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THE JAPAN SHIPPING EXCHANGE, INC.

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PREFACE

The Japan Shipping Exchange, Inc., has, since its inception in 1921, been functioning as the sole institution for maritime arbitration in Japan. Its principal activities, besides maritime arbitration, are appraisal of prices of ships, rendering expert opinions, certification, and drafting of various forms of maritime contract. In the last named, maritime customs in Japan and in the Far East are properly embodied with a view to forestalling any possible disputes.

This Bulletin is published since 1964 in order to make the interested circles acquainted with our activities, and also to make such contribution we might be able to make towards the development of the maritime trade of the world. In appreciation of our services, the Ministry of Transportation has seen fit to grant us a yearly subsidy to assist the printing and distribution of our Bulletin.

With regard to the contents of this Bulletin, it may be noted that such cases of maritime arbitration we have handled as are considered to be of general interest are reported, and then out of the numerous cases of the same nature only one is selected and reported as the most typical and representative with a view to making the limited space available be of as much variety as possible. The arbitration rules and other relevant information are also contained so that this Bulletin may be a useful guide to maritime arbitration.

The forms of maritime documents which we have so far drafted are of seventeen kinds, and this number is increasing. Some of them are in the English language and some in Japanese. For each form we have prepared an introduction and notes and

published them apart from this Bulletin. In the present issue of our Bulletin, however, it has been considered advisable to publish our latest compilation, *the Memorandum of Agreement for the Sale of a Ship*. We shall welcome and appreciate any kind criticism of our new form of document which the readers may be good enough to forward to us.

It may be added in fine that during the past few years, maritime disputes submitted to us for arbitration are on the increase and we are always prepared to deal with them in accordance with our motto: *Fairness, Promptitude, and Economy*.

In presenting this Bulletin to our business friends all over the world, we most heartily wish them success and prosperity.

Yasuzo Ichii

President of the Japan Shipping Exchange, Inc.

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ARBITRATION

in re a dispute concerning a Contract for the Sale of m.s. "CHIHAYASAN MARU"

between

Daio Kisen Kabushiki Kaisha, the Buyers . . . . . CLAIMANTS

and

Setsuyo Kisen Kabushiki Kaisha, the Sellers . . . . . RESPONDENTS.

Facts and Allegations

Claimants' Side:—

The Buyers of m.s. "Chihayasan Maru" (hereinafter referred to as "the Vessel"), Daio Kisen Kabushiki Kaisha (hereinafter referred to as "Claimants") claimed as follows against the Sellers, Setsuyo Kisen Kabushiki Kaisha (hereinafter referred to as "Respondents"):—

1. Respondents shall deliver the Vessel to Claimants in accordance with the contract for sale concluded on 15th November, 1950.
2. Failing above, the sum of Yen 12,634,593 as damages shall be paid to Claimants by Respondents.
3. The fee and costs of arbitration shall be borne by Respondents.

Claimants gave following reasons for the above claims:—

1. A contract (hereinafter referred to as "the Contract") containing the following provisions was concluded between Claimants and Respondents on the 15th of November, 1950 for the sale of a share in the Vessel owned by Respondents, the remaining share

being owned by the Japanese Government:—

Article 4 (Purchase price and term of payment)

The purchase price shall be Yen 21,650,000, being the price of the whole ship, Yen 38,000,000, minus the price of the share owned by the Japanese Government, Yen 16,350,000. Method of payment.

1. The Buyers shall deposit the sum of Yen 2,000,000 with the Sellers as guarantee money immediately upon conclusion of contract.

2. The Buyers shall pay Yen 8,020,000 at the office of Sellers by 18th December, 1950, but both parties shall undertake with responsibility to co-operate to fulfil the following conditions by that date:—

(a) To establish a prospect of the Buyers' taking over a debt owing by the Sellers to the Reconversion Finance Bank (hereinafter referred to as "R.F.B.") and interest thereon amounting in total to Yen 9,980,000.

(b) To establish a prospect of obtaining the approval of the joint owner of the Vessel, the Japanese Government, for the transfer of the Sellers' share in the Vessel.

(c) To establish a prospect of the Buyers' taking over a debt owing by the Sellers to the Tokio Marine and Fire Insurance Co., Ltd. in the amount of Yen 1,650,000.

Article 11 (Breach of Contract)

The party violating the Contract shall pay to the other party the sum of Yen 500,000 as damages for breach of contract. In case of Sellers' violating the Contract, they shall have to pay interest at the rate of 9.49% on the guarantee money of Yen 2,000,000 in addition to the above sum of penalty. If the Buyers break the Contract, Sellers shall refund the balance after counterbalancing the sum of guarantee money against

the sum of penalty, no interest being paid in this case.

2. Claimants deposited the sum of Yen 2,000,000 as a partial payment in accordance with provisions of Article 4 on 30th November, 1950. Subsequently, both Claimants and Respondents made every effort to obtain the understanding of the Government authorities and others concerned for the sale of the Vessel. However, they were unable to establish a prospect of the settlement of the debt owing to R.F.B. and interest thereon, totalling Yen 9,980,000, and of obtaining the Government's approval for the Sale of the Sellers' share in the Vessel prior to the payment date of 18th December. Notice was given to Respondents that negotiation with R.F.B. shall be continued in the early part of the following year.

   As for the settlement of the sum of Yen 8,020,000 due on 18th December, Respondents advised Claimants on 20th December that Yen 4,500,000 out of total amount of Yen 8,020,000 could be raised. Accordingly Claimants understood that the time limit of the Contract was extended and the Contract remained in effect. In the above circumstances, Claimants reached agreement with Respondents to advance Yen 4,000,000 in cash and Yen 500,000 in draft on 26th December.

   However, Respondents did not come to Claimants' office to receive the above agreed sum on 26th December. On the contrary Claimants received a notice on the following day of cancellation of the Contract by Respondents. As it was difficult to understand the motive behind the cancellation of the Contract, Claimants requested in writing for fulfilment of the Contract pointing out that cancellation constituted a violation of the principle of truth and faithfulness. However, Claimants failed to receive a satisfactory reply from Respondents, and therefore they decided to seek settlement by Arbitration.

Respondents' side:—

Respondents refused to pay any compensation for damage, but on the contrary claimed Claimants to pay them the sum of Yen 500,000 as damages for breach of contract.

Respondents stated as follows:—

1. Guarantee money Yen 2,000,000 was received at the time of conclusion of the Contract from Claimants.
2. R.F.B. stated that the Buyers were not qualified as successor to become assignees of the debt which was owed to R.F.B. by Claimants. Judging from the circumstances prevailing that time, it was thought futile to continue negotiation with R.F.B. and the negotiation was therefore discontinued. It was found later that Claimants had not given up the negotiation but continued to proceed with it.

   Entertaining a slight hope of miraculous success that may be attained by a last minute attempt, Respondents requested Claimants to raise funds in the amount of Yen 4,500,000 on the assumption that approval might be finally obtained from R.F.B. It is true that Claimants advised Respondents that they were able to raise Yen 4,000,000 and invited Respondents to come to Kobe. However, Respondents had reason to believe that the said sum is not sufficient to bring the matter to a close and further that disapproval of R.F.B. became conspicuously evident. Respondents therefore on 27th December notified Claimants of cancellation of the Contract.
3. There is no fact of Claimants' making an arrangement with Respondents on 25th December in Kobe for receiving the receipt of fund raised by them.

   There is no reason why Claimants should say Respondents broke the Contract. On the contrary Respondents demand Claimants to pay them the sum of Yen 500,000 as damages for breach of

contract.

Findings and Award

There is a question whether the Contract was rescinded on 18th December, 1950. Claimants stated that the date of payment had been tentatively postponed until the beginning of the following year and that Respondents agreed to that. On the other hand, Respondents stated that they had not agreed to an extension. They further contend that Claimants did not pay the sum of Yen 8,020,000 outstanding balance on the promised date nor had they established a prospect of obtaining the approval from R.F.B. For these reasons, Respondents claimed that contract was cancelled as of 18th December.

However, the Respondents' reasons for cancellation of contract lacks conclusive evidence and furthermore, judging from the fact that Respondents had requested Claimants to raise year-end fund after the expiration of deadline date of 20th December, it appears that Respondents had agreed to the extension. It is to be noted that Respondents stated in their pleading "Entertaining a slight hope of miraculous success that may be attained by the fervent last minute attempt, Respondents requested Claimants to raise a fund in the amount of Yen 4,500,000 on the assumption that the approval of the R.F.B. might finally be obtained." It goes to prove that there is a close relation existing between the above request and the Contract itself. Consequently, we cannot admit Respondents' claim that the Contract was cancelled because of Claimants' breach of contract.

As regards the notice of cancellation given by Respondents to Claimants on 27th December, 1950, it appears that the Contract remained in effect even after the expiration of deadline date of 18th December, judging from the tone of allegation voiced by both parties.

It is therefore fair to say that the Contract had no deadline date at that time, and both parties were under obligation to abide by the

Contract. In the circumstances, it is proper for Respondents to demand Claimants to fulfil their obligation and then give notice of cancellation after the lapse of reasonable period. However, Respondents did not take such steps and failed to come on the promised date of 26th December to receive the fund Claimants had agreed to raise for Respondents. Furthermore, Respondents suddenly notified Claimants on the very next day, 27th December of their cancellation. This unilateral action of Respondents violates the principle of truth and faithfulness and the established trade custom.

It is difficult to understand the inconsistent allegation put forth by Respondents as follows:—("Irrespective of presumption made by Respondents on 16th December that it became conspicuously evident that approval of R.F.B. was unobtainable at that date, Respondents did not submit the notice of cancellation. On the contrary, Respondents requested Claimants on 20th December to raise year-end funds.") Statement made by Claimants to the effect that the Vessel had already been sold to other party when they received the notice of cancellation from Respondents had been proved by the testimony taken from other witnesses, who stated that it was fact that Respondents on 25th and 26th December concluded the sale of the Vessel to other party. It is therefore fair to say that Respondents notified Claimants of cancellation as the result of successful sale of the Vessel to other party.

As regards the question of securing the approval of R. F. B. it is clearly stated in the Contract that both parties shall co-operate, and Claimants had performed their share of co-operation.

Inasmuch as this matter concerns the third party, we cannot admit Respondents' allegation that failure to secure the approval of R.F.B. for the transfer of obligation constitutes breach of contract. It is obvious that the Contract of sale was allowed to remain valid even after the date of expiration, due to the negligence and fault of both parties. Responsibility for breach of contract therefore rests with Respondents. Consequential

responsibility should be borne by Respondents.

Both parties demand an equal amount of damages for breach of contract, but judging from the fact, it is clear that allegation of Respondents is groundless. Respondents must therefore make settlement of damages for breach of contract to Claimants in the amount of Yen 500,000.

Although Claimants contend that the sum of Yen 11,980,000 represents the additional sum required for the purchase of the substitute for the Vessel, we are of opinion that this is a hypothetical figure and Claimants did not actually suffered any substantial damage.

As regards the sum of Yen 2,000,000 paid by Claimants to Respondents as guarantee money, we are unable to see its legal nature, as the amount is less than 2% of the purchase price. However, by the receipt of this guarantee money Respondents were enabled to avoid compulsory sale of the Vessel, and the Vessel was sold to another firm at the price of Yen 38,500,000. The price available at compulsory auction sale was Yen 35,000,000. Thus Respondents earned a net profit of Yen 3,500,000. This sum of profit could not have been realized, had it not been for the guarantee money of Yen 2,000,000. It is therefore fair to say that this profit is an unearned increment. In view of above and in further consideration of fact that Respondents had intention of presenting a reasonable sum of money in token of appreciation for Claimants' goodwill, Respondents should refund the guarantee money of Yen 2,000,000 and part of the unearned increment of Yen 3,500,000 to Claimants.

Furthermore the payment of interest on guarantee money and others amounting to Yen 38,830 and the sum of Yen 115,760 covering the train fare to Tokyo and postage paid by Claimants must have been partly borne by Respondents. In view of these figures, Respondents should pay to Claimants the total sum of Yen 1,000,000 inclusive of the penalty Yen 500,000.

On the ground of these findings we award as follows:—

Award

1. Respondents, Setsuyo Kisen Kabushiki Kaisha shall pay to Claimants, Daio Kisen Kabushiki Kaisha the sum of Yen 1,000,000.
2. Respondents shall refund the entire amount of guarantee money Yen 2,000,000 to Claimants.
3. The arbitration fee and costs shall be Yen 130,000 and Respondents shall pay Yen 70,000 and Claimants shall pay Yen 60,000.

5th March, 1952

ARBITRATION

in re a dispute arising from an agreement to operate m.s. "SHIMADA MARU NO. 5"

between

Shimada Kisen Kabushiki Kaisha, the Shipowners, ... CLAIMANTS

and

Kabushiki Kaisha Shinyo Shokai, the Operators, ... RESPONDENTS.

Facts of the Case

On 12th April, 1962 Shimada Kisen Kabushiki Kaisha (hereinafter referred to as "Claimants" or "Shipowners") and Kabushiki Kaisha Shinyo Shokai (hereinafter referred to as "Respondents" or "Operators") entered into an agreement for the operation by Respondents of the m.s. "Shimada Maru No. 5" (hereinafter referred to as "the Vessel"), of 550 dead-weight tons, owned by Claimants. The instrument of agreement was in the form prepared by the Japan Shipping Exchange, Inc. (revised in October, 1952), and the gist of the contract is as follows:—

Period of contract: one year from the commencement of operation, but it may be made 30 days longer or shorter at Operators' option, if necessary.

Commencement of operation: 26th April, 1962.

Special conditions: (1) Respondents shall guarantee payment to Claimants of Yen 2,150,000 for one month as the total freight earned during the month minus Respondents' commission.

(2) The said freight shall be paid at the end of each month with

a promissory note payable three months after date, after deducting therefrom the expense of voyage, cost of seamen's provisions and disbursements (which, when exact amount is unknown, may be an estimated amount).

(3) When the freight actually earned exceeds the guaranteed amount, the surplus shall be equally divided between Claimants and Respondents and shall be settled each month.

Clause 2: Shipowners shall be responsible for all the consequences arising from the unseaworthiness of the Vessel.

Clause 3: (1) Respondents shall undertake to carry on the selection of cargoes, allocation (or assignment) of the Vessel, fixing the freight, conclusion of contract for fuel, appointment of agents and procuring stevedores at the ports of call, and all other arrangements necessary for the operation of the Vessel, and shall profitably navigate the Vessel at the risk and expense of the Shipowners with the care of a good manager.

(2) The Operators may at the instance of the Shipowners do the whole of part of the business relating to the employment of seamen, insurance of the Vessel, repair of the Vessel, and procurement of ship's stores.

Clause 4: The Operators shall conclude the Vessel's contract of carriage of goods at the risk and expense of the Shipowners.

Clause 15: Any dispute arising from this Contract shall be submitted to arbitration of the Japan Shipping Exchange, Inc., in Kobe conducted according to the provisions of the Maritime Arbitration Rules of the Japan Shipping Exchange, Inc., 1962, and the award given by the arbitrators appointed in accordance with the said Rules shall be final and binding.

While the Vessel was being operated by Respondents in accordance with the contract, it transpired that there was a divergence of opinion between Shipowners and Operators as to whether the minimum amount

of freight guaranteed in the special condition of the contract was the amount for each month or the average monthly amount for each twelve months. Communications between the parties failed to come to an agreement, and Respondents ceased operation of the Vessel and returned her to Claimants on 25th February, 1963.

Pleadings

Claimants pleaded as follows:—

(1) Respondents' proposal of 22nd November, 1962, if accepted, would have caused a material alteration of the original conditions, and so Claimants raised an objection thereto over the telephone on 10th December, 1962, but Respondents only made some excuses. It is therefore absolutely false to say that Claimants accepted and agreed to Respondents' proposal.

(2) When both parties met at Ujina on 2nd February, 1963, Respondents proposed (a) that for November and December, 1962 and January, 1963 the guarantee shall not apply but the freight actually earned shall be paid to Claimants, (b) that from this day forth the guarantee clause of the contract shall be struck out and Respondents' commission shall be 5%, (c) that if Claimants are unable to agree to (a) and (b), Respondents will not object to Claimants' placing the Vessel in the hands of any firm who Claimants may think will make an agreement more agreeable to them.

To this, Claimants, in view of the fact that the interim survey of the Vessel was expected to last from 2nd February, 1963 till the middle of the same month, and considering Respondents' convenience, stated (a) that they agree that for February there will be no application of the guarantee clause and the commission shall be 5%, (b) that regarding March and after they will reply by about the 20th of the month.

(3) On 8th March, 1963 Claimants negotiated with Respondents regarding the settlement of freight to be paid by Respondents to Claimants. Respondents proposed that the deficit payment for one year should be fixed at Yen 453,175 and that this amount should be equally borne between

Claimants and Respondents. But there is an error in the basis of calculation of this amount, and there is no ground for dividing it equally between Claimants and Respondents. However, Claimants recollected Respondents' past services (on 3rd April, 1961 Claimants and Respondents had made one year's consignment contract), proposed that Respondents should pay to Claimants Yen 1,000,000, being about two thirds of the deficit in the guaranteed minimum amount of freight. But as Respondents failed to accept this proposal, Claimants claim Respondents to pay the deficit in the guaranteed minimum amount, Yen 1,575,932, plus interest up to 20th September, 1963, Yen 225,358.

Respondents pleaded as follows:—

(1) The proposal of 22nd November, 1962 was made in view of the sudden decrease of cargoes owing to curtailment of production caused by the stringent financial policy, prospect of little profit due to the low tone of freight market, the low efficiency of the Vessel owing to the lack of seaworthiness caused by unusual weather or insufficiency of crew, and relevant circumstances. A similar proposal was again made on 14th January, 1963 because of deterioration in the situation.

(2) Respondents thought that Claimants agreed to these proposals, and in order to confirm them, Respondents met Claimants at Ujina on 2nd February, 1963, and proposed as a final proposal (a) that freight should be paid as guaranteed up to Yen 2,100,000 per month on the average, (b) that upon completion of the interim survey the contract shall be laid aside, and if Respondents continue the use of the Vessel, it will be an unconditional consignment and Respondents shall receive a commission of 5%.

To this, Claimants replied that as regards (a) they had no objection, but that as regards (b) they would agree for February but for March and after they would reply by 15th February, 1963. But on 25th February, 1963 Claimants visited Respondents and gave a reply which was entirely contrary to Respondents' expectation.

On 8th March, 1963 Respondents proposed to Claimants that to settle the matter the amount deficient in the guaranteed minimum monthly average freight, viz., Yen 453,175 should be equally borne between Claimants and Respondents, but Claimants did not accept this proposal. Later Respondents communicated to Claimants that if Claimants were unable to accept this proposal of Respondents, they were prepared to talk over the matter with Claimants. But no development was made. Respondents are ready to meet Claimants' demand up to Yen 226,588.

Findings

The point at issue appears to lie in the interpretation of (1) of the special conditions of the contract.

Now, we shall first consider the negotiation carried on at Ujina on 2nd February, 1963. It is difficult to infer from the statements of both parties that Claimants accepted Respondents' proposal. There is also some doubt as to the meaning of (1) of the special conditions of the contract. When the parties were examined, Respondents stated, "When the first contract was made, it was proposed to the predecessor in office of the President of the Claimants that the guarantee should be for the average monthly freight, but he expressed his desire that it should be for the amount of each month's freight as far as possible. We agreed to this and drafted the above-mentioned first clause of the special conditions of the contract. Therefore the special conditions of the present contract have been made with the same intent." No statement affirming this contention was made by Claimants. In order that the guarantee clause now in question may mean the average monthly minimum income of freight, there must exist perfect consensus of wills to that effect. But in the conclusion of the present contract no such negotiation was made, and Claimants signed the memorandum prepared by Respondents. Therefore it is impossible to say that there was such consensus of wills. If there had been such consensus of wills, the said guarantee clause, which

is deemed to be a material item of the contract, ought to have been couched in so clear wording as could allow of no controversy. The said guarantee clause could not be understood to mean the average monthly minimum freight, but it means Yen 2,150,000 for each month. Respondents guaranteed this to Claimants. Respondents maintain that the guarantee clause naturally means by custom the average monthly freight, but there is nothing to prove the existence of such custom.

Respondents in their letter dated 22nd November, 1962 say, " Yen 2,150,000 for a month is an exceedingly high rate at present, and it is very difficult to maintain it. We are not inclined, however, to beat it down. As far as the market does not become worse, we shall alter it to the average monthly minimum freight of Yen 2,150,000 during the year, and together with the master and crew of the Vessel we shall do our best to promote our business." This shows that Respondents' contention just referred to is contrary to their real intention at the time of the conclusion of the contract. In these circumstances Respondents' proposal must be taken to mean a proposal of alteration of an original condition of the contract. It is, therefore, necessary to see whether Claimants agreed or not to this proposal. There is no evidence to prove that Claimants agreed, but according to Claimants' statement, they persisted in objecting to Respondents' proposal for the average monthly freight. But if we follow the progress of negotiation between Claimants and Respondents, we can see that the attitude taken by Claimants is partly responsible for the arising of dispute. As Respondents stated, to the proposal of 22nd November, 1962, Claimants responded over telephone on 10th December at last, and to the letter of 14th January, 1963 no reply was given. As regards the conference at Ujina on 2nd February, 1963, it is asserted that Respondents were to reply by 15th February and Claimants by 20th February. But Claimants reserved their reply till 25th February. Such attitude of Claimants is disfavoured in the business circle where promptitude is most valued. To any proposal of a party, the other party

should as promptly as possible express his intention. In the case before us, Claimants received a most important proposal from Respondents regarding a most important matter and Claimants ought to have promptly made clear their acceptance or refusal of the proposal. If it could be admitted that there was some lack of carefulness on the part of Respondents, it can hardly be said that there was nothing on Claimants' side which made Respondents believe that Claimants agreed to Respondents' proposal. Though Respondents' contention that "no objection is acceptance" according to general commercial custom is not justifiable, there seems to be no untruth in Respondents' statement that "If Claimants had raised an objection to our proposal of 22nd November, 1962, we would have been glad to settle the matter even if we had to pay some penalty." Therefore we have to give some consideration to Respondents' contention.

For about eighteen months covering the period of the former contract and the first half of the period of the present contract, Respondents operated the Vessel gaining freight exceeding the guaranteed minimum amount. This proves the efforts on the part of Respondents to put the contract into operation for the benefit of Claimants. In the circumstances of the time, were not Claimants in a position to give favourable consideration to Respondents' proposal? It is true legally speaking that insofar as Respondents guaranteed the minimum income of freight, they should bear the risk of failing to gain the guaranteed freight. But the Claimants and the Respondents are in close economic relations. And as Respondents say, the guaranteed minimum freight Yen 2,150,000 being certainly above the general level of the then market, it will be seen that the Vessel did no small business in the past. It is desirable that both parties should put up with the difficulties during depression and hold themselves ready for renewed endeavour when the market restores activity. Such we consider is the true nature of a consignment of a vessel.

The Arbitrators are unable to interpret the guarantee clause of the contract to mean the average minimum monthly freight for one year.

Nor do they find any trade custom to such effect. But they pay full regard to the great efforts made by Respondents in the operation of the Vessel, and at the same time they are of opinion that the attitude taken by Claimants was unfortunate in a way. On these considerations the Arbitrators adjudge, award, and direct as follows:—

Award

1. Respondents shall pay to Claimants the sum of Yen 766,628, which is the sum arrived at by deducting Yen 759,741, the total of those portions of freight earned in excess of the guaranteed minimum freight during the period of the contract, from Yen 1,526,369, the total of the deficits of the guaranteed minimum freight for the months of November and December, 1962 and January, 1963.
2. The fee and costs of arbitration shall be Yen 100,000, and it shall be equally divided in two and both parties to the dispute shall bear a half each.

23rd April, 1964.

ARBITRATION

in re a dispute concerning a Voyage Charter Party of m.s. "BELOCEAN"

between

Belships Company Limited Skibs-A/S., the Shipowners . . . . . CLAIMANTS

and

Washington Trading Company, Inc., the Charterers . . . . . RESPONDENTS.

Facts and Pleadings

On the 20th August, 1963 Belships Company Limited Skibs-A/S (hereinafter referred to as "Claimants") and Washington Trading Company, Inc. (hereinafter referred to as "Respondents") entered into a voyage charterparty of m.s. "Belocean" (hereinafter referred to as "the Vessel") on the 20th August, 1963, for carriage of a cargo of *beizai* timber of 3,700,000 BMF from North America to Japan. A dispute arose concerning this Charter Party, and both parties submitted the case to the Japan Shipping Exchange, Inc. for arbitration.

Claimants pleaded as follows:—

Claimants had reason to believe that the sworn measure, sworn by the Pacific Export Log Inspection Bureau (hereinafter referred to as "PELIB"), and notified by the shippers, of the *beizai* timber loaded on the Vessel at the port of loading for carriage to Japan was smaller than the measure of the timber actually loaded. Claimants made representations about this matter several times to the shippers, and also proposed in writing through their agents at the port of loading, Waterman Corporation,

to Respondents that the cargo should be remeasured by a sworn measurer at the port of discharge in the presence of Respondents. According to this proposal, when the Vessel entered the first port of discharge, Komatsushima, Claimants tried to get the cargo remeasured in co-operation with Respondents and the consignees, but Respondents and the consignees firmly opposed, and Claimants had a stowage survey carried on by the Far East Superintendence Co., Ltd., (hereinafter referred to as " FESCO "). The result obtained was 3,827,182 BMF, which showed that the sworn measure reported by PELIB was 234,332 BMF shorter than the actual measure. Claimants, accordingly, claim Respondents to pay additional freight in the amount of Yen 2,575,918,the expense of sending the measurers of Japan Marine Surveyors & Sworn Measurers' Association to Komatsushima amounting to Yen 176,020, and the expense of sending a representative of Claimants' agents in Japan, to Komatsushima amounting to Yen 22,170.

Against this claim of Claimants, Respondents contended as follows:—

The additional freight demanded by Claimants has been calculated according to the FESCO measure at the port of discharge, but the FESCO measure entirely disregards the Brereton Scale and rests on the presumption of bale capacity or photograph; from the nature of the cargo the measure varies according to the time and place of measuring; special clause 1 of the Charter Party stipulates " Measurement Pacific Export Log Inspection Bureau Certificate Final ", and therefore the PELIB measurement is final, and the freight calculated according to this measurement is final, and there is no reason whatever why any additional freight should be paid.

Claimants then maintained as follows:—

In spite of any special clause of Charter Party, if there is reason to doubt the correctness of the measure reported by a measurer, it is quite right that the cargo should be remeasured in compliance with the demand of either party and the original measurement be decided to be

correct or not.

Findings

It appears that whether Claimants' demand for additional freight is justifiable or not depends on the interpretation of clause 1 of the Charter Party: "Measurement Pacific Export Log Inspection Bureau Certificate Final".

The fundamental purpose of such a "final clause" is to effect a speedy close of account. It is usual that there takes place some difference in the measurement of timber even if the same scale is employed according as the measurer, the time and place of measuring etc. differ. Strict correctness cannot be expected. If whenever there is any doubt as to the correctness of the measurement, remeasuring and alteration of freight are allowed, speedy settlement of account cannot be expected. It must be for the purpose of avoiding any dispute arising concerning the computation of freight that it has been stipulated that the measurement by a reliable sworn measurer at the port of loading is final. Insofar as a "final clause" is included in the Charter Party, both Claimants and Respondents are bound to abide by it whether they liked it or not. As for the meaning of "final", it should be decided according to the purpose for which the clause has been inserted. As far as such purpose is to avoid any dispute arising and expediting the settlement of account, the final clause is to be interpreted as very strict, if not absolute and unconditional. Therefore, neither Claimants nor Respondents can demand remeasuring simply for the reason of their having a doubt as to the correctness of the measure. But if the measurement has been affected by mistake, fraud, or duress and there is a fair amount of disparity, or in the absence of any such cause affecting the correct measurement, if there is so considerable a difference in the measure as is not to be allowed in the ordinary circumstances of shipping trade, then remeasuring of cargo and the consequential alteration of freight may be allowed to some extent.

If so, is Claimants' demand for remeasuring, in spite of the existence of a final clause, justifiable? There is nothing in the evidence produced by Claimants or in their statement that furnishes an answer in the affirmative to this question. The difference between the actual quantity of cargo carried by the Vessel on five voyages including the present one (3,626,520 BMF—3,877,602 BMF) and the PELIB measure 3,592,850 BMF is 284,752 BMF. A difference of such a degree is quite possible in the case of a ship of the Vessel's capacity according to the shapes and lengths of logs. We therefore consider that the demand for remeasuring is not justifiable.

In view of the above considerations the expense of sending the sworn measurers of Japan Marine Surveyors & Sworn Measurers' Association and a representative of Claimants' agents in Japan, to the port of discharge Komatsushima for remeasuring the cargo should be borne by Claimants.

The Arbitrators appointed according to the Rules of Maritime Arbitration of the Japan Shipping Exchange, Inc., upon due deliberations render an award as follows:—

Award

1. The claims of Belship Company Limited Skibs-A/S., the Shipowners, to Washington Trading Company, Inc., the Charterers, for additional freight Yen 2,575,918, the expense of sending a measurer Yen 176,020, and the expense of sending a representative of Claimants' agents in Japan Yen 22,170, are all dismissed.
2. The fee and costs of arbitration shall be Yen 100,000, and it shall be equally divided in two and both parties to the dispute shall bear a half each.

31st August, 1965.

Clauses of Charterparty Cited

Where to load. That the said vessel shall proceed to TWO(2) safe ports each 1/2 safe berth(s) COOS BAY/PUGET SOUND range···

Cargo. and there load a full and complete cargo (if shipment of deck cargo agreed same to be at Charterers' risk) of LOGS, 3,700,000 Board Measure Feet 10% more or less at Owners' option which the Charterers bind themselves to ship, and being so loaded the

Destination. vessel shall proceed to Three(3) safe ports each 1/2 safe berth(s) TOKYO/HAKATA range at Charterers' option···and there

Rate of freight. deliver the cargo on being paid freight as follows $ 31.00 U.S. Currency per 1,000 Board Measure Feet Brereton Scale, F.I.O. and stowed (Measurement Pacific Export Log Inspection Bureau Certificate Final).

If One(1) additional Loading port or Discharging port used, Charterers to pay $ 1,500.00 U.S. Currency extra per port, but if One(1) Loading port or Discharging port saved, Owners to allow Charterers a reduction $ 1,500.00 U.S. Currency for each port.

32. Arbitration and/or claims, if any, to be settled at TOKYO after completion of Discharge.

ARBITRATION

in re a dispute concerning Voyage Charter Parties of s.s. "ISABEL ERICA" and m.s. "NANCY DEE"

between

Red Anchor Line, Ltd., the Shipowners . . . . . CLAIMANTS

and

Toko Kaiun Kabushiki Kaisha, the Charterers . . . . . RESPONDENTS.

Facts and Allegations

Claimants' Side:

The Claimants, Red Anchor Line, Ltd., (hereinafter referred to as "Claimants") requested an arbitration for the settlement of the sum of Yen 2,898,369 together with the payment of interest accruing thereto at the rate of 6% per annum for the period from the 8th July, 1964, until the completion of settlement by the respondents, Toko Kaiun Kabushiki Kaisha, the Charterers, (hereinafter referred to as "Respondents") and gave the following reasons to support their allegations:

1. Claimants concluded a Voyage Charter Party (hereinafter referred to as "Charter Party I") using the NANYOZAI CHARTER PARTY 1960 form with Respondents for the carriage of lauan logs produced in the Island of Borneo by s.s. "ISABEL ERICA" (hereinafter referred to as "Vessel I") to Japan on the 5th August, 1961. The Claimants concluded a Voyage Charter Party (hereinafter referred to as "Charter Party II") on the

4th September, 1961, with the Respondents using the above-said Charter Party form for the carriage of Borneo lauan logs by m.s. "NANCY DEE" (hereinafter referred to as "Vessel II").

2. "Vessel I" completed the carriage of contracted quantity of lauan logs from Tanjonmani, Sarawak to the ports of Saeki, Shimonoseki, Hiroshima, Niihama, and Onomichi respectively in accordance with the provisions of Charter Party I during the period from the latter part of August, 1961 until the end of October, 1961. "Vessel II" also completed the carriage of Borneo lauan logs from Tawao, North Borneo, to the ports of Komatsushima, Osaka and Nagoya respectively in accordance with the provisions of Charter Party II during the period from the middle of September, 1961 until the latter part of November, 1961. Through negligence of the stevedores engaged in the loading and discharging of the cargoes, however, both vessels had suffered damage to the hull and adjoining parts thereby causing the stoppage of operation. Claimants were compelled to execute the necessary repairs. As the result, Claimants paid the sum of Yen 83,746 for Vessel I and Yen 1,863,480 for Vessel II as the cost of repairing. Claimants thereafter requested the above amount to be reimbursed by Respondents in accordance with the provision of Article 11[1] of the Charter Party, but Respondents refused to make settlement for the reimbursement. Action taken by the respective Masters of the vessels under review in accordance with the Article 11 of the Charter Party can be considered as appropriate.

[1] Article 11. Charterers are to be responsible for proved loss of or damage (beyond ordinary wear and tear) to any part of the vessel caused by stevedores at both ends.
Such loss or damage, as far as apparent, to be reported by the Master to Charterers, their Agents or their stevedores within 24 hours after occurrence.

The reason why the Master of Vessel I notified the Claimants' agent, Borneo Co., Ltd. of the damage on his vessel was that Respondents failed to appoint their agents for all ports of loading and discharging irrespective of the provision set forth in the Article 18[2] of the Charter Party. Consequently, Claimants had no alternative but to use their own agent as the place of liaison.

Judging from the fact that Respondents lived far away from the actual scene of damage, and different stevedores were used for each shipper, we are of opinion that Respondents' allegation to require Claimants to notify promptly Respondents and/or their stevedores of the damage in accordance with the provision of Article 11 is unfair as such demand places unnecessary burden on the Master. Although Respondents refuse to assume responsibility for the stevedore damage under review on the ground that notice thereof was not received within 24 hours after occurence as provided for in para. 2 of Article 11, the same provision can be interpreted to mean that the notice of stevedore damage might be given within 24 hours from the moment when such damage was found. Especially, Major portion of the damage caused to Vessel II which represents the principal part of the claim damages could not have been found immediately. But Respondents were notified of the damage promptly after the completion of cargo discharge. It has been proved that Vessel II was seaworthy prior to sailing for the loading port, having satisfactorily completed the repair of former damaged places. Survey report compiled by the Cornes & Co., of Yokohama immediately upon the completion of voyage leaves no room to entertain any degree of suspicion concerning the points

[2] Article 18. In every case Owners shall appoint their Agents both at loading and discharging port(s).

proved by it. Respondents plead that the stevedore damage are invariably construed as ordinary wear and tear and even if the extent of damage is greater than ordinary wear and tear, damage of this kind is considered to be covered by freight applicable to lauan logs.

In this sense, it could be said that Respondents' claim is groundless, since ordinary wear and tear means natural loss.

3. Claimants were obliged to use their nominated agent and tally to make report of loading and discharging and tallying as Respondents failed to let their agent arrange for necessary tallying and supervision of loading and discharging of lauan logs.

The sum of Yen 649,816 for Vessel I and Yen 301,327 for Vessel II represents the tally charges, custom authorities' overtime wages, extra agency fee, transportation and hotel expenses, cost of telegrams and cost of extra meals served to representatives of shippers, all of which were paid by Claimants. Respondents refused to acknowledge the above payments.

Respondents claim that the above named expenses should be borne by Claimants in accordance with the established commercial custom of the trade. However, there is no such custom in existence.

The wording stipulated in the attached sheet of Charter Parties under review ;—"other terms and conditions are as usual manners," merely stipulates that any matters not covered by NANYOZAI CHARTER PARTY 1960 form shall be dealt with in usual manner. Granted that there exists such commercial custom as Respondents contend, but we invite your attention to the provisions of Article 5(3) and Article 6(4) mutually concluded between Claimants and Respondents which clearly define the responsibility.

In the circumstances, we are of opinion that the above provisions supercede the commercial custom in the settlement of claims under review.

In the case under review, Respondents as charterers must assume responsibility resting with the carrier against shippers and/or consignees. On the other hand, the fact that Claimants as shipowners have no direct contractual obligation for shippers and/or consignees proves that contracting parties for the carriage of this cargo are Respondents and shippers and/or consignees.

Respondents' Side:

Respondents seek award through arbitration dismissing Claimants' allegation and stated the following reasons to support their stand.

1. Respondents concur that Charter Party I and Charter Party II were concluded between Respondents and Claimants.
   A. Although Claimants demanded Respondents to pay the cost of repair of the stevedore damage to both vessels as mentioned in the statement of accounts of the Shipyard, from the contents of which statement it is difficult to determine ;
      (1) Whether the stevedore damage occurred during the current voyage of both vessels or not.
      (2) What was the cause of such damage.
   B. No one in Respondents' office received the notice of damage to the vessels within 24 hours after the occurence of damage as stipulated in the provision of Para. 2, Article 11 of the Charter Party.
   C. The certificates of damage received from Claimants at latter date

[3] Article 5. Charterers to load, stow and discharge the cargo free of risks and expenses to Owners.

[4] Article 6. Overtime charges for loading and discharging, except officers' and crew's, to be for the account of the party ordering the same. If overtime be ordered by Port Authorities or any other governmental Agencies, Charterers to pay extra expenses incurred.

do not clearly state whether the same were written with concurrence of the stevedores under review or not.

2. Claimants contend that their agent, Borneo Co., Ltd., can be construed to represent the Respondents' agent in accordance with the provision of Article 11 as Respondents failed to nominate their agent at the loading port.

   A. The provision of Para. 2 of Article 11 stipulates however that such notice should be given to stevedores in the absence of Respondents' agent at the loading port.

   B. Respondents allege that lauan logs carried by both vessels were loaded and discharged in usual cargo handling manner. Such being the circumstance, the damage claimed by Claimants falls into category of ordinary wear and tear as stipulated in Article 11 of the Charter Party.

   C. Generally speaking, such damage as those under review are covered by applicable freight. Respondents are therefore free of any liability.

   D. Respondents contend that the direct cause of damage was the failure of Claimants and Masters of both vessels to prepare for loading of lauan logs satisfactorily. Furthermore, Claimants knowingly failed to take necessary steps in accordance with the provision of Article 11 to notify Respondents or stevedores of the incident. In the light of above situation, it could not be said that the responsibility for the damage rests with Respondents.

   E. Existing commercial custom in Japan recognizes damage arisen in loading and discharging operation of lauan logs as stevedore damage when such damage is certified and approved by stevedore. The wording stipulated in the attached sheets of Charter Party I and Charter Party II, reading:—"Other terms and conditions are as usual manner," clearly governs the above cases.

3. Claimants allege that Respondents must bear the extra agency fee,

tally charge and other incidental expenses on the ground that Respondents failed to nominate charterers' agent. It must be remembered that the Article 18 of the Charter Party stipulates that Claimants are responsible for the appointment of agent. Furthermore, it is the established commercial custom in the loading of lauan logs for shipowners to bear the extra agency fee, cost of telegrams. Shipowners must also arrange for the entry and departure of vessels at loading and discharging ports. It is to be noted further that the Article 5 of the Charter Party stipulates that Charterers have to bear the cost of loading and discharging of cargoes.

Tally charge, cost of telegrams, custom authorities' overtime wages, cost of extra meals served to shipper's representatives should all be borne by Claimants as carrier.

Immediately upon conclusion of Charter Party I and Charter Party II, Respondents concluded contract of sub-chartering with several shippers (consignees). Judging from the stand point of these circumstances, it could be said that the responsibility for the carriage of cargoes from loading port to discharging port rests with the Shipowners who are Claimants in this case. It should be interpreted in Claimants' allegations that shippers (consignees) constitute Charterers and not Respondents. In the above sense, the Claimants' claim for settlement of various expenses above referred is of no concern to Respondents.

Reasons for Award

1. Claimants claim that the sum of Yen 83,746 represents the cost of repair of damage caused by negligence of stevedores on Vessel I while she was loading the lauan logs at the port of Tanjonmani and the amount to be borne by Respondents.

Judging from the contents of accident report compiled and sent by the Chief Officer of Vessel I to the Claimants' agent, Borneo Co., Ltd., and the subsequent letter sent by Borneo Co., Ltd., to the

Wheelock Marden & Co., Ltd., these damage sustained by Vessel I could be ascertained at the time of incident. In such case, it is the generally accepted commercial custom for Master of vessel in question to obtain damage certificate from stevedores concerned to prove that stevedore damage occurred during voyage. Masters' compilation of damage certificate with stevedores can be construed as the means of reporting incident. However, there is neither any trace of a certificate of any kind above referred to having been compiled nor any trace of difficulty to prevent such compilation at the time of the incident. Damage on Vessel I is therefore not recognizable as authentic stevedore damage. The Claimants' claim against Respondents regarding the above damage can not be recognized.

The sum of Yen 1,863,480 represents the cost of repair for damage caused to Vessel II by negligence of stevedores while she was engaged in loading and discharging operation at the ports of Tawao, Komatsushima and Osaka respectively. Claimants claim that the above sum shall be borne by Respondents. Claimants submitted five (5) copies of damage certificate covering damage arisen at the ports of Tawao, Komatsushima and Osaka. With the exception of one copy issued at Tawao of those, all remaining four copies contain stevedores' signature. There is no evidence to prove that the same had been unlawfully compiled. In the light of the above finding, Respondents' refusal to recognize the damage certificate as true copies on the ground that it is difficult to ascertain the names of signers, can not be accepted. It is therefore fair and proper to recognize the above four copies as true copies of damage certificate. The damage certificate issued at Tawao contains signatures of Master, Chief Officer and Agent, all of whom represent claimants' interest. The same does not contain signature of charterers and/or stevedores. Similar to reasons previously stated the damage stated in this damage certificate could not be proved satisfactorily to be recognized as stevedore damage occurred during the vessel's

voyage.

Furthermore, Respondents claim that all damage certificates are invalid since the Master did not make any report on the stevedore damage in question to Respondents within 24 hours after occurrence of the incidents in accordance with the provision of Para. 2 of Article 11. However, the said provision could be interpreted to mean that Master can unilaterally notify the Charterers, their agent or stevedores. In the light of this interpretation, as far as the four copies of damage certificate recognized as true copies are concerned, it is fair and proper to rule that those damage were notified to the stevedores at the time of signing which was within 24 hours' limit.

Bisides, Claimants presented two certificates, namely ; (1) Lloyd's Register of Shipping's certificate dated 11th September, 1961, issued immediately following the conclusion of regular survey of Vessel II prior to departing for loading port at the Hitachi Shipbuilding and Engineering Co., Ltd., as documentary proof to substantiate that the various damage contained in stevedores damage certificates submitted to Respondents were discovered for the first time upon completion of cargo discharge and the same must have therefore happened during the voyage concerned. (2) Survey Report compiled by the inspectors of Cornes & Co., Ltd., Yokohama when Vessel II was navigated to Kawasaki to check the damage found upon completion of cargo discharge at Nagoya. From the standpoint of these certificates above mentioned having been objectively compiled, the same could be considered as valid certificates. However, it is doubtful that these certificates could be construed to recognize all of the various damage contained in the damage reports as stevedore damage unconditionally.

Examination of contents of the above named certificates reveals that almost all of damage could be considered as stevedore damage. Furthermore, judging from the places of damage, it could be said that many places were not discoverable at the time of the occurrence of

incident. On the other hand, the damage could have been avoided if more careful preparation had been made by the vessel to caution against heavy weight cargo such as lauan logs. Damage certificate could also have been compiled at the time of said incidents. Judging from the descriptive explanation contained in the damage report, it is not easy task to decide separately the existence of proof or otherwise according to the various damaged portion of the vessel under review. It is therefore highly advisable to take into consideration the various points above stated when seeking concrete procedure to deal with the claim of this kind.

As regards the interpretation of the provision of Article 11 which exempts ordinary wear and tear, inasmuch as the said Article is established to cover stevedore damage, it should be interpreted to exempt natural wear and tear and usual consumption bound to arise because of heavy weight cargo such as lauan logs.

The following matters were taken into consideration when making our decision as to the sum of Yen 958,174 to be borne by Respondents covering the cost of repairs executed on Vessel II.

(1) Lapse of 4 years since the damage occurred on Vessel II.

(2) In view of the fact that Vessel II is aged, it is impossible to differentiate the damage to be ordinary wear and tear or otherwise through reexamination of various damage reports submitted long ago.

(3) Opinion of experienced repair men familiar with the repair of stevedore damage occurred in connection with carriage of lauan logs were obtained.

(4) Careful examination of various reports were duly conducted.

2. As for demand submitted by Claimants for the settlement of various extra charges; such as tally charge, custom authorities overtime wages, extra agency fee, transportation and hotel expenses, cost of telegrams and cost of extra meals served to representatives of shippers of cargo,

Claimants base their argument on the provisions of sub-charter which Respondents concluded with several shippers (consignees) for Vessel I and Vessel II. On the other hand, Respondents also make reference to the provisions of sub-charter in their refusal for settlement. We are of opinion that right or wrong of Claimants' demand should be decided in accordance with the provisions of the Charter Party.

(1) Claimants contend that tally was taken by Vessel I at loading and discharging ports whereas Vessel II took tally at discharging ports. It is therefore the responsibility of Respondents to pay for the entire cost of tallying in accordance with the provision of Article 5 of the Charter Party. It is to be pointed out that the Article 5 stipulates that stevedore charges at loading and discharging ports have to be borne by Charterers. Who should bear tally charges should be decided whether charterers or shipowners requested tally to be performed for specific purpose.

In the case under review, it was Claimants' responsibility as carrier to account for the exact number of logs. So they ordered the tally to be taken. In the circumstances, unless there was special agreement existed, Claimants cannot burden Respondents with tally charge. The total sum of Yen 451,831 should be borne by Claimants.

(2) Although Claimants claim that custom authorities' overtime wages must be borne by Respondents in accordance with the provisions of Article 5 and latter part of Article 6, but the provision of Article 6 under review should be interpreted to be applicable in case of existence of state of emergency in ports or else by special order of government authorities. It is therefore unfair for Claimants to demand settlement of the said charges by Respondents. It is to be noted further that who should pay the overtime wages must be decided by the first part of the provision of Article 5.

In the absence of proof to show that overtime wages were

brought about by the demand of Respondents, it is fair to say that this question should be dealt with in accordance with prevailing custom, if such exists, on the strength of the provision of Article 6[5] of the attached sheet of Charter Party I.

In the case of many shipowners engaged in the carriage of lauan logs, they assume the burden for the sake of convenience of settlement despite the fact that they entertain deep regret for doing so. It is therefore our opinion that the entire charge of Yen 123,480 should be borne by Claimants and not by Respondents as former claimed.

(3) As regards the agency fee, Claimants contend that the said charges occurred at all 5 loading ports in case of Vessel I and at all loading and discharging ports in case of Vessel II, and it is therefore Respondents that should bear the entire charges incurred. It is to be noted that the Article 18 does not obligate Respondents to appoint agency. In the circumstances, there is no ground to support the Claimants' contention to demand settlement by Respondents. On the other hand, judging from the contents of deposition taken by Respondents, Respondents failed to maintain satisfactory liaison with Claimants and other shippers in advance to ensure the smooth loading operation. It is therefore fair to rule that Respondents are responsible for the sum of Yen 58,800 incurred at loading port.

As for agency fee incurred at the discharging ports, we cannot find sufficient proof to substantiate the reasoning put forth by Claimants. It is therefore ruled that the same should be borne by Claimants.

(4) Similar to reason given in previous paragraph dealing with the Claimants' request for the payment of extra agency fee which was not recognized, the Claimants' claim for the settlement of

[5] Article 6. Other terms and conditions are as usual manners.

the sum of Yen 28,090 covering transportation and hotel expenses paid by them could not be recognized.

(5) As regards the settlement of the cost of telegrams in the amount of Yen 103,760, we have carefully examined the contents of message contained in the telegrams under review submitted by Claimants and found that the same should be segregated in accordance with the contents, and Claimants should pay for the portion attributable to their need and Respondents should assume responsibility for the remaining portion in the amount of Yen 34,303.

(6) As regards the claim pertaining to the cost of extra meals served to representatives of shippers of cargoes, it is fair to say that Respondents should bear the said cost in the amount of Yen 40,182.

Award

1. The Charterers, Toko Kaiun Kabushiki Kaisha, shall make settlement for the amount of Yen 1,091,459 together with interest accruing at the rate of 6% per annum during the period from 8th July, 1964, until the completion of the payment.
2. The arbitration fee and costs shall be Yen 150,000 and the same shall be apportioned equally between parties concerned.

24th January, 1966.

MEMORANDUM OF AGREEMENT
for the Sale of a Ship

The volume of ships which have been bought and sold in and around Japan during recent years has been enormous. These ships fall into two categories, namely, those aged ships which are imported into Japan for scrapping, and those Japanese ships which are purchased by foreign firms for the purpose of trading, and it is noteworthy that the tonnage of the latter category is yearly increasing. Buyers of those ships are, naturally for geographical reasons, mostly found in the South-East Asian countries. Thus a keen desire has grown in the interested circles for a form of memorandum of agreement for the sale of a ship which, while being suitable for the circumstances of the country of import, would be satisfactory for both buyer and seller.

The Documentary Committee of the Japan Shipping Exchange, Inc., who have hitherto drafted numerous forms of shipping documents, set up a Sub-committee for drafting a form of the memorandum of agreement for the sale of a ship. It was composed of men of deep knowledge and long experience in the matter, and they completed a form after deliberations at several sessions during a period of one year or more.

In drawing up the present form of memorandum, the Japanese memorandum which we compiled in 1949 and which has been widely made use of in the sale of Japanese ships has been partly used as a model. But chief attention has been paid to the actual circumstances of international dealings in ships; and in anticipation of the fact that this form will be used in the sales of ships between foreign firms, some of the best forms which are being actually employed in the world have also

been carefully studied and partly taken advantage of. It is confidently expected that the present form will be generally used in the international buying and selling of ships, and we have made special endeavours to make it suitable for this purpose both in contents and form.

In the selection of words employed in the text of the memorandum preference has been given to simple words, but in order to avoid any possible doubts arising in the interpretation of some clauses, verbosity is there somewhat tolerated.

MEMORANDUM OF AGREEMENT

CODE NAME "NIPPONSALE 1965"

IT IS THIS DAY MUTUALLY AGREED between ....., hereinafter called the Sellers, and ....., hereinafter called the Buyers, that the Sellers shall sell, and the Buyers shall buy, the steamship/motor vessel ..... of ..... flag, of ..... tons gross and ..... net-register tons, about ..... tons summer deadweight, built ....., classed ....., now trading/laid up at ....., with everything belonging to her, on board and on shore, on the following terms and conditions:—

1. The sale of the vessel is subject to the Sellers obtaining the ..... Government's Export Licence within ..... days of their signing this Agreement,

and subject to the Buyers obtaining the ..... Government's Import Licence within ..... days of their signing this Agreement.

In the event of the Licence from either of the Governments mentioned above being unobtainable within the stated period, or either of the Governments attaching such conditions to the sale as are unacceptable to the Sellers or Buyers, then this Agreement shall be null and void.

2. The Purchase Price of the vessel shall be .....
.....
.....
.....

3. As a security for the correct fulfilment of this Agreement, the Buyers shall pay a deposit of ..... per cent of the Purchase Money to a bank nominated by the Sellers within ..... days of their signing this Agreement, in the joint names of the Buyers and the Sellers, which deposit shall be released to the Sellers as a part of the Purchase Money on the presentation to the above-mentioned bank of the duplicate of the notice of readiness for delivery of the vessel.

4. The Buyers shall establish an Irrevocable Letter of Credit issued by ...., and confirmed by another bank approved by the Sellers, within ..... days of their signing this Agreement, in terms acceptable to the Sellers, not to expire on or before ...., for the amount of the balance of the Purchase Money, in favour of ...., which shall be paid to the Sellers against the undermentioned documents and delivery of the vessel.

(1) Bill of Sale, duly attested by a Notary Public, specifying free from all debts, encumbrances and maritime liens.

(2) ..... Government's Export Licence of the vessel.

(3) Commercial Invoices stating the Number of the Import Licence.

(4) Letter from the Sellers undertaking to supply a Deletion Certificate from the ..... Registry promptly after the vessel be delivered to the Buyers.

5. The Sellers shall deliver the vessel to the Buyers free from average and with clean swept holds at/in .... not later than .....

In the event of the Sellers failing to deliver the vessel within the time specified above, the Buyers shall have the option of maintaining or cancelling this Agreement, but any delay not exceeding..... ..... days caused by force majeure and/or caused by repairs in order to pass the inspection under clause 6 of this Agreement to be accepted by the Buyers.

6. For the inspection of bottom and other underwater part or parts, the Sellers shall place the vessel in drydock at the above-mentioned port or near thereto prior to delivery.

If the rudder, propeller, bottom or other underwater part or parts be found broken, damaged or defective so as to affect the vessel's clean certificate of class, the same shall be made good at the Sellers' expense to the Classification Society's satisfaction so as to retain the vessel's class without qualification.

While the vessel is in drydock and if required by the Buyers or the Classification Society's surveyor the tail-end shaft shall be drawn and should the same be condemned or found defective so as to affect the vessel's clean certificate of class, it shall be renewed or made good at the Sellers' expense to the Classification Society's satisfaction so as to retain vessel's class without qualification. The cost of drawing and replacing the tail-end shaft shall be borne by the Buyers unless the

Classification Society requires the tail-end shaft to be renewed or made good.

The expense of putting the vessel in and taking her out of drydock and the drydock dues shall be paid by the Buyers unless the rudder, propeller, bottom, other underwater part or parts or tail-end shaft be found broken, damaged or defective as aforesaid, in which event the Sellers shall pay these expenses.

The Sellers shall pay all costs of transporting the vessel to the drydock and from the drydock to the place of delivery.

7. When the vessel has been approved by the surveyor on the inspection stipulated in the preceding clause, the vessel shall be deemed ready for delivery and thereupon the Sellers shall tender to the Buyers a notice of readiness for delivery.

The Buyers shall take over the vessel within ..... days (Sundays and holidays excepted) from the day of the receipt of such notice.

In the event of the Buyers not taking delivery of the vessel within the above-mentioned time, the Buyers shall pay to the Sellers the sum of ..... per day as demurrage, but such detention shall not exceed ..... days.

8. Should the vessel be lost or wrecked before delivery or be not able to be delivered through outbreak of war, political reasons, restraint of Government, Prince or People, or any other cause which either party hereto cannot prevent, this Agreement shall be null and void, and the deposit shall be returned in full to the Buyers.

9. The vessel with everything belonging to her shall be at the Sellers' risk and expense until she is delivered to the Buyers, but subject to the terms and conditions of this Agreement, the vessel with everything belonging to her shall be delivered and taken over as she is at the time of delivery, after which the Sellers shall have no responsibility for any possible fault or deficiency of any description.

10. The Buyers shall take over and pay the current market price at the port of delivery for remaining bunkers and unbroached stores. Unused spare parts and unused spare equipment over and above the requirements of the Classification Society shall be taken over and paid for by the Buyers at original cost price, but not above the current market price at the port of delivery.

The Sellers shall prepare an inventory list for the Buyers at the time of delivery.

Payment under this clause shall be made prior to delivery of the vessel in the same currency as the Purchase Money.

11. The Sellers have the right to take ashore crockery, plate, cutlery, linen and other articles bearing the Sellers' flag or name, provided they substitute for the same an adequate number of similar unmarked items for officers and crew. Library, forms, etc., exclusively for use in the Sellers' vessels shall be taken ashore before the delivery.

12. The Buyers undertake to change the name of the vessel and alter funnel markings before trading the vessel under new ownership.

13. Should the Buyers fail to fulfil this Agreement, the deposit shall be forfeited to the Sellers.

If default should be made by the Sellers in the delivery of the vessel with everything belonging to her in the manner and within the time herein specified, the deposit shall at once be returned to the Buyers, and the Sellers shall, in addition, make due compensation for disappointment and loss caused by the non-fulfilment of this Agreement, but such compensation shall only be payable by the Sellers if such default on the Sellers' part is from other causes than those referred to in clause 5 and/or clause 8 of this Agreement.

14. Any dispute arising from this Agreement shall be submitted to arbitration conducted by the Japan Shipping Exchange, Inc., in Tokyo under the provisions of the Maritime Arbitration Rules of

the Japan Shipping Exchange, Inc., 1962, and the award given by the arbitrators appointed in accordance with the said Rules shall be final and binding.

IN WITNESS WHEREOF We have hereunto set our hands to TWO COPIES of this Agreement of same tenor and date this ..... day of ..... One thousand nine hundred and .....

WITNESS TO THE SIGNATURE OF

WITNESS TO THE SIGNATURE OF

Printed forms are sold for Yen 800 or U.S. $2.50 (postage extra) per book of 10 copies. They may be obtained by applying with remittance to the Tokyo or Kobe Office of the Japan Shipping Exchange, Inc.

APPENDICES

Forms of Arbitration Agreement and Arbitration Clause

I. Each form of maritime contract prepared by the Japan Shipping Exchange, Inc., contains an arbitration clause. In case where any other form of contract without an arbitration clause is employed, it is desirable that the following clause be inserted in the contract:—

"Any dispute arising from this (Charter Party)/(Contract) shall be submitted to arbitration by the Japan Shipping Exchange, Inc., in Tokyo or Kobe conducted in accordance with the Maritime Arbitration Rules of the said Exchange in force for the time being, and the award given by the arbitrators appointed by the said Exchange shall be final and binding."

II. Where it is contemplated to apply for an arbitration by the Japan Shipping Exchange, Inc., in accordance with an arbitration clause contained in a contract, the following agreement should first be made between the parties:—

"It is hereby expressly agreed that arbitration stipulated in (Article)/(Clause) _____ of the (Charter Party)/(Contract) dated _____, 19___, shall be arbitration by the Japan Shipping Exchange, Inc., in Tokyo or Kobe conducted in accordance with the Maritime Arbitration Rules of the said Exchange in force for the time being, and that the award given by the arbitrators appointed by the said Exchange shall be final and binding."

III. If the parties to a contract desire to appoint their respective arbitrators, wholly or in part, outside of the Panel of Members of the

Arbitration Commission of the Japan Shipping Exchange, Inc., the arbitration agreement should contain the following words:—

"It is understood that each party shall have the right of appointing an equal number of arbitrators from and/or outside of the Panel of Members of the Arbititration Commission of the Japan Shipping Exchange, Inc."

The Maritime Arbitration Rules of the Japan Shipping Exchange, Inc.

[*As amended in November, 1964*]

Section 1. There shall be set up in the Japan Shipping Exchange, Inc. (hereinafter referred to as "the Exchange") a Maritime Arbitration Commission, which shall perform arbitration, mediation, and other solution of any dispute relating to the ownership (including joint-ownership) of a ship, an agreement of demise, charter or consignment of a ship, or any other maritime matter such as carriage of goods by sea, bills of lading, marine insurance, sale of a ship, building or repair of a ship, salvage, average, etc.

Section 2. If in accordance with an agreement between the parties to a dispute relating to a maritime matter an application in writing is made for its settlement by arbitration, the Exchange will accept the application.

Section 3. If the parties to a dispute have, by an arbitration agreement entered into between them or by an arbitration clause contained in any other agreement between them, stipulated to submit a matter to an arbitration under these Rules, these Rules shall be deemed to constitute part of such arbitration agreement or arbitration clause.

Section 4. (1) Any person desiring to submit a matter to the arbitration of the Exchange shall file a written Application stating that the matter is submitted to arbitration under these Rules. The Application must be accompanied by a Statement of Claim.

(2) An applicant who is a legal person must file a document showing the authority of its representative or a power of attorney empowering its agent to act on its behalf.

Section 5. The Application for Arbitration shall specify the names of the parties, their residences (or their trade names and business offices,

if they are legal persons), capacities of their representatives if they are legal persons, the place of arbitration, the title of the case, and the main points of controversy.

Section 6. (1) The Statement of Claim shall specify the claim made by the applicant and the facts forming the cause of such claim, and shall be accompanied by material documentary evidence (original or copy) supporting such facts.

(2) After a Statement of Claim referred to in the preceding Subsection has been filed, a varied or additional claim may only be made prior to the appointment of Arbitrators. Such a claim, however, may be made at any time if the consent of the Arbitrators and the other party to the dispute is obtained.

(3) The Exchange may require the applicant to file the Statement of Claim in so many copies as may be needed for the proceedings.

Section 7. When a proper application for arbitration has been made by a party to a dispute, the Exchange shall forward to the other party the Application for Arbitration, the Statement of Claim, and other documents and shall instruct him to file within one month a Statement of his Case together with necessary evidence. The time limit of one month, however, may, if deemed necessary, be conveniently extended.

Section 8. (1) The party who has received delivery of an Application for Arbitration, a Statement of Claim, and other documents may bring a counterclaim in the same matter. Whether such counterclaim should be handled together with the original claim shall be decided by the Arbitrators.

(2) Application for arbitration of any counterclaim must be made in accordance with these Rules.

Section 9. The parties to a dispute must designate Tokyo as the place of arbitration, unless they by mutual consent choose Kobe instead.

Section 10. Documents relating to arbitration shall be sent by registered post to the residence or business office of each party, except

in case where they are handed in exchange for a receipt. Each party, however, may specify a person authorized to receive documents on his behalf and a spot in the place of arbitration upon which he is authorized to do so.

Section 11. (1) When both parties to a dispute are Japanese citizens, the Maritime Arbitration Commission (hereinafter referred to as "the Commission") shall appoint an odd number of Arbitrators from among such persons listed on the Panel of Members of the Maritime Arbitration Commission as have any concern neither with the parties nor in the subject of controversy. But a person or persons not on the Panel may be appointed an Arbitrator or Arbitrators, when such appointment is deemed particularly necessary.

(2) After the appointment of Arbitrators the Commission may appoint an additional Arbitrator or additional Arbitrators if required by mutual consent of the Arbitrators.

Section 12. (1) When one of the parties is not, or neither of them is, a Japanese citizen, the parties, notwithstanding the provisions of the preceding Section, may each appoint an equal number of Arbitrators.

(2) If in a written agreement between the parties there is a stipulation about the method of appointing Arbitrators, the parties may in accordance with that stipulation appoint to be Arbitrators such persons as they think fit.

(3) When Arbitrators have been appointed according to the provisions of either of the preceding two Sub-sections, the parties shall without delay file with the Exchange a notice of appointment accompanied by written acceptances of the office signed and sealed by the Arbitrators appointed. These Arbitrators, in performing the office of arbitration, shall be deemed to be Arbitrators appointed by the Commission.

Section 13. In the arbitration proceedings constituted according to the provisions of the preceding Section, a third arbitrator to preside over the proceeding shall be appointed by the Commission from among such

persons on the Panel of Members of the Commission (or persons not so empanelled, in case of particular need) as have any concern neither with the parties nor in the subject of controversy.

Section 14. If a vacancy takes place in the Arbitrators through resignation or otherwise, it shall be filled according to the provisions of the preceding Sections.

Section 15. The parties may challenge an Arbitrator on the same grounds as a party to a civil action might challenge a Judge (Section 792 of the Civil Procedure Code). If a party, knowing the existence of a cause of challenge against an Arbitrator, attends the hearing before that Arbitrator, he shall forfeit the right to challenge him; but if a cause of challenge arises after the commencement of the arbitration proceeding or if a party did not know the fact upon which he could have objected the Arbitrator, he shall not be prevented from making challenge.

Section 16. A motion for challenge shall be made to the Commission in writing showing cause.

Section 17. (1) Challenges shall be tried and determined by the Commission.

(2) A party challenging cannot appeal from a decision allowing challenge. From a decision dismissing challenge an immediate appeal may be made to the competent Court.

Section 18. (1) The Arbitrators shall fix the date and place of hearing and give notice of them to the parties at least seven days prior to the day of hearing. But the notice may be given later in case where special reasons exist for delay.

(2) The parties, if they find it necessary, may request a change of the date of hearing, in writing showing cause, so as to reach the Exchange at least three days prior to the originally fixed date. The request will be granted only for a cogent reason.

Section 19. The parties shall appear at the hearing at the appointed date either in person or by proxy.

Section 20. The Arbitrators, in order to examine the subject of controversy and elucidate relevant facts, may request voluntary appearance of witnesses and experts and examine them, and take evidence in any other way.

Section 21. The parties may, at any time before the conclusion of hearing, produce evidence, and with the consent of the Arbitrators call witnesses or experts.

Section 22. The Arbitrators shall question the parties whether any evidence, witness, or expert still remains to be called, and upon ascertaining that there is none, shall declare the conclusion of hearing. But the Arbitrators may, by their own discretion, or in compliance with either party's admissible request, allow further evidence to be taken or order the hearing to be re-opened, at any time before an award is given.

Section 23. When oral examination of the parties is impossible or there is a reasonable ground for dispensing with such examination, an award may be adjudicated solely on the documentary evidence produced by the parties.

Section 24. At any stage of the arbitration proceeding the Arbitrators may, with the consent of the parties, settle whole or part of the dispute by mediation.

Section 25. In any of the following cases the Arbitrators may without going into examination of the subject of controversy disallow or dismiss the application for arbitration or make such other decision as they deem fit:—

1. When the arbitration agreement is not lawfully made, is void, or cancelled.
2. When either of the parties is not lawfully represented or his agent has no authority to act on his behalf.
3. When both parties without cause fail to appear at the date set for hearing.
4. When both parties fail to comply with such directions or re-

quirements of the Arbitrators as they consider necessary for a proper conduct of the arbitration proceeding.

Section 26. The Arbitrators shall within thirty days after the announcement of the conclusion of hearing adjudicate a final award. This time, however, may be extended if necessary.

Section 27. (1) A final award, the disallowance or dismissal of an application for arbitration, or any finding, rule, or order of the Arbitrators must be made upon their deliberation and resolution.

(2) The resolution referred to in the preceding Sub-section must be passed by a majority vote of the Arbitrators who took part in the arbitration proceeding, unless there is a stipulation to the contrary in the arbitration agreement.

Section 28. (1) A final award must be reduced to writing and signed and sealed by all the Arbitrators who took part in the proceeding and the Chairman of the Commission (or a person authorized by him to sign and seal on his behalf). The written award shall state the following:—

1. The names and addresses of the parties to the dispute and their representatives or agents.
2. The award.
3. The material facts and the main points at issue.
4. The grounds upon which the award is rendered.
5. The date on which the written award is prepared.
6. The costs of arbitration and a direction as to their payment.
7. The competent Court. (It should be the Tokyo District Court or the Kobe District Court, but another Court may be selected by mutual consent of the parties.)

(2) The written award shall as a rule be in the Japanese language, but according to the request of either party it may be made out in the English language in addition to the Japanese version, and both the Japanese and the English versions may be regarded as the original texts of

the award. Should any conflict or variance arise in the interpretation of the award between the two versions, the Japanese version should be regarded as conclusive.

Section 29. If during the progress of the arbitration proceeding the parties settle out of the arbitration proceeding any part of the dispute, the terms of such settlement may, if required by the parties, be embodied in the award.

Section 30. Authentic copies of the award signed and sealed by the Arbitrators shall be served on the parties, and the original document of award shall be deposited with the Office of Clerks of the Court of competent jurisdiction in accordance with Sub-section 2 of Section 799 of the Civil Procedure Code.

Section 31. If any miscalculation, misprint, mistyping, miswriting, or any other apparent error is discovered on the face of the written award within a week after its service, the Arbitrators can rectify it.

Section 32. Only the parties to the dispute, but no other persons, will for a reasonable cause be permitted to inspect documents relating to the arbitration.

Section 33. [*Amended in November, 1964*] The awards given by the Arbitrators may be published in the periodical, *The Kaiun* (The Shipping), and other suitable papers issued by the Exchange, unless both parties beforehand communicate their objections.

Section 34. Documents submitted to the Exchange by the parties will not as a rule be returned. If any document is desired to be returned, it must be marked to that effect at the time of its submission, and a copy thereof must be attached to it.

Section 35. [*Amended in November, 1964*] (1) An applicant for arbitration shall within one week of the acceptance of the application pay to the Exchange an engagement fee of ¥50,000.

(2) Each party shall deposit with the Exchange, for appropriation to the payment of the arbitration fee and ordinary expenses, a sum of

money calculated according to the rates given below when the amount of his claim is designated, or ¥100,000 when the amount of his claim is not designated, within one week of his receipt of notice thereof.

When the amount of claim is ¥5,000,000 or less, the sum to be deposited is ¥50,000.

When the amount of claim exceeds ¥5,000,000, but does not exceed ¥20,000,000, the sum to be deposited is ¥50,000 for the first ¥5,000,000, and ¥10,000 for each additional ¥1,000,000.

When the amount of claim exceeds ¥20,000,000, but does not exceed ¥50,000,000, the sum to be deposited is ¥200,000 for the first ¥20,000,000, and ¥5,000 for each additional ¥1,000,000.

When the amount of claim exceeds ¥50,000,000, but does not exceed ¥100,000,000, the sum to be deposited is ¥350,000 for the first ¥50,000,000 and ¥2,500 for each additional ¥1,000,000.

When the amount of claim exceeds ¥100,000,000, the sum to be deposited is ¥475,000 for the first ¥100,000,000 and ¥1,000 for each additional ¥1,000,000.

(*Table of the amounts of deposit is appended as the end of the Rules.*)

(3) The engagement fee once paid shall not, and money deposited for appropriation to arbitration fee or other purposes shall after the first hearing not be returned for any reason.

Section 36. Expenses caused by the particular nature of the subject of controversy, and the expenses defrayed on account of calling witnesses or experts by the Arbitrators, shall, notwithstanding the provisions of the preceding Section, be equally apportioned between the parties to the dispute. The expenses in respect of witnesses or experts called by a party shall be borne by the party who called them.

Section 37. Payment or otherwise of a remuneration to the Arbitrators appointed by the Commission, its amount, and how it shall be disbursed shall be determined by consultation between the Chairman and

the Deputy Chairman of the Commission taking into consideration the degree of difficulty of the subject of controversy and other circumstances.

Section 38. The formation of the Commission, the Panel of its Members, and the appointment of Arbitrators from among the empanelled Members shall be provided for in the Rules of the Maritime Arbitration Commission.

Section 39. (1) Any difference among the Arbitrators concerning the interpretation of these Rules shall be determined by a majority vote of the Arbitrators.

(2) Failing the determination referred to in the preceding Subsection, the Arbitrators may refer the matter to the Commission for final decision. Any doubt in the interpretation of these Rules may likewise be settled.

Section 40. Regulations necessary for putting these Rules into operation shall be separately made.

Supplementary Rules.

These Rules shall come into operation on the 13th September, 1962. Matters for which application for arbitration was made prior to the coming into force of these Rules shall be dealt with according to the former Rules governing Maritime Arbitration.

Table of the Amounts of Deposit

Amount of Claim	Deposit
¥ 5,000,000	¥ 50,000
¥ 6,000,000	¥ 60,000
7,000,000	70,000
8,000,000	80,000
9,000,000	90,000
10,000,000	100,000
11,000,000	110,000
12,000,000	120,000
13,000,000	130,000
14,000,000	140,000
15,000,000	150,000
16,000,000	160,000
17,000,000	170,000
18,000,000	180,000
19,000,000	190,000
20,000,000	200,000
¥21,000,000	¥205,000
22,000,000	210,000
23,000,000	215,000
24,000,000	220,000
25,000,000	225,000
26,000,000	230,000
27,000,000	235,000
28,000,000	240,000
29,000,000	245,000
30,000,000	250,000
31,000,000	255,000
32,000,000	260,000
33,000,000	265,000
34,000,000	270,000
35,000,000	275,000
36,000,000	280,000
37,000,000	285,000
38,000,000	290,000
39,000,000	295,000
40,000,000	300,000
41,000,000	305,000
42,000,000	310,000
43,000,000	315,000
44,000,000	320,000
45,000,000	325,000
46,000,000	330,000
47,000,000	335,000
48,000,000	340,000
¥49,000,000	¥345,000
50,000,000	350,000
¥51,000,000	352,500
52,000,000	355,000
53,000,000	357,500
54,000,000	360,000
55,000,000	362,500
56,000,000	365,000
57,000,000	367,500
58,000,000	370,000
59,000,000	372,500
60,000,000	375,000
61,000,000	377,500
62,000,000	380,000
63,000,000	382,500
64,000,000	385,000
65,000,000	387,500
66,000,000	390,000
67,000,000	392,500
68,000,000	395,000
69,000,000	397,500
70,000,000	400,000
71,000,000	402,500
72,000,000	405,000
73,000,000	407,500
74,000,000	410,000
75,000,000	412,500
76,000,000	415,000
77,000,000	417,500
78,000,000	420,000
79,000,000	422,500
80,000,000	425,000
81,000,000	427,500
82,000,000	430,000
83,000,000	432,500
84,000,000	435,000
85,000,000	437,500
86,000,000	440,000
87,000,000	442,500
88,000,000	445,000
89,000,000	447,500
90,000,000	450,000
91,000,000	452,500
92,000,000	455,000
93,000,000	457,500
¥94,000,000	¥460,000
95,000,000	462,500
96,000,000	465,000
97,000,000	467,500
98,000,000	470,000
99,000,000	472,500
100,000,000	475,000
¥101,000,000	¥476,000
102,000,000	477,000
103,000,000	478,000
104,000,000	479,000
105,000,000	480,000
-	-
-	-
-	-
200,000,000	575,000
-	-
-	-
-	-
205,000,000	580,000
-	-
-	-
-	-
210,000,000	585,000
-	-
-	-
-	-
220,000,000	595,000
-	-
-	-
-	-
300,000,000	675,000
-	-
-	-
-	-
400,000,000	775,000
-	-
-	-
-	-
500,000,000	875,000
-	-
-	-
-	-
1,000,000,000	1,375,000

The Rules of the Maritime Arbitration Commission

Section 1. There shall be set up in the Japan Shipping Exchange, Inc., a Maritime Arbitration Commission.

Section 2. The object for which the Maritime Arbitration Commission is set up is to promote arbitration, mediation, and other means of solution of disputes relating to maritime matters, and thereby to contribute to a satisfactory operation of maritime trade.

Section 3. In order to attain the object referred to in the preceding Section, the Commission will carry on the following activities:—

1. To make, alter, and interpret the Rules of Maritime Arbitration.
2. To participate in consultation and give advice relating to international maritime arbitration cases.
3. To examine, investigate, and study matters relating to maritime arbitration.
4. To appoint arbitrators, experts, and certifiers in regard to maritime disputes.
5. To compile and maintain a Panel of Members of the Maritime Arbitration Commission.
6. To encourage and promote the insertion of an arbitration clause in maritime contracts.
7. To compile and publish materials relating to maritime arbitration.
8. To do other things necessary for achieving the object of the Commission.

Section 4. (1) The Commission shall be composed of a number of persons selected by the Board of Directors, and recommended by the President, of the Japan Shipping Exchange, Inc., from among the Members (both regular and associate) of the Exchange and other persons of

learning and experience.

(2) Those persons who have been recommended to be members of the Commission shall be listed on the Panel of Members of the Maritime Arbitration Commission.

(3) The vacancy made by the resignation of a Member of the Commission may be filled according to the provisions of the preceding two Sub-sections.

(4) The term of office of the Members of the Commission shall be two years.

(5) A Member who fills the vacancy caused by the resignation of a Member shall be in office for the remaining period of his predecessor's term.

Section 5. There shall be in the Commission a Chairman and a Deputy Chairman elected by and from among the Members of the Commission.

Section 6. The Chairman of the Commission represents the Commission and has general control of the business of the Commission. The Deputy Chairman assists the Chairman and acts on his behalf.

Section 7. The Chairman shall convene a meeting of the Commission when necessary.

Section 8. (1) The meeting of the Commission shall be constituted by one fourth or more of its Members, and its resolutions shall be passed by a majority of the Members present.

(2) The chairman of the meeting has a vote in the resolutions referred to in the preceding Sub-section.

Section 9. The Chairman and the Deputy Chairman of the Documentary Committee (Rules of the Documentary Committee, Section 5) can be present at the meeting of the Maritime Arbitration Commission and give their opinions, but have no right of vote.

Section 10. The Chairman of the Commission shall preside over the meeting of the Commission. If he is unable to do so, the Deputy

Chairman shall take his place. If both the Chairman and the Deputy Chairman are unable to take the chair, a person elected by and from among those present shall preside.

Section 11. The Chairman of the Commission shall report to the Commission the results of arbitrations, filing with the Commission copies of the awards, reports, or certificates prepared by Arbitrators, experts, or certifiers respectively.

Section 12. The Chairman of the Commission, if he considers it necessary, can entrust a suitable person with the investigation of a professional, technical, or other specific matter and let him report the results to the Commission.

Section 13. (1) In case where any business of the Commission needs deliberation or investigation extending over some length of time, the Chairman of the Commission can nominate a number of persons from among those on the Panel of Members of the Maritime Arbitration Commission and assign the task to them.

(2) The persons nominated in accordance with the provisions of the preceding Sub-section shall form a Special Committee.

(3) The Special Committee shall report to the Commission the results of its deliberation or investigation.

Section 14. The Chairman of the Commission shall from time to time report to the Board of Directors decisions made, resolutions passed, and other matters dealt with by the Commission.

Section 15. Matters necessary for the management of the business of the Commission shall be provided for in the private regulations of the Commission.

Section 16. Any amendment to these Rules can upon the instance of the Chairman be made by the Commission with approval of the Board of Directors.

Supplementary Rule.

These Rules shall come into operation on the 13th September, 1962.

The Rules of Appraisal, Certification, etc., of Maritime Matters

[*As amended in May and November, 1964*]

Section 1. Any person desirous of obtaining from the Japan Shipping Exchange, Inc., a written opinion, advice, appraisal, or certificate relating to the ownership (including joint-ownership) of a ship, an agreement of demise, charter, or consignment of a ship, or any other maritime matter such as carriage of goods by sea, bills of lading, marine insurance, sale of a ship, building or repair of a ship, salvage, average, etc., may file with the Exchange a signed and sealed written application showing the subject matter of the application.

Section 2. [*Amended in November, 1964*] (1) Upon receipt of an application referred to in the preceding Section, the Maritime Arbitration Commission shall decide whether or not it should accept the same, and if it is accepted, the Commission shall cause the thing applied for to be prepared by such a person as it shall appoint from among those on the Panel of Members of the Maritime Arbitration Commission (or other persons in case of special need).

(2) The decision of the Maritime Arbitration Commission referred to in the preceding paragraph shall be notified to the applicant in writing.

Section 3. (1) The written appraisal, expert opinion, or certificate shall be in the Japanese language, but it may, according to the request of the applicant, be made out in the English language or in both the Japanese and the English languages.

(2) When a document is made out both in Japanese and in English, both versions shall be regarded as authentic texts. But in case of any difference of interpretation between the two versions, the Japanese version shall be regarded as conclusive.

Section 4. [*Amended in May, 1964*] The written appraisal or

certificate shall be signed and sealed by the appraiser or certifier and the Chairman of the Commission of Maritime Arbitration (or a person authorized by him to sign and seal on his behalf) ; provided that when the applicant has required only the signature and seal of the Chairman of the Maritime Arbitration Commission, the same alone will suffice.

Section 4 *bis.* [*Amended in November, 1964*] An applicant, upon receipt of a notice of the acceptance of the application referred to in paragraph 2 of Section 2, shall pay to the Japan Shipping Exchange, Inc., an engagement fee of ¥20,000, provided that an applicant for the appraisal of the price of a ship need not pay an engagement fee. An engagement fee once paid shall not be returned for any reason.

Section 5. [*Amended in November, 1964*] (1) An applicant, upon receipt of a notice from the Exchange that a written appraisal, opinion, or certificate shall be delivered, pay to the Exchange a fee therefor and such expenses as shall have been defrayed by the Exchange in regard to the appraisal, expert opinion, or certification.

(2) Notwithstanding the provision of the preceding paragraph, the applicant shall pay in advance to the Exchange part of the fee for appraisal, expert opinion, or certification, when the Exchange deems it necessary.

(3) Money paid in advance according to the provision of the preceding paragraph shall, after the first deliberation of the appraisers or experts, not be returned for any reason.

Section 5 *bis.* [*Amended in November, 1964*] (1) The amount of the fee for appraisal, opinion, or certificate referred to in the preceding Section, shall be fixed by the Maritime Arbitration Commission according to the nature and degree of difficulty of the subject matter and in consultation with the appraiser, expert, or certifier.

(2) The fee for the appraisal of the prices of ships shall be ¥30,000 per vessel, and any expenses specially required shall be separately collected.

Section 6. Regulations necessary for the enforcement of these

Rules shall be separately made.

Supplementary Rule.

These Rules shall come into operation on the 13th September, 1962.

Rules relating to Arbitration in the Code of Civil Procedure of Japan

ARBITRATION PROCEDURE

Section 786. An agreement to submit a controversy to one or more arbitrators is valid only when the parties have the right to make a compromise regarding the matter in dispute.

Section 787. An agreement to submit a future controversy to arbitration is void unless it relates to a particular relation of right and a controversy arising therefrom.

Section 788. If in the arbitration agreement no provision is made for the nomination of arbitrators, each party shall nominate an arbitrator.

Section 789. (1) If both parties are entitled to nominate arbitrators, the party initiating the procedure shall in writing signify to the other party the arbitrator of his own nomination and call upon that other party to take the corresponding steps on his side within a period of seven days.

(2) In default of the nomination of an arbitrator within the period specified in the preceding Sub-section, the competent Court, upon application by the party initiating the procedure, shall appoint an arbitrator.

Section 790. A party having nominated an arbitrator is bound by such nomination in relation to the other party as soon as he has given to that other party notice of the nomination.

Section 791. Where an arbitrator nominated otherwise than by an arbitration agreement dies, or his position is otherwise vacated, or he refuses to accept or exercise the office of arbitrator, the party who has nominated him shall, upon demand by the other party, appoint another arbitrator within a period of seven days. In default of the appointment of an arbitrator within the specified period, the competent Court, upon

application by the said other party, shall appoint an arbitrator.

Section 792. (1) The parties may challenge an arbitrator on the same grounds and on the same conditions as they would have the right to challenge a Judge.

(2) Apart from the provisions of the preceding Sub-section, an arbitrator nominated otherwise than by an arbitration agreement may be challenged if he unduly delays the exercise of his office.

(3) Persons under disability, the deaf, the dumb, and persons deprived of or suspended from the enjoyment of public rights may, if nominated to be arbitrators, be challenged.

Section 793. An arbitration agreement shall be void unless by mutual consent of the parties provisions are made therein against the following contingencies:—

1. That, specified persons being nominated arbitrators in the arbitration agreement, any one of them dies, or his position is otherwise vacated, or he refuses to act, or withdraws from the agreement entered into by him, or unduly delays the exercise of his duties;
2. That the arbitrators notify the parties that their opinions are equally divided.

Section 794. (1) The arbitrators, before making an award, shall hear the parties and make such enquiries into the causes of controversy as they deem necessary.

(2) If the parties disagree on the arbitration procedure to be followed, the arbitrators shall adopt such procedure as they think fit.

Section 795. (1) The arbitrators may examine such witnesses and experts as may voluntarily appear before them.

(2) The arbitrators have no power to adminster an oath to a witness or an expert.

Section 796. (1) Any act which the arbitrators consider necessary in the course of the arbitration procedure but which they are unable to

perform shall, upon application by the parties, be performed by the competent Court, provided such application is deemed proper.

(2) If a witness or an expert refuses to give evidence or expert opinion, the Court which ordered him to do so shall have the power to make such adjudication as may then be necessary.

Section 797. If the parties contend that the arbitration procedure entered upon is not one which is to be allowed, or in particular, that no legally binding agreement of arbitration has been made, or that the arbitration agreement does not relate to the controversy to be settled, or that the arbitrators have no power to exercise their office, nevertheless the arbitrators may proceed with their function and make an award.

Section 798. When an award is to be made by several arbitrators, it shall be decided by a majority vote of the arbitrators, unless otherwise provided in the arbitration agreement.

Section 799. (1) The award shall bear date of the day on which it was prepared, and be signed and sealed by the arbitrators.

(2) Authentic copies of the award signed and sealed by the arbitrators shall be served on the parties, and the original document of award accompanied by a certificate of service shall be deposited with the Office of Clerks of the competent Court.

Section 800. As between the parties the award has the same effect as a final and conclusive judgement of a Court of Justice.

Section 801. (1) Application to set aside an award may be made of the following cases:—

1. Where the arbitration was one which ought not to have been allowed;
2. Where the award orders a party to do an act which is prohibited by law;
3. Where in the arbitration procedure the parties were not lawfully represented;
4. Where the parties were not heard in the arbitration procedure;

5. Where the award does not show the ground on which the decision was made;

6. Where for any of the reasons specified in 4, 5, 6, 7 and 8 in Section 420 a motion for a new trial is to be allowed.

(2) An award cannot be set aside for the reasons specified in 4 and 5 in the preceding Sub-section if special agreement has been made between the parties.

Section 802. (1) Execution by virtue of an award can be carried out only if it is pronounced to be allowed by an execution-judgement.

(2) No such execution-judgement as is referred to in the preceding Sub-section shall be given, if there exists a ground upon which application for setting aside an award can be made.

Section 803. After an execution-judgement has been given application for setting aside the award can be made only on the ground specified in 6 in Section 801, and then only if it is shown that the party has, not owing to any fault on his part, been unable to plead the ground for setting aside the award in the previous procedure.

Section 804. (1) An action for setting aside an award under the provisions of the preceding Section must be instituted within a peremptory period of one month.

(2) The period referred to in the preceding Sub-section commences to run from the day on which the party becomes aware of the ground for setting aside the award, but not before the excution-judgement becomes conclusive. After the expiration of five years from the day on which the execution-judgement becomes conclusive, this action cannot be brought.

(3) When an award is set aside, the Court shall also pronounce the execution-judgement to be set aside.

Section 805. (1) The Court competent to entertain an action having for its object the nomination or challenge of an arbitrator, the termination of an arbitration agreement, the disallowance of arbitration,

the setting aside of an award, or the giving of an execution-judgement is the Summary Court or District Court designated in the arbitration agreement. In the absence of such designation, the action may be brought before such Summary or District Court as would be the competent Court if the claim were judicially made before a Court of Justice.

(2) In case there are two or more Courts having jurisdiction according to the preceding Sub-section, the Court to which the parties or arbitrators first resorted shall be the competent Court.

NEW TRIAL

Section 420. (1) For any one of the following reasons, except where the party has in an appeal pleaded it or knowingly has not pleaded it, a final judgement which has become conclusive may be appealed against in the form of a motion for a new trial:—

1. If the Court which gave judgement was not so constituted as the law prescribed;
2. If a Judge who was precluded by law from participating in the decision participated therein;
3. If the legal representative or process-attorney or agent was not vested with the necessary power to do acts of procedure;
4. If a Judge who participated in the decision was guilty of an offence relating to his official duties in connection with the case tried before him;
5. If the party by a criminally punishable act of another person was led to make a confession or prevented from producing a means of attack or defence calculated to affect the decision;
6. If a document or any other object which was produced in evidence and on which the judgement was based was a forged or fraudulently altered matter;
7. If the judgement was based on a false statement of a witness, expert, or interpreter or a sworn party or legal representative;

8. If a civil or criminal judgement or any other judicial decision or an administrative decision on which the judgement was based has been altered by a subsequent judicial or administrative decision;
9. If no adjudication was made of a material fact which would have affected the judgement;
10. If the judgement appealed against conflicts with a conclusive judgement previously pronounced.

(2) In the case of 4, 5, 6, or 7 of the preceding Sub-section, a motion for a new trial may be made only when a judgement of conviction or a decision imposing a non-criminal fine has become conclusive in regard to the punishable act, or when a conclusive judgement of conviction or a decision imposing a non-criminal fine cannot be obtained for a reason other than the lack of evidence.

(3) If judgement on the subject-matter of the action was given by the Court of second resort, a motion for a new trial against the judgement given by the Court of first instance cannot be made.

The Panel of Members of the Maritime Arbitration Commission

Chairman: Katsuya, Toshiaki
Deputy-Chairman: Hamada, Kisao

Tokyo Group

Abe, Ken-ichi	Kawasaki Kisen Kaisha, Ltd.
Adachi, Mamoru	Iino Kaiun Kaisha, Ltd.
Akita, Eikichi	Mitsui O.S.K. Lines, Ltd.
Anan, Masatomo	The Yasuda Fire & Marine Insurance Co., Ltd.
Asukabe, Suekichi	Taisho Marine & Fire Insurance Co., Ltd.
Baba, Kentaro	Iino Kaiun Kaisha, Ltd.
Churiki, Isao	Kawasaki Dockyard Co., Ltd.
Ebato, Tetsuya	The Tokio Marine & Fire Insurance Co., Ltd.
Fuji, Yutaka	Shinwa Kaiun Kaisha, Ltd.
Furuya, Tojiro	Kanasashi Shipbuilding Co., Ltd.
Gunji, Akira	Mitsui & Co., Ltd.
Hagiwara, Masahiko	Japan Line, Ltd.
Hamada, Kisao	Japan Kinkai, Ltd.
Hamatani, Genzo	Hitotsubashi University
Hara, Hiroshi	Mitsui O.S.K. Lines, Ltd.
Harada, Kensuke	The Ocean Transport Co., Ltd.
Hayashida, Katsura	Taisei Fire & Marine Insurance Co., Ltd.
Hirai, Toshiya	Azuma Shipping Co., Ltd.
Ichikawa, Masao	Ataka Co., Ltd.
Ihara, Masao	The Nippon Fire & Marine Insurance Co., Ltd.
Iida, Hideo	Yamashita-Shinnihon Steamship Co., Ltd.
Inoue, Jiro	The Nisshin Fire & Marine Insurance Co., Ltd.

Ishigaki, Rei	C. F. Sharp & Co., Ltd.
Ishihara, Jujiro	Shinwa Kaiun Kaisha, Ltd.
Ishizuka, Kohei	Hitachi Shipbuilding & Engineering Co., Ltd.
Itano, Kamehachiro	The First Central Shipping Co., Ltd.
Iwamoto, Tsugio	Tokyo Shipping Co., Ltd.
Izuta, Tomiya	Taiyo Shosen Kaisha, Ltd.
Kaba, Akira	Nihonkai Steamship Co., Ltd.
Kafuku, Tatsuro	Mitsui O.S.K. Lines, Ltd.
Kagami, Hachiro	Nippon Yusen Kabushiki Kaisha
Kajikawa, Masutaro	Shinnihon Kinkai KisenKaisha, Ltd.
Kamata, Kunio	Showa Shipping Co., Ltd.
Karaki, Itsuo	Masaki Shokai, Ltd.
Katsuya, Toshiaki	Fuji Steamship Co., Ltd.
Kawamura, Kiyoshi	Kyoei Tanker Co., Ltd.
Kikkawa, Hiroshi	Sasebo Heavy Industries Co., Ltd.
Kikuchi, Shojiro	Nippon Yusen Kabushiki Kaisha
Kimura, Ichiro	Yamashita-Shinnihon Steamship Co., Ltd.
Kitamura, Shotaro	Interocean Shipping Corporation
Kobayashi, Shosuke	Sumitomo Shoji Kaisha, Ltd.
Komachiya, Sozo	Kanagawa University
Kondo, Masao	Fujinagata Shipbuilding & Engineering Co., Ltd.
Kubo, Hajime	Shinwa Kaiun Kaisha, Ltd.
Masukawa, Haruo	H. Masukawa & Co., Ltd.
Matsumoto, Ichiro	Yamashita-Shinnihon Steamship Co., Ltd.
Matsumoto, Seisuke	Tohnan Shokai, Ltd.
Misumi, Ken	Sansho Marine Agency Co., Ltd.
Miyata, Chuya	Miyata Shoten Co., Ltd.
Murakami, Eisuke	Ishikawajima-Harima Heavy Industries Co., Ltd.
Murakami, Sotoo	Ishikawajima-Harima Heavy Industries Co., Ltd.
Nagai, Akio	Fuji Steamship Co., Ltd.
Nagayama, Wataru	Chuwa Kaiji Co., Ltd.

Nakase, Naoo	Japan South Sea Lumber Conference
Nakatani, Masayuki	Sasebo Heavy Industries Co., Ltd.
Nakazawa, Rokuro	Kawasaki Kisen Kaisha, Ltd.
Nihei, Hisashi	Daiichi Senpaku Kabushiki Kaisha
Nishikawa, Isamu	Sanko Steamship Co., Ltd.
Nishimura, Jiro	Sanwa Shosen Kaisha, Ltd.
Nishizawa, Teruhiko	Mitsui & Co., Ltd.
Ogawa, Takeshi	The First Central Shipping Co., Ltd.
Ogawa, Tomohaya	Japan Line, Ltd.
Ogawa, Torazo	Japan Port Transportation Association
Ohara, Shozo	Ohara Kaiun Co., Ltd.
Oikawa, Matsunosuke	Hachiuma Steamship Co., Ltd.
Okuyama, Kazuo	Iwai & Company, Limited
Osawa, Seiichi	Mitsui Shipbuilding & Engineering Co., Ltd.
Otsuka, Takashi	Nissho Co., Ltd.
Sakuma, Seiji	Mitsui & Co., Ltd.
Sasaki, Syuichi	Mitsui O.S.K. Lines, Ltd.
Sato, Miyozo	Keihoku Shipping Co., Ltd.
Sato, Shuzo	Nippoh Kisen Co., Ltd.
Sato, Zentaro	Showa Shipping Co., Ltd.
Shimatani, Shigeo	Shin-ei Steamship Co., Ltd.
Shimazu, Tomotsugu	Shimazu & Co.
Shimizu, Tatsuo	Taiyo Gyogyo Kabushiki Kaisha
Suganuma, Takeo	Nihonkai Steamship Co., Ltd.
Takada, Shoichi	The Dowa Fire & Marine Insurance Co., Ltd.
Takanashi, Masao	Nippon Yusen Kabushiki Kaisha
Takeuchi, Ken-ichi	C. Itoh & Co., Ltd.
Taki, Tsuneo	Nippon Yusen Kabushiki Kaisha
Takuma, Kenji	Uraga Heavy Industries, Ltd.
Tanaka, Ikuya	Nippon Yusen Kabushiki Kaisha
Tokura, Ichiro	Mitsubishi Shoji Kaisha, Ltd.

Totsuka, Gen-ichiro	Kawasaki Kisen Kaisha, Ltd.
Tottori, Yoshio	Kowa Koeki Co., Ltd.
Tsuboi, Gengo	Tokyo Tanker Co., Ltd.
Tsuji, Futoshi	Mitsuiline Industries, Ltd.
Tsunado, Masao	Mitsui O.S.K. Lines, Ltd.
Tsuruoka, Nobuo	Nippon Yusen Kabushiki Kaisha
Uchida, Isamu	Meiji Shipping Co., Ltd.
Uchida, Mitsuji	Uchida Kaiun Kabushiki Kaisha
Umeda, Zenji	Kawasaki Dockyard Co., Ltd.
Umetani, Riichi	Taisho Marine & Fire Insurance Co., Ltd.
Urakami, Tsutomu	Nissho Co., Ltd.
Ushiki, Chuji	Mitsubishi Heavy Industries, Ltd.
Yabe, Giichi	General Shipping Co., Ltd.
Yabuki, Toyohiko	Daiko Shosen Kaisha, Ltd.
Yagi, Noboru	Towa Steamship Co., Ltd.
Yokoi, Shinkichi	The Yasuda Fire & Marine Insurance Co., Ltd.
Yoshimi, Shun-ichi	Nippon Yusen Kabushiki Kaisha
Yuguchi, Toshikazu	Hitachi Shipbuilding & Engineering Co., Ltd.
Yukawa, Isamu	Okada Shosen Kaisha, Ltd.
Zento, Keiichi	Yamashita-Shinnihon Steamship Co., Ltd.

Kobe Group

Aono, Kiyoaki	Onomichi Dockyard Co., Ltd.
Atsuta, Tadashi	Nippon Yusen Kabushiki Kaisha
Dan, Nobushige	Yamashita-Shinnihon Steamship Co., Ltd.
Dei, Jiro	Hara Shosen Kaisha, Ltd.
Fujita, Shinji	The Dai-Ichi Bank, Ltd.
Fujiwara, Keizo	The Bank of Tokyo, Ltd.
Fusano, Masaharu	The Dowa Fire & Marine Insurance Co., Ltd.
Haba, Katashi	Kawasaki Dockyard Co., Ltd.
Hachiuma, Kei	Hachiuma Steamship Co., Ltd.

Hachiya, Shuzo	Ishikawajima-Harima Heavy Industries Co., Ltd.
Hamane, Yasuo	Yachiyo Kisen Kaisha, Ltd.
Hayashi, Yutaka	Mitsubishi Heavy Industries, Ltd.
Hori, Toshiro	Fuji Iron & Steel Co., Ltd.
Ichino, Sen	Meiji Shipping Co., Ltd.
Igarashi, Etsuo	Tokai Rinko Kaisha, Ltd.
Ishida, Hiroshi	Shinwa Kaiun Kaisha, Ltd.
Izumi, Taro	Nippon Yusen Kabushiki Kaisha
Kai, Katsuro	Kai Kisen Co., Ltd.
Kai, Sokichi	Yamashita-Shinnihon Steamship Co., Ltd.
Kato, Senmatsu	Shinko Shosen Kabushiki Kaisha
Kawai, Junzo	Showa Shipping Co., Ltd.
Kitamura, Genzo	Kyosei Kisen Co., Ltd.
Kobayashi, Takeshi	Mitsubishi Heavy Industries, Ltd.
Kotanaka, Tetsuo	The Tokio Marine & Fire Insurance Co., Ltd.
Kurakawa, Masao	Mitsui & Co., Ltd.
Marutani, Katsuji	Kyosei Kisen Co., Ltd.
Maruyama, Noboru	Mitsui Shipbuilding & Engineering Co., Ltd.
Matoi, Katsuma	Nitto Transportation Co.,Ltd.
Matsuda, Gen-ichi	Mitsui O.S.K. Lines, Ltd.
Matsumoto, Sasao	F. Kanematsu & Co., Ltd.
Matsumoto, Shoichi	Yamashita Kinkai Steamship Co., Ltd.
Misawa, Nobuyuki	Taisho Marine & Fire Insurance Co., Ltd.
Miura, Katsuichiro	Kinka Kisen Co., Ltd.
Miyake, Tokusaburo	Far East Shipping Co., Ltd.
Miyao, Ryozo	Taitsu Shipping Co., Ltd.
Mizuno, Tokio	Mitsui Shipbuilding & Engineering Co., Ltd.
Mizutani, Katsuji	The Tokio Marine & Fire Insurance Co., Ltd.
Murachi, Shigeharu	Meiji Shipping Co., Ltd.
Nakagiri, Tetsuo	Setoda Shipbuilding Co., Ltd.
Nakajima, Yasuyoshi	Mitsui O.S.K. Lines, Ltd.

Narutomi, Takeo	Towa Steamship Co., Ltd.
Nozawa, Koshiro	Kawasaki Kisen Kaisha, Ltd.
Ogaki, Mamoru	Inui Steamship Co., Ltd.
Ogawa, Ryoichi	Nitto Transportation Co., Ltd.
Ogura, Eijiro	Mitsubishi Shoji Kaisha, Ltd.
Okaniwa, Hiroshi	Sanko Steamship Co., Ltd.
Ono, Yasunobu	Nippon Yusen Kabushiki Kaisha
Osaki, Kenji	Nihon Kisen Kaisha, Ltd.
Sato, Kunikichi	Satokuni Kisen Kaisha, Ltd.
Sawaya, Teishichi	Japan Line, Ltd.
Sawayama, Nobukichi	Sawayama Steamship Co.,Ltd.
Saito, Yasuji	The First Central Shipping Co., Ltd.
Sato, Kitsuji	Daiko Shosen Kaisha, Ltd.
Shimamura, Keiji	The Kure Shipbuilding & Engineering Co., Ltd.
Shimizu, Shigenobu	The Yasuda Fire & Marine Insurance Co., Ltd.
Sugaya, Kan-ichi	Sugaya Steamship Co., Ltd.
Suzuki, Takashi	Matsuoka Steamship Co., Ltd.
Tabata, Yoshito	Mitsui O.S.K. Lines, Ltd.
Takahashi, Masahiko	Institute for The Maritime Law and Practice
Takami, Sueo	The Bank of Kobe, Ltd.
Takemoto, Nariyuki	Miyachi Steamship Co., Ltd.
Tamai, Misao	Tamai Shosen Kaisha, Ltd.
Tochiki, Sakuya	Tochiki Steamship Co., Ltd.
Tomi, Atsuji	Mitsubishi Heavy Industries, Ltd.
Tomita, Saburo	Sanyu Kisen Kabushiki Kaisha
Torii, Masaru	Yamashita-Shinnihon Steamship Co., Ltd.
Tsubokawa, Keiji	Houn Shipping Co., Ltd.
Urabe, Jinzo	Hitachi Shipbuilding & Engineering Co., Ltd.
Yagi, Hiroshi	Kobe University
Yamada, Sotaro	Showa Shipping Co., Ltd.
Yamasaki, Hisao	Kawasaki Kisen Kaisha, Ltd.

Yasuhara, Meiji	Seiko Kaiun Co., Ltd.
Yoshimura, Jiro	Fujinagata Shipbuilding & Engineering Co., Ltd.
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