

**March 21, 1972**

**EXCHANGE OF NOTES BETWEEN THE REPUBLIC OF THE  
PHILIPPINES AND THE UNITED STATES OF AMERICA  
CONCERNING THE SPECIAL FUND FOR EDUCATION AND THE  
PROJECT FOR ASSISTANCE TO THE PHILIPPINE AGRARIAN  
REFORM EDUCATION PROGRAM**

Note: The Agreement entered into force, March 21, 1971.

Reference: This Agreement is also published in XI DFA TS No. 1, p. 33.

No. 149 Manila, March 21, 1972

Excellency:

I have the honor to refer to our April 26, 1966 exchange of notes concerning the Special Fund for Education authorized by United States Public Law 88-94 and to the recent discussions about the Project for Assistance to the Philippine Agrarian Reform Education Program proposed by Your Excellency's Government. This Project calls for the use of the \$1,281,935 remaining in the Special Fund for Education to establish a permanent trust fund, earnings from which shall be used for agrarian reform education programs. The details of this Project are elaborated in the Annex to this note.

I have the honor on behalf of my Government to inform Your Excellency that this Project, as outlined in the Annex to this note, has been approved, and for this purpose \$1,281,935 will be made available from the Special Fund for Education. I have the further honor to propose that the following understandings drawn up in accordance with our April 26, 1966 exchange of notes, govern the implementation of this Project.

1. The United States Government shall make the dollar disbursement for this Project in depository banks designated by the Chairman of the National Economic Council of the Government of the Republic of the Philippines to the credit of the Agrarian Reform Education Fund, National Economic Council, Government of the Republic of the Philippines. This disbursement shall be made following the designation of the Department of Agrarian Reform to serve as trustee of the trust fund referred to in the next paragraph and within two weeks of notification of the banks designated as depositors.
2. The enduring character of the Agrarian Reform Education Fund & secured by the understanding of Your Excellency's Government to establish as a permanent trust and to ensure that its principal is maintained intact with only the earnings therefrom being utilized to finance programs of assistance to agrarian reform education.
3. Materials describing the origin of the Agrarian Education Fund shall identify the contribution of the Special Fund for Education made available by the people of the United States of America in recognition of the common efforts of the Philippines and the United States during World War II.

4. Your Excellency's Government shall, three years from the date of this agreement, provide the Government of the United States of America with a comprehensive report of the activities of the Agrarian Reform Education Fund.

Upon receipt of a note from Your Excellency indicating that the foregoing understandings are acceptable to the Government of the Republic of the Philippines, the Government of the United States of America will consider that this note with its Annex and Your Excellency's reply thereto constitute an agreement between our two Governments on the use of the Special Fund for Education for the Project for Assistance to the Philippine Agrarian Reform Education Program.

Accept, Excellency, the renewed assurances of my highest consideration.

(Sgd.) **HENRY BYROADE**

Ambassador

Enclosure:

Annex

His Excellency

**MANUEL COLLANTES**

Acting Secretary of Foreign Affairs  
Manila.

## **ANNEX**

### **FUND FOR ASSISTANCE TO THE PHILIPPINE**

### **AGRARIAN REFORM EDUCATION PROGRAM**

#### **I. DESCRIPTION OF THE PROJECT**

This Project involves the establishment by the Government of the Republic or the Philippines of a permanent trust fund to be known as the Fund for Assistance to the Philippine Agrarian Reform Education Program (hereinafter referred to as the "Fund"). For this Project the United States Government shall make \$1,281,935 available from the Special Fund for Education.

The Fund's earnings, whether in the form of interest, dividends or capital gains, will be utilized exclusively to finance programs and projects for agrarian reform education in the Philippines, and its principal may be augmented by future grants, donations and transfers by the Philippine Government or any other public or private entity. The Fund will be managed to maximize its earnings, but also in a prudent manner consistent with its character as a perpetual trust. Any unused earnings of the Fund may be capitalized to increase its principal.

#### **II. OBJECTIVES OF THE PROJECT**

This Project is intended to assist those educational efforts required in support of an effective agrarian reform program as envisioned in the Philippine Agricultural Land Reform Code, as amended. Educational programs eligible for financing include those which support: