

August 16, 1972

**EXCHANGE OF NOTES BETWEEN THE REPUBLIC OF THE
PHILIPPINES AND THE UNITED STATES OF AMERICA AMENDING
THE AGRICULTURAL COMMODITIES AGREEMENT OF MAY 4, 1972**

Note: The Agreement entered into force, August 16, 1972.

Reference: This Agreement is also published in 23 UST 1499.

Manila, August 16, 1972

No. 476

Excellency:

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 4, 1972 and to propose amendment to Party II as follows:

a. Item I, Commodity Table, is amended to add under the appropriate headings:

Rice, CY 1972, 100,000 Metric Tons, \$14,775 thousand. The Total Maximum Export Market Value of the agreement increases from \$27,848 thousand to \$42,623 thousand.

a. Item II, Payment Terms, is amended in its entirety to read as follows:

Convertible Local Currency Credit

a. Tobacco, cotton, feedgrains and fallow:

1. Initial Payment — 5 percent

2. Currency Use Payment — 20 percent of the dollar amount of the financing by the Government of the exporting country under this agreement is payable to the Government of the exporting country in accordance with paragraph 6 of the Convertible Local Currency Credit Annex applicable to this agreement and on the following schedule: One-half of the currency use payment applicable under this agreement will be due on May 1, 1973 and the balance of the currency use payment will be due December 1, 1973. No request for payment will be made by the Government of the exporting country prior to the first disbursement by the Commodity Credit Corporation under this agreement.

3. number of Installment Payments — 15

4. Amount of Each Installment Payment — approximately equal annual amounts.

5. Due Date of First Installment Payment — 5 years from date of last delivery of commodities in each calendar year.

6. Initial Interest Rate — 2 percent

7. Continuing Interest Rate — 3 percent

b. For rice payment terms are:

1. Initial Payment — none

2. Currency Use Payment — none

3. Number of Installment Payments — 21

4. Amount of Each Installment Payment — approximately equal annual amounts.

5. Due Date of First Installment Payment — 10 years after date of last delivery of commodities in each calendar year.

6. Initial Interest Rate — 2 percent

7. Continuing Interest Rate — 3 percent

c. Item III, Usual Marketing Table, is amended to add under appropriate headings:

Rice, CY 1972, none.

d. Item IV, Export Limitations, is amended by adding the following phrase at the end of paragraph B:

For rice — paddy brown rice and milled rice.

e. Item VI, Economic Development Purposes for Which Proceeds Accruing to Importing Country are to be Used, is amended in its entirety to read as follows:

Self-help measures specified in Item V and for economic development and flood relief and rehabilitation purposes as may be mutually agreed upon. The deposits referred to in Item VII paragraph 4 below shall be made to a separate account for relief and rehabilitation. The funds in this account will be used in accordance with a plan of activity jointly developed by the Philippine Government and the United States Agency for International Development. These uses will be for mutually agreed upon development projects with preference given to rehabilitation or improvement of feeder roads, irrigation systems, flood control systems, and school buildings in the disaster areas.

f. Item VII, Other Provisions, paragraph 4 is amended in its entirety to read as follows:

With reference to paragraph 4 of the Convertible Local Currency Credit Annex, the Government of the importing country may make deposits of proceeds from the sale of commodities included in Item I above within one year from the sale of the commodities within the importing country. Except, however, the local currency accruing to the importing country from the sale of rice provided under this agreement will be deposited in a relief and rehabilitation account in accordance with the following schedule: 50 percent within 60 days of its arrival in the importing country and the balance within the next 60 days.

All other terms and conditions of the May 4, 1972 agreement remain the same.