

April 27, 1951

**AGREEMENT ON ECONOMIC AND TECHNICAL COOPERATION
BETWEEN THE GOVERNMENT OF THE PHILIPPINES AND THE
GOVERNMENT OF THE UNITED STATES OF AMERICA**

Note: The Agreement was concurred in by the Senate, S.R. No. 39, May 14, 1951. The Philippine instrument of ratification was signed by the President, May 21, 1951. The Agreement entered into force, May 21, 1951 upon the exchange of ratification by the Parties.

Reference: The Agreement is also published in I DFA TS No. 4, p. 114; 174 UNTS, p. 251 and 3 UST, p 3707.

PREAMBLE

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

Recognizing the ideals held in common by the people of the United States of America and the people of the Philippines and the close ties that have existed between them;

Recognizing the intention of the Government of the Philippines to mobilize its resources to bring about the social and economic well-being of the Philippine people;

Recognizing that the preservation of individual liberty, free institutions, and independence depend largely upon the maintenance of stable international economic relationships and sound internal economic conditions;.

Recognizing that only a strong, independent, and democratic Philippines can participate effectively in arrangements for self-defense to promote world peace and security in support of the purposes and principles of the Charter of the United Nations;

Considering that at the request of the President of the Philippines, the President of the United States of America appointed an Economic Survey Mission in July 1950 to consider the economic and financial conditions of the Philippines and to make recommendations for their improvement, and that the Economic Survey Mission made a detailed survey and presented a series of recommendations to achieve the end desired;

Considering that the President of the Philippines in the agreement of November 14, 1950 with the Economic Cooperation Administrator, as the representative of the President of the United States of America, expressed his Government's determination to act boldly and promptly on a program designed to fulfill the aspirations of the Philippine people; and considering that the Government of the United States of America is prepared to furnish assistance so that the Government of the Philippines, through its own individual efforts, through concerted efforts with other countries, and with the United Nations, may accomplish that end;

Desiring to set forth the understandings which govern the furnishing of assistance by the Government of the United States of America pursuant to this agreement, the receipt of such assistance by the Government of the Philippines, and the measures which the two Governments will undertake individually and together in furtherance of the above objectives;

Have agreed as follows:

ARTICLE I

Assistance

The Government of the United States of America will, subject to the terms, conditions and termination provisions prescribed by law and to arrangements provided for in this agreement, furnish the Government of the Philippines, or any person, agency, or organization agreed upon by the two Governments, such economic and technical assistance as may be requested by it and agreed to by the Government of the United States of America.

ARTICLE II

Undertakings

In order to further the objectives of economic and social well-being and preserve free institutions for the Philippine people and to achieve the maximum benefits through the employment of assistance received from the Government of the United States of America, the Government of the Philippines will use its best endeavors to:

1. Adopt and enforce measures necessary to ensure the efficient and practical use of all resources available to it, including among other means: (a) such measures as may be necessary to insure that the commodities or services furnished under this agreement, including commodities or services obtained from the funds deposited in the Special Account under Section 1 of the Annex to this agreement, are used only for purposes agreed upon by the two Governments; and (b) observation and review of the use of such commodities and services through an effective follow-up system established in agreement with the Government of the United States of America, with precautions to prevent the diversion of these commodities into illegal or irregular channels of trade;
2. Initiate and further implement social, economic and technical programs based upon the recommendations of the Economic Survey Mission and such other measures as will strengthen democratic and free institutions in the Philippines.

ARTICLE III

Consultation, Transmitted of Information and Publicity

1. The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this agreement or to operations or arrangements carried out pursuant to this agreement.
 - (a) Detailed information concerning projects, programs and measures proposed or adopted by the Government of the Philippines to carry out the provisions of this agreement;

(b) Full statements of operations under this agreement, including a statement of the use of funds, commodities and services received thereunder, such statements to be made in each calendar quarter;

(c) Information regarding its economy and any other relevant information which the Government of the United States of America may need to determine the nature and scope of operations under this agreement, and to evaluate the effectiveness of such operations.

3. The two Governments recognize that it is in their mutual interest that full publicity be given to the objectives and progress of the program under this agreement and will encourage the wide dissemination of information relating to such program. The Government of the Philippines will make public in the Philippines in each calendar quarter full statements of operations hereunder including information as to the amount and use of funds, commodities, services and technical assistance received.

ARTICLE IV

Missions

1. The Government of the Philippines agrees to receive a Special Technical and Economic Mission which will discharge the responsibilities of the Government of the United States of America in the Philippines under this agreement and the Government of the Philippines will, upon appropriate notification from the Ambassador of the United States of America in the Philippines, consider this mission and its personnel as part of the Diplomatic Mission of the United States of America for the purpose of enjoying privileges and immunities accorded to that Mission and its personnel of comparable rank. Such Mission shall include but not be limited to experts whose services are made available to implement Article II of this agreement.

2. The Government of the Philippines will extend full cooperation to the Special Technical and Economic Mission. This cooperation shall include the provision of all information and facilities necessary to the free observation and review by the Special Technical and Economic Mission of measures taken to carry out this agreement and of the use of assistance furnished under it, including the use of commodities or services obtained from the funds deposited in the Special Account under Section 1 of the Annex hereto. The Special Technical and Economic Mission and its personnel may work with Philippine officials and make such general or specific recommendations in respect to measures taken or to be taken under this agreement as it deems necessary for the effective discharge of its responsibilities under this agreement. The Government of the Philippines will promote the free movement of the Special Technical and Economic Mission personnel to, in or from the Philippines, facilitate the employment by such Mission of Philippine nationals and residents, and the expert nationals of third countries, cooperate in the acquisition of facilities and service at reasonable prices and in other ways assist the Special Technical and Economic Mission in the performance of its duties.

ARTICLE V

Entry into Force, Amendment, Duration