

No. 3241

**UNITED STATES OF AMERICA
and
JAPAN**

**Agreement (with agreed official minutes) on economic
arrangements. Signed at Tokyo, on 8 March 1954**

Official texts: English and Japanese.

Registered by the United States of America on 11 April 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
JAPON**

**Accord (avec procès-verbal agréé) relatif à des arrangements
économiques. Signé à Tokyo, le 8 mars 1954**

Textes officiels anglais et japonais.

Enregistré par les États-Unis d'Amérique le 11 avril 1956.

No. 3241. AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND JAPAN ON ECONOMIC ARRANGEMENTS. SIGNED AT TOKYO, ON 8 MARCH 1954

The Government of the United States of America and the Government of Japan :

Having concluded an agreement for the purchase of agricultural commodities² pursuant to Section 550 of the Mutual Security Act of 1951, as amended ;³

Recognizing that economic stability is essential to international peace and security ;

Considering that the Government of the United States of America is prepared, under this agreement, to utilize yen funds resulting from the aforesaid purchase of agricultural commodities for the purpose of assisting in the development of the industrial production and economic potential of Japan ; and

Recognizing that encouragement of private investments in Japan by nationals of the United States of America would also serve the above purpose ;

Have agreed as follows :

Article I

The Government of the United States of America shall, subject to the terms and conditions of any applicable United States legislation, use the yen funds to be deposited in the special account established in accordance with the provisions of Article IV of the Agreement between the United States of America and Japan regarding the Purchase of Agricultural Commodities, signed at Tokyo on March 8, 1954, for the following purposes :

(1) The Government of the United States of America will make grants of yen from this account to the Government of Japan subject to such terms as may be mutually agreed upon for assistance to Japanese industry and for other purposes serving to promote Japan's economic capabilities. Such grants shall aggregate 20 percent of the total deposits in the account resulting from transactions entered into under the aforesaid Agreement, but not to exceed the yen equivalent of Ten Million United States Dollars (\$ 10,000,000).

¹ Came into force on 1 May 1954, the date of receipt by the Government of the United States of America of notification of approval of the Agreement from the Japanese Government, in accordance with article V.

² See p. 243 of this volume.

³ United States of America : 67 Stat. 159.

(2) The Government of the United States of America may use the remainder of such yen funds without restrictions for the procurement of goods and services in Japan in support of military assistance programs of the United States of America.

Article II

The Government of Japan shall establish a special account in which will be deposited yen resulting from grants made available by the Government of the United States of America to the Government of Japan.

Article III

It is agreed that the guaranties by the United States of America of private investments which may be made in Japan by nationals of the United States of America pursuant to the provisions of Section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended¹, would encourage such investments and contribute to the promotion of the purposes of this Agreement.

Article IV

Detailed arrangements which may be necessary for the operation of this Agreement shall be agreed upon between the two Governments.

Article V

This Agreement shall enter into force on the date of receipt by the Government of the United States of America of a note from the Government of Japan stating that Japan has approved the Agreement in accordance with its legal procedures.

IN WITNESS WHEREOF the representatives of the two Governments, duly authorized for the purpose, have signed this Agreement.

DONE in duplicate, in the English and Japanese languages, both equally authentic, at Tokyo, this eighth day of March, one thousand nine hundred fifty-four.

For the United States of America :
John M. ALLISON

For Japan :
Katsuo OKAZAKI

¹ United States of America : 62 Stat. 144 ; 22 U.S.C. § 1509 (b) (3).

AGREED OFFICIAL MINUTES WITH RESPECT TO THE AGREEMENT
BETWEEN THE UNITED STATES OF AMERICA AND JAPAN ON
ECONOMIC ARRANGEMENTS

It is understood that the term "without restrictions" in Article I, paragraph (2), shall be interpreted, for the purposes of this Agreement, to mean without restrictions as to the method of utilization of such yen funds not to exceed the equivalent of 40 million United States dollars. It is further understood that, in such utilization, due regard shall be paid by the Government of the United States of America in consultation with the Government of Japan to the requirements of Japan for domestic use and commercial exports.

John M. ALLISON

Ambassador Extraordinary and Pleni-
potentiary of the United States of
America to Japan

Katsuo OKAZAKI

Minister for Foreign Affairs of Japan

Tokyo, March 8, 1954