

No. 11250

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

Agreement on the use of certain United States Government-owned New Taiwan dollars to accrue under Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended. Signed at Taipei on 14 January 1971

Authentic texts: English and Chinese.

Registered by the United States of America on 4 August 1971.

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

Accord sur l'utilisation, conformément aux dispositions du titre I de la loi de 1954 tendant à développer et à favoriser le commerce agricole, tel qu'il a été modifié, de certaines sommes en nouveaux dollars de Taiwan appartenant au Gouvernement des États-Unis. Signé à Taïpeh le 14 janvier 1971

Textes authentiques: anglais et chinois.

Enregistré par les États-Unis d'Amérique le 4 août 1971.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF CHINA ON THE USE OF CERTAIN UNITED STATES GOVERNMENT-OWNED NEW TAIWAN DOLLARS TO ACCRUE UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954, AS AMENDED

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

Recognizing that approximately 800 Million New Taiwan Dollars owned by the United States of America will accrue under the Agricultural Commodity Agreement of January 14, 1971;²

Considering that the intention of both countries in said Agreement was that up to fifty percent of such New Taiwan Dollars be used by the Government of the Republic of China to supplement its international cooperation programs; and

Desiring to set forth understanding and procedures which will govern the use of such New Taiwan Dollars:

Have agreed as follows:

Article I

The Government of the United States, subject to the terms of this Agreement, will grant to the Government of the Republic of China up to 396,000,000 New Taiwan Dollars, but in no event more than fifty percent of the New Taiwan Dollars, accruing under the Agricultural Commodity Agreement of January 14, 1971.

The funds will be disbursed at least quarterly, or as otherwise agreed upon, to the Government of the Republic of China for deposit pursuant to Article VII herein, in accordance with a schedule to be agreed upon between the parties as necessary for expenditures on projects previously agreed upon by the Government of the United States and the Government of the Republic of China pursuant to Article V herein. In implementing programs hereunder, the

¹ Came into force on 14 January 1971 by signature, in accordance with article XI.

² See p. 43 of this volume.

Government of the Republic of China will give appropriate recognition to this contribution of the Government of the United States in a manner acceptable to both Governments.

Article II

The Government of the Republic of China agrees to use the New Taiwan Dollars granted under this Agreement solely for its international cooperation programs. These programs in developing friendly countries will primarily but not exclusively emphasize self-help measures and technical cooperation in areas of increased food production, processing, distribution, and related programs.

Article III

In planning projects, the Government of the Republic of China will take into consideration: (a) the self-help measures of the cooperating countries; (b) other similar projects in the cooperating countries; and (c) the development priorities of the cooperating countries.

Article IV

The Government of the Republic of China will provide from its own resources up to 264 million New Taiwan Dollars for this program, and will continue to furnish the foreign exchange necessary for this program. These funds are to be in addition to the New Taiwan Dollars granted by the Government of the United States under the terms of this Agreement.

Article V

The Government of the Republic of China will be responsible for administration and implementation of the program. The proposals of the Government of the Republic of China as to the cooperating countries, the projects to be undertaken in those countries, and the scope and emphasis of the program, including the relationship of the proposed activities to the programs of the United States Government and private organizations of the United States in those countries, will be agreed on with the Government of the United States prior to implementation of such proposals by the Government of the Republic of China.

Article VI

The Government of the United States and the Government of the Republic of China will consult, upon the request of either, regarding any matter relating to this Agreement.

Article VII

The Government of the Republic of China will establish a special account in the Central Bank of China or the Bank of Taiwan in the name of the Government of the Republic of China (hereinafter called the "Exchange of Resources Special Account") in which will be deposited the funds granted pursuant to this Agreement. Expenditures may be made from this Exchange of Resources Special Account by the Government of the Republic of China for any program or project mutually agreed on by the two Governments in accordance with Article V. Any unencumbered balance remaining in this account three years from the date of last delivery of commodities provided pursuant to the Agricultural Commodity Agreement of January 14, 1971 shall, unless the United States elects otherwise, revert to the Government of the United States and will be available to it for any United States uses.

Article VIII

1. The Government of the Republic of China will communicate to the Government of the United States in a form and at intervals to be indicated by the latter after consultation with the Government of the Republic of China:

- a.* Detailed information regarding projects and programs funded under this Agreement or otherwise related thereto;
- b.* Full statements of operations under this Agreement, including a statement of the use of funds received hereunder, such statements to be made every six months; and,
- c.* Any other relevant information which the Government of the United States may need to determine the nature and scope of operations, and to evaluate the effectiveness of the programs by the Government of the Republic of China with funds granted by this Agreement.

2. Upon request by the Government of the United States, the Government of the Republic of China will facilitate visits, at appropriate times, to the projects carried out under this grant by authorized representatives of the Government of the United States.

Article IX

Upon request by the Government of the United States, the Government of the Republic of China will promptly redeposit in the Exchange of Resources Special Account from its own local currency resources, other than those provided under this grant, the entire amount (or such lesser amount as may be requested) that the Government of the United States determines has not been expended in accordance with the terms of this Agreement. Any such amounts not redeposited prior to closing of the Exchange of Resources Special Account under Article VII, and any amounts so requested subsequent to such time, shall be refunded directly to the Government of the United States and be available to it for any United States uses.

Article X

In the administration of the Exchange of Resources Special Account, the Government of the Republic of China will arrange that adequate audits are conducted or other controls are exercised to assure that approved activities are carried out, and objectives reached, in a manner consistent with these arrangements. The Government of the United States shall have the right to conduct end-use checks and independent audits with respect to the utilization of the Exchange of Resources Special Account.

Article XI

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 January of the year One Thousand Nine Hundred and Seventy One, corresponding to the Fourteenth day of the First month of the Sixtieth year of the Republic of China.

For the Government
of the United States of America:

[Signed]

WALTER P. McCONAUGHY

For the Government
of the Republic of China:

[Signed]

WEI TAO-MING