the Act approved June 28, 1948, (Public Law 793, 80th Congress), having authorized the President of the United States of America to furnish assistance to the people of the Republic of Korea, and

The Government of the United States of America and the Government of the Republic of Korea, believing that the furnishing of such assistance, on terms consonant with the independence and security of the Government of the Republic of Korea, will help to achieve the basic objectives of the Charter of the United Nations and the United Nations General Assembly Resolutions on November 14, 1947², and will further strengthen the ties of friendship between the American and Korean peoples :

The undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows :

Article I

The Government of the United States of America will furnish the Government of the Republic of Korea such assistance as the President of the United States of America may authorize to be provided in accordance with the Act of Congress approved June 28, 1948 (Public Law 793, 80th Congress), and any Acts amendatory or supplementary thereto.

Article II

The Government of the Republic of Korea, in addition to making the most advantageous use of all available Korean resources, will make similarly effective use of the aid furnished to the Government of the Republic of

¹ Came into force on 14 December 1948, the date on which notification of ratification by the Korean National Assembly was given to the Government of the United States of America, in accordance with article XI.

² United Nations, document A/519, resolution 112 A (II) and 112 B (II).

Korea by the Government of the United States of America. In order further to strengthen and stabilize the economy of Korea as soon as possible, the Government of the Republic of Korea hereby undertakes to effectuate, among others the following measures :

(a) The balancing of the budget through the exercise of economy in governmental expenditures and the increase of governmental revenues by all practicable means.

(b) The maintenance of such controls over the issuance of currency and the use of private and governmental credit as are essential to the attainment of economic stability.

(c) The regulation of all Foreign Exchange transactions and the establishment of foreign trade controls, including an export and import licensing system, in order to insure that all foreign exchange resources make a maximum contribution to the welfare of the Korean people and recovery of the Korean economy.

(d) The establishment of a rate of exchange for the Korean currency as soon as economic conditions in Korea warrant such action.

(e) The exertion of all possible efforts to attain maximum production, collection and equitable distribution of locally-produced supplies, including the continuance of a program of collection and distribution of indigenously-produced cereal grains designed to

(1) Assure a minimum adequate staple ration at controlled prices for all non-self-suppliers, and where necessary to distribute to indigent and needy persons their fair share of available food supplies; and

(2) Obtain foreign exchange.

(f) The facilitation of private foreign investments in Korea together with the admittance of private foreign traders to transact business in Korea subject to such restrictions as are prescribed in the Constitution and the Laws of the Republic of Korea.

(g) The development of Korean export industries as rapidly as practicable.

(h) The management or disposition of government-owned productive facilities and properties in such a manner as will insure in the general welfare, the furtherance of maximum production.

Article III

1. The Government of the United States of America will appoint an official (hereinafter referred to as the United States Aid Representative) to discharge the responsibilities in Korea of the Government of the United

States of America under the terms of this Agreement. Within the terms of this Agreement, the United States Aid Representative and his staff will assist the Government of the Republic of Korea to make the most effective use of Korea's own resources and of aid furnished to the Government of the Republic of Korea by the Government of the United States of America, thereby to advance reconstruction and promote economic recovery in Korea as soon as possible.

2. The Government of the Republic of Korea agrees to extend diplomatic privileges and immunities to the United States Aid Representative and members of his mission.

3. The Government of the Republic of Korea will furnish all practicable assistance to the United States Aid Representative in order to enable him to discharge his responsibilities. The Government of the Republic of Korea will permit the free movement of employees of the Government of the United States of America engaged in carrying out the provisions of this Agreement to, in or from Korea; facilitate the employment of Korean nationals and residents; authorize the acquisition of facilities and services at reasonable prices; and in other ways assist the United States Aid Representative in the performance of his necessary duties. The Government of the Republic of Korea, in consultation with the United States Aid Representative, will effectuate such mutually acceptable arrangements as are necessary for the utilization of the petroleum storage and distribution facilities, and other facilities which are required to carry out the objectives of this Agreement.

4. The Government of the Republic of Korea will permit the United States Aid Representative and his staff to travel and to observe freely the utilization of assistance furnished to Korea by the Government of the United States of America, and will recognize his right to make such recommendations in respect thereto as he deems necessary for the effective discharge of his responsibilities under this Agreement. The Government of the Republic of Korea will maintain such accounts and records pertaining to the Aid Program, and will furnish the United States Aid Representative such reports and information as he may request.

5. In the event the United States Aid Representative ascertains the existence of abuses or violations of this Agreement, he will so inform the Government of the Republic of Korea. The Government of the Republic of Korea will promptly take such action as is necessary to correct such abuses or violations as are found to exist and inform the United States Aid Representative of action taken. If, in the opinion of the United States Aid Representative, appropriate corrective action is not taken by the Government of the Republic of Korea, he may take such steps as may be appropriate and proper and may recommend to the Government of the United States of America the termination of further assistance.

6. The Government of the Republic of Korea will establish an operating agency to develop and administer a program relating to the requirements, procurement, allocation, distribution, pricing, and accounting for supplies obtained under this Agreement. In the development and execution of such a program the operating agency will consult with the United States Aid Representative.

Article IV

1. The Government of the Republic of Korea will develop an overall economic recovery plan designed to stabilize the Korean economy. An integral part of this economic recovery plan will be an import-export program to be agreed upon by the United States Aid Representative and the Government of the Republic of Korea. In consonance with this agreed upon import-export program, the Government of the Republic of Korea will transmit to the United States Aid Representative fully justified import requirements, together with estimates of export availabilities, this information to be transmitted at such times and in such form as may be desired by the United States Aid Representative.

2. The Government of the Republic of Korea will insure that the periodic allocation of foreign exchange by categories of use will be made in consultation with and with the concurrence of the United States Aid Representative, and that expenditures of foreign exchange will be made in accordance with such allocations.

3. Where it is deemed necessary, the Government of the Republic of Korea will employ foreign consultants and technicians to assure the effective utilization of domestic resources and of equipment and materials brought into Korea under the import-export program. The Government of the Republic of Korea will in each case inform the United States Aid Representative of its intention to employ such individuals.

Article V

1. The Government of the Republic of Korea will take all appropriate steps regarding the distribution within Korea of goods provided by the Government of the United States of America pursuant to this Agreement, and of similar goods imported through the use of other funds or produced locally, to insure a fair and equitable distribution of these supplies at reasonable prices consistent with local economic conditions within the Republic of Korea, and to insure that all such goods are used for the purpose envisaged by this Agreement.

2. The Government of the United States of America shall from time to time notify the Government of the Republic of Korea of the indicated

dollar cost of commodities, services, and technical information (including any cost of processing, storing, transporting, repairing or other services incident thereto) made available to Korea on a grant basis pursuant to this Agreement. The Government of the Republic of Korea, upon notification of such indicated dollar costs, shall thereupon deposit in a special account in its name at the Bank of Chosun a commensurate amount in won, computed at a won-dollar ratio which shall be agreed to at such time between the Government of the Republic of Korea and the United States Aid Representative. The Government of the Republic of Korea will use any balance in the special account, to pay the United States Aid Representative such funds as he may require from time to time to meet the won expenses incurred in the discharge of his responsibilities within Korea, under this Agreement. The remaining sums in the special account may be used only for such other purposes as may be agreed upon from time to time between the Government of the Republic of Korea and the United States Aid Representative.

3. The Government of the Republic of Korea will not permit the re-export of goods provided by the Government of the United States of America pursuant to this Agreement or the export or re-export of commodities of the same character produced locally or otherwise procured, without the concurrence of the United States Aid Representative.

4. The Government of the Republic of Korea will insure that all commodities made available under this Agreement or the containers of such commodities shall, to the extent practicable, be marked, stamped, branded, or labeled in a conspicuous place as legibly, indelibly, and permanently as the nature of such commodities or containers will permit, in such a manner as to indicate to the people of Korea that such commodities have been furnished or made available by the United States of America.

Article VI

1. The Government of the Republic of Korea will undertake to use its best endeavors to cooperate with other countries in facilitating and stimulating an increasing interchange of goods and services with other countries and in reducing public and private barriers to trade with other countries.

2. Pending the entry into force of a Treaty of Amity and Commerce between the Government of the United States of America and the Government of the Republic of Korea, the Government of the United States of America shall accord, immediately and unconditionally, to the merchandise trade of the Republic of Korea treatment no less favorable than that accorded to the merchandise trade of any third country. Similarly,

treatment no less favorable than that accorded to the merchandise trade of any third country shall be accorded, immediately and unconditionally, within the Republic of Korea, to the merchandise trade of the United States of America.

8. Departures from the application of the most-favored-nation treatment provided for in paragraph 2 of this Article shall be permitted to the extent that they are in accord with the exceptions recognized under the General Agreement on Tariffs and Trade, dated October 30, 1947,¹ concluded at the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment, as now or hereafter amended. The provisions of this paragraph shall not be construed to require compliance with the procedures specified in the General Agreement with regard to the application of such exception.

4. The provisions of paragraphs 2 and 3 of this Article shall apply, with respect to the United States of America, to all territory under its sovereignty or authority.

5. The Government of the Republic of Korea shall accord reciprocal most-favored-nation treatment to the merchandise trade of any area in the free territory of Trieste, Japan or Western Germany in the occupation or control of which the Government of the United States participates, for such time and to such extent as such area accords most-favored-nation treatment to the merchandise trade of the Republic of Korea.

6. The provisions of paragraphs 2 and 3 of this Article shall not derogate from such other obligations concerning the matters contained in this Agreement as may at any time be in effect between the Government of the United States of America and the Government of the Republic of Korea.

7. The Government of the Republic of Korea will take the measures which it deems appropriate to prevent, on the part of private or public commercial enterprises, business practices or business arrangements affecting international trade which have the effect of interfering with the purposes and policies of this Agreement.

8. The provisions of this Article and of Article VII shall apply during such period as the Government of the United States of America extends aid to the Government of the Republic of Korea under the terms of this Agreement, unless superseded by a Treaty of Amity and Commerce.

¹ See page 187 of this volume.

Article VII

The Government of the Republic of Korea shall, with respect to commercial, industrial, shipping and other business activities, accord to the Nationals of the United States of America treatment no less favorable than that now or hereafter accorded by the Republic of Korea to Nationals of any third country. As used in this paragraph, the word "Nationals" shall be understood to include natural and juridical persons.

Article VIII

The Government of the Republic of Korea will facilitate the transfer to the United States of America, for stockpiling or other purposes, of materials originating in the Republic of Korea which are required by the United States of America as a result of deficiencies or potential deficiencies in its own resources, upon such reasonable terms of sale, exchange, barter or otherwise, and in such quantities, and for such period of time, as may be agreed to between the Governments of the United States of America and the Republic of Korea after due regard for the reasonable requirements of the Republic of Korea for domestic use and commercial export of such materials. The Government of the Republic of Korea will take such specific measures within the intent of this Agreement as may be necessary to carry out the provisions of this paragraph, including the promotion of the increased production of such materials within the Republic of Korea, and the removal of any hindrances to the transfer of such materials to the United States of America. The Government of the Republic of Korea will, when so requested by the Government of the United States of America, enter into negotiations for detailed arrangements necessary to carry out the provisions of this paragraph.

Article IX

1. The Government of the Republic of Korea and the Government of the United States of America will cooperate in assuring the peoples of the United States of America and of Korea full information concerning the goods and technical assistance furnished to the Government of the Republic of Korea by the Government of the United States of America.

2. The Government of the Republic of Korea will permit representatives of the press and radio of the United States of America to travel and to observe freely and to report fully regarding the receipt and utilization of American aid.

3. The Government of the Republic of Korea will permit representatives of the Government of the United States of America, including such committees of the Congress as may be authorized by their respective houses to observe, advise, and report on the distribution among the people of commodities made available under this Agreement.

4. The Government of the Republic of Korea will cooperate with the United States Aid Representative in providing full and continuous publicity in Korea on the purpose, source, character, scope, amounts and progress of the economic and technical aid provided to the Government of the Republic of Korea by the Government of the United States of America under the provisions of this Aid Agreement.

Article X

1. Any or all assistance authorized to be provided pursuant to this Agreement will be terminated :

(a) If requested by the Government of the Republic of Korea.

(b) If the United Nations finds that action taken or assistance furnished by the United Nations makes the continuance of assistance by the Government of the United States of America pursuant to this Agreement unnecessary or undesirable.

(c) If the President of the United States of America determines that the Government of the Republic of Korea is not adhering to the terms of this Agreement; or whenever he finds, by reason of changed conditions that aid provided under this Agreement is no longer necessary or desirable; or whenever he finds that, because of changed conditions, aid under this Agreement is no longer consistent with the national interests of the United States of America.

Article XI

This Agreement shall become effective with the formal notification to the Government of the United States of America that the Korean National Assembly has consented to this Agreement. It shall remain in force until three (3) months after the day on which either Government shall have given to the other notice of intention to terminate. This Agreement may be amended at any time by agreement between the two Governments.

Article XII

This Agreement shall be registered with the United Nations.

DONE in duplicate, in the English and Korean languages at Seoul, Korea, this 10th day of December 1948. The English and Korean texts shall have equal force, but in the case of divergence, the English text shall prevail.

For the Government of the United States of America :
John J. MUCCIO

For the Government of the Republic of Korea :
LEE, Bumsuk
D. Y. KIM
