

No. 3216

**UNITED STATES OF AMERICA
and
CHINA**

**Exchange of notes (with annex) constituting an agreement
relating to the loan of United States vessels and small
craft to China. Taipei, 14 May 1954**

Official texts: English and Chinese.

Registered by the United States of America on 6 April 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
CHINE**

**Échange de notes (avec annexe) constituant un accord
relatif au prêt de petites unités navales américaines
à la Chine. Taïpeh, 14 mai 1954**

Textes officiels anglais et chinois.

Enregistré par les États-Unis d'Amérique le 6 avril 1956.

No. 3216. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND CHINA RELATING TO THE LOAN OF UNITED STATES VESSELS AND SMALL CRAFT TO CHINA. TAIPEI, 14 MAY 1954

I

The American Ambassador to the Chinese Minister of Foreign Affairs

AMERICAN EMBASSY

No. 59

Taipei, May 14, 1954

Excellency :

I have the 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 the vessels and small craft identified in the listings annexed to this note. 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 vessels and craft 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 as supplemented by exchange of notes dated December 29, 1951 and January 2, 1952.³

2. This loan shall remain in effect for a period of five years after the date of delivery of each of the vessels and craft loaned under this Agreement. The Government of the United States may, however, request the return of any or all of the vessels or craft at any 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 and craft, 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 or craft at the time of their delivery.

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

¹ Came into force on 14 May 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.

shall remain in 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 craft 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 vessels or craft.

6. Upon expiration or termination of the loan as provided in paragraph 2 above, the vessels or craft, 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 or craft 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 any one of the vessels or craft 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 any one of the vessels or craft 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 any one of the vessels or craft 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, reasonable wear and tear excepted, 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 constituting an agreement 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

A N N E X

SMALL CRAFT DESIGNATED FOR TRANSFER TO THE GOVERNMENT OF THE REPUBLIC OF CHINA

PC Nos. 1182	PC Nos. 1078	PCC No. 1168
1208	1254	PGM No. 31
1233	786	Eight LGMs (no hull
1262	1232	numbers)

[TRANSLATION¹ — TRADUCTION²]

MINISTRY OF FOREIGN AFFAIRS

No. Wai(43)Mei/I-004543

Taipei, May 14, 1954

Excellency :

I have the honor to acknowledge receipt of your note No. 59 of today's date reading as follows :

[*See note I*]

In reply, I have the honor to confirm, on behalf of the Government of the Republic of China, the above understandings.

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

YEH, KUNG-CHAO

Attachment : Transcript of listings annexed to the Ambassador's note No. 59³

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.

³ See p. 167 of this volume.