

No. 5129

**UNITED STATES OF AMERICA
and
REPUBLIC OF KOREA**

Agreement (with Memorandum of Interpretation and Understanding) on disposal of United States excess property located in Korea. Signed at Seoul, on 1 October 1959

Official texts: English and Korean.

Registered by the United States of America on 9 May 1960.

**ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE DE CORÉE**

Accord (avec Mémorandum d'interprétation et d'accord) relatif à la liquidation des surplus américains se trouvant en Corée. Signé à Séoul, le 1^{er} octobre 1959

Textes officiels anglais et coréen.

Enregistré par les États-Unis d'Amérique le 9 mai 1960.

No. 5129. AGREEMENT¹ ON DISPOSAL OF UNITED STATES EXCESS PROPERTY LOCATED IN KOREA BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF KOREA. SIGNED AT SEOUL, ON 1 OCTOBER 1959

Whereas, the Government of the United States of America has property in Korea in the possession of its military authorities and which is excess to their needs as a result of which it wishes to dispose thereof by sale in Korea; and

Whereas, the Government of the Republic of Korea consents to the disposal of such excess property in Korea;

It is agreed as follows :

1. The United States Government, when intending to dispose by sale of certain excess property located in the Republic of Korea, shall transmit, through a designated agency, a list of such property to the designated agency of the Korean Government not less than thirty days in advance of the proposed disposal sale. The Korean Government or its designated agency shall have the right of priority of purchase of such property for use by the Korean Government or its subordinate elements at such prices and terms as may be mutually agreed upon. In case negotiations for the sale of such excess property to the Korean Government or its designated agency do not result in mutually agreed prices within thirty days after transmission of such list to the designated agency of the Korean Government, an additional thirty day period for continuation of negotiation may be extended, provided, however, that both Governments shall agree.

2. In case designated representatives of both Governments fail to reach an agreement on prices and terms for disposal of excess property within the maximum period of sixty days as provided in the preceding Article, the United States Government may sell such excess property located in the Republic of Korea on a competitive basis in conformance with the following provisions.

3. Prospective bidders and purchasers for import into the Republic of Korea shall be notified by the United States representative that taxes, such as customs duties and commodity taxes, are required to be paid by the purchaser in accordance with the Korean law. The United States Government shall effect the release of excess property to the successful bidder upon presentation of an import permit duly issued by the Korean Government within twenty days after the date of application.

¹ Came into force on 1 October 1959, the date of signature, in accordance with article 6.

4. If the Korean Government provides notification that in accordance with Korean law or Government regulations, the purchase or possession by the civilian population of certain excess-property listed for sale is for security or other reasons subject to restriction or is prohibited from import by the Korean Government, no sale shall be made thereof for import into the Republic of Korea except in conformity with the provisions of the notification. Such notification shall be furnished to the United States Government within thirty days after submission of the list of property provided in Article I hereof, and notation to such effect shall be included, when applicable, in the offerings for sale. The Korean Government shall reserve the right to restrict disposal of certain items and quantities of excess property which are listed as eligible for import into the Republic of Korea in the "Trade Program" of the Korean Government, if, in the opinion of the Korean Government, the importation of such excess property may jeopardize successful implementation of the "Trade Program." Any items, whether or not prohibited by the Korean Government for importation into Korea, may be sold without restriction for removal from the Republic of Korea. However, the United States Government authorities shall declare the reshipment of excess property to be removed from Korea, as a result of sales involving such removal, to the Republic of Korea Customs Bureau and submit such excess property to the latter at ports of shipment for the examination of items and quantities specified. The Korean Government agrees to complete such examination within ten days after declaration has been made to the Customs Bureau.

5. Sales of excess property located in Korea may be made for Korean or other currencies. Korean currency derived from such sales shall be freely usable for any and all United States Government expenditures in Korea.

6. This agreement shall enter into effect on the date of signing and shall remain in effect until sixty days after either Government shall give notice to the other of its desire to terminate or renegotiate it. It may be amended at any time by mutual agreement.

DONE in duplicate in the English and Korean languages, the two texts having equal authority, at Seoul, this first day of October, 1959.

For the United States of America :
Walter DOWLING

For the Republic of Korea :
KYU HAH CHOI

MEMORANDUM OF INTERPRETATION AND UNDERSTANDING

Subject: INTERPRETATION AND UNDERSTANDING ON THE AGREEMENT ON DISPOSAL OF UNITED STATES EXCESS PROPERTY LOCATED IN KOREA BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF KOREA¹

1. The following is an interpretation and understanding on the Agreement on Disposal of United States Excess Property Located in Korea between the United States of America and the Republic of Korea dated October 1, 1959.¹

2. The words "within the maximum period of sixty days" in Article 2 of the Agreement shall mean that the period of negotiation for the sale of United States excess property be 30 days, provided, however, that an additional 30 day period for the continuation of negotiation may be extended upon mutual agreement.

3. The term "without restriction" in Article 4 of the Agreement means "without being subject to customs duties, taxes or other restrictions by the Government of the Republic of Korea."

4. It is understood that any vehicles to be offered for sale for importation into Korea shall be sold for scrap only.

5. It is the intention of the United States Government under this Agreement to offer its excess property for sale within Korea except those articles the importation into Korea of which is prohibited by the Korean Government. The United States Government shall dispose of this property for importation into Korea when the price offered by negotiated sale to the Korean Government or in a competitive bidding is acceptable to the United States Government authorities.

DONE in duplicate in the English and Korean languages, the two texts having equal authority, at Seoul, this first day of October, 1959.

For the United States of America :
Walter DOWLING

For the Republic of Korea :
KYU HAH CHOI

¹ See p. 122 of this volume.