

No. 5047

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

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act, as  
amended. Signed at Seoul, on 30 June 1959**

*Official text : English.*

*Registered by the United States of America on 14 March 1960.*

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

**Accord relatif aux produits agricoles, conclu dans le cadre  
du titre I de la loi tendant à développer et à favoriser le  
commerce agricole, telle qu'elle a été modifiée. Signé à  
Séoul, le 30 juin 1959**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 14 mars 1960.*

No. 5047. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED STATES  
OF AMERICA AND THE GOVERNMENT OF THE RE-  
PUBLIC OF KOREA UNDER TITLE I OF THE AGRICUL-  
TURAL TRADE DEVELOPMENT AND ASSISTANCE ACT,  
AS AMENDED. SIGNED AT SEOUL, ON 30 JUNE 1959

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The Government of the United States of America and the Government of the Republic of Korea :

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 or normal patterns of commercial trade with friendly countries ;

Considering that the purchase for Korean hwan of surplus agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade ;

Considering that the Korean hwan accruing from such purchase will be utilized in a manner beneficial to both countries ;

Desiring to set forth the understandings which will govern the sales, as specified below, of surplus agricultural commodities to the Government of the Republic of Korea pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), 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 KOREAN HWAN

1. Subject to the issuance by the Government of the United States of America and the acceptance by the Government of the Republic of Korea of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of the Republic of

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<sup>1</sup> Came into force on 30 June 1959, upon signature, in accordance with article VI.

Korea, for Korean hwan, of the following agricultural commodities determined to be surplus pursuant to the Act, in the amounts indicated :

<i>Commodity</i>	<i>Export market value (millions)</i>
Wheat . . . . .	\$20.3
Cotton . . . . .	7.5
Feedgrains . . . . .	0.5
Ocean transportation . . . . .	4.7
TOTAL	\$33.0

2. Purchase authorizations will be issued not later than 90 calendar days after the effective date of this Agreement. They will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the Korean hwan accruing from such sale, and other relevant matters.

## *Article II*

### USES OF KOREAN HWAN

1. The two Governments agree that the Korean hwan accruing to the Government of 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 of America, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, in the amounts shown :

- a. To procure military equipment, material, facilities and services for Korean defense forces in accordance with subsection 104 (c) of the Act, as amended, the hwan equivalent of \$28 million.
- b. For expenditures by the Government of the United States of America in Korea under subsections 104 (f), 104 (h) and 104 (i) of the Act, as amended, the hwan equivalent of \$5 million.

2. To the extent that the total hwan accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement is less than the hwan equivalent of \$33.0 million, the amount available for subsection 104 (c) shall be reduced by the amount of such difference ; in the event the total hwan deposit exceeds the equivalent of \$33.0 million, 15 percent of the excess shall be available for the use of the Government of the United States of America under subsections 104 (f), 104 (h) and 104 (i), and 85 percent shall be available for expenditures under subsection 104 (c).

*Article III*

## DEPOSIT OF KOREAN HWAN

The deposit of Korean hwan to the account of the Government of the United States of America in payment for the commodities and for ocean transportation costs financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) shall be made at the rate of exchange for United States dollars at which the United States Armed Forces have obtained hwan on the dates of dollar disbursements by United States banks, or by the Government of the United States of America, or the nearest preceding date, as provided in the purchase authorization.

*Article IV*

## GENERAL UNDERTAKINGS

1. The Government of the Republic of Korea agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or the use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America), of the surplus agricultural commodities purchased pursuant to the provisions of this Agreement, and to assure that the purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States of America.

2. The two Governments agree that they will take reasonable precautions to assure that all sales or purchases of agricultural commodities pursuant to this Agreement will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States of America in these commodities, or disrupt normal patterns of commercial trade with friendly countries.

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 endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Government of the Republic of Korea agrees to furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to arrivals and conditions of commodities and the provisions for the maintenance of usual marketings and information relating to exports of the same or like commodities.

*Article V*

## CONSULTATION

The two Governments will, upon 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.

*Article VI*

## ENTRY INTO FORCE

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 at Seoul in duplicate this 30th day of June, 1959.

For the Government  
of the United States of America :

Walter C. DOWLING  
American Ambassador

For the Government  
of the Republic of Korea :

SHIN HYON HWACK  
Minister of Reconstruction