

No. 6644

**UNITED STATES OF AMERICA
and
REPUBLIC OF CHINA**

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance Act, as
amended (with exchange of notes). Signed at Taipei,
on 31 August 1962**

Official texts: English and Chinese.

Registered by the United States of America on 22 April 1963.

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

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre IV de la loi tendant à développer et à favoriser le
commerce agricole, telle qu'elle a été modifiée (avec
échange de notes). Signé à Taïpeh, le 31 août 1962**

Textes officiels anglais et chinois.

Enregistré par les États-Unis d'Amérique le 22 avril 1963.

No. 6644. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF THE
REPUBLIC OF CHINA UNDER TITLE IV OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT TAIPEI, ON 31 AUGUST 1962

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 in a manner which would utilize surplus agricultural commodities, including the products thereof, produced in the United States of America to assist economic development in the Republic of China ;

Recognizing that such expanded trade should be carried on in a manner which would not displace cash marketings of the United States of America in those commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries ;

Recognizing further that by providing such commodities to the Republic of China under long-term supply and credit arrangements, the resources and manpower of the Republic of China can be utilized more effectively for economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use ;

Desiring to set forth the understanding which will govern the sales, as specified below, of commodities to the Republic of China pursuant to Title IV of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act) ;

Have agreed as follows :

Article I

COMMODITY SALES PROVISIONS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of China of credit purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance during the fiscal year ending June 30, 1963, or such longer period as may be authorized by

¹ Came into force on 31 August 1962, upon signature, in accordance with article V.

the Government of the United States of America, sales for United States dollars, to purchasers authorized by the Government of the Republic of China, of the following :

<i>Commodity</i>	<i>Approximate Maximum Quantity (Metric tons)</i>	<i>Maximum Export Market Value to be Financed (Millions)</i>
Soybeans	85,000	US\$8.0
Ocean transportation (estimated)	—	.4
	TOTAL	US\$8.4

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified total maximum export market value to be financed, except that additional financing for ocean transportation will be provided if the estimated amount for financing shipments required to be made on United States flag vessels proves to be insufficient. It is understood that the Government of the United States of America will, as price declines or other marketing factors may require, limit the amount of financing provided in the credit purchase authorizations so that the quantities of commodities financed will not substantially exceed the above-specified approximate maximum quantities.

2. Credit purchase authorizations will include provisions relating to the sale and delivery of such commodities and other relevant matters.

3. The financing, sale and delivery of commodities hereunder may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale and delivery is unnecessary or undesirable.

Article II

CREDIT PROVISIONS

1. The Government of the Republic of China will pay, or cause to be paid, in United States dollars to the Government of the United States of America for the commodities specified in Article I and related ocean transportation (except excess ocean transportation costs resulting from the requirement that United States flag vessels be used) the amount financed by the Government of the United States of America together with interest thereon.

2. The principal amount due for commodities delivered in each calendar year under this Agreement, including the applicable ocean transportation costs related to such deliveries, shall be paid in twenty approximately equal annual payments. The first annual payment for commodities delivered in any calendar year shall become due on the thirty-first day of December following the calendar year in which such deliveries were made. Subsequent annual payments shall become due at intervals of one year thereafter provided that the final payment for commodities delivered in

any calendar year shall become due 20 years from the date of last delivery of commodities in such calendar year. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal amount due the Government of the United States of America for commodities delivered in each calendar year shall be computed at the rate of three-quarters of one per centum per annum and shall begin on the date of the last delivery of commodities in such calendar year. Interest on each such unpaid balance shall be paid annually not later than the date on which the annual payment of principal becomes due.

4. All payments shall be made in United States dollars and the Government of the Republic of China shall deposit, or cause to be deposited, such payments in the United States Treasury unless another depository is agreed upon by the two Governments.

5. The two Governments will each establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year.

6. For the purpose of determining the date of the last delivery of commodities for each calendar year, delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier.

Article III

GENERAL PROVISIONS

1. The Government of the Republic of China will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic consumption of the commodities purchased pursuant to the provisions of this Agreement ; to prevent the export of these or similar commodities during the period that these commodities are being received and utilized ; and to ensure that the purchase of these commodities does not result in increased availability of these or similar commodities to nations unfriendly to the United States of America.

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

3. In carrying out the provisions of this Agreement, the two Governments will seek to assure, to the extent practicable, conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and extend continuous market demand for agricultural commodities.

4. The Government of the Republic of China will furnish, upon request of the Government of the United States of America, information on the progress of the program, including the arrival and condition of commodities, imports of commodities which may be required under this Agreement to be purchased from the United States of America or countries friendly to the United States of America in addition to commodities financed under this Agreement, and any exports of the same or like commodities.

Article IV

CONSULTATION

The two Governments, upon request of either of them, will consult regarding any matter relating to the application of this Agreement or to the operation of arrangements entered into pursuant to this Agreement.

Article V

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 in duplicate at Taipei in the English and Chinese languages this thirty-first day of August, 1962, corresponding to the thirty-first day of the eighth month of the fifty-first year of the Republic of China.

For the Government
of the United States of America :

Alan G. KIRK
[SEAL]

For the Government
of the Republic of China :

SHEN Chang-huan
[SEAL]

EXCHANGE OF NOTES

I

The American Ambassador to the Chinese Minister of Foreign Affairs

Taipei, August 31, 1962

No. 2

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of the Republic of China signed today.¹

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of this Embassy and the Government of the Republic of China on two aspects of the Agreement as follows :

1. In expressing its concurrence that the commodities delivered pursuant to the Agreement should not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries or displace cash marketings of the United States of America in these commodities, the Government of the Republic of China agrees that, during the year ending June 30, 1963, the Republic of China will import with its own resources from the United States of America at least 15,000 metric tons of soybeans in addition to the soybeans provided for in the Agreement.

2. The New Taiwan dollars resulting from the sale of commodities financed under the Agreement will be used by the Government of the Republic of China for economic and social development programs as may be generally agreed to by the two Governments.

I shall appreciate receiving your confirmation that the foregoing also represents the understanding of your Government.

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

Alan G. KIRK

His Excellency Shen Chang-huan
Minister of Foreign Affairs
Taipei

¹ See p. 248 of this volume.

[TRANSLATION¹ — TRADUCTION²]

Taipei, August 31, 1962

No. Wai-(51)-Mei-1-13280

Excellency :

I have the honor to acknowledge receipt of your Note No. 2 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, that the foregoing also represents the understanding of my Government.

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

SHEN Chang-huan

[SEAL]

His Excellency Alan Goodrich Kirk
Ambassador of the United States of America
Taipei, Taiwan, China

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

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