

No. 4050

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**UNITED STATES OF AMERICA  
and  
PHILIPPINES**

**Exchange of notes constituting an agreement relating to  
duty-free entry and exemption from internal taxation  
of relief supplies and equipment. Manila, 29 April  
1954 and 18 October 1956**

*Official text: English.*

*Registered by the United States of America on 28 October 1957.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
PHILIPPINES**

**Échange de notes constituant un accord relatif à l'entrée  
en franchise des approvisionnements et des fournitures  
de secours et à leur exonération des impôts intérieurs.  
Manille, 29 avril 1954 et 18 octobre 1956**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 28 octobre 1957.*

No. 4050. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND THE PHILIPPINES RELATING TO DUTY-FREE ENTRY AND EXEMPTION FROM INTERNAL TAXATION OF RELIEF SUPPLIES AND EQUIPMENT. MANILA, 29 APRIL 1954 AND 18 OCTOBER 1956

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I

*The American Embassy to the Philippine Department of Foreign Affairs*

No. 1071

The Embassy of the United States of America presents its compliments to the Department of Foreign Affairs of the Republic of the Philippines and under instruction from Washington has the honor to present the following matter :

For some years the United States has furthered the humanitarian activities of American voluntary relief and rehabilitation agencies by reimbursing ocean freight costs on relief shipments to certain countries. Eligible agencies are those registered with the Advisory Committee on Voluntary Foreign Aid, which Committee and its functions were transferred from State to Federal Operations Administration, July 1, 1953. The authority for this program was provided in Section 117 (c) of the Economic Cooperation Administration Act of 1948 and subsequently by Section 535 of the Mutual Security Act of 1951, as amended. In each instance before expending funds appropriated by the Congress for this purpose an agreement is entered into with the receiving country providing for duty-free entry of supplies and inland transportation to the point of ultimate distribution by the receiving government.

If the Government of the Philippines is agreeable, the United States Government would propose that the two countries enter into an agreement, through an exchange of notes, in the following terms :

“ 1. The Government of the Philippines shall accord duty-free entry into the Philippines, as well as exemption from internal taxation, of supplies

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<sup>1</sup> Came into force on 18 October 1956 by the exchange of the said notes.

of goods approved by the Government of the United States, donated to or purchased by United States voluntary, nonprofit relief and rehabilitation agencies qualified under United States Government Regulations, and consigned to such organizations, including branches of these agencies in the Philippines which have been or hereafter shall be approved by the Government of the Philippines.

“ 2. Such supplies may include goods of types qualified for ocean freight subsidy under applicable United States Government Regulations, such as basic necessities of food, clothing and medicines, and other relief and rehabilitation supplies and equipment in support of projects of health, sanitation, education and recreation, agriculture and promotion of small self-help industries, but shall not include tobacco, cigars, cigarettes, alcoholic beverages, or items for the personal use of agencies' field representatives.

“ 3. Duty-free treatment on importation and exportation, as well as exemption from internal taxation, shall also be accorded to supplies and equipment imported by organizations approved by both governments for the purpose of carrying out operations under this agreement. Such supplies and equipment shall not include items for the personal use of agencies' field representatives.

“ 4. The cost of transporting such supplies and equipment (including port, handling, storage, and similar charges, as well as transportation) within the Philippines to the ultimate beneficiary will be borne by the Government of the Philippines.

“ 5. The supplies furnished by the voluntary agencies shall be considered supplementary to rations to which individuals would otherwise have been entitled.

“ 6. Individual organizations carrying out operations under this agreement may enter into additional arrangements with the Government of the Philippines, and this agreement shall not be construed to derogate from any benefits secured by any such organizations in existing agreements with the Government of the Philippines.

“ I have the honor to propose that, if these understandings meet with the approval of the Government of the Philippines, this note and your Excellency's note in reply constitute an agreement between our two governments. ”

It will be noted that this model agreement covers all relief items normally shipped by these American relief agencies. Numbered Paragraph 2 of the agreement could be modified however, if the Government of the Philippines preferred to limit the agreement to one or more specific items.

An early expression from the Government of the Philippines with respect to the foregoing proposal will be appreciated.

American Embassy, Manila

April 29, 1954

## II

### *The Philippine Department of Foreign Affairs to the American Embassy*

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FOREIGN AFFAIRS

No. 3001

The Department of Foreign Affairs presents its compliments to the Embassy of the United States of America and has the honor to refer to the Embassy's note No. 1071 dated April 29, 1954 which is quoted hereunder :

[*See note I*]

The Department is pleased to inform the Embassy that the Government of the Republic of the Philippines is agreeable to the terms of the proposed agreement. This note and the Embassy's note No. 1071 dated April 29, 1954, therefore, now constitute the agreement between the Governments of the Republic of the Philippines and the United States of America.

(*Initialled*) [illegible]

Manila, October 18, 1956

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