

Source: TIAS 3264

UNITED STATES OF AMERICA and KOREA

RELIEF SUPPLIES AND EQUIPMENT: Duty-Free Entry and Exemption From Internal Taxation

April 22, 1955, Date-Signed; May 2, 1955, Date-Signed

May 2, 1955, Date-In-Force

EXCELLENCY:

I have the honor to refer to recent conversations between representatives of our Governments concerning voluntary relief activities and to confirm the understandings reached as a result of those conversations:

1. The Government of the Republic of Korea shall accord dutyfree entry into Korea, as well as exemption from internal taxation, of supplies of goods approved by the Government of the United States, donated to or purchased by United States voluntary nonprofit relief and rehabilitation agencies qualified under United States Government Regulations, and consigned to such organizations, including branches of these agencies in Korea which have been or hereafter shall be approved by the Government of the Republic of Korea as bona fide voluntary nonprofit relief and rehabilitation organizations.

2. Such supplies may include goods of types qualified for ocean freight subsidy under applicable United [*2] States Government Regulations, such as basic necessities of food, clothing and medicines, and other relief supplies and equipment in support of projects of health, sanitation, education and recreation, agriculture and promotion of small selfhelp industries, but shall not include tobacco, cigars, cigarettes, alcoholic beverages, or items for the personal use of agencies' field representatives, as well as other items importation of which into Korea is prohibited by the Government of the Republic of Korea.

3. Duty-free treatment on importation and exportation, as well as exemption from internal taxation, shall also be accorded to supplies and equipment imported by the above mentioned organizations for the purpose of carrying out operations under this Agreement, provided that advance approval shall be obtained for items the importation of which is prohibited by the Government of the Republic of Korea and the amounts of other items imported under this Article.

4. The cost of transporting such supplies and equipment (including port, handling, storage, and similar charges, as well as transportation) within Korea to the ultimate beneficiary will be borne by the Government of the Republic [*3] of Korea, provided that the Korean Government has participated in the allocation and distribution of the said supplies and equipment.

5. The supplies furnished by the voluntary agencies shall be considered supplementary to rations to which individual would otherwise have been entitled.

6. Individual organizations carrying out operations under this Agreement may enter into additional arrangements with the Government of the Republic of Korea, and this Agreement shall not be construed to derogate from any benefits secured by any such organizations in existing agreements with the Government of the Republic of Korea.

7. A Joint Committee shall be established in Seoul as the means for consultation and decision between Korea and the United States on all matters relating to the interpretation and implementation of this Agreement. The Joint Committee shall be composed of a representative of the Government of the Republic of Korea and of the Government of the United States, each of whom shall have one or more deputies. The Joint Committee shall determine its own procedures, and arrange for such administrative service as may be required. The Joint Committee shall be so organized that it may meet [*4] immediately at any time at the request of the representative of either party.

I have the honor to propose that, if these understandings meet with the approval of your Government, this note with its attached Memorandum of Interpretation and your Excellency's note in reply constitute an agreement between our two Governments which shall enter into force on the date of your Excellency's reply, to remain in force until three months after the receipt by either Government of written notice of the intention of the other to terminate it.

Accept, Excellency, the renewed assurances of my most distinguished consideration.

Enclosure: Memorandum of Interpretation

MEMORANDUM OF INTERPRETATION

With respect to the present Agreement on Voluntary Relief Activities the following understandings are made between the two parties:

1. For the purposes of Articles 2 and 3, lists of such prohibited items of special concern to the Korean Government will be supplied from time to time for the information of the voluntary agencies by the Ministry of Health and Social Affairs of the Korean Government based on the regulations established by the Ministry of Commerce and Industry.

New prohibitions or restrictions, [*5] however, shall not go into effect with respect to supplies and equipment under this Agreement before the expiration of three months or shall not apply to such supplies and equipment already procured for shipment to Korea at the time of publication.

2. It is understood that exceptions to the general rule above may be made, if specific authorizations have been obtained from the Korean Government for particular cases.

3. The Joint Committee will establish procedures for efficient and expeditious operation under this Agreement. In case the Joint Committee fails to reach agreement within ten days on any matter, it may be referred to the respective Governments for settlement through appropriate channels on the initiative of either side of the Committee.

4. Concerning the statement in the Agreement that the Korean Government has participated in the "allocation and distribution of the said supplies and equipment," the following procedure will be adopted and is considered as satisfying this provision of the Agreement:

Each shipment will be cleared by the Ministry of Health and Social Affairs and the Bureau of Customs for expeditious clearance through customs.

For any items included on the [*6] current list of the Ministry of Health and Social Affairs, the agencies will submit requests for importation prior to the shipment of the items to

Korea, also, for any items to be used for the administration of the agency, requests for importation will be submitted prior to the shipment of the items to Korea.

Copies of clearance forms for each shipment will provide a record of items actually imported by the agencies.

Through periodic reports to the Ministry of Health and Social Affairs the agencies will give information on their activities which will include their general methods of allocation and distribution of supplies and the selection of beneficiaries of the agencies' programs. The reports will also include lists of institutions and projects receiving continuing basic support from the agencies. The reports will include any major changes in the program of the agencies. Apart from periodic reports the Ministry of Health and Social Affairs may ask the agencies to submit reports or answer questions on any specific matter. The Ministry of Health and Social Affairs in its concern for the development and coordination of overall welfare programs in Korea may make recommendations and comments [*7] to the agencies concerning their programs.

In case of natural disasters or other dire emergencies the Ministry of Health and Social Affairs may seek the assistance of the agencies in meeting the need. For the information and encouragement of the voluntary agencies the Ministry of Health and Social Affairs may supply from time to time lists of items the importation of which under this Agreement is deemed especially desirable.

Each voluntary agency operating under this Agreement will register annually with the Ministry of Health and Social Affairs.

5. With reference to Article 4 of the Agreement (i. e., payment of the cost of inland transportation including port, handling, storage and similar charges as well as transportation, of supplies and equipment imported under the Agreement), the Office of Supply of the ROK Government expects to pay the costs referred to above on such supplies and equipment from the holds of vessels in Korean ports through all intermediate stages down to and including those at the terminal distribution centers maintained by the voluntary agencies. These terminal distribution centers will be determined and listed by the Joint Committee, provided for in Article [*8] 7 of the Agreement, in consultation with the voluntary agencies.

Payment of these costs, referred to above, will be made in accordance with the procedures to be agreed upon between the Office of Supply and the voluntary agencies.

6. It is a firm policy of the Korean Government to encourage the relief activities of the voluntary agencies and to facilitate their operations under this Agreement. It is desirable that insofar as it is in accord with the major objectives of the individual voluntary agencies these operations shall be conducted in a manner most likely to effect the maximum contribution to the welfare of the Korean people.

The Korean Minister of Foreign Affairs to the American Charge d'Affaires ad interim

REPUBLIC OF KOREA

MINISTRY OF FOREIGN AFFAIRS

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SEOUL, *May 2, 1955*

SIR:

I have the honour to acknowledge receipt of your note No. 136 dated April 22, 1955, with an attached Memorandum of Interpretation, setting forth the terms for the voluntary relief activities. This Government accepts, with pleasure, the terms from 1 to 7 as specified in your note, and confirms the contents of the Memorandum of Interpretation attached thereto, with the understanding [*9] that the exchange of your note and this is to effect the intended agreement. The agreement thus effected comes into force on the date of this note and will remain in force until three months after the receipt by either Government of a written notice of the intention of the other to terminate it.

Accept, Sir, the renewed assurance of my highest consideration.

SIGNATORIES:
CARL W. STROM

His Excellency

PYUN YUNG-TAI,

Foreign Minister of the Republic of Korea.

Y. T. PYUN

Minister of Foreign Affairs

[SEAL]

The Honorable CARL W. STROM

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