

# Text of the Sino-Japanese Trade Agreement

The China Committee for the Promotion of International Trade (first party) and the Delegation of the Japanese Diet Members' Union to Promote Japan-China Trade (second party), for the purpose of developing trade between China and Japan and strengthening the friendly relations between the peoples of China and Japan, have reached the following agreement after negotiations based on principles of equality and mutual benefit and on the Sino-Japanese Trade Agreement signed on June 1, 1952, in Peking.

Article 1. Both parties agree that within the effective term of the Agreement, the total value of exports or imports by each party shall be 30 million pounds sterling.

Article 2. The classification of commodities to be exported by both parties (which will be found in the detailed list appended to the Agreement) and their percentages of the total value—on the basis of exchange of commodities of the same class—are as follows:

Commodities to be exported from China:

Class A comprises 35 per cent of the total value.

Class B comprises 40 per cent of the total value.

Class C comprises 25 per cent of the total value.

Commodities to be exported from Japan:

Class A comprises 35 per cent of the total value.

Class B comprises 40 per cent of the total value.

Class C comprises 25 per cent of the total value.

Article 3. Trade between the two parties shall proceed on a barter basis and its value will be calculated only in terms of pounds sterling.

Article 4. The Agreement shall be implemented by definite contracts signed between the China National Import-Export Corporation or other state-owned Chinese companies for foreign trade and Japanese industrial or commercial firms through mutual consultation. The contracts shall specify the quantity, standards, method of transaction, prices and the time and place of delivery, etc., for the commodities to be imported or exported.

Article 5. Methods of transportation and clearance shall be decided on by the two parties through consultation when definite contracts of transactions are signed.

Article 6. Payment for commodities exported from China shall be made in accordance with the certificate issued by the China Bureau for the Examination of Commodities after examination as to their qualities and weights. Payment for commodities exported from Japan shall be made in accordance with the certificate issued by the Japanese agency for the examination of commodities after examination as to their qualities and weights (fees for examination of export commodities shall be borne by the seller). However, the buyer shall have the right to re-examine commodities on arrival at the port of destination.

Commodities imported by China shall be re-examined by the China Bureau for the Examination of Commodities; and those imported by Japan by the Japanese agency for the examination of commodities. In case qualities and weights, etc., do not correspond with those stipulated in the contracts, compensation shall be claimed from the seller, except for such changes in qualities and weights of commodities as are due to natural causes occurring en route during transportation. The period during which compensation can be claimed

shall be stipulated separately in the definite contracts. Fees for re-examination of commodities shall be borne by the buyer.

Article 7. All disputes arising from the implementation of the contracts or any other disputes in connection with the contracts shall be settled by the two parties through consultation. In case the two parties fail to settle the disputes through consultation, they shall be arbitrated by an arbitration committee to be set up by the two parties. Arbitration shall take place in China within the effective term of the Agreement.

Article 8. The effective term of the present Agreement shall begin on the date of its signing and expire on December 31, 1954. It may, however, be appropriately extended by mutual agreement of the two parties if trade under its provisions fails to reach the total amount stipulated in the trade agreement at the expiration of the term.

Article 9. The Agreement is signed on October 29, 1953, in Peking. The text is made in two copies each in the Chinese and Japanese languages. One Chinese and one Japanese copy of the Agreement shall be handed to each party, both of which are equally valid.

#### Appendix to the Sino-Japanese Trade Agreement Classified List of Commodities

##### *Exports from China:*

Class A. Iron ore, manganese ore, soya beans and coal.

Class B. Salt, magnesium ore, magnesite ore, bauxite, china clay, kaolin, fluor-spar, apatite,

asbestos, antimony, bristles, wool, brown cashmere, feathers, tung oil, mixed beans, oil-bearing seeds and materials, ramie, wild silk, etc.

Class C. Talc, graphite, gypsum, rhubarb, pigskins, rugs, lacquer, cotton waste, silk waste, strawbraid, white bran, seed cakes, resin, gallnuts, licorice, medicinal herbs, cinnamon, musk, star-aniseed, etc.

##### *Exports from Japan:*

Class A. Copper, aluminium ingots, steel plates, steel pipes and tubes, tin plates, black steel sheets, galvanised iron sheets, steel drum sheets, structural steel materials, railway equipment, heavy machinery, ocean-going vessels, refrigerator steamers.

Class B. Textile machinery and accessories, cranes, ball bearings, miscellaneous machinery, radio equipment and materials, trucks, automobiles and parts, electrical equipment, motorcycles, optical instruments, medical apparatus, pharmaceuticals, pharmaceutical raw materials, antibiotics, sulfa drugs, insecticides, chemical raw materials, chemical fertiliser (ammonium sulphate, calcium diphosphate, calcium cyanamide), synthetic fibres, high-speed printing ink, dyestuffs, etc.

Class C. Agricultural machinery, scientific instruments, calculating machines, typewriters, bicycles, sewing machines, clocks and watches, household electrical instruments, household radio and television sets, recorders, amplifiers, photographic materials, fishing tools, fishing nets, marine products, edible seaweed, cotton cloth, cotton yarn, miscellaneous paper, etc.

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