



Treaty Series No. 39 (1948)

Exchange of Notes

constituting an Agreement between
the Government of the United Kingdom
and the Government of the Republic of China
for the Transfer of certain British Naval Vessels
to China and the Mutual Waiver of Claims
in respect of the Loss of other Vessels

[with Annex]

London, 18th May, 1948

*Presented by the Secretary of State for Foreign Affairs
to Parliament by Command of His Majesty*

LONDON
HIS MAJESTY'S STATIONERY OFFICE

ONE PENNY NET

Cmd. 7457

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM
AND THE GOVERNMENT OF THE REPUBLIC OF CHINA
FOR THE TRANSFER OF CERTAIN BRITISH NAVAL
VESSELS TO CHINA AND THE MUTUAL WAIVER OF
CLAIMS IN RESPECT OF THE LOSS OF OTHER VESSELS

London, 18th May, 1948

No. 1

Mr. Ernest Bevin to Dr. Cheng Tien-Hsi

Your Excellency,

Foreign Office, 18th May, 1948.

In order to assist in the post-war reconstruction of the Chinese Navy and to consolidate the association between the Royal Navy and the Chinese Navy, which has continued for seventy years, and in order to show their goodwill towards the Government of the Republic of China, His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland are willing to make an agreement with the Government of the Republic of China on the following terms:—

- (1) His Majesty's Government shall transfer to the Government of the Republic of China the ownership of the cruiser H.M.S. Aurora and H.M. Harbour Defence Motor Launches 1033, 1047, 1058, 1059, 1068, 1390, 1405, and 1406 (all of which Launches are at present on loan to the Government of the Republic of China). The transfer shall be made on the 19th May, 1948.
- (2) His Majesty's Government shall also lend to the Government of the Republic of China the destroyer H.M.S. Mendip for a period of five years on the terms set forth in the annex to the present note. Possession of H.M.S. Mendip shall be formally transferred by His Majesty's Government to the Government of the Republic of China on the 19th May, 1948.
- (3) With effect from the date of completion of the transfers mentioned in paragraphs (1) and (2) above, His Majesty's Government waive all claims which they have or may have against the Government of the Republic of China arising out of the loss of H.M.S. Petunia, which was lent to the Government of the Republic of China on the 12th January, 1946, and was sunk in collision off Formosa on the 20th March, 1947.
- (4) In consideration of the foregoing, the Government of the Republic of China waive, with effect from the date of completion of the transfers mentioned in paragraphs (1) and (2) above, all claims which they, or the Chinese Maritime Customs on their behalf, have or may have against His Majesty's Government with respect to the six patrol vessels of the Chinese Maritime Customs, Chunhsing, Hohsing, Tehhsing, Haihui, Feihsing and Haiping, which were requisitioned by the Commodore, Hong Kong, on the 11th March, 1941, and were subsequently either lost or fell into Japanese hands.

2. If the above terms are acceptable to the Government of the Republic of China, I propose that this note and your Excellency's reply to that effect shall constitute an agreement between His Majesty's Government and the Government of the Republic of China on the terms set forth above and that the agreement shall come into force on this day's date.

I have, &c.

(Sd.) ERNEST BEVIN.

ANNEX TO NO. 1

H.M.S. Mendip (hereinafter referred to as "the vessel") shall be lent by His Majesty's Government in the United Kingdom to the Government of the Republic of China for a period of five years commencing from the date of formal transfer of possession in a United Kingdom port. At the end of this period the Government of China will return the vessel to His Majesty's Government unless alternative arrangements shall have been agreed between the two Governments. The Government of China undertake to restore the vessel to His Majesty's Government at any time during the period of the loan upon receiving from His Majesty's Government three months' notice to do so.

2. The vessel shall be transferred free of charge in good sea-going condition and shall in all respects be complete with armaments and with the necessary stocks of fuel, and of armament, naval, medical and victualling stores required on board.

3. All costs of maintenance of the vessel during the period of loan, including the cost of necessary spares and stores, and the cost of refit, repair and upkeep, shall be defrayed by the Chinese Government. The Lords Commissioners of the Admiralty will supply, at the expense of the Chinese Government, any spare parts and special material which cannot be obtained from commercial sources.

4. The vessel shall be maintained at the expense of the Chinese Government at the same standard of efficiency as vessels of the same class in the Royal Navy. Any alteration or addition incorporated by the Lords Commissioners of the Admiralty in the same class of vessels shall, at their request, be carried out in the vessel on loan at the joint expense of His Majesty's Government and of the Chinese Government, the cost of such alterations and additions being shared equally between the two Governments. Alterations and additions of Chinese origin, or otherwise than of British origin, may be incorporated in the vessel only with the consent of the Lords Commissioners of the Admiralty and at the expense of the Chinese Government. The necessary liaison will be established between the technical departments of the Admiralty and those of the Chinese Naval Headquarters.

5. The Chinese Government undertake to carry out periodical inspections and surveys of machinery, hull, armament and other equipment, as laid down for His Majesty's ships.

6. The vessel shall remain the property of His Majesty's Government and her name shall not be changed except with the consent of His Majesty The King.

7. The vessel shall be returned to His Majesty's Government in good condition and with a full establishment of naval and armament stores. The

Chinese Government accordingly undertake to be responsible for the cost of any refit found to be necessary for this purpose and for the cost of the replenishment of naval and armament stores found to be deficient.

8. In the event of the vessel being lost during the period of loan from any cause whatsoever or otherwise so damaged as not to permit of her being of further service, the Chinese Government shall on demand pay to His Majesty's Government in sterling the depreciated value of the vessel as assessed by the Lords Commissioners of the Admiralty together with the value of all armament, spares and stores on board at the commencement of the loan.

9. In the event of the vessel while on loan causing damage in respect of which compensation may be payable to a third party such compensation shall be paid by the Chinese Government.

No. 2

Dr. Cheng Tien-Hsi to Mr. Ernest Bevin

Your Excellency, *Chinese Embassy,
London, 18th May, 1948.*

I HAVE the honour to acknowledge the receipt of your Excellency's note of to-day's date, which reads as follows:—

[As in No. 1]

I have the honour on behalf of the Government of the Republic of China to accept the terms set forth in your Excellency's note and to confirm that your Excellency's note together with this note shall constitute an agreement between His Majesty's Government and the Government of the Republic of China on the above terms which shall come into force on this day's date.

I have, &c.

(Sd.) TIEN-HSI CHENG.

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