

## PERPETUAL LEASEHOLDS

*Exchanges of notes at Tokyo March 25, 1937*

*Entered into force March 25, 1937*

*Revived (after World War II) July 22, 1953,<sup>1</sup> pursuant to article 7 of treaty of peace signed at San Francisco September 8, 1951<sup>2</sup>*

50 Stat. 1611; Executive Agreement Series 104

*The American Ambassador to the Minister of Foreign Affairs*

EMBASSY OF THE UNITED STATES OF AMERICA

No. 705

*Tokyo, March 25, 1937 (12 Showa)*

### EXCELLENCY:

On March 4, 1937, I had the pleasure to inform the Imperial Japanese Ministry of Foreign Affairs that the Government of the United States was prepared to accept a mutually satisfactory settlement of the perpetual lease system which originated in former treaties between the United States and Japan, and on that basis I now have the honor, under instructions from my Government, to confirm to Your Excellency the following understanding between the Government of the United States of America and the Imperial Japanese Government:

(1) That the said system of perpetual leases shall come to an end on the first day of the fourth month of the seventeenth year of Showa, corresponding to the 1st day of April, 1942, when the leaseholds shall without compensation be converted into the rights of ownership in accordance with the provisions of Japanese laws and ordinances. Such conversion shall be effected free of registration taxes in respect of lands under perpetual leases and buildings thereon.

(2) That until the thirty-first day of the third month of the seventeenth year of Showa, corresponding to the 31st day of March, 1942, the present position as regards tax exemptions shall be maintained, and no further claims shall be made by the Japanese authorities for arrears of such disputed taxes as may still be uncollected.

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<sup>1</sup> *Department of State Bulletin*, May 18, 1953, p. 721.

<sup>2</sup> 3 UST 3175; TIAS 2490.