

No. 4083

UNITED STATES OF AMERICA
and
CHINA

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act
(with exchange of notes). Signed at Taipei, on 14 August
1956**

**Exchange of notes constituting an agreement amending
article I, paragraph 1, of the above-mentioned Agree-
ment. Taipei, 5 and 12 October 1956**

Official texts: English and Chinese.

Registered by the United States of America on 25 November 1957.

ÉTATS-UNIS D'AMÉRIQUE
et
CHINE

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I de la loi tendant à développer et à favoriser
le commerce agricole (avec échange de notes). Signé à
Taïpei, le 14 août 1956**

**Échange de notes constituant un accord modifiant le para-
graphe 1 de l'article premier de l'Accord susmentionné.
Taïpei, 5 et 12 octobre 1956**

Textes officiels anglais et chinois.

Enregistrés par les États-Unis d'Amérique le 25 novembre 1957.

No. 4083. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
THE REPUBLIC OF CHINA UNDER TITLE I OF THE
AGRICULTURAL TRADE DEVELOPMENT AND AS-
SISTANCE ACT. SIGNED AT TAIPEI, ON 14 AUGUST
1956

The Government of the United States of America and the Government of the Republic of China,

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 for New Taiwan Dollars of surplus agricultural commodities produced in the United States will assist in achieving such an expansion of trade;

Considering that the New Taiwan Dollars from such purchases will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which will govern the sales of surplus agricultural commodities to the Republic of China pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, 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

SALES FOR NEW TAIWAN DOLLARS

1. Subject to the issuance and acceptance of the purchase authorizations referred to in paragraph 2 of this Article, the Government of the United States of America undertakes to finance on or before August 31, 1956, the sale for New Taiwan Dollars of certain agricultural commodities determined to be surplus pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended, to the Government of the Republic of China.

2. The United States Government will issue, within the terms of this Agreement, purchase authorizations which shall include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the New Taiwan Dollars accruing from such sales and other relevant matters, and which shall be subject to acceptance by the Government of the Republic of China. Certain commodities and amounts with respect to which tentative agreement has been reached by the two governments are listed in paragraph 3 of this Article.

¹ Came into force on 14 August 1956, upon signature, in accordance with article V.

3. The United States Government undertakes to finance the sale to the Republic of China of the following commodities, in the amounts and approximate quantities indicated, during the United States fiscal year 1956,¹ under the terms of Title I of the said Act and of this Agreement :

<i>Commodity</i>	<i>Export Market Value (Millions of United States Dollars)</i>
Cotton (about 30,000 bales)	5.0
Dairy Products (about 5,070 metric tons)	1.5
Tobacco (about 750 metric tons)	1.7
Inedible Tallow (about 4,400 metric tons)	1.0
Ocean Transportation (estimated 50% of cost)6
	9.8

Article II

USES OF NEW TAIWAN DOLLARS

1. The two governments agree that the New Taiwan Dollars accruing to 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 for the following purposes in the amounts shown :

- (a) To help develop new markets for United States agricultural commodities, to finance international educational exchange activities in the Republic of China, and for other United States expenditures in the Republic of China under sub-sections (a), (f), and (h) of Section 104 of the Act, the New Taiwan Dollars equivalent of US\$4.9 million.
- (b) To procure military equipment, materials, facilities and services for the common defense in accordance with subsection (c) of Section 104 of the Act, the New Taiwan Dollar equivalent of US\$4.9 million, subject to supplemental agreement between the two governments.

2. The New Taiwan Dollars accruing under this Agreement shall be expended by the Government of the United States 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

DEPOSIT OF NEW TAIWAN DOLLARS AND RATE OF EXCHANGE

The deposit of New Taiwan Dollars in payment for the commodities and for ocean freight costs financed by the United States (except excess costs resulting

¹ According to the information provided by the United States of America, the date should read : 1957.

from the requirement that United States flag vessels be used) shall be made at the rate of exchange for United States dollars generally applicable to import transactions (excluding imports granted a preferential rate) in effect on the date of United States dollar disbursement by United States banks or by the United States as provided in the purchase authorizations.

Article IV

GENERAL UNDERTAKINGS

1. The Government of the Republic of China 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 pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, and to assure that its purchase of such commodities does not result in increased availability of those 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 endeavours to develop and expand continuous market demand for agricultural commodities.
4. The Government of the Republic of China agrees to furnish, upon request of the Government of the United States, information on the progress of the program, particularly with respect to arrivals and condition of commodities and the provisions for the maintenance of usual marketings, and information relating to exports of the same and like 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 of arrangements carried out pursuant to this Agreement.

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 and Chinese languages, at Taipei, this Fourteenth day of August, 1956, corresponding to the Fourteenth day of the Eighth month of the Forty-Fifth year of the Republic of China.

For the United States of America :

K. L. RANKIN
[SEAL]

For the Republic of China :

SHEN CHANG-HUAN
[SEAL]

EXCHANGE OF NOTES

I

The American Ambassador to the Chinese Acting Minister of Foreign Affairs

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA
AMERICAN EMBASSY

No. 12

Taipei, August 14, 1956

Excellency :

I have the honor to refer to the "Agricultural Commodities Agreement Between the United States of America and the Republic of China under Title I of the Agricultural Trade Development and Assistance Act" signed at Taipei on August 14, 1956.¹

In pursuance of the provisions of Article IV of the Agreement, the Government of the Republic of China is expected to offer assurances that it will fulfill the following conditions in regard to usual marketings and minimum stocks of commodities enumerated in Article I of the Agreement :

(1) The Republic of China will import a minimum of 100,000 bales of United States cotton under financing other than Title I of Public Law 480 in the United States fiscal year 1956 if shipment takes place before September 30, 1956. If shipment takes place after September 30, 1956, the assurance will apply to the fiscal year 1957. Inasmuch as Public Law 480 cotton must not displace the normal consumption of short-staple cotton provided under Section 402 of the Mutual Security Act of 1954, all short-staple cotton furnished under Title I of Public Law 480 will be used for additional stocks and as a pipeline to assure steadier supplies. In view of the effect of the consumption of these stocks in reducing the "usual marketings" in subsequent years, the Chinese

¹ See p. 261 of this volume.

Government will assure that increased stock position at least equal to imports under Title I of Public Law 480 will be maintained as long as United States aid funds finance imports to meet consumption requirements.

(2) The Republic of China will purchase a minimum of 900,000 U.S. dollars worth of tobacco as "usual marketings" during 1956.

(3) The Republic of China will purchase 1.0 million U.S. dollars in dairy products as "usual marketings" during 1956.

(4) The Republic of China will purchase 1.4 million U.S. dollars worth of tallow as "usual marketings" during 1956.

(5) If the Republic of China requests extension beyond September 30, 1956, of the shipping date for tobacco, dairy products, and tallow imported under Title I of Public Law 480, the Republic of China will import as "usual marketings" in fiscal year 1957 the same amounts of tobacco, dairy products, and tallow from the United States as indicated above for the fiscal year 1956.

A written assurance from the Chinese Government of its acceptance of the foregoing undertakings would be appreciated.

Accept, Excellency, the renewed assurances of my highest consideration.

K. L. RANKIN

His Excellency Shen Chang-huan
Acting Minister of Foreign Affairs
Republic of China

[TRANSLATION¹ — TRADUCTION²]

MINISTRY OF FOREIGN AFFAIRS

No. Wai-45-Mei-1-8863

Taipei, August 14, 1956

Excellency :

I have the honor to acknowledge the receipt of your Excellency's Note No. 12 of today's date, which reads as follows :

[*See note I*]

In reply I have the honor to signify on behalf of the Government of the Republic of China the acceptance of the undertakings set forth in your note under reference.

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

SHEN CHANG-HUAN

His Excellency Karl L. Rankin
Ambassador Extraordinary and Plenipotentiary
of the United States of America
to the Republic of China
Taipei

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

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

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
CHINA AMENDING ARTICLE I, PARAGRAPH 1, OF
THE AGRICULTURAL COMMODITIES AGREEMENT
OF 14 AUGUST 1956.² TAIPEI, 5 AND 12 OCTOBER 1956

I

The American Ambassador to the Chinese Minister of Foreign Affairs

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA
AMERICAN EMBASSY

No. 22

Taipei, October 5, 1956

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement entered into by our two governments August 14, 1956,² providing for financing certain agricultural commodities.

I have the honor to propose that Article I of the agreement of August 14, 1956 be amended by changing the August 31, 1956, date in paragraph 1 to read December 31, 1956.

If you concur in the foregoing this note and Your Excellency's reply thereto will constitute an agreement between our two governments effective on the date of your note in reply.

K. L. RANKIN

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

¹ Came into force on 12 October 1956 by the exchange of the said notes.

² See p. 261 of this volume.

[TRANSLATION¹ — TRADUCTION²]

MINISTRY OF FOREIGN AFFAIRS

No. Wai (45) Mei-1-011453

Taipei, October 12, 1956

Excellency :

I have the honor to acknowledge receipt of your Note No. 22 of October 5, 1956, which reads as follows :

[*See note I*]

In reply, I have the honor to signify on behalf of the Government of the Republic of China the concurrence to the amendment set forth in the above-quoted Note.

George K. C. YEH
[SEAL]

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

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

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