

No. 895

UNITED STATES OF AMERICA
and
CHINA

Agreement concerning the transfer of naval vessels and equipment pursuant to United States Public Law 512, 79th Congress of the United States of America (with an exchange of notes). Signed at Nanking, on 8 December 1947

Official texts: English and Chinese.

Registered by the United States of America on 18 August 1950.

ÉTATS-UNIS D'AMÉRIQUE
et
CHINE

Accord relatif à la cession de navires de guerre et de matériel naval conformément à la loi des États-Unis n° 512, 79^{me} Congrès des États-Unis d'Amérique (avec échange de notes). Signé à Nankin, le 8 décembre 1947

Textes officiels anglais et chinois.

Enregistré par les États-Unis d'Amérique le 18 août 1950.

No. 895. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF CHINA CONCERNING THE TRANSFER OF NAVAL VESSELS AND EQUIPMENT PURSUANT TO UNITED STATES PUBLIC LAW 512, 79TH CONGRESS OF THE UNITED STATES OF AMERICA. SIGNED AT NANKING, ON 8 DECEMBER 1947

WHEREAS, the Act of July 16, 1946, United States Public Law 512, 79th Congress, 2nd Session, authorizes, at the request of the Government of the Republic of China, the transfer thereto of Naval vessels and craft not to exceed 271 in number, which are in excess of the Naval needs of the Government of the United States, including floating drydocks of capacity sufficient to accommodate any vessel or craft disposed of under authority of the Act, material necessary for the operation and maintenance of such vessels and craft and for the training of the crews of such vessels and craft and the furnishing of other naval assistance, by sale, exchange, lease, gift or transfer for cash, credit or other property, with or without warranty or upon such other terms and conditions as the President may deem proper; and,

WHEREAS, the Government of the Republic of China has requested the Government of the United States of America to transfer to it certain specified Naval vessels, craft and floating drydocks and to furnish it certain technical advice and assistance in connection with the organization and maintenance by it of a Naval establishment; Now Then,

IT IS HEREBY MUTUALLY AGREED AS FOLLOWS:

Article 1

The Government of the United States of America will cause to be transferred to the Government of the Republic of China those certain Naval vessels, craft and floating drydocks described on Schedule "A" annexed hereto and made a part hereof.

¹ Came into force on 8 December 1947, as from the date of signature, in accordance with article 10.

Article 2

Title to all vessels and floating drydocks transferred pursuant to the provisions of Article 1 hereof shall vest in the Government of the Republic of China at the time of delivery thereof; such delivery to be made "as is, where is", without reimbursement or transfer of funds, and at a time to be mutually agreed upon, but not later than the dates set forth in Schedule "A" annexed hereto and made a part hereof, and to be evidenced by a delivery certificate in the form prescribed by the Government of the United States of America. From and after the delivery of said vessels, the Government of the Republic of China shall hold harmless and indemnify the Government of the United States of America, its officers, agents, servants and employees, against any and all claims, demands, losses, damages, expenses, and costs, regardless of the nature thereof, of every kind and character, whether arising out of contract or in tort, arising out of or connected with the transfer of such property or the use and operation thereof by the Government of the Republic of China. Without limiting the generality of the foregoing, the Government of the Republic of China shall hold harmless and indemnify the Government of the United States of America, its officers, agents, servants, and employees against any and all claims, demands, expenses, damages and costs arising or growing out of the transfer to the Government of the Republic of China of Bofors 40mm guns or guns of similar type made or produced under or pursuant to an agreement dated June 21, 1941¹, between the United States of America and Aktiebolaget Bofors.

Article 3

(a) At the request of the Government of the Republic of China, the Government of the United States of America will, as to any of the vessels transferred "as is, where is" at locations other than those under the control of the Government of the Republic of China, provide the necessary work, services, and materials to repair, recondition, outfit and equip said vessels within the capacity of the facilities available therefor at or near the location of such vessels, upon payment for all of the costs and expenses incurred in connection therewith. The Government of the Republic of China will promptly reimburse the Government of the United States of America for the cost thereof, as is hereinafter provided.

(b) The Government of the United States of America, at the request of the Government of the Republic of China, to the extent that such

¹ Not printed by the Department of State of the United States of America.

materials are available, will furnish such materials from time to time, as are deemed proper by the Government of the United States of America, for the operation and maintenance of any or all of the vessels, craft and floating drydocks transferred hereunder, on the basis of prompt reimbursement by the Government of the Republic of China to the Government of the United States of America for the cost thereof, as is hereinafter provided.

(c) In connection with (i) the transfer of vessels, craft and floating drydocks (ii) the repairing, reconditioning, outfitting, equipping and furnishing of operational and maintenance supplies therefor, and (iii) the organization and maintenance of a Naval establishment by the Government of the Republic of China, the Government of the United States of America, to the extent deemed proper by it and consistent with security classifications, when requested by the Government of the Republic of China, will, (1) furnish plans, blueprints and documents without reimbursement, (2) furnish technical information and advice without reimbursement and (3) participate in and sign a conducted joint inventory of each vessel at the time of delivery without reimbursement.

Article 4

For the purpose of providing the funds required to meet the obligations of the Government of the Republic of China under the provisions of Article 3 hereof, it is agreed that all funds now on deposit with the Government of the United States of America for the payment of the costs and expenses of operation of lend-lease vessels under the Extension Agreement dated June 28, 1946¹, entered into by and between the Government of the United States of America and the Government of the Republic of China, and not required nor obligated services and materials furnished by the Government of the United States of America to the Government of the Republic of China under the terms of said Agreement, shall be retained by the Government of the United States of America and held for the credit of the Government of the Republic of China against duly certified invoices issued by the Government of the United States of America from time to time for work, services, materials, and supplies furnished in accordance with Article 3 hereof, and the Government of the Republic of China agrees to make such further deposits with the Government of the United States of America to be held by said Government for payment of such invoices, as may be requested by the Government of the United States of America from time to time. Failure on the part of the Government of the Republic of China to make deposits requested by the Government of the United

¹ United Nations, *Treaty Series*, Volume 34, page 121.

States of America from time to time, shall relieve the Government of the United States of America from the obligation to furnish any further work, services, materials or supplies until the deposit or deposits requested are made.

Article 5

Notwithstanding any of the provisions of this Agreement, and subject only to such extensions of time as may be granted by the Government of the United States of America, acting by and through the Secretary of the Navy, by reason of the necessity of repair, reconditioning, outfitting, equipping, supplying and training Chinese personnel in the operation thereof, the Government of the Republic of China shall remove each vessel and floating drydock transferred or furnished pursuant to this Agreement, from locations other than those under the control of the Government of the Republic of China, within 120 days from the date of transfer thereof. In the event of failure to remove a vessel or floating drydock from delivery location within the time so limited or within such extension thereof as may be granted by the Government of the United States of America, the Government of the Republic of China shall lose all right, title and interest in and to such vessel or floating drydock and the Government of the United States of America shall make such other disposition thereof as in its sole discretion may be deemed advisable.

Article 6

The Government of the Republic of China will not relinquish physical possession of or transfer title to any of the vessels or floating drydocks or equipment and supplies furnished under this Agreement without the written consent of the Government of the United States of America. Naval information and naval equipment furnished under this Agreement or otherwise, of any security classification whatsoever, will be safeguarded in accordance with the requirements of the security classification imposed thereon by the Government of the United States of America and no disclosure by the Government of the Republic of China thereof to other governments or unauthorized persons will be made without the prior written consent of the Government of the United States of America.

Article 7

So long as this Agreement or any extension thereof shall remain in effect, the Government of the Republic of China shall not engage or accept the services of any personnel of any government other than the Government of the United States of America for duties of any nature connected with the use and operation of the vessels and other craft to be transferred pursuant to this Agreement, except by mutual agreement between the Government of the United States of America and the Government of the Republic of China.

Article 8

This Agreement shall terminate with the expiration of United States Public Law 512, 79th Congress, 2nd Session. However, if at any time the Government of the United States of America shall determine that the transfer of further vessels and craft or the furnishing of materials and assistance no longer continues to be in the public interest, such transfers shall be discontinued.

Article 9

Upon the coming into effect of this Agreement, that part of the "Agreement between the Government of the United States of America and the Government of the Republic of China under Section 3 (c) of the Lend-Lease Act", dated June 28, 1946¹, providing for Naval assistance to China, shall be superseded by the applicable provisions of this Agreement.

Article 10

This Agreement shall come into effect on the date of its signature.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto, have signed this Agreement in the English and Chinese languages, both in duplicate, at Nanking, China, this 8th day of December, 1947, corresponding to the 8th day of the 12th month of the 36th year of the Republic of China.

For the Government of the United States of America:

J. Leighton STUART

Ambassador Extraordinary and Plenipotentiary of the United States of America
at Nanking, China

For the Government of the Republic of China:

WANG SHIH-CHIEH

Minister of Foreign Affairs

¹ United Nations, *Treaty Series*, Volume 34, page 121.

SCHEDULE "A"

PROPOSED LIST OF VESSELS TO BE TRANSFERRED TO CHINA

1. List of vessels transferred to China under Credit Lend-Lease to be recaptured under Lend-Lease Act and recommended for transfer to China under Public Law 512, 79th Congress, 2nd Session, and provisions of Executive Order No. 9843 of April 25, 1947 :

PR 4	LST 1017	LCI (L) 632
DE 6	LST 1050	LCI (L) 514
DE 47	LST 1075	LCI (L) 517
PCE 867	LSM 155	AG 124 (MAUMEE)
PCE 869	LSM 157	LCT 512
AM 257	LSM 285	LCT 515
AM 258	LSM 457	LCT 849
AM 259	LSM 431	LCT 892
AM 260	LSM 433	LCT 1143
LST 537	LSM 442	LCT 1145
LST 557	LSM 456	LCT 1171
LST 755	LCI (L) 233	LCT 1213
LST 1030	LCI (L) 631	AOG 42
LST 993	LCI (L) 417	AFDL 34
LST 716	LCI (L) 418	25 LCM
LST 717	LCI (L) 630	25 LCVP

2. List of vessels now earmarked and recommended for transfer to China under Public Law 512, 79th Congress, 2nd Session, and provisions of Executive Order No. 9843 of April 25, 1947 :

DE 102	Green Cove Springs	PGM 20	Philippines
DE 103	Green Cove Springs	PGM 26	Philippines
DE 104	Green Cove Springs	PGM 12	Philippines
DE 112	Green Cove Springs	PGM 13	Philippines
AM 266	Philippines	PGM 14	Philippines
AM 273	Philippines	PGM 15	Philippines
AM 276	Philippines	SC 518	Philippines
AM 246	Philippines	SC 637	Philippines
AM 274	Philippines	SC 648	Philippines
AM 286	Philippines	SC 698	Philippines
AM 287	Philippines	SC 703	Philippines
AM 216	Philippines	SC 704	Philippines
YMS 339	Philippines	SC 708	Philippines
YMS 346	Philippines	SC 722	Philippines
YMS 367	Philippines	SC 723	Philippines
YMS 2017	Philippines	SC 735	Philippines
PC 490	Philippines	AGS 9 (Armistead Rust)	Philippines
PC 492	Philippines	AOG 22 (Wautauga)	Philippines
PC 593	Philippines	AFDL (c) 36	Guam
PC 595	Philippines	ARL 41	New Orleans
PC 1247	Philippines		
PC 1549	Philippines		

3. Limiting date for transfer : (a) vessels at Green Cove Springs, 31 December 1948; (b) other vessels, 1 July 1948.

4. Schedule of transfer of above vessels to be made by mutual agreement between the Government of the United States of America and the Government of the Republic of China. All vessels to be transferred prior to limiting dates stated in 3 above.

J. Leighton STUART
WANG-SHIIH-CHIEH

EXCHANGE OF NOTES

I

*The American Ambassador
to the Chinese Minister for Foreign Affairs*

AMERICAN EMBASSY

No. 1302

Nanking, December 8, 1947

Excellency :

I have the honor to refer to the "Agreement between the Government of the United States of America and the Government of the Republic of China concerning the Transfer of Naval Vessels and Equipment pursuant to United States Public Law 512—79th Congress of the United States of America" signed today and, in particular, to that sentence in Article 2 of the Agreement which reads "From and after the delivery of said vessels, the Government of the Republic of China shall hold harmless and indemnify the Government of the United States of America, its officers, agents, servants and employees, against any and all claims, demands, losses, damages, expenses, and costs, regardless of the nature thereof, of every kind and character, whether arising out of contract or in tort, arising out of or connected with the transfer of such property or the use and operation thereof by the Government of the Republic of China." It is understood that the claims, demands, losses, damages, expenses, and costs regardless of the nature thereof, of every kind and character, whether arising out of contract or in tort for which the Chinese Government assumes full responsibility, are limited to those which arise from and after the delivery of the vessels and out of or connected with the transfer of the property or the use and operation of it by the Republic of China.

With reference to the concluding sentence of Article 2 of the Agreement, I am authorized to inform Your Excellency that the possible claim of the Aktiebolaget Bofors which may arise out of the transfer to the Government of the Republic of China of Bofors guns is the only claim of this nature of which the United States Navy Department is aware.

Please accept, Excellency, the renewed assurances of my highest consideration.

J. Leighton STUART

His Excellency Dr. Wang Shih-chieh
Minister for Foreign Affairs
Ministry of Foreign Affairs
Nanking

II

The Chinese Minister for Foreign Affairs to the American Ambassador

THE MINISTRY OF FOREIGN AFFAIRS
REPUBLIC OF CHINA

December 8, 1947

Excellency :

I have the honor to acknowledge the receipt of your note of today's date, which reads as follows :

[See note I]

I take pleasure in confirming that the understanding expressed in the above quoted note is agreeable to the Chinese Government.

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

WANG SHIH-CHIEH

His Excellency Dr. J. Leighton Stuart
American Ambassador
Nanking