

**BURMA  
and  
JAPAN**

**Agreement (with annex and exchange of notes) for reparations and economic co-operation. Signed at Rangoon, on 5 November 1954**

**Exchange of notes (with agreed minutes) constituting an agreement on the implementation of the above-mentioned Agreement. Rangoon, 18 October 1955**

**Exchange of notes constituting an agreement on the implementation of the above-mentioned Agreement of 5 November 1954. Rangoon, 18 October 1955**

*Official text: English.*

*Registered by Burma on 4 October 1956.*

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**BIRMANIE  
et  
JAPON**

**Accord (avec annexe et échange de notes) relatif aux réparations et à la coopération économique. Signé à Rangoon, le 5 novembre 1954**

**Échange de notes (avec procès-verbal agréé) constituant un accord concernant la mise en œuvre de l'Accord susmentionné. Rangoon, 18 octobre 1955**

**Échange de notes constituant un accord concernant la mise en œuvre de l'Accord susmentionné du 5 novembre 1954. Rangoon, 18 octobre 1955**

*Texte officiel anglais.*

*Enregistrés par la Birmanie le 4 octobre 1956.*

No. 3543. AGREEMENT<sup>1</sup> BETWEEN THE UNION OF BURMA AND JAPAN FOR REPARATIONS AND ECONOMIC CO-OPERATION. SIGNED AT RANGOON, ON 5 NOVEMBER 1954

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The Union of Burma and Japan,

Desiring to conclude an agreement for implementing the provisions of Article V, paragraph 1 (a) of the Treaty of Peace between the Union of Burma and Japan signed at Rangoon on November 5, 1954<sup>2</sup> (hereinafter referred to as "the Treaty"),

Have accordingly appointed their respective representatives for this purpose, who have agreed as follows :

*Article I*

1. Japan shall supply the Union of Burma by way of reparations with the services of Japanese people and the products of Japan, the value of which will be on an annual average seven thousand two hundred million yen (Y7,200,000,000), equivalent to twenty million United States of America dollars (\$20,000,000), for the period of ten years from the date of coming into force of the Treaty.

2. Japan shall take every possible measure to facilitate the economic co-operation wherein the services of Japanese people and the products of Japan, the value of which will aggregate on an annual average one thousand eight hundred million yen (Y1,800,000,000), equivalent to five million United States of America dollars (\$5,000,000), will be made available in the form of joint enterprises between the Government or people of the Union of Burma and Japanese people, for the period of ten years from the date of coming into force of the Treaty.

3. The services and products referred to in paragraphs 1 and 2 above shall be supplied or made available for the economic rehabilitation and development and the advancement of social welfare in the Union of Burma as envisaged and agreed in principle on the Annex<sup>3</sup> to this Agreement. Such services and products shall be determined by agreement between the Governments of the two countries.

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<sup>1</sup> Came into force on 16 April 1955 by an exchange of notes, in accordance with article VII.

<sup>2</sup> See p. 201 of this volume.

<sup>3</sup> See p. 222 of this volume.

*Article II*

1. The Union of Burma shall take measures necessary for the smooth implementation of the provisions of Article I of this Agreement.

2. The Union of Burma shall provide such local labour, materials and equipment as may be made available in order to enable Japan to supply the services and products referred to in Article I, paragraph 1 of this Agreement.

3. The Union of Burma undertakes that the Government or people of the Union of Burma shall so provide their due shares of capital in joint enterprises as to ensure the smooth performance of the economic co-operation referred to in Article I, paragraph 2 of this Agreement.

4. The Union of Burma undertakes that the products of Japan supplied or made available under this Agreement shall not be re-exported from the territories of the Union of Burma except as otherwise agreed between the Governments of the two countries.

*Article III*

1. The proportion of ownership or shares of the Government or people of the Union of Burma in the joint enterprises referred to in Article I of this Agreement shall not be less than sixty per cent except as otherwise agreed.

2. The ownership or shares of Japanese people in the joint enterprises shall not be expropriated by the Government of the Union of Burma for such length of time as that Government may respectively assure those Japanese people against expropriation at the time the individual contracts concerned are made.

3. In the event that the ownership or shares of Japanese people in the joint enterprises should be expropriated by the Government of the Union of Burma after the lapse of the time of assurance referred to above, such expropriation shall be made only in accordance with the terms and conditions which shall be prescribed by that Government at the time the individual contracts referred to above are made.

4. The Government of the Union of Burma shall permit the remittance to Japan of the proceeds from the expropriation referred to above or the sale of the ownership or shares of Japanese people in the joint enterprises, and the interest and dividends derived from such ownership or shares, as well as the salaries or other earnings which Japanese people may receive from the joint enterprises, in accordance with the terms and conditions which shall be prescribed by that Government at the time the individual contracts concerned are made.

*Article IV*

There shall be established a joint committee to be composed of representatives of the Governments of the two countries, which shall be an organ for consultation, and recommendation to the Governments of the two countries, on matters concerning the implementation of this Agreement.

*Article V*

Details for the execution of this Agreement shall be agreed upon through consultation between the Governments of the two countries.

*Article VI*

1. Any dispute between the two countries concerning the interpretation and implementation of this Agreement shall primarily be settled through diplomatic channels. If the Governments of the two countries fail to reach a settlement, the dispute shall be referred for decision to a tribunal of three arbitrators, one to be appointed by each Government and the third to be agreed upon by the two arbitrators so chosen, provided that such third arbitrator shall not be a national of either country. Each Government shall appoint an arbitrator within a period of thirty days from the date of receipt by either Government from the other Government of a note requesting arbitration of the dispute and the third arbitrator shall be agreed upon within a further period of thirty days.

2. The two countries undertake to comply with any decision given under the preceding paragraph.

*Article VII*

This Agreement shall be approved by each country in accordance with its legal procedures, and this Agreement shall enter into force upon the date of exchange of notes indicating such approval.

IN WITNESS WHEREOF the undersigned, being duly authorized by the respective Governments of the two countries, have signed this Agreement.

DONE in duplicate at Rangoon this fifth day of November of the year one thousand nine hundred and fifty-four.

For the Union of Burma :  
(Signed) KYAW NYEIN

For Japan :  
(Signed) Katsuo OKAZAKI

## ANNEX

1. Construction of hydro-electric plants
2. Construction of steel plants
3. Rehabilitation of port facilities
4. Construction of hospitals and provision of medical services
5. Education in Japan of Burmese technicians and students
6. Technical training in Burma of Burmese technicians
7. Construction of fertilizer plants
8. Rehabilitation of railways
9. Construction of a shipbuilding yard
10. Manufacture of explosives and shells
11. Construction of cement factories
12. Development of salterns
13. Construction of sugar factories
14. Construction of chemical industries
15. Rehabilitation of river shipping
16. Construction of non-ferrous metal industry
17. Construction of engineering industry
18. Rehabilitation of telecommunications
19. Provision of other products and services to be agreed upon between the Governments of the two countries

## EXCHANGE OF NOTES

## I

Rangoon, November 5, 1954

Monsieur le Ministre,

With reference to Article I, paragraph 2 of the Agreement for Reparations and Economic Co-operation between Japan and the Union of Burma signed today,<sup>1</sup> I have the honour to state on behalf of the Government of Japan that Japan may make available to the Government of the Union of Burma, for the period of ten years, a part of the services and products referred to in the said paragraph, the value of which will aggregate on an annual average seven hundred and twenty million yen (Y720,000,000), equivalent to two million United States of America dollars (\$2,000,000), except as otherwise agreed between the two Governments, in the form of loans to the Government of the Union of Burma. The terms and conditions, including redemption and rates of interest, of such loans shall be determined by agreement between

<sup>1</sup> See p. 215 of this volume.

the Governments of the two countries, taking into consideration those of the International Bank for Reconstruction and Development then prevailing for comparable loans.

I avail myself of this opportunity to extend to Your Excellency, Monsieur le Ministre, the assurance of my highest consideration.

(Signed) KATSUO OKAZAKI

His Excellency U Kyaw Nyein  
Acting Minister for Foreign Affairs of the Union of Burma

## II

### FOREIGN OFFICE

Rangoon, November 5, 1954

Monsieur le Ministre,

I have the honour to acknowledge receipt of Your Excellency's note of November 5, 1954, which reads as follows :

[See note I]

The statement by Your Excellency referred to above is highly appreciated.

I avail myself of this opportunity to extend to Your Excellency, Monsieur le Ministre, the assurance of my highest consideration.

(Signed) KYAW NYEIN

His Excellency Mr. Katsuo Okazaki  
Minister for Foreign Affairs of Japan

EXCHANGE OF NOTES (WITH AGREED MINUTES) CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNION OF BURMA AND JAPAN ON THE IMPLEMENTATION OF THE AGREEMENT OF 5 NOVEMBER 1954<sup>2</sup> FOR REPARATIONS AND ECONOMIC CO-OPERATION. RANGOON, 18 OCTOBER 1955

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I

FOREIGN OFFICE

Rangoon, October 18, 1955

Your Excellency,

I have the honour to refer to the Agreement for Reparations and Economic Co-operation between the Union of Burma and Japan signed at Rangoon on November 5, 1954.<sup>2</sup>

The following is the understanding of the Government of the Union of Burma pertaining to the procedure for the supply of the services of Japanese people and the products of Japan as referred to in Article 1, paragraph 1 of the Agreement :

(1) The Burma Reparations Mission (or The Government of the Union of Burma pending the establishment of the Mission) shall enter into contracts with Japanese nationals or juridical persons for services and products in accordance with the annual reparations schedule to be established by agreement between the two Governments.

(2) The contracts shall be in terms of Japanese yen and be on commercial terms and conditions.

(3) The contracts so concluded, including modifications thereof, shall be forwarded to the designated Japanese authority for verification as to whether the same are in conformity with (a) the provisions of the Agreement, (b) such arrangements which may have been agreed upon by the two Governments for the execution of the Agreement and (c) the schedule in force. This verification shall be effected within the shortest time possible.

(4) The Burma Reparations Mission shall enter into arrangements with Japanese foreign exchange banks and open Reparations Accounts in its own name, authorizing such banks to receive payment from the Japanese Government, etc., and notify the Japanese Government of the contents of such arrangements. The Reparations Accounts shall be non-interest bearing accounts.

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<sup>1</sup> Came into force on 18 October 1955 by the exchange of the said notes.

<sup>2</sup> See p. 215 of this volume.

(5) When payment falls due under the terms of a contract verified under (3) above, the Burma Reparations Mission shall forward a Payment Request to the Japanese Government intimating the amount, the name of the bank to which the payment should be made and the date on which the payment has to be made to the contractor.

(6) Upon receipt of such request the Japanese Government shall take steps to pay the requested amount by the said date to the said bank to be credited to the Reparations Account.

(7) The Japanese Government shall, upon agreement between the Governments of Japan and the Union of Burma, also take steps to make payment in the same way as provided in (6) above for the expenditure of the Burma Reparations Mission, the expenses for the education and training of Burmese technicians and students, and for such other purposes as may be agreed upon between the two Governments.

(8) The Reparations Accounts shall be credited only with the amounts paid in accordance with (6) and (7) above and shall be debited only for the purposes indicated in (5) and (7) above.

(9) By and upon making the payments in accordance with paragraphs (6) and (7) above, the Japanese Government shall be deemed to have supplied the Union of Burma with the services of Japanese people and the products of Japan equivalent in value to the amount of such payment in accordance with Article I, paragraph I of the Agreement and shall be released from its reparations obligation provided for in the same paragraph to the extent of such amount.

If this also is the understanding of your Government, I have the honour to propose that the present note and Your Excellency's reply in confirmation thereof should be regarded as constituting an agreement between our two Governments in this matter.

I avail myself of this opportunity to renew to Your Excellency, Monsieur l'Ambassadeur, the assurance of my highest consideration.

(Signed) SAO HKUN HKIO

Minister for Foreign Affairs of the Union of Burma

His Excellency Mr. Saburo Ohta  
Ambassador Extraordinary and Plenipotentiary of Japan

## II

EMBASSY OF JAPAN

Rangoon, October 18, 1955

Monsieur le Ministre,

I have the honour to acknowledge the receipt of Your Excellency's note of today's date, which reads as follows :

[See note I]



I have the honour to inform Your Excellency that the understanding of the Burmese Government as stated in Your Excellency's note is also the understanding of the Government of Japan. Accordingly, Your Excellency's note and the present reply shall be regarded as constituting an agreement between our two Governments in this matter.

I avail myself of this opportunity to renew to Your Excellency, Monsieur le Ministre, the assurance of my highest consideration.

(Signed) Saburo OHTA  
Ambassador Extraordinary and Plenipotentiary of Japan

The Hon'ble Sao Hkun Hkio  
Minister for Foreign Affairs  
Government of the Union of Burma

#### AGREED MINUTES

The Minister for Foreign Affairs of the Union of Burma and the Ambassador Extraordinary and Plenipotentiary of Japan hereby record the following understandings which they have reached in relation to the exchange of notes, dated October 18, 1955,<sup>1</sup> pertaining to the procedure for the supply of the services of Japanese people and the products of Japan as referred to in Article 1, paragraph 1 of the Agreement for Reparations and Economic Co-operation between the Union of Burma and Japan :<sup>2</sup>

1. The Japanese Government may recommend to the Burma Reparations Mission, Japanese nationals and juridical persons qualified to enter into contracts. The Burma Reparations Mission is, however, not bound to enter into contracts only with the persons so recommended.
2. The responsibility for the performance of such contracts shall rest solely with the Burma Reparations Mission and the Japanese nationals or juridical persons who are parties to such contracts.
3. In case the transportation between Japan and the Union of Burma of products or of Japanese or Burmese nationals, the insurance for such products or for such nationals, and/or the inspection of such products are paid for under the contracts, such transportation, insurance or inspection shall be effected by Japanese nationals or juridical persons.
4. The disputes arising out of or in connection with the contracts shall be at the request of either party referred for settlement to an arbitration board of commerce in accordance with such arrangement as may be made between the two Governments.

<sup>1</sup> See p. 226 of this volume.

<sup>2</sup> See p. 216 of this volume.

5. In case the whole or a part of the funds paid into a Reparations Account has not been drawn by the Burma Reparations Mission because of cancellation of contracts, etc., the unpaid amount shall be applied to the payment for the purposes indicated in (5) and (7) of the note after consultation between the two Governments.

6. In case the whole or a part of the amounts paid out of a Reparations Account has been refunded to the Burma Reparations Mission, the amounts so refunded shall be credited to the Reparations Account, notwithstanding the provisions of (8) of the note. The provisions of 5 above shall apply to these amounts.

7. (a) The computation of the fulfilment by the Japanese Government of the reparations obligation as provided for in (9) of the note shall be made by calculating the amount of such payment in terms of the United States of America dollars at the basic exchange rate of Japanese yen to the United States of America dollar officially fixed by the Japanese Government and agreed to by the International Monetary Fund which is prevailing on the date of the verification of the contract under which such payment is required.

(b) However, in case the contract is one containing any escalator clause or similar provision for modification of the terms of payment of the contract, such calculation of the amount of payment for the work or services performed after the modification of the contract shall be made at the basic exchange rate as defined above which is prevailing on the date of the verification of such modified contract.

(Signed) SAO HKUN HKIO  
Minister for Foreign Affairs of the Union of Burma

(Signed) Saburo OHTA  
Ambassador Extraordinary and Plenipotentiary of Japan

Rangoon, October 18, 1955

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN THE UNION OF BURMA AND JAPAN ON  
THE IMPLEMENTATION OF THE AGREEMENT OF 5  
NOVEMBER 1954<sup>2</sup> FOR REPARATIONS AND ECONOMIC  
CO-OPERATION. RANGOON, 18 OCTOBER 1955

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I

FOREIGN OFFICE

October 18, 1955

Your Excellency,

I have the honour to refer to Article V of the Agreement for Reparations and Economic Co-operation between the Union of Burma and Japan signed at Rangoon on November 5, 1954.<sup>2</sup> In accordance with the said Article, the Government of the Union of Burma hereby proposes that a Burma Reparations Mission be established as follows :

(1) The Government of the Union of Burma will establish in Tokyo a Mission of the Government of the Union of Burma as its sole and exclusive Agent to engage in activities relating to the conclusion of contracts for the supply of products and services as reparations and the execution in Japan of such contracts. The name of the Mission shall be "Burma Reparations Mission."

(2) Such offices in Japan of the Mission as are necessary for the effective performance of its activities shall be established, provided that the places where such offices shall be located shall be agreed between the Mission and the Government of Japan and that they shall be used exclusively for the activities mentioned in paragraph 1 above.

(3) Subject to the provisions of paragraph 7, the Chief of the Mission and its senior officials who are nationals of the Union of Burma shall be accorded all diplomatic privileges and immunities.

(4) Other members of the Mission who are nationals of the Union of Burma and who are not ordinarily resident in Japan shall be exempt from Japanese taxes upon emoluments which they receive in discharge of their duties and, also from customs duties and any other charges upon property which they import for personal use, in accordance with the Japanese laws and regulations applicable to such exemption in the case of diplomats and the like.

(5) The Mission shall be accorded such administrative assistance as is usually accorded to foreign mission and as is required for the effective performance of the activities of the Mission.

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<sup>1</sup> Came into force on 18 October 1955 by the exchange of the said notes.

<sup>2</sup> See p. 215 of this volume.

(6) The Japanese Government shall take necessary steps to accord the Mission such privileges and immunities as may be accorded to missions of the same nature which may be established in Japan in future.

(7) In respect of those disputes arising out of or in connection with the contracts mentioned in paragraph 1 above which are brought to the Japanese courts, the Mission and the members thereof shall be subject to the jurisdiction of the Japanese courts for settlement in accordance with the Japanese law, and shall waive any privileges or immunities in the legal proceedings which may be taken as to such settlement. No obligation may however be imposed upon the Chief and the members of the Mission to produce in court or elsewhere documents from the archives of the Mission or to testify to their contents unless such documents relate to the transaction in dispute. The Mission shall also be exempt from the obligation to give security for the cost of legal proceedings.

(8) In enforcement of all final court decisions, the office premises of the Mission and the movable property contained therein shall not be subject to distraint.

(9) The Government of the Union of Burma shall advise the Government of Japan from time to time of the names of the Chief and other members of the Burma Reparations Mission to be authorized to act for and on behalf of the Mission in connection with the conclusion or execution of the contracts mentioned in paragraph 1 above, and shall have the aforesaid names published in the Official Gazette of Japan. The authority of such Chief and other members of the Mission shall be deemed to continue unless and until such time as notice to the contrary is published in the said Gazette.

If the above proposal is acceptable to your Government, I have the honour to propose that the present note and Your Excellency's reply to that effect should be regarded as constituting an agreement between the Government of the Union of Burma and the Government of Japan.

I avail myself of this opportunity to renew to Your Excellency, Monsieur l'Ambassadeur, the assurance of my highest consideration.

(Signed) SAO HKUN HKIO  
Minister for Foreign Affairs of the Union of Burma

His Excellency Mr. Saburo Ohta  
Ambassador Extraordinary and Plenipotentiary of Japan

## II

EMBASSY OF JAPAN

Rangoon, October 18, 1955

Monsieur le Ministre,

I have the honour to acknowledge the receipt of Your Excellency's note of today's date, which reads as follows :

[See note I]

I have the honour to inform Your Excellency that the proposal as stated in Your Excellency's note is acceptable to the Government of Japan. Accordingly, Your Excellency's note and the present reply shall be regarded as constituting an agreement between our two Governments in this matter.

I avail myself of this opportunity to renew to Your Excellency, Monsieur le Ministre, the assurance of my highest consideration.

(Signed) Saburo OHTA  
Ambassador Extraordinary and Plenipotentiary of Japan

The Hon'ble Sao Hkun Hkio  
Minister for Foreign Affairs  
Government of the Union of Burma

### III

#### FOREIGN OFFICE

Rangoon, October 18, 1955

Your Excellency,

With reference to the joint committee as provided in Article IV of the Agreement for Reparations and Economic Co-operation between the Union of Burma and Japan signed at Rangoon on November 5, 1954, I have the honour to inform Your Excellency that the Government of the Union of Burma proposes that the following be agreed upon between our two Governments in accordance with Article V of the said Agreement :

1. The joint committee provided for in Article IV of the Agreement shall be established in Tokyo and called the Burma-Japan Joint Committee for Reparations and Economic Co-operation (hereinafter referred to as "the Joint Committee").
2. The Governments of Japan and of the Union of Burma shall respectively appoint one representative and a certain number of deputies for the Joint Committee.
3. The Joint Committee shall meet at the request of the representative of either party.
4. The functions of the Joint Committee shall be consultation and recommendation to the Governments of Japan and of the Union of Burma, on the following matters :
  - (a) procedure concerning contracts between the Burmese Government and Japanese nationals or juridical persons for the supply to the Union of Burma of the services of the Japanese people and the products of Japan as referred to in Article 1, paragraph 1 of the Agreement;
  - (b) criteria for verification by the Japanese Government of the contracts mentioned in (a) above;

(c) procedure for payment in respect of the supply to the Union of Burma of the services of the Japanese people and the products of Japan as referred to in Article 1, paragraph 1 of the Agreement;

(d) matters concerning preparation and modification of the annual schedules in accordance with which Japan shall supply the services of the Japanese people and the products of Japan as referred to in Article 1, paragraph 1 of the Agreement;

(e) matters concerning the economic co-operation as referred to in Article 1, paragraph 2 of the Agreement;

(f) preparation from time to time of remuneration standard lists for the services of Japanese people as referred to in Article 1, paragraph 1 of the Agreement;

(g) review of the progress of performance of the reparations including the calculation of the total amount of such performance from time to time;

(h) matters concerning the arbitration provided for in Article VI of the Agreement; and

(i) such other matters concerning the implementation of the Agreement as the parties may by consent refer to the Joint Committee.

If the above proposal is acceptable to your Government, I have the honour to suggest that the present note and Your Excellency's reply to that effect should be regarded as constituting an agreement between our two Governments in this matter.

I avail myself of this opportunity to renew to Your Excellency, Monsieur l'Ambassadeur, the assurance of my highest consideration.

(Signed) SAO HKUN HKIO  
Minister for Foreign Affairs of the Union of Burma

His Excellency Mr. Saburo Ohta  
Ambassador Extraordinary and Plenipotentiary of Japan

#### IV

EMBASSY OF JAPAN

Rangoon, October 18, 1955

Monsieur le Ministre,

I have the honour to acknowledge the receipt of Your Excellency's note of today's date, which reads as follows :

[See note III]

I have the honour to inform Your Excellency that the proposal as stated in Your Excellency's note is acceptable to the Government of Japan. Accordingly, Your Excellency's note and the present reply shall be regarded as constituting an agreement between our two Governments in this matter.

I avail myself of this opportunity to renew to Your Excellency, Monsieur le Ministre, the assurance of my highest consideration.

(Signed) Saburo OHTA  
Ambassador Extraordinary and Plenipotentiary of Japan

The Hon'ble Sao Hkun Hkio  
Minister for Foreign Affairs  
Government of the Union of Burma