

**December 08, 1955**

**EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT BETWEEN  
THE REPUBLIC OF THE PHILIPPINES AND JAPAN FOR THE  
PURCHASE OF JAPAN OF PHILIPPINE SUGAR IN EXCHANGE FOR  
JAPANESE PRODUCTS**

Note: The Agreement entered into force, December 8, 1955.

Reference: This Agreement is also published in II DFA TS No. 4, p. 107.

Manila, December 8, 1955

Sir:

I wish to refer to the recent negotiations between the Government of Japan and the Government of the Republic of the Philippines held at Manila for the purchase by Japan of Philippine sugar in exchange for Japanese products and to confirm that it is the understanding of the Philippine Government that the agreement reached between the two Governments as a result of the said negotiations is as follows:

1. The Government of Japan shall authorize the importation of 22,688 metric tons of Philippine raw sugar (hereinafter referred to as "D" sugar which is the raw sugar allotted to the Philippines by the International Sugar Agreement) and 10,000 metric tons of muscovado respectively,
2. The price of the Philippine "D" sugar shall be U.S. \$110.00 c.i.f. Japan per metric ton and that of muscovado shall be \$103.00 c.i.f. Japan per metric ton, respectively,
3. The shipment of the Philippine "D" sugar from the Philippines to Japan shall be effected prior to December 31, 1955.
4. The "D" sugar to be imported by Japan shall be the sugar with polarization of not lower than 96 degrees and the muscovado shall be a low-grade type of non-centrifugal sugar produced by primitive methods as defined in paragraph (3), Article 2 of the International Sugar Agreement.
5. The payments for the Philippine "D" sugar and muscovado shall be made in yen calculated at the rate of Y360.00 per U.S. \$1.00 and shall be deposited in the Bank of Tokyo designated by the Government of the Philippines as non-interest-bearing Yen ESCROW account in the name of the Central Bank of the Philippines, in accordance with the explanatory note on Escrow Account System attached to the Japanese Mission's Note No. 175-55, dated October 25, 1955, which account shall be used only for the importation of Japanese products into the Philippines.
6. The Japanese products which are to be imported into the Philippines for the Philippine "D" sugar and muscovado are indicated in the list attached hereto. The Philippines shall be free to select any or all of the commodities enumerated therein. The Government of the Philippines shall authorize the purchase and importation of such Japanese products up to the full amount of the aforementioned Yen escrow account.