

No. 8559

PHILIPPINES
and
UNITED STATES OF AMERICA

**Agricultural Commodities Agreement under Title IV of the
Agricultural Trade Development and Assistance Act, as
amended (with exchange of notes). Signed at Manila,
on 22 December 1966**

Official text: English.

Registered by the Philippines on 6 March 1967.

PHILIPPINES
et
ÉTATS-UNIS D'AMÉRIQUE

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre IV 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 22 décembre 1966**

Texte officiel anglais.

Enregistré par les Philippines le 6 mars 1967.

No. 8559. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF
THE PHILIPPINES AND THE GOVERNMENT OF THE
UNITED STATES OF AMERICA UNDER TITLE IV OF
THE AGRICULTURAL TRADE DEVELOPMENT AND
ASSISTANCE ACT, AS AMENDED. SIGNED AT MANILA,
ON 22 DECEMBER 1966

The Government of the Republic of the Philippines and the Government of the United States of America :

Recognizing the desirability of expanding trade in agricultural commodities between their two countries in a manner which would utilize surplus agricultural commodities, including the products thereof, produced in the United States of America to assist economic development in the Republic of the Philippines;

Recognizing that such expanded trade should be carried on in a manner which would not displace cash marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade;

Recognizing further that by providing such commodities to the Republic of the Philippines under long-term supply and credit arrangements, the resources and manpower of the Republic of the Philippines can be utilized more effectively for economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use;

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

Have agreed as follows :

Article I

COMMODITY SALES PROVISIONS

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 credit purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America

¹ Came into force on 22 December 1966, upon signature, in accordance with article V.

undertakes to finance, during the periods specified below, or such longer periods as may be authorized by the Government of the United States of America, sales for United States dollars, to purchasers authorized by the Government of the Republic of the Philippines, of the following commodities :

<i>Commodity</i>	<i>Supply Period</i>	<i>Approximate Maximum Quantity</i>	<i>Maximum Export Market Value to be Financed (1,000)</i>
Corn and/or Grain sorghums	U.S. Fiscal Year 1967	50,000 M.T.	3,054
Cotton	U.S. Fiscal Year 1967	82,000 Bales	8,991
Tobacco, unman.	U.S. Fiscal Year 1967	4,000 M.T.	7,055
Ocean transportation (estimated)			1,037
		TOTAL	20,137

The total amount of financing provided in the credit purchase authorizations shall not exceed the above-specified export market value to be financed, except that additional financing for ocean transportation will be provided if the estimated amount for financing shipments required to be made on United States flag vessels proves to be insufficient. It is understood that the Government of the United States of America may limit the amount of financing provided in the credit purchase authorizations, as price declines or other marketing factors may require, so that the quantities of commodities financed will not substantially exceed the above-specified approximate maximum quantities.

2. Applications for credit purchase authorizations will be made promptly after the effective date of this Agreement. Purchase authorizations will include provisions relating to the sale and delivery of the commodities and other relevant matters.

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

Article II

CREDIT PROVISIONS

1. The Government of the Republic of the Philippines will pay, or cause to be paid, in United States dollars to the Government of the United States of

America for the commodities specified in Article I and related ocean transportation (except excess ocean transportation costs resulting from the requirement that United States flag vessels be used), the amount financed by the Government of the United States of America together with interest thereon.

2. The amount of the principal due for commodities delivered in each calendar year under this Agreement, including the applicable related ocean transportation costs, shall be made in 19 approximately equal annual payments, the first of which shall become due two years after the date of last delivery of commodities in any calendar year. Any annual payment may be made prior to the due date thereof.

3. Interest on the unpaid balance of the principal due the Government of the United States of America for commodities delivered in each calendar year shall begin on the date of last delivery of commodities in such calendar year and be paid annually beginning one year after such date of last delivery. The interest shall be computed at the rate of $3\frac{1}{2}$ percent per annum.

4. All payments shall be made in United States dollars and the Government of the Republic of the Philippines shall deposit, or cause to be deposited, such payments in the United States Treasury for credit to the Commodity Credit Corporation unless another depository is agreed upon by the two Governments.

5. The two Governments will each establish appropriate procedures to facilitate the reconciliation of their respective records of the amounts financed with respect to the commodities delivered during each calendar year.

6. For the purpose of determining the date of last delivery of commodities for each calendar year, 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.

Article III

GENERAL PROVISIONS

1. The Government of the Republic of the Philippines will take all possible measures to prevent the resale or transshipment to other countries, or the use for other than domestic consumption, of the agricultural commodities purchased pursuant to this Agreement (unless such resale, transshipment or use is specifically approved by the Government of the United States of America); to prevent the export of any commodity of either domestic or foreign origin which is the same as or like the commodities purchased pursuant to this Agreement during the period beginning on the date of this Agreement and ending on the final date on which said commodities are being received and utilized (except where such export is specifically approved by the Government of the United States of America); and to ensure that the purchase of commodities pursuant to this Agreement does not result in increased availability of the same or like commodities to nations unfriendly to the United States of America.