

No. 3059

**UNITED STATES OF AMERICA
and
CHINA**

**Exchange of notes constituting an agreement relating to the
loan of United States naval vessels to China. Taipei,
13 January 1954**

Official texts: English and Chinese.

Registered by the United States of America on 20 December 1955.

**ÉTATS-UNIS D'AMÉRIQUE
et
CHINE**

**Échange de notes constituant un accord relatif au prêt à
la Chine de navires de guerre des États-Unis. Taïpeh,
13 janvier 1954**

Textes officiels anglais et chinois.

Enregistré par les États-Unis d'Amérique le 20 décembre 1955.

No. 3059. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND CHINA RELATING TO THE LOAN OF UNITED STATES NAVAL VESSELS TO CHINA. TAIPEI, 13 JANUARY 1954

I

The American Ambassador to the Chinese Minister of Foreign Affairs

AMERICAN EMBASSY

No. 46

Taipei, January 13, 1954

Excellency :

I have honor to refer to recent conversations between representatives of our two Governments concerning a loan by the Government of the United States to the Government of the Republic of China of two destroyers, the U. S. S. BENSON (DD-421) and U. S. S. HILARY P. JONES (DD-427). I also confirm the understandings reached as a result of those conversations, as follows :

1. The Government of the Republic of China will retain possession of and will use these destroyers in accordance with the conditions contained in the Mutual Defense Assistance Agreement between our two Governments effected by exchange of notes January 30 and February 9, 1951,² and as supplemented by exchange of notes dated December 29, 1951 and January 2, 1952³.

2. This loan shall remain in effect for a period of five years after the date of delivery of the destroyers loaned under this Agreement. The Government of the United States may, however, request the return of one or both of the destroyers at an earlier date if such action is necessitated by its own defense requirements, in which event the Government of the Republic of China will promptly redeliver the vessel or vessels in accordance with paragraph 6 below.

3. Each vessel, together with its available on-board spares and allowances, including consumable stores and fuel, will be delivered to the Government of the Republic of China at such a place and time as may be mutually agreed upon, the delivery to be evidenced by a delivery certificate. The Government of the Republic of China shall have the use of all outfitting, equipment, appliances, fuel, consumable stores and spares and replacement parts on board the vessels at the time of their delivery.

4. While the Government of the Republic of China may place the vessels under the Republic of China flag, the title to the vessels, and to the appurtenances enumerated in paragraph 3 except fuel, consumable stores, spares and replacement parts, shall remain in

¹ Came into force on 13 January 1954 by the exchange of the said notes.

² United Nations, *Treaty Series*, Vol. 132, p. 273, and Vol. 184, p. 348.

³ United Nations, *Treaty Series*, Vol. 181, p. 161.

the Government of the United States. The Government of the Republic of China shall not, without the consent of the Government of the United States, relinquish physical possession of the vessels or any such appurtenances.

5. The Government of the Republic of China renounces all claims which may arise against the Government of the United States subsequent to the transfer, and will save the Government of the United States harmless from any claim asserted by third parties arising out of the transfer, use or operation of the destroyers.

6. Upon expiration or termination of the loan as provided in paragraph 2 above, the vessels, unless lost, shall be redelivered at a place and time to be specified by the Government of the United States in substantially the same condition, except for fair wear and tear or for damage caused through action by a hostile force, as they were when transferred to the Government of the Republic of China. Any appurtenances of the types enumerated in paragraph 3 on-board the vessels at the time of redelivery shall, if they are not already the property of the United States, become the property of the United States. Should either of the vessels be damaged or lost through action by a hostile force, the Government of the Republic of China will be exempt from liability for such damage or loss. Should either of the vessels sustain damage from any cause, such as in the opinion of the Government of the Republic of China renders it a total loss, the Government of the Republic of China shall consult with the Government of the United States before declaring it a total loss. If either of the vessels is lost from causes other than through action by a hostile force, or if it is not in substantially the same condition at the time of redelivery as it was when originally transferred and such condition is not the result of damage caused through action by a hostile force, the Government of the Republic of China agrees to pay the Government of the United States fair and reasonable compensation as may be agreed upon.

I propose that, if these understandings meet with the approval of the Government of the Republic of China, the present note and your note in reply shall be considered as confirming these understandings, pursuant to the Mutual Defense Assistance Agreement between our two Governments.

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

K. L. RANKIN

His Excellency George K. C. Yeh
Minister of Foreign Affairs
Republic of China
Taipei

[TRANSLATION¹ — TRADUCTION²]

Taipei, January 13, 1954

No. (43) 00451

Excellency :

I have the honor to acknowledge receipt of your note, No. 46, of today's date reading as follows :

[*See note I*]

In reply, I have the honor to accept on behalf of the Government of the Republic of China the arrangements set forth in your note under reference and to state that it is also the understanding of the Chinese Government that your note and this reply shall be regarded as constituting an agreement between our respective Governments and that such agreement shall enter into force as from today's date.

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

KUNG-CHAO YEH

His Excellency Karl L. Rankin
Ambassador of the United States of America

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.