

No. 13621

**UNITED STATES OF AMERICA
and
PHILIPPINES**

**Exchange of notes constituting an agreement relating to
military assistance: payments under Foreign Assistance
Act of 1973. Manila, 16 May and 16 July 1974**

Authentic text: English.

Registered by the United States of America on 4 November 1974.

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

**Échange de notes constituant un accord relatif à l'assis-
tance militaire : paiements en vertu du *Foreign As-
sistance Act of 1973* (Loi de 1973 sur l'aide à l'étran-
ger). Manille, 16 mai et 16 juillet 1974**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 4 novembre 1974.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE PHILIPPINES RELATING TO MILITARY ASSISTANCE: PAYMENTS UNDER FOREIGN ASSISTANCE ACT OF 1973

I

No. 295

The Embassy of the United States of America presents its compliments to the Department of Foreign Affairs of the Republic of the Philippines and has the honor to refer to recent discussions between representatives of the two Governments regarding a new provision of United States law which prohibits the United States Government from furnishing defense articles on a grant basis to the Government of the Philippines, or any other Government, unless the Government of the Philippines shall have agreed to pay to the United States Government the net proceeds of sale received by the Government of the Philippines in disposing of defense articles so furnished.

In accordance with the new statutory provision, it is proposed that the Government of the Philippines agree that the net proceeds of sale received by the Government of the Philippines in disposing of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other defense article, including scrap from any such defense article, received heretofore or hereafter under the Military Assistance Program of the United States Government will be paid to the United States Government and shall be available to pay all official costs of the United States Government payable in Philippine currency, including all costs relating to the financing of international educational and cultural exchange activities in which the Philippines participated.

It is understood that this Agreement does not affect any prior agreement by the Government of the Philippines to return to the United States Government any defense articles furnished by the United States Government on a grant basis when such articles are no longer needed for the purposes for which they were furnished, without the consent of the United States Government to another disposition.

It is further proposed that the Ministry's reply stating that the foregoing is acceptable to the Government of the Philippines shall, together with this note, constitute an agreement between our Governments on this subject, to be effective from and after July 1, 1974.

The Embassy avails itself of this opportunity to renew to the Department the assurances of its highest consideration.

Embassy of the United States of America

Manila, May 16, 1974.

¹ Came into force on 16 July 1974 by the exchange of the said notes, with retroactive effect from 1 July 1974, in accordance with their provisions.

II

REPUBLICA NG PILIPINAS
KAGAWARAN NG SULIRANING PANLABAS
MAYNILA¹

No. 74-1960

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. 295 dated 16 May 1974, which reads as follows:

[See note I]

The Department wishes to inform the Embassy that the above-mentioned note is acceptable to the Philippine Government and that said note and this reply constitute an agreement between the two Governments effective from and after 1 July 1974.

The Department avails itself of this opportunity to renew to the Embassy the assurances of its highest consideration.

Manila, 16 July 1974.

¹ Republic of the Philippines, Department of Foreign Affairs, Manila.