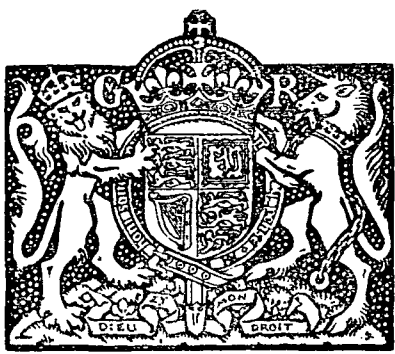


4735
JAPAN



Treaty Series No. 31 (1934)

Convention

between His Majesty in respect of India and
the Emperor of Japan
regarding

Commercial Relations between India and Japan

With Protocol

London, July 12, 1934

[Ratifications exchanged at London on October 22, 1934]

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

LONDON

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Cmd. 4735

CONVENTION BETWEEN HIS MAJESTY IN RESPECT OF INDIA
AND THE EMPEROR OF JAPAN REGARDING COMMERCIAL
RELATIONS BETWEEN INDIA AND JAPAN, WITH PROTOCOL.

London, July 12, 1934.

[Ratifications exchanged at London on October 22, 1934.]

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, and His Majesty the Emperor of Japan, desiring to facilitate trade and commerce between India and Japan, have decided to conclude a Convention for this purpose and have accordingly appointed as their Plenipotentiaries:—

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India:

For India:

The Rt. Hon. Sir John Allsebrook Simon, G.C.S.I., K.C.V.O., M.P., His Principal Secretary of State for Foreign Affairs;

The Rt. Hon. Sir Samuel John Gurney Hoare, Bt., G.C.S.I., G.B.E., C.M.G., M.P., His Secretary of State for India;

His Majesty the Emperor of Japan:

His Excellency Mr. Tsuneo Matsudaira, His Imperial Majesty's Ambassador Extraordinary and Plenipotentiary at the Court of St. James;

Who, having communicated their full powers, found in good and due form, have agreed as follows:—

ARTICLE 1.

The territories to which the present Convention applies are, on the part of His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, British India, together with States in India which, by treaty with His Majesty the King or otherwise, may be entitled to be placed with regard to the stipulations of the present Convention on the same footing as British India (such territories being hereinafter referred to as India); and on the part of His Majesty the Emperor of Japan, all the territories and possessions belonging to or administered by His Majesty the Emperor (such territories being hereinafter referred to as Japan).

ARTICLE 2.

Articles produced or manufactured in the territories of one of the High Contracting Parties, on importation into the territories of the other, from whatever place arriving, shall not be subjected to duties or charges other or higher than those imposed on like articles produced or manufactured in any other foreign country.

ARTICLE 3.

Notwithstanding anything contained in the present Convention, the Government of India shall have the right of imposing or modifying from time to time special customs duties on the importation into India of articles produced or manufactured in Japan, other or higher than those imposed on like articles produced or manufactured in any other foreign country, at such rates as the Government of India may consider to be necessary to correct the effects of any variation of the exchange value of the yen relative to the rupee subsequent to the 31st day of December, 1933; provided that no modification in any such rate shall be made until it has been in force for at least five weeks.

In imposing or modifying or on being requested by the Government of Japan to modify such special customs duties, the Government of India shall give full consideration to all relevant factors which tend to raise the export prices of articles produced or manufactured in Japan, and shall limit the rates of such duties to what is necessary to correct the effects of any variation of the exchange value of the yen relative to the rupee on the duty-paid value of articles produced or manufactured in Japan and imported into India.

Reciprocally, the Government of Japan shall have the right of imposing or modifying from time to time special customs duties on the importation into Japan of articles produced or manufactured in India, other or higher than those imposed on like articles produced or manufactured in any other foreign country, at such rates as the Government of Japan may consider to be necessary to correct the effects of any variation of the exchange value of the rupee relative to the yen; provided that such right shall not accrue to the Government of Japan so long as the exchange value of the rupee relative to the yen is not below the value of 0.732 yen, and that no modification of any such rate shall be made until it has been in force for at least five weeks.

In imposing or modifying or on being requested by the Government of India to modify such special customs duties, the Government of Japan shall give full consideration to all relevant factors which tend to raise the export prices of articles produced or manufactured in India, and shall limit the rates of such duties to what is necessary to correct the effects of any variation of the exchange value of the rupee below 0.732 yen on the duty-paid value of articles produced or manufactured in India and imported into Japan.

ARTICLE 4.

While reserving to the Government of India and to the Government of Japan the right to make such changes in their customs tariffs as may be necessary for the protection of their own interests, the High Contracting Parties agree that when any modification of its customs tariff by either country results in the trade interests of the other being adversely affected in any appreciable measure, the Governments of the two countries shall, upon the request of the Government of the country adversely affected, forthwith enter into negotiations with the object of reconciling as far as possible the interests of the two countries.

ARTICLE 5.

The present Convention shall be ratified. The instruments of ratification shall be exchanged in London as soon as possible. The date on which the instrument of ratification of each of the High Contracting Parties has been completed will be communicated to the other through diplomatic channels, and the present Convention shall enter into force, in advance of the exchange of the instruments of ratification, as from the date on which the later of the two communications required under the present Article shall have been made.⁽¹⁾

ARTICLE 6.

The present Convention shall remain in force until the 31st day of March, 1937.

In case neither of the High Contracting Parties shall have given notice to the other six months before the said date of his intention to terminate the Convention, it shall continue operative until the expiration of six months from the date on which either of the High Contracting Parties shall have given notice of termination to the other.

In witness whereof the respective Plenipotentiaries have signed the present Convention and have affixed thereto their seals.

Done at London, in duplicate, this twelfth day of the seventh month of the 9th year of Showa, corresponding to the twelfth day of July, 1934.

For India :

(L.S.) JOHN SIMON.

(L.S.) SAMUEL HOARE.

For Japan :

(L.S.) T. MATSUDAIRA.

(1) The convention entered into force on September 14, 1934.

PROTOCOL.

At the moment of proceeding this day to the signature of the Convention regarding the Commercial Relations between India and Japan, the undersigned Plenipotentiaries, being duly authorised to that effect, have agreed as follows regarding the importation of Japanese cotton piece-goods into India :—

ARTICLE 1.

For the purposes of the present Protocol :—

The expression "cotton year" means a year beginning on the 1st day of January ;

The expression "cotton piece-goods year" means a year beginning on the 1st day of April ;

A cotton piece-goods year and the cotton year in which that cotton piece-goods year begins are referred to as "corresponding" ; and

The expression "yard" means a linear yard.

ARTICLE 2.

The customs duties to be imposed on importation into India of cotton piece-goods manufactured in Japan shall not exceed the following rates :—

(a) Plain greys—50 per centum *ad valorem* or $5\frac{1}{4}$ annas per pound, whichever is higher ;

(b) Others—50 per centum *ad valorem*.

If hereafter the Government of India should decide to impose a specific duty on cotton piece-goods other than plain greys, it will not impose on such piece-goods, being the manufacture of Japan, a specific duty exceeding $5\frac{1}{4}$ annas per pound.

ARTICLE 3.

(1) If in any cotton year 1 million bales of raw cotton are exported from India to Japan, the quantity of cotton piece-goods which may be exported from Japan to India in the corresponding cotton piece-goods year shall be a basic allotment of 325 million yards.

(2) If the exports of raw cotton from India to Japan in any cotton year are less than 1 million bales, the allotment of cotton piece-goods for the corresponding cotton piece-goods year shall be the basic allotment diminished by 2 million yards for every 10,000 bales of the deficit or for any residual quantity thereof exceeding 5,000 bales.

(3) If the exports of raw cotton from India to Japan in any cotton year exceed 1 million bales, the allotment of cotton piece-goods for the corresponding cotton piece-goods year shall be the basic

allotment increased by $1\frac{1}{2}$ million yards for every 10,000 bales of the excess or for any residual quantity thereof exceeding 5,000 bales;

Provided that the allotment of cotton piece-goods shall not in any case exceed 400 million yards for any cotton piece-goods year.

(4) If the exports of raw cotton from India to Japan in any cotton year exceed $1\frac{1}{2}$ million bales, the excess shall be added to the quantity of raw cotton exported from India to Japan in the following cotton year for the purpose of determining the allotment of cotton piece-goods for the cotton piece-goods year corresponding to such following cotton year.

(5) For the purposes of the calculations under the present Article and under Articles 4, 5, 6 and 7, any raw cotton or cotton piece-goods which have been imported and then re-exported shall be excluded.

ARTICLE 4.

(1) The allotment of cotton piece-goods which may be exported from Japan to India during the first half of any cotton piece-goods year shall be 200 million yards;

Provided that, if in the first half of any cotton piece-goods year the exports of cotton piece-goods from Japan to India exceed the allotment for the whole of that cotton piece-goods year, the allotment for the first half of the following cotton piece-goods year shall be 200 million yards less such excess.

(2) The allotment of cotton piece-goods which may be exported from Japan to India during the second half of any cotton piece-goods year shall be the annual allotment for that year less 200 million yards;

Provided that, if the quantity exported from Japan to India in the first half of any cotton piece-goods year is less than 200 million yards, as increased or diminished under Article 5, the allotment for the second half of that cotton piece-goods year shall include the quantity of the deficit up to a quantity not exceeding 20 million yards.

ARTICLE 5.

Notwithstanding anything hereinbefore contained,

(a) If less than the allotment for any cotton piece-goods year is exported from Japan to India in that year, the quantity of the deficit up to a quantity not exceeding 20 million yards may be exported in the first half of the following cotton piece-goods year in addition to the allotment for that half-year; and

(b) A quantity not exceeding 20 million yards of cotton piece-goods may be exported from Japan to India in any cotton piece-goods year, other than the cotton piece-goods year in which the present Protocol terminates, in addition to the allotment for that year; but such excess shall be deducted from the allotment for the first half of the following cotton piece-goods year.

ARTICLE 6.

If the present Protocol should come into effect at any time other than the beginning of a cotton piece-goods year, the first cotton year shall, for the purposes of the Protocol, be deemed to begin on the 1st day of January, 1934, and the first cotton piece-goods year on the 1st day of April, 1934.

ARTICLE 7.

(1) For the purposes of the present Protocol cotton piece-goods shall be divided into the four categories of :—

- (a) Plain greys,
- (b) Bordered greys,
- (c) Bleached (white) goods, and
- (d) Coloured (printed, dyed or woven) goods;

and the allotment for any cotton piece-goods year shall be divided into sub-allotments among these four categories, consisting of portions of the allotment as follows :—

Plain greys	45 per centum,
Bordered greys	13 per centum,
Bleached (white) goods	8 per centum,
Coloured (printed, dyed or woven) goods	34 per centum,

and, save as provided in paragraph (2), the export of cotton piece-goods in each category in any cotton piece-goods year shall be restricted to the said portions.

(2) Transfers may be made from one sub-allotment to another, subject to the following conditions :—

- (a) The allotment for any cotton piece-goods year shall not thereby be increased;
- (b) The amount transferred from a sub-allotment for bordered greys or from a sub-allotment for bleached (white) goods shall not exceed 20 per centum of the amount of such sub-allotment, and the amount transferred from any other sub-allotment shall not exceed 10 per centum of the amount of such sub-allotment; and
- (c) A sub-allotment for bordered greys or a sub-allotment for bleached (white) goods shall not be increased by more than 20 per centum of the amount of such sub-allotment, and any other sub-allotment shall not be increased by more than 10 per centum of the amount of such sub-allotment.

(3) The principles of the present Article shall apply also to quantities of cotton piece-goods exported from Japan to India under Article 5 in excess of the yearly allotments, as if such quantities were yearly allotments.

ARTICLE 8.

Nothing contained in the present Protocol shall be deemed to affect the rights of either High Contracting Party under Article 2 or Article 3 of the Convention regarding the Commercial Relations between India and Japan of this day's date.

ARTICLE 9.

The present Protocol shall come into force simultaneously with the Convention regarding the Commercial Relations between India and Japan of this day's date and shall remain in force until the 31st day of March, 1937.

Done at London, in duplicate, this twelfth day of the seventh month of the 9th year of Showa, corresponding to the twelfth day of July, 1934.

For India :

JOHN SIMON.

SAMUEL HOARE.

For Japan :

T. MATSUDAIRA.