

No. 18091

**UNITED STATES OF AMERICA
and
PHILIPPINES**

**Agreement for sales of agricultural commodities. Signed at
Manila on 24 August 1978**

Authentic text: English.

Registered by the United States of America on 14 November 1979.

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

**Accord relatif à la vente de produits agricoles. Signé à
Manille le 24 août 1978**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 14 novembre 1979.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FOR SALES OF AGRICULTURAL COMMODITIES

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 the United States of America (hereinafter referred to as the exporting country) and the Republic of the Philippines (hereinafter referred to as the importing country) and with other friendly countries in a manner that will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Taking into account the importance to developing countries of their efforts to help themselves toward a greater degree of self-reliance, including efforts to meet their problems of food production and population growth;

Recognizing the policy of the exporting country to use its agricultural productivity to combat hunger and malnutrition in the developing countries, to encourage these countries to improve their own agricultural production, and to assist them in their economic development;

Recognizing the determination of the importing country to improve its own production, storage, and distribution of agricultural food products, including the reduction of waste in all stages of food handling;

Desiring to set forth the understandings that will govern the sales of agricultural commodities to the importing country pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), and the measures that the two Governments will take individually and collectively in furthering the above-mentioned policies;

Have agreed as follows:

PART I. GENERAL PROVISIONS

Article I

A. The Government of the exporting country undertakes to finance the sale of agricultural commodities to purchasers authorized by the Government of the importing country in accordance with the terms and conditions set forth in this agreement.

B. The financing of the agricultural commodities listed in Part II of this agreement will be subject to:

1. The issuance by the Government of the exporting country of purchase authorizations and their acceptance by the Government of the importing country; and
2. The availability of the specified commodities at the time of exportation.

C. Application for purchase authorizations will be made within 90 days after the effective date of this agreement, and, with respect to any additional commodities or amounts of commodities provided for in any supplementary agreement, within 90 days

¹ Came into force on 24 August 1978 by signature, in accordance with part III (A).

after the effective date of such supplementary agreement. Purchase authorizations shall include provisions relating to the sale and delivery of such commodities, and other relevant matters.

D. Except as may be authorized by the Government of the exporting country, all deliveries of commodities sold under this agreement shall be made within the supply periods specified in the commodity table in Part II.

E. The value of the total quantity of each commodity covered by the purchase authorizations for a specified type of financing authorized under this agreement shall not exceed the maximum export market value specified for that commodity and type of financing in Part II. The Government of the exporting country may limit the total value of each commodity to be covered by purchase authorizations for a specified type of financing as price declines or other marketing factors may require, so that the quantities of such commodity sold under a specified type of financing will not substantially exceed the applicable approximate maximum quantity specified in Part II.

F. The Government of the exporting country shall bear the ocean freight differential for commodities the Government of the exporting country requires to be transported in United States flag vessels (approximately 50 percent by weight of the commodities sold under the agreement). The ocean freight differential is deemed to be the amount, as determined by the Government of the exporting country, by which the cost of ocean transportation is higher (than would otherwise be the case) by reason of the requirement that the commodities be transported in United States flag vessels. The Government of the importing country shall have no obligation to reimburse the Government of the exporting country for the ocean freight differential borne by the Government of the exporting country.

G. Promptly after contracting for United States flag shipping space to be used for commodities required to be transported in United States flag vessels, and in any event not later than presentation of vessel for loading, the Government of the importing country or the purchasers authorized by it shall open a letter of credit, in United States dollars, for the estimated cost of ocean transportation for such commodities.

H. The financing, sale, and delivery of commodities under this agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale, or delivery is unnecessary or undesirable.

Article II

A. Initial Payment

The Government of the importing country shall pay, or cause to be paid, such initial payment as may be specified in Part II of this agreement. The amount of this payment shall be that portion of the purchase price (excluding any ocean transportation costs that may be included therein) equal to the percentage specified for initial payment in Part II and payment shall be made in United States dollars in accordance with the applicable purchase authorization.

B. Currency Use Payment

The Government of the importing country shall pay, or cause to be paid, upon demand by the Government of the exporting country in amounts as it may determine, but in any event no later than one year after the final disbursement by the Commodity Credit Corporation under this agreement, or the end of the supply period, whichever is later, such payment as may be specified in Part II of this agreement pursuant to Section 103(b) of the Act (hereinafter referred to as the Currency Use Payment). The currency use payment shall be that portion of the amount financed by the exporting country equal

to the percentage specified for currency use payment in Part II. Payment shall be made in accordance with paragraph H and for purposes specified in Subsection 104(a), (b), (e), and (h) of the Act, as set forth in Part II of this agreement. Such payment shall be credited against (a) the amount of each year's interest payment due during the period prior to the due date of the first installment payment, starting with the first year, plus (b) the combined payments of principal and interest starting with the first installment payment, until the value of the currency use payment has been offset. Unless otherwise specified in Part II, no requests for payment will be made by the Government of the exporting country prior to the first disbursement by the Commodity Credit Corporation of the exporting country under this agreement.

C. *Type of Financing*

Sales of the commodities specified in Part II shall be financed in accordance with the type of financing indicated therein. Special provisions relating to the sale are also set forth in Part II.

D. *Credit Provisions*

1. With respect to commodities delivered in each calendar year under this agreement, the principal of the credit (hereinafter referred to as principal) will consist of the dollar amount disbursed by the Government of the exporting country for the commodities (not including any ocean transportation costs) less any portion of the initial payment payable to the Government of the exporting country.

The principal shall be paid in accordance with the payment schedule in Part II of this agreement. The first installment payment shall be due and payable on the date specified in Part II of this agreement. Subsequent installment payments shall be due and payable at intervals of one year thereafter. Any payment of principal may be made prior to its due date.

2. Interest on the unpaid balance of the principal due the Government of the exporting country for the commodities delivered in each calendar year shall be paid as follows:

- a. In the case of Dollar Credit, interest shall begin to accrue on the date of last delivery of these commodities in each calendar year. Interest shall be paid not later than the due date of each installment payment of principal, except that if the date of the first installment is more than a year after such date of last delivery, the first payment of interest shall be made not later than the anniversary date of such date of last delivery and thereafter payment of interest shall be made annually and not later than the due date of each installment payment of principal.
- b. In the case of Convertible Local Currency Credit, interest shall begin to accrue on the date of dollar disbursement by the Government of the exporting country. Such interest shall be paid annually beginning one year after the date of last delivery of commodities in each calendar year, except that if the installment payments for these commodities are not due on some anniversary of such date of last delivery, any such interest accrued on the due date of the first installment payment shall be due on the same date as the first installment and thereafter such interest shall be paid on the due dates of the subsequent installment payments.

3. For the period of time from the date the interest begins to the due date for the first installment payment, the interest shall be computed at the initial interest rate specified in Part II of this agreement. Thereafter, the interest shall be computed at the continuing interest rate specified in Part II of this agreement.

E. *Deposit of Payments*

The Government of the importing country shall make, or cause to be made, payments to the Government of the exporting country in the currencies, amounts, and at the exchange rates provided for in this agreement as follows:

1. Dollar payments shall be remitted to the Treasurer, Commodity Credit Corporation, United States Department of Agriculture, Washington, D.C. 20250, unless another method of payment is agreed upon by the two governments.
2. Payments in the local currency of the importing country (hereinafter referred to as local currency) shall be deposited to the account of the Government of the United States of America in interest bearing accounts in banks selected by the Government of the United States of America in the importing country.

F. *Sales Proceeds*

The total amount of the proceeds accruing to the importing country from the sale of commodities financed under this agreement, to be applied to the economic development purposes set forth in Part II of this agreement, shall be not less than the local currency equivalent of the dollar disbursement by the Government of the exporting country in connection with the financing of the commodities (other than the ocean freight differential), provided, however, that the sales proceeds to be so applied shall be reduced by the currency use payment, if any, made by the Government of the importing country. The exchange rate to be used in calculating this local currency equivalent shall be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency in connection with the commercial import of the same commodities. Any such accrued proceeds that are loaned by the government of the importing country to private or non-governmental organizations shall be loaned at rates of interest approximately equivalent to those charged for comparable loans in the importing country. The government of the importing country shall furnish in accordance with its fiscal year budget reporting procedure, at such times as may be requested by the government of the exporting country but not less often than annually, a report of the receipt and expenditure of the proceeds, certified by the appropriate audit authority of the government of the importing country, and in case of expenditures the budget sector in which they were used.

G. *Computations*

The computation of the initial payment, currency use payment and all payments of principal and interest under this agreement shall be made in United States dollars.

H. *Payments*

All payments shall be in United States dollars or, if the Government of the exporting country so elects:

1. The payments shall be made in readily convertible currencies of third countries at a mutually agreed rate of exchange and shall be used by the government of the exporting country for payment of its obligations or, in the case of currency use payments, used for the purposes set forth in Part II of this agreement; or
2. The payments shall be made in local currency at the applicable exchange rate specified in Part I, Article III, G, of this agreement in effect on the date of payment and shall, at the option of the Government of the exporting country, be converted to United States dollars at the same rate, or used by the Government of the exporting country for payment of its obligations or, in the case of currency use payments, used for the purposes set forth in Part II of this agreement in the importing country.

*Article III**A. World Trade*

The two Governments shall take maximum precautions to assure that sales of agricultural commodities pursuant to this agreement will not displace usual marketings of the exporting country in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with countries the Government of the exporting country considers to be friendly to it (referred to in this agreement as friendly countries). In implementing this provision the Government of the importing country shall:

1. Ensure that total imports from the exporting country and other friendly countries into the importing country paid for with the resources of the importing country will equal at least the quantities of agricultural commodities as may be specified in the usual marketing table set forth in Part II during each import period specified in the table and during each subsequent comparable period in which commodities financed under this agreement are being delivered. The imports of commodities to satisfy these usual marketing requirements for each import period shall be in addition to purchases financed under this agreement;
2. Take steps to assure that the exporting country obtains a fair share of any increase in commercial purchases of agricultural commodities by the importing country;
3. Take all possible measures to prevent the resale, diversion in transit, or transshipment to other countries or the use for other than domestic purposes of the agricultural commodities purchased pursuant to this agreement (except where such resale, diversion in transit, transshipment or use is specifically approved by the Government of the United States of America);
4. Take all possible measures to prevent the export of any commodity of either domestic or foreign origin, which is defined in Part II of this agreement, during the export limitation period specified in the export limitation table in Part II (except as may be specified in Part II or where such export is otherwise specifically approved by the Government of the United States of America).

B. Private Trade

In carrying out the provisions of this agreement, the two governments shall seek to assure conditions of commerce permitting private traders to function effectively.

C. Self-Help

Part II describes the program the Government of the importing country is undertaking to improve its production, storage, and distribution of agricultural commodities. The Government of the importing country shall furnish in such form and at such time as may be requested by the Government of the exporting country, a statement of the progress the Government of the importing country is making in carrying out such self-help measures.

D. Reporting

In addition to any other reports agreed upon by the two governments, the Government of the importing country shall furnish at least quarterly for the supply period specified in Part II, Item I, of this agreement and any subsequent comparable period during which commodities purchased under this agreement are being imported or utilized:

1. The following information in connection with each shipment of commodities under the agreement: the name of each vessel; the date of arrival; the port of arrival; the commodity and quantity received; and the condition in which received;

2. A statement by it showing the progress made toward fulfilling the usual marketing requirements;
3. A statement of the measures it has taken to implement the provisions of Sections A 2 and 3 of this Article; and
4. Statistical data on imports by country of origin and exports by country of destination, of commodities which are the same as or like those imported under the agreement.

E. *Procedures for Reconciliation and Adjustment of Accounts*

The two Governments shall each establish appropriate procedures to facilitate the reconciliation of their respective records on the amounts financed with respect to the commodities delivered during each calendar year. The Commodity Credit Corporation of the exporting country and the Government of the importing country may make such adjustments in the credit accounts as they mutually decide are appropriate.

F. *Definitions*

For the purposes of this agreement:

1. Delivery shall be deemed to have occurred as of the on-board date shown in the ocean bill of lading which has been signed or initialed on behalf of the carrier;
2. Import shall be deemed to have occurred when the commodity has entered the country, and passed through customs, if any, of the importing country; and
3. Utilization shall be deemed to have occurred when the commodity is sold to the trade within the importing country without restriction on its use within the country or otherwise distributed to the consumer within the country.

G. *Applicable Exchange Rate*

For the purposes of this agreement, the applicable exchange rate for determining the amount of any local currency to be paid to the Government of the exporting country shall be a rate in effect on the date of payment by the importing country which is not less favorable to the Government of the exporting country than the highest exchange rate legally obtainable in the importing country and which is not less favorable to the Government of the exporting country than the highest exchange rate obtainable by any other nation. With respect to local currency:

1. As long as a unitary exchange rate system is maintained by the Government of the importing country, the applicable exchange rate will be the rate at which the central monetary authority of the importing country, or its authorized agent, sells foreign exchange for local currency;
2. If a unitary rate system is not maintained, the applicable rate will be the rate (as mutually agreed by the two Governments) that fulfills the requirements of the first sentence of this Section G.

H. *Consultation*

The two Governments shall, upon request of either of them, consult regarding any matter arising under this agreement, including the operation of arrangements carried out pursuant to this agreement.

I. *Identification and Publicity*

The Government of the importing country shall undertake such measures as may be mutually agreed prior to delivery for the identification of food commodities at points of distribution in the importing country, and for publicity in the same manner as provided for in sub-section 103 (I) of the Act.

PART II. PARTICULAR PROVISIONS

Item I. COMMODITY TABLE:

<i>Commodity</i>	<i>Supply Period (United States Calendar Year)</i>	<i>Approximate Maximum Quantity (Metric Tons and Bales)</i>	<i>Maximum Export Market Value (Millions)</i>
Wheat/Wheat Flour (Wheat Basis)	1978	64,500	Dols. 8.8
Cotton	1978	14,000	4.5
		TOTAL	Dols. 13.3

Item II. PAYMENT TERMS:

Dollar Credit (DC)

- A. Initial Payment — Ten (10) percent.
- B. Currency Use Payment — Fifteen (15) percent for 104(A) purposes.
- C. Number of Installment Payments — Nineteen (19).
- D. Amount of Each Installment Payment — Approximately equal annual amounts.
- E. Due Date of First Installment Payment — Two (2) years after date of last delivery of commodities in each calendar year.
- F. Interest Rate Throughout Period of Agreement — Three (3) percent.

Item III. USUAL MARKETING TABLE:

<i>Commodity</i>	<i>Import Period (United States Calendar Year)</i>	<i>Usual Marketing Requirement</i>
Wheat/Wheat Flour (Wheat Basis) . . .	1978	606,000 metric
Cotton	1978	125,000 bales, of which at least 114,000 bales must be im- ported from the United States of America

Item IV. EXPORT LIMITATIONS:

A. Export Limitation Period:

The export limitation period shall be the United States Calendar Year 1978 or any subsequent U.S. Calendar Year in which the commodities financed under this agreement are being imported or utilized.

B. Commodities to which export limitations apply:

For the purposes of Part I, Article IIIA(4), of this agreement, the commodities which may not be exported are: for wheat/wheat flour — wheat/wheat flour, rolled wheat, semolina, farina and bulgur (or same products under a different name) and for cotton — cotton and cotton textiles (including yarn and waste).

C. Permissible Exports:

<i>Commodity</i>	<i>Quantity and Conditions</i>	<i>Period</i>
Cotton textiles	Two (2) million square yards of cotton textiles not including consignment textiles. If this export quantity is exceeded, an additional quantity of cotton at least equal to the raw cotton equivalent in weight of such cotton textile exports will, in addition to the U.S. portion of the UMR provided in Item III, be imported from the United States into the Republic of the Philippines and paid for with the resources of the importing country, but	During U.S. Calendar Year 1978 and any subsequent comparable supply period during which cotton purchased under this agreement is being imported or utilized.

Commodity	Quantity and Conditions	Period
	such offset purchase requirement need not exceed the level of total Title I PL 480 imports during the supply period.	

Item V. SELF-HELP MEASURES:

The Government of the Republic of the Philippines will continue to place specific emphasis on actions contributing directly to the development progress in poor rural areas and on enabling the poor to participate actively in increasing agricultural production through small farm agriculture. The GOP intends to support the following development programs:

- A. Continue efforts to achieve progress in agricultural production through:
 1. An integrated agricultural production and marketing program including research training, and improvement of extension programs to contain the following:
 - a. Further assistance to a number of small farmer activities designed to make a direct impact on the lives of the rural farm community.
 - b. Improvement of transportation, storage and food handling facilities throughout the country.
 2. Improvement and expansion of small scale irrigation projects.
 3. Establishment of rural service centers, including equipment pools.
 4. Production and distribution of improved seeds.
 5. Analysis of agricultural policies from the standpoint of their effect on production incentives and rural income.
- B. Identify needs for increased or improved storage facilities for food grains and develop plans to meet such needs, giving separate consideration to port areas, other terminal locations and market towns.
- C. Improve the marketing system for farm products and production inputs to insure market outlets, reduce costs, reduce product waste and insure that inputs are available on a timely basis. Marketing activities will include efforts to establish sound farmer cooperatives through provision of credit and thorough training.
- D. Activities of the national family planning outreach project.
- E. Provide financial support to local governments in their efforts to undertake development projects beneficial to their people.
- F. The National Nutrition Outreach Project which is designed to enable the Government of the Philippines to develop the capacity to make a viable linkage between nutrition and food production and marketing through rural municipality concerned and implemented projects.
- G. Provide funding for low cost potable water supply and delivery systems. The focus of these activities is on better health and greater productivity of the rural poor through the development of safe and non contaminated water.
- H. Countrywide projects designed to reforest denuded land and improve cropping systems for swidden areas.
- I. Improving the general socio-economic well-being of Filipino artisan fisherman-farmers through the artisan fisheries-agriculture project whose purpose is to establish viable, self-sustaining community systems for improving levels of living.
- J. The integrated health delivery systems of the Panay Island Unified Services for Health (PUSH) Project including nutrition and population programs.
- K. The construction of rural elementary schools which will be used for outreach programs in agriculture, population and nutrition as well as trade education activities.

- L. The establishment of an emergency fund to support ongoing humanitarian assistance feeding programs, disaster relief operations, inland transportation needs plus other small development projects.

Item VI. ECONOMIC DEVELOPMENT PURPOSES FOR WHICH PROCEEDS ACCRUING TO THE IMPORTING COUNTRY ARE TO BE USED:

A. The commodities provided hereunder, or the proceeds accruing to the importing country from the sale of such commodities will be used for the following projects/programs which directly benefit the needy people of the importing country.

1. The following Self-Help Measures set forth in Item V of the agreement:
 - a. Fund for Local Development to include:
 - (1) Rural Roads
 - (2) Local Water Systems
 - (3) Small Scale Irrigation including Water Impoundment Projects
 - (4) Rural Schools
 - (5) Small Scale Fish Production including Small Holders Fishpond Estates
 - b. Population
 - c. Small Scale Basic Human Needs (BHN) Project
 - d. Reforestation/Dendro-Energy
 - e. Improvement of Facilities to Reduce Post Harvest Losses
2. The following other Projects/Programs:
 - a. GOP Development Projects involving Private Voluntary Organizations (PVOs)/Operational Program Grants (OPGs).
 - b. GOP Development Projects involving Peace Corps Volunteers (PCVs).

B. It is agreed that the resources made available through this agreement will be devoted to programs designed to make it possible for the greatest number of Filipinos, commensurate with available resources, to achieve a minimally acceptable standard of living on a sustainable basis. This agreement will complement and support ongoing Philippine Government efforts towards creating productive opportunity and making available services essential to enable the poor to meet their basic needs. Resources will center on programs aimed at improving the economic and social welfare of small low-income farmers and other rural groups through: (1) direct support for increasing small-farm income, production and employment; (2) improvements in the quality and access of social and community services; and (3) increased local level participation in the development process. The projects identified under VI A above will directly benefit the needy in the following ways:

1. To stimulate development in relatively isolated and lower income rural areas of the Philippines through construction of roads and bridges and also to develop the capability of selected local governments to plan and implement infrastructure projects on a sustained basis.
2. In water projects designed to assist the institutional and physical development of national and local water utilities districts in order to provide potable water to low income communities.
3. By funding irrigation projects for small farmers; increasing and strengthening the organization of Irrigators Service Association (ISA) and assist small farmers to own, operate, maintain, and effectively use small scale pump or gravity irrigation systems.
4. Through providing relevant basic education for integrated learning experience (including those in agriculture, health, nutrition, and population) to primary school children, out of school youth and adults.

5. By increasing the number of small farmers and other rural inhabitants using adapted low-cost income-producing technologies, increase the number of trained public and private technicians serving the agricultural sector of the rural poor in self-government.
6. Generated pesos will be utilized in country wide programs designed to improve the port handling, storage and transportation facilities to insure domestic and imported products are properly safeguarded and protected. Small farmers, especially, can benefit in that local market facilities will be improved for assisting the expeditious transfer of domestically produced food products such as rice, corn, etc. from farm to market.
7. Provides resources to respond to the great need to extend basic health and health-related services to the rural poor in far-flung barangays.
8. Provides peso assistance to fisheries subsectors. Regarding freshwater fish, the cultivation of fish in rice paddies or in small ponds on rice farms can add a significant supplement to small farmers' income while helping to meet nutrition goals. This also involves development of fishponds operators. In the case of artisan marine fishermen whose principal income is derived from fishing supplemented by farming, the resources of this agreement will in part be used in activities to improve their subsistence and income.
9. By establishing viable, vertically integrated agricultural cooperative systems encompassing marketing, finance, and production which will increase small farmer income, to include cooperative level of post harvest facilities.
10. At specified project impact areas, increase small farmer productivity and income and improve efficiency of the marketing system for his product.
11. Generated currencies will be used to help finance local costs of the Population Outreach Program, particularly local salaries, travel and other costs relating to establishment and support of Barangay Supply Points. Proceeds will also be used in other programs designed to reduce the Philippine population growth rate.
12. Experience has shown that many essential needs of the poor can be met with small amounts of local currencies if funds are available for immediate reaction. Small communities in remote areas often have essential basic human needs that escape notice because they are too small or too distant to be serviced by planners. To meet these challenging needs currencies from this agreement will be used to establish a fund for small BHN projects. This fund will be administered by a joint NEDA/USAID committee who will oversee the fund.
13. Local currencies will be utilized to finance peso cost involved in employing swidden-farmers (Kaingineros) and other landless rural poor families to reestablish forest tracts, the products of which will be used by the nonconventional energy project to support experimentation and production of dendro-energy.
14. By the establishment of a special fund to provide peso support for projects of voluntary agencies, which are designed to answer the basic needs of the Philippine poor, project proposals will be required for each activity for which a grant is requested. A NEDA/USAID committee will monitor this fund.
15. For programs involving Peace Corps Volunteers, a special fund will be established to meet some of the BHN of the rural poor. Each of the project proposals submitted for funding must indicate involvement and participation of the Peace Corps. This fund will also be monitored by a joint NEDA/USAID committee.

C. The gross proceeds generated from the sale of all the commodities in this agreement shall be deposited in a special account for financing projects/programs outlined in paras A1 and A2 above. The allocation of proceeds from the special account for

financing these basic social and economic development activities will be made by a team consisting of representatives of the National Economic and Development Authority (NEDA) and the U.S. Embassy Staff, Manila.

D. In addition to the report required by Part I, Article II F, of this agreement, the importing country agrees to report on the progress of implementation of the projects/programs identified in Item VI A above. Such report shall be made by the importing country within six months following the last delivery of commodities in the first calendar year of the agreement and every six months thereafter until all the commodities provided hereunder, or the proceeds from their sale, have been used for the project/program specified in item VI A above.

PART III. FINAL PROVISIONS

A. This agreement may be terminated by either Government by notice of termination to the other Government for any reason, and by the Government of the exporting country if it should determine that the self-help program described in the agreement is not being adequately developed. Such termination will not reduce any financial obligations the Government of the importing country has incurred as of the date of termination.

This agreement shall enter into force upon signature.

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

DONE at Manila, Philippines, in duplicate, this 24th day of August, 1978.

For the Government
of the United States of America:

[Signed]

RICHARD W. MURPHY
Ambassador

For the Government
of the Republic of the Philippines:

[Signed]

CARLOS P. ROMULO
Minister of Foreign Affairs