

No. 6666

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

**Exchange of notes constituting an agreement relating to
the construction of a scatter wave radio facility in the
vicinity of Yangmingshan, Taiwan (with related letter).
Taipei, 6 August 1958**

Official texts: English and Chinese.

Registered by the United States of America on 24 April 1963.

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

**Échange de notes constituant un accord relatif à la construc-
tion d'une station de diffusion troposphérique d'ondes
radioélectriques à proximité de Yangmingshan (Taïwan)
(avec lettre connexe). Taïpeh, 6 août 1958**

Textes officiels anglais et chinois.

Enregistré par les États-Unis d'Amérique le 24 avril 1963.

No. 6666. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CHINA RELATING TO THE CONSTRUCTION OF A SCATTER WAVE RADIO FACILITY IN THE VICINITY OF YANGMINGSHAN, TAIWAN. TAIPEI, 6 AUGUST 1958

I

The American Ambassador to the Chinese Minister of Foreign Affairs

EMBASSY OF THE UNITED STATES OF AMERICA

Taipei, August 6, 1958

No. 3

Excellency :

I have the honor to state that the United States Government, in the interest of improving the communications network on Taiwan and of the Far East area, desires to construct a scatter wave radio facility at a site known as Chiu-Tzu-Hu, located near Yangmingshan, which has been selected with the approval of the military authorities of the Chinese Government. This facility will not only improve radio communications generally but will contribute materially to the overall defense of Taiwan. The disposition of the facility and personnel necessary to construct, maintain, and operate such facility shall be in accordance with the provisions of Article VII of the Mutual Defense Treaty between the United States and the Republic of China.²

To facilitate the necessary construction and operations regarding this activity I propose the following understandings between our two Governments :

1. Pending completion of the status of forces and military facilities agreement now under negotiation between the Governments of the United States and the Republic of China, the United States armed forces and the members thereof, civilian employees of the United States Government who are United States nationals, and the dependents of the foregoing personnel, who enter Taiwan to carry out the functions contemplated by these understandings, shall in their relations with the Government of China be accorded the same privileges, exemptions and immunities enjoyed by the United States Government and the members of the United States Military Assistance Advisory Group (MAAG) pursuant to the exchanges of notes between the two Governments regarding this activity

¹ Came into force on 6 August 1958 by the exchange of the said notes.

² United Nations, *Treaty Series*, Vol. 248, p. 213.

at Taipei, Taiwan on January 30 and February 9, 1951¹ and on October 23 and November 1, 1952.²

2. The Chief, MAAG, or his representatives may select and engage such individual persons, corporations, companies, and partnerships of United States nationality, herein referred to as "Contractors", as he may deem necessary for purposes of carrying out the functions contemplated in these understandings. It is, of course, understood that local unskilled laborers will be used exclusively and local Contractors will be engaged to the maximum practicable extent. Such of the Contractors and their sub-contractors as must be brought into Taiwan shall not be required to hold license or to register in order to perform in Taiwan the work contemplated by these understandings, nor to maintain a resident representative after completion of their contract and after fulfilment of their contractual obligations assumed in their dealings with residents of Taiwan or government agencies of the Republic of China. Terms and conditions of employment of Contractor personnel brought into Taiwan pursuant to this understanding shall be exempt from the application of laws and regulations of the Government of the Republic of China. It is of course understood that terms and conditions of employment of residents of Taiwan will be subject to Chinese law.

3. The Government of the Republic of China, at times appropriate to the orderly and economical prosecution of the agreed construction work, and without cost to the United States Government, its Contractors or sub-contractors, will, on request, place at the disposal of the Chief, MAAG, areas necessary for carrying out the construction and related work contemplated by these understandings. The term "necessary areas" shall be understood to include in addition to the real estate on which construction will be performed, rights to use of water available, rights of entry for purposes of survey, and such borrow areas, spoil areas, quarry sites and aggregate production sites in streams or elsewhere as may be necessary, together with rights of ingress and egress and rights to remove such materials or deposit excess materials as may be necessary to the agreed construction work. Such necessary areas other than the real estate on which the facility will be located shall cease to be at the disposal of Chief, MAAG, upon completion of the construction work contemplated by these understandings.

4. The Government of the Republic of China will hold the Government of the United States, its Contractors and their sub-contractors harmless for such destruction of any buildings, streets, roads, public utilities and improvements of any kind on real property placed at the disposal of the Chief, MAAG, as necessary to the construction work contemplated by these understandings. Should any relocations of facilities be required or resettlement costs be involved, relocation and resettlement shall be accomplished by the Government of the Republic of China at its own expense and at such time as not to interfere with the orderly and economical prosecution of the work.

5. All property, materials, equipment and supplies imported into or re-exported from Taiwan by the Government of the United States or by its Contractors or their sub-contractors brought into Taiwan, in connection with the agreed construction or work related thereto and certified to as such by the Chief, MAAG, shall be accorded the same customs and tax exemptions as are accorded MAAG under the Mutual Defense Assistance

¹ United Nations, *Treaty Series*, Vol. 132, p. 273.

² United Nations, *Treaty Series*, Vol. 184, p. 348.

Agreement. Such property, materials, equipment and supplies, if procured in Taiwan, and services procured in Taiwan, shall be exempt from Commodity Tax, Salt Tax and other readily detectable taxes. In the event that problems arise in effectuating such tax exemptions, the Government of the Republic of China and the Government of the United States shall agree upon procedures which will effect such tax exemptions or similar relief. Such property, materials, equipment and supplies as do not become a part of the completed works shall remain the property of the Government of the United States or its Contractors or sub-contractors brought into Taiwan, and may be removed from Taiwan at any time or may be disposed of in Taiwan by such owners in accordance with measures to be agreed upon by the two governments and, in the case of Contractors and sub-contractors brought into Taiwan, subject to claims resulting from contractual obligations assumed in dealings with residents of Taiwan or the Government of the Republic of China. In event of disposal in Taiwan any applicable customs duty or tax will be paid by the purchaser in accordance with the laws and regulations of the Republic of China. The Government of the Republic of China will take all reasonable steps within the framework of its laws to prevent any unwarranted increases in the prices of either materials or services, including transportation, and in fees for port facilities, purchased or utilized by the Chief, MAAG, or by United States Contractors or their sub-contractors to carry out the functions contemplated by these understandings.

6. All vehicles and equipment imported into Taiwan by the Government of the United States or by its Contractors and sub-contractors brought into Taiwan, to carry out the functions contemplated by these understandings, when certified as such by the Chief, MAAG, shall bear license tags or markings of the same kind as are assigned to MAAG vehicles and equipment of similar types, and such vehicles and equipment shall not be subject to taxes or fees relating to their registration or licensing in Taiwan. Operators of such vehicles and equipment shall carry at all times a valid operator's permit as may be required by the Chinese Government, which, except in the case of residents of Taiwan, shall be issued without charge. Prior consultation with the appropriate authorities of the Republic of China shall be required in regard to movements on land or water of such vehicles and equipment which are necessary to the completion of the work contemplated by these understandings but are in conflict with existing laws or regulations limiting the use of roads or waterways to certain types of vehicles.

7. Contractors and sub-contractors and their employees and dependents, who enter Taiwan to carry out the functions contemplated by these understandings shall be granted the same personal customs and tax exemptions as are granted members of MAAG under the Mutual Defense Assistance Agreement. Not more than one motor vehicle per family may be imported duty free for personal use, with the understanding that such vehicles may not be disposed of in Taiwan, but must be exported upon departure of the owner.

8. Contractors selected by the Chief, MAAG, shall have the right, subject to his approval, to select such sub-contractors, from either within or outside Taiwan, as may be necessary for the performance of the contemplated construction work and the discharge of their contractual obligations to MAAG, again with the understanding that local sub-contractors will be used to the maximum practicable extent and provided that such sub-contractors as must be brought into Taiwan, unless of United States nationality, shall be engaged only with prior approval of the Government of the Republic of China.

9. Access to the immediate location of the installation will be restricted to personnel authorized to have access pursuant to order of the officer in charge of the activity.

On behalf of the United States Government, I would appreciate a reply from the Chinese Government of its acceptance of the foregoing understandings. This note, together with Your Excellency's note in reply, shall be considered as constituting an agreement between the two Governments, to enter into force on the date of Your Excellency's note in reply. It is further understood that the foregoing provisions may be amended at any time by mutual agreement.

Accept, Excellency, the assurances of my highest consideration.

Everett F. DRUMRIGHT

His Excellency Huang Shao-ku
Minister of Foreign Affairs
Republic of China
Taipei

[TRANSLATION¹ — TRADUCTION²]

No. Wai-47-Mei-1-011447

Taipei, August, 6, 1958

Excellency :

I have the honor to acknowledge receipt of Your Excellency's Note No. 3 of today's date reading as follows :

[See note I]

In reply, I have the honor to signify on behalf of the Government of the Republic of China its concurrence in the foregoing understandings and to confirm that Your Excellency's note and this note constitute an agreement between the two governments, effective from the date of this note.

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

[SEAL] Shao-ku HUANG

His Excellency Everett F. Drumright
Ambassador of the United States of America
Taipei

RELATED LETTER

*The Counselor, American Embassy, to the Director, American
Department, Chinese Ministry of Foreign Affairs*

AMERICAN EMBASSY
TAIPEI, TAIWAN

August 6, 1958

Dear Mr. Hsu :

In connection with the exchange of notes of today's date³ expressing our two Governments' understandings concerning a radio communications facility project undertaken by the Chief of the United States Military Assistance Advisory Group in Taiwan, it is my Governments' understanding that without prejudice to any other arrangements which may be negotiated or may be concluded in the future, contractors, sub-contractors and their employees, irrespective of nationality, who are utilized in Taiwan for purposes of carrying out the functions contemplated in these under-

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

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

³ See p. 4 of this volume.

standings, shall be subject to the laws of the Republic of China, except in regard to the rights, privileges and exemptions specifically provided in the exchange of notes referred to above.

For the Ambassador :

Joseph A. YAGER
Counselor of Embassy

Mr. Hsu Shao-chang
Director, American Department
Ministry of Foreign Affairs
Republic of China
Taipei, Taiwan