

DOC. 1024-B

AGREEMENT REGARDING PAYMENT ARISING
FROM THE ENFORCEMENT OF THE JAPAN-
GERMAN TRADE PACT.

(PAYMENT AGREEMENT)

AGREEMENT REGARDING PAYMENT ARISING FROM THE
ENFORCEMENT OF THE JAPAN-GERMANY TRADE TREATY.

(AGREEMENT REGARDING PAYMENT)

In accordance with the provisions of the agreement regarding trades signed today in Berlin between Japan and Germany (the Trade Treaty), the undersigned have concluded the following articles regarding Payment arising from the enforcement of the above agreement:

ARTICLE 1.

A part of the payment against German goods imported into Japan under "Normal transactions", provided in Article 1 of the Trade Treaty, shall be executed through the freely accessible foreign exchange, according to the usual forms of international payment.

The remaining part of the payment against German goods imported into Japan under "Normal transactions" shall be liquidated against payment to be made for Japanese goods imported into Germany under "Normal transactions".

To execute the liquidation mentioned in the previous paragraph, special accounts No.1 in "Reich Mark" shall be established for the convenience of the Yokohama Specie Bank at the Hamburg Branch of the same bank. Payment for Japanese products imported into Germany under "Normal transactions" shall be made in "Reich Mark" and shall be paid into the special account mentioned above. Payment for German goods imported into Japan under "Normal transactions" regarding that part mentioned in the previous paragraph shall be made from the previously mentioned account in "Reich Mark".

ARTICLE 2.

Payments made from "ASUKI" (Special Accounts within the country for foreigners), or payment made by means of private liquidation transactions, shall not be recognized as the payment made under "Normal Transactions".

ARTICLE 3.

The Government of one of the two countries shall issue permits for payment (or foreign exchange permit) necessary for

the importation of goods from the other country bound by the Trade Treaty and if necessary shall also issue permits for import.

ARTICLE 4.

The issue of permits mentioned in the preceeding article shall, under "Normal transactions", as far as the nature of the transaction permits, be allotted as equally as possible over the space of a year.

ARTICLE 5.

Total payment for part of the German goods imported into Japar under "Special transactions" provided in Article 2 of the Trade Treaty, shall be made through liquidations similarly against payment to be made for a part of the Japanese goods imported into Germany under "Special Transactions".

To execute the liquidation mentioned in the previous paragraph, special account No.II in "Reich Mark" shall be established for the convenience of the Yokohama Specie Bank at the Hamburg Branch of the same bank. Payment for Japanese goods mentioned in the previous paragraph shall be made in "Reich Mark" and shall be paid into the account mentioned above. Payment for German goods shall be made from the above mentioned account in "Reich Mark".

ARTICLE 6.

Fifty percent of the payment for the German goods imported into Japar under "Special Transactions" which are not liquidated according to the provisions of the preceeding article, shall be liquidated against the payment to be made for Japanese goods imported into Germany under "Special transactions" which are not liquidated according to the provisions of the preceding Article.

To execute the liquidation mentioned in the previous paragraph, special account No.III in "Reich Mark" shall be established for the convenience of the Yokohama Specie Bank at the Hamburg Branch of the same bank. Payment for Japanese goods mentioned in the previous paragraph shall be made in "Reich Mark", and shall be paid into the account mentioned above. Payment for German goods which should be liquidated according to the provisions of the previous paragraph shall be made from the above account in "Reich Mark". Fifty percent of the remaining payment for German goods mentioned in the first paragraph of this Article, shall be made from Special Account No.4 in "Reich Mark", which will be established for the convenience of the Yokohama Specie Bank at the Hamburg Branch of the same bank by the Bankers Syndicate of Germany or the credit due to the Yokohama Specie Bank.

Matters regarding the credit mentioned above shall be decided by agreement to be concluded between the Yokohama Specie Bank and the Bankers Syndicate of Germany. The above agreement shall receive the recognition of competent government officials.

ARTICLE 7.

The conditions regarding the establishment of "Reich Mark" Special Accounts No. 1, No. 2, No. 3, and No. 4 provided in Article 1, Article 5, and Article 6 of this Agreement, as well as the conditions for the utilization of these Accounts, shall be decided by agreement, which shall be concluded between the Yokohama Specie Bank and the "Reichs Bank", and the agreement shall receive the recognition of competent government officials of both countries.

ARTICLE 8.

This present agreement shall come into effect from the day the Trade Treaty takes effect, and shall remain valid for the same duration as the above-mentioned Treaty.

Upon the expiration of the term of the Trade Treaty or when the Treaty is denounced before the term expires, Special Accounts No. 1, No. 2, No. 3, and No. 4 "Reich Mark" provided in the foregoing Articles 1, 5 and 6, shall be settled in accordance with the provisions of this agreement.

Done in duplicate in Japanese and German of which both are equally effective, in Berlin on - the 14th year of Showa , or corresponding with this - - -day of - - - 1939.