

No. 4224

**UNITED STATES OF AMERICA
and
PHILIPPINES**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended. Signed at Manila, on 25 June 1957**

Official text: English.

Registered by the United States of America on 19 March 1958.

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

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée.
Signé à Manille, le 25 juin 1957**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 19 mars 1958.

No. 4224. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
THE REPUBLIC OF THE PHILIPPINES UNDER TITLE I
OF THE AGRICULTURAL TRADE DEVELOPMENT
AND ASSISTANCE ACT, AS AMENDED. SIGNED AT
MANILA, ON 25 JUNE 1957

The Government of the United States of America and the Government of the Republic of the Philippines :

Recognizing the desirability of expanding trade in agricultural commodities between their two countries and with other friendly nations in a manner which would not displace usual marketings of the United States of America in those commodities, or unduly disrupt world prices of agricultural commodities;

Considering that the purchase for Philippine pesos of surplus agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the Philippine pesos accruing from such purchases will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which will govern the sales of surplus agricultural commodities of the Government of the Republic of the Philippines pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended, and the measures which the two governments will take individually and collectively in furthering the expansion of trade in such commodities;

Have agreed as follows :

Article I

SALES FOR PHILIPPINE PESOS

Subject to the issuance by the Government of the United States of America and acceptance by the Government of the Republic of the Philippines during the period ending July 31, 1957, of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of the Republic of the Philippines, for Philippine pesos, of the following agricultural commodities determined to be surplus

¹ Came into force on 25 June 1957, upon signature, in accordance with article VI.

pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954 as amended in the amount indicated :

<i>Commodity</i>	<i>Export Market Value (Millions of dollars)</i>
Rice	2.5
Cotton	4.9
Dairy products	1.125
Meat	0.5
Inedible tallow	0.5
Beans (dry edible)	0.05
	<hr/>
	SUB-TOTAL 9.575
Ocean transportation (estimated 50%)725
	<hr/>
	TOTAL 10.300

Purchase authorizations issued pursuant to the above will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the Philippine pesos accruing from such sale and other relevant matters.

Article II

USES OF PHILIPPINE PESOS

1. The two governments agree that the Philippine pesos accruing to the Government of the United States of America as a consequence of the sales made pursuant to this agreement will be used by the Government of the United States of America, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, in the amounts shown :

- (a) To help develop new markets for United States agricultural commodities, for international educational exchange, and for other expenditures by the Government of the United States of America in the Philippines under Sub-sections 104 (a), 104 (f), and 104 (h) of the Act, the peso equivalent of \$3.0 million.
- (b) For common defense purposes in accordance with sub-section (c) of Section 104 of the Act, the Philippine peso equivalent of U.S. \$2.1 million, subject to supplemental agreement between the two governments.
- (c) For loans to the Government of the Republic of the Philippines to promote the economic development of the Philippines under Section 104 (g) of the Act, the Philippine peso equivalent of \$5.2 million subject to supplemental agreement between the two governments. It is understood that the loan

will be denominated in dollars, with payment to be made in United States dollars, or, at the option of the Government of the Republic of the Philippines, in Philippine pesos, such payments in pesos to be made in accordance with the provisions of the loan agreement and any agreement supplemental thereto. In the event the pesos set aside for loans to the Government of the Republic of the Philippines are not advanced within three years from the date of this agreement as a result of failure of the two governments to reach agreement on the use of the pesos for loan purposes, or for any other purpose authorized by Section 104 of the Act, the Government of the United States may use the pesos for any such other purpose. Not less than \$5.2 million of this sum will be reserved for relending to private enterprise through established banking facilities under procedures to be agreed upon by the two governments.

2. In the event the total of Philippine pesos accruing to the Government of the United States of America as a consequence of sales made pursuant to this agreement is less than the peso equivalent of \$10.3 million, the amount available for a loan to the Government of the Republic of the Philippines under sub-section 104 (g) would be reduced by the amount of such difference; in the event the total peso deposit exceeds the equivalent of \$10.3 million, 30 percent of the excess would be available for the use of the Government of the United States of America under sub-section 104 (f) and 70 percent would be available for the loan.

Article III

DEPOSIT OF PHILIPPINE PESOS

The deposit of Philippine pesos to the account of the Government of the United States of America in payment for the commodities and for ocean transportation costs financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) shall be made at the rate of exchange for United States dollars generally applicable to import transactions (excluding imports granted a preferential rate) in effect on the dates of dollar disbursement by United States banks, or by the Government of the United States of America, as provided in the purchase authorizations.

Article IV

GENERAL UNDERTAKINGS

1. The Government of the Republic of the Philippines agrees that it will take all possible measures to prevent the resale or trans-shipment to other countries, or the use for other than domestic purposes (except where such resale, trans-shipment or use is specifically approved by the Government of

the United States of America), of the surplus agricultural commodities purchased pursuant to the provisions of this agreement, and to assure that the purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States of America.

2. The two governments agree that they will take reasonable precautions to assure that sales or purchases of surplus agricultural commodities pursuant to this agreement will not unduly disrupt world prices of agricultural commodities, or materially impair trade relations among the countries of the free world.

3. In carrying out this agreement the two governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Government of the Republic of the Philippines agrees to furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to arrivals and conditions of commodities and the provisions for the maintenance of usual marketings and information relating to exports of the same or like commodities.

Article V

CONSULTATION

The two governments will, upon the request of either of them, consult regarding any matter relating to the application of this agreement or to the operation of arrangements carried out pursuant to this agreement.

Article VI

ENTRY INTO FORCE

This agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement.

DONE in duplicate at Manila, this twenty-fifth day of June 1957.

For the Government
of the United States of America :
Horace H. SMITH
Minister of the United States
of America

For the Government
of the Republic of the Philippines :
Raúl S. MANGLAPUS
Acting Secretary of Foreign Affairs
of the Republic of the Philippines