

No. 7711

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

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at Taipei,
on 31 December 1964**

Official texts: English and Chinese.

Registered by the United States of America on 26 April 1965.

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

**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
(avec échange de notes). Signé à Taïpeh, le 31 décembre
1964**

Textes officiels anglais et chinois.

Enregistré par les États-Unis d'Amérique le 26 avril 1965.

No. 7711. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
THE REPUBLIC OF CHINA UNDER TITLE I OF THE
AGRICULTURAL TRADE DEVELOPMENT AND AS-
SISTANCE ACT, AS AMENDED. SIGNED AT TAIPEI,
ON 31 DECEMBER 1964

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 and with other friendly nations in a manner which would not displace usual marketings of the United States of America 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 New Taiwan dollars of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the New Taiwan dollars 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 agricultural commodities to the Republic of China 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 NEW TAIWAN DOLLARS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of China of purchase authorizations and to the availability of the specified commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance during calendar year 1965 the sales for New Taiwan dollars, to purchasers authorized by the Government of the Republic of China, of the following agricultural commodities in the amounts indicated :

¹ Came into force on 31 December 1964, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Export Market Value (millions)</i>
Wheat	\$14.77
Tobacco	1.26
Ocean transportation (estimated)	2.52
	TOTAL \$18.55

2. Applications for purchase authorizations will be made within 90 days after the effective date of this agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of New Taiwan dollars accruing from such sale, and other relevant matters.

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

Article II

USES OF NEW TAIWAN DOLLARS

The New Taiwan dollars 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 proportions shown.

A. For United States expenditures under subsections (a), (b), (d), (f) and (h) through (t) of Section 104 of the Act, or under any of such subsections, 25 percent of the New Taiwan dollars accruing pursuant to this agreement.

B. For grant to the Government of the Republic of China under subsection (c) of Section 104 of the Act, 70 percent of the New Taiwan dollars accruing pursuant to this agreement. In the event that agreement is not reached on the use of the New Taiwan dollars for grant under subsection (c) of Section 104 of the Act within three years from the date of this agreement, the Government of the United States of America may use the New Taiwan dollars for any purpose authorized by Section 104 of the Act.

C. For loans to be made by the Agency for International Development of Washington (hereinafter referred to as AID) under Section 104 (e) of the Act and for administrative expenses of AID in the Republic of China incident thereto, 5 percent of the New Taiwan dollars accruing pursuant to this agreement. It is understood that :

- (1) Such loans under Section 104 (e) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in the Republic of China for business development and trade expansion in the Republic of China and to United States firms and to Republic of China firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products.
- (2) Loans will be mutually agreeable to AID and the Government of the Republic of China, acting through the Council for International Economic Cooperation and Development (hereinafter referred to as CIECD). The Chairman of CIECD, or his designate, will act for the Government of the Republic of China, and the Administrator of AID, or his designate, will act for AID.
- (3) Upon receipt of an application which AID is prepared to consider, AID will inform CIECD of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.
- (4) When AID is prepared to act favorably upon an application, it will so notify CIECD and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to that prevailing in the Republic of China on comparable loans, provided such rates are not lower than the cost of funds to the United States Treasury on comparable maturities, and the maturities will be consistent with the purposes of the financing.
- (5) Within sixty days after the receipt of the notice that AID is prepared to act favorably upon an application, CIECD will indicate to AID whether or not CIECD has any objection to the proposed loan. Unless within the sixty-day period AID has received such a communication from CIECD, it shall be understood that CIECD has no objection to the proposed loan. When AID approves or declines the proposed loan it will notify CIECD.
- (6) In the event the New Taiwan dollars set aside for loans under Section 104 (e) of the Act are not advanced within three years from the date of this agreement because AID has not approved loans or because proposed loans have not been mutually agreeable to AID and CIECD, the Government of the United States of America may use the New Taiwan dollars for any purpose authorized by Section 104 of the Act.

Article III

DEPOSIT OF NEW TAIWAN DOLLARS

1. The amount of New Taiwan dollars to be deposited to the account of the Government of the United States of America shall be the equivalent of