7 6 9

No. 7604

UNITED STATES OF AMERICA
and
PHILIPPINES

Agricultural Commodities Agreement under Title I of the Agricultural Trade Development and Assistance Act, as amended (with exchange of notes). Signed at Manila, on 14 May 1964

Official text: English.

Registered by the United States of America on 25 February 1965.

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 (avec échange de notes). Signé à Manille, le 14 mai 1964

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 25 février 1965.

No. 7604. AGRICULTURAL COMMODITIES AGREEMENT[1] 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 14 MAY 1964

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 these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Considering that the purchase for Philippine pesos of 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 purchase will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to the Republic of the Philippines pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act) 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

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of the Philippines of purchase authorizations and to the availability of the specified commodities under the Act

[1] Came into force on 14 May 1964, upon signature, in accordance with article VI.

at the time of exportation, the Government of the United States of America undertakes to finance the sales for Philippine pesos, to purchasers authorized by the Government of the Republic of the Philippines, of the following agricultural commodity in the amount indicated :

Commodity	*Export Market Value (millions)*
Rice, milled	$ 9.9
Ocean transportation (est.)	1.5
TOTAL	$11.4

2. Applications for purchase authorizations will be made immediately after the effective date of this agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations 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.

3. 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

USES OF PHILIPPINE PESOS

The Philippine pesos accruing to the Government of the United States of America as a consequence of 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 proportions shown :

A. For United States expenditures under subsections (*a*), (*b*), (*d*), (*f*) and (*h*) through (*s*) of Section 104 of the Act, or under any of such subsections, 50 percent of the Philippine pesos accruing pursuant to this agreement.

B. For loans to be made by the Agency for International Development of Washington (hereinafer referred to as AID) under Section 104 (*e*) of the Act and for administrative expenses of AID in the Republic of the Philippines incident thereto, 15 percent of the Philippine peso accruing pursuant to this agreement. It is understood that :

(1) Such loans under Section 104 (*e*) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in the Republic of the Philippines for business development and trade expansion in the Republic of the Philippines and to United States firms and Philippine firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products.

(2) Loans will be mutually agreeable to AID and the Government of the Republic of the Philippines acting through the Central Bank of the Philippines (hereinafter referred to as CB). The Governor of the CB, or his designate, will act for the Government of the Republic of the Philippines and the Administrator of AID, or his designate, will act for AID.

(3) Upon receipt of an application which AID is prepared to consider, AID will inform CB of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.

(4) When AID is prepared to act favorably upon an application, it will so notify CB and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to that prevailing in the Republic of the Philippines on comparable loans, and the maturities will be consistent with the purposes of the financing.

(5) Within sixty days after the receipt of the notice that AID is prepared to act favorably upon an application, CB will indicate to AID whether or not it has any objection to the proposed loan. Unless within the sixty-day period AID has received such a communication from CB, it shall be understood that CB has no objection to the proposed loan. When AID approves or declines the proposed loan it will notify CB.

(6) In the event the Philippine pesos set aside for loans under Section 104 (*e*) of the Act are not advanced within 3 years from the date of this agreement because AID has not approved loans or because proposed loans have not been mutually agreeable to AID and CB, the Government of the United States of America may use the Philippine pesos for any purpose authorized by Section 104 of the Act.

C. For a loan to the Government of the Republic of the Philippines under Section 104 (*g*) of the Act for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of the Republic of the Philippines, as may be mutually agreed, 35 percent of the Philippine pesos accruing pursuant to this agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan