

THE SECOND UNOFFICIAL SINO-JAPANESE TRADE AGREEMENT, SIGNED IN PEKING,  
OCTOBER 29, 1953

The China Committee for the Promotion of International Trade and Japan /the Diet Members' League for the Promotion of Sino-Japanese Trade/, in order to develop the trade between Japan and China and to strengthen the friendship between the Japanese and Chinese people, have reached an agreement as follows after conferring on the basis of equality and reciprocity and on the basis of the Sino-Japanese trade agreement signed in Peking on June 1, 1952.

Article 1. The amount of exports and imports of the two parties within the period of validity of this agreement shall be set at 30 million pounds sterling each.

Article 2. The principle shall be the exchange of goods in the same class. The classification of exports and imports of both parties and the percentage of each category against the total sum shall be as follows:

Exports from China:

Class A — 35% of the total

Class B — 40% of the total

Class C — 25% of the total

Exports from Japan:

Class A — 35% of the total

Class B — 40% of the total

Class C — 25% of the total

Article 3. The trade of both parties shall be carried out on a barter basis. Prices shall be calculated in pounds sterling.

Article 4. This agreement shall be implemented by mutually discussing and signing concrete contracts between the China Export-Import Company and other Chinese state-owned foreign trading companies, and Japanese merchants and industrialists. The amount of goods to be exported and imported, standards, method of handling, prices, dates and places for transferring the goods shall be determined in these contracts.

Article 5. When concrete contracts are concluded, both parties will confer and decide on the method of transportation and payments.

Article 6. The payments for Chinese exports shall be conditional on inspection certificates of quality and weight being issued by China's Commodity Inspection Bureau. The payment for Japanese exports shall be conditional on inspection certificates of quality and weight being issued by a Japanese commodity inspection body. (Expenses for the inspection of exports shall be borne by the seller.) .But the purchaser may inspect cargoes after they arrive at destination ports. Chinese imports shall be re-inspected by China's Commodity Inspection Bureau; and Japanese Imports shall be re-inspected by Japan's commodity Inspection body. In case the quality, weight, etc. fail to meet the conditions specified in the contracts, the purchaser may claim compensation. But in case spontaneous changes in quality and weight occur in the course of -transportation, the purchaser shall not demand compensation. The period within which demands for compensation may be made shall be specified in the concrete contracts. Expenses for re-inspection shall be borne by the purchaser.

Article 7i Disputes arising in fulfilling a contractor any dispute relative to a contract shall be resolved through consultations between the two parties. In case talks between the two parties-fail to resolve the dispute, the two parties shall organize an arbitration committee and submit the dispute to arbitration. Such arbitration shall be conducted in China within the period of validity of this agreement.

Article: 8. The period of validity of this agreement shall: be from the day it is signed to December 31, 1954. In case the amount specified in this trade agreement is not attained by the end of this period, after the situation has been considered, the period may be extended

Article 9. This agreement shall be signed in Peking on October 29, 1953\* Two copies of the agreement shall be drawn up, one in Chinese and one in Japanese; the Chinese text and the Japanese text each form part of the true text; and the two texts shall have the same force and effect. /Signed In Peking, October 29, 1953