DEPARTMENT OF FOREIGN AFFAIRS

TREATY SERIES

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For complete contents see pages i–ii

DEPARTMENT OF FOREIGN AFFAIRS

TREATY SERIES

VOLUME I

TABLE OF CONTENTS

INTRODUCTION

WITH THIS VOLUME, the first of its kind in the Philippines, the Department of Foreign Affairs publishes the treaties and agreements the Republic of the Philippines has concluded with some foreign countries. Others will follow.

In a sense, the publication represents the basic guiding rôle of the Philippines' foreign and domestic policies as enunciated by President Manuel Roxas. It reveals the enduring interest of the Filipino people in world peace. In his first State-of-the-Nation address, President Roxas promised that "we will be as whole-hearted as any nation in our devotion to the ideals of an indivisible peace and an indivisible world. We will maintain with all our strength and all our power our obligations to the United Nations and to the causes set forth in the United Nations charter to which we are a signatory. In this way, we will maintain friendly and honorable relations with all our neighbors and look forward to the day when peace and security will be maintained by mutual consent by the collective conscience of mankind."

Vice-President Elpidio Quirino, concurrently Secretary of Foreign Affairs, implemented on September 23, 1946, the presidential statement. On that occasion, he emphatically asserted: "Let us not face the world on our knees like beggars but standing on our own feet, the equal of any other free people ready to bargain, willing to consider any honorable proposition of mutual aid and advantage—for, after all, nowadays there is no such thing as an absolutely independent people on earth—and pledged to preserve and maintain this free Republic so that its citizens of the future will say that we built well and built it for our own. That is the true spirit of liberty without which no true independence can exist, nor can any foreign policy be wisely formulated before the world."

The materials included in this volume are a vital part of the cornerstone the Vice-President alluded to.

Both the President and the Vice-President are agreed that until peace and security can be maintained by mutual consent and by the collective conscience of mankind, the Philippines will do well to repose her destiny in her understanding and friendship with the United States. Both countries have maintained an enviable partnership for almost half a century—a partnership which the war, far from breaking, has greatly strengthened spiritually and materially.

It is for this reason that the Philippines has concluded treaties having a bearing on general relations, on commerce, and on alien property with the United States. The relations of the Philippines with other countries also find their basis in the other agreements published in this issue.

This volume is itself a historic document, containing as it does treaties and agreements, illuminated by the notes exchanged between the Government of the Philippines and the Government of foreign countries prior to the conclusion of such pacts and agreements.

Due to its length, which would have made this initial publication too bulky, the Trade Agreement between the United States and the Philippines has been withheld from this issue. It will appear in the next number.

MALACAÑAN PALACE
MANILA

MANUEL ROXAS
President of the Philippines

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

Know Ye, That whereas a Treaty of General Relations between the Republic of the Philippines and the United States of America, together with its accompanying protocol, was concluded and signed by the President of the Philippines and the Ambassador Extraordinary and Plenipotentiary of the United States of America at Manila on the fourth day of July, one thousand nine hundred and forty-six, the original of which treaty and protocol are hereto annexed;

AND WHEREAS the Senate of the Philippines by its Resolution Number 11 of August 5, 1946 (two-thirds of the Senators present concurring therein) did concur to the ratification of said treaty and protocol.

NOW, THEREFORE, be it known that I, Manuel Roxas, President of the Republic of the Philippines, having seen and considered the said treaty and its accompanying protocol, do hereby, in pursuance of the aforesaid concurrence of the Senate, ratify and confirm the same and every article and clause thereof.

IN TESTIMONY WHEREOF, I have caused the seal of the Republic of the Philippines to be hereunto affixed.

Given under my hand at the City of Manila this twenty-seventh day of August in the year of our Lord one thousand nine hundred and forty-six, and of the Independence of the Philippines the first.

By the President:

ELPIDIO QUIRINO
Vice-President and concurrently
Secretary of Foreign Affairs

P. S. R. No. 19

FIRST CONGRESS OF THE REPUBLIC OF THE PHILIPPINES

First Session

Begun and held at the City of Manila on Saturday, the twenty-fifth day of May, nineteen hundred and forty-six

[SENATE RESOLUTION NO. 11]

RESOLUTION CONCURRING IN THE "TREATY OF GENERAL RELATIONS BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA AND THE PROTOCOL ACCOMPANYING SAID TREATY."

WHEREAS, the "Treaty of General Relations between the Republic of the Philippines and the United States of America," together with its accompanying Protocol, was signed at Manila on July fourth, nineteen hundred and forty-six, by the President of the Philippines and the Ambassador Plenipotentiary of the United States of America, and has been submitted to the Senate of the Philippines for its concurrence as required by the Constitution of the Philippines; and

WHEREAS, this "Treaty of General Relations between the Republic of the Philippines and the United States of America" and its accompanying Protocol provide for the recognition of the independence of the Philippines as a separate self-governing nation and the maintenance of close and harmonious relations between the two Governments: Now, therefore, be it

Resolved, That the Senate of the Philippines concur, as it hereby concurs, in the "Treaty of General Relations between the Republic of the Philippines and the United States of America and the Protocol accompanying said Treaty," concluded and signed at Manila on July fourth, nineteen hundred and forty-six, and in the ratification thereof.

Adopted, August 5, 1946.

JOSE AVELINO
President of the Senate

I hereby certify that the foregoing Resolution (S. R. No. 11, 1st C. R. P.), was adopted by the Senate on August 5, 1946, by unanimous vote of the Senators present which represents more than two-thirds of the members of the Senate as required by Article VII, section 10 (7) of the Constitution of the Philippines.

FELIX L. LAZO
Secretary of the Senate

BY THE PRESIDENT OF THE PHILIPPINES

PROCLAMATION NO. 11

MAKING PUBLIC THE TREATY OF GENERAL RELATIONS BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA

WHEREAS a treaty of general relations between the Republic of the Philippines and the United States of America and a protocol to accompany that treaty were signed at Manila, Philippines, on the fourth day of July, one thousand nine hundred and forty-six, the originals of which treaty and protocol are word for word as follows:

"TREATY OF GENERAL RELATIONS BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA

"The Republic of the Philippines and the United States of America, being animated by the desire to cement the relations of close and long friendship existing between the two countries, and provide for the recognition of the independence of the Republic of the Philippines as of July 4, 1946, and the relinquishment of American sovereignty over the Philippine Islands, have agreed upon the following articles:

"ARTICLE I

"The United States of America agrees to withdraw and surrender, and does hereby withdraw and surrender, all rights of possession, supervision, jurisdiction, control or sovereignty existing and exercised by the United States of America in and over the territory and the people of the Philippine Islands, except the use of such bases, necessary appurtenances to such bases, and the rights incident thereto, as the United States of America, by agreement with the Republic of the Philippines may deem necessary to retain for the mutual protection of the Republic of the Philippines and of the United States of America. The United States of America further agrees to recognize, and does hereby recognize, the independence of the Republic of the Philippines as a separate self-governing nation and to acknowledge, and does hereby acknowledge, the authority and control over the same of the Government instituted by the people thereof, under the Constitution of the Republic of the Philippines.

"ARTICLE II

"The diplomatic representatives of each country shall enjoy in the territories of the other the privileges and immunities derived from generally recognized international law and usage. The consular representatives of each country, duly provided with exequatur, will be permitted to reside in the territories of the other in the places wherein consular representatives are by local laws permitted to reside; they shall enjoy the honorary privileges and the immunities accorded to such officers by general international usage; and they shall not be treated in a manner less favorable than similar officers of any other foreign country.

"ARTICLE III

"Pending the final establishment of the requisite Philippine Foreign Service establishments abroad, the Republic of the Philippines and the United States of America agree that at the request of the Republic of the Philippines the United States of America will endeavor, in so far as it may be practicable, to represent through its Foreign Service the interests of the Republic of the Philippines in countries where there is no Philippine representation. The two countries further agree that any such arrangements are to be subject to termination when in the judgment of either country such arrangements are no longer necessary.

"ARTICLE IV

"The Republic of the Philippines agrees to assume, and does hereby assume, all the debts and liabilities of the Philippine Islands, its provinces, cities, municipalities and instrumentalities, which shall be valid and subsisting on the date hereof. The Republic of the Philippines will make adequate provision for the necessary funds for the payment of interest on and principal of bonds issued prior to May 1, 1934, under authority of an Act of Congress of the United States of America by the Philippine Islands, or any province, city or municipality therein, and such obligations shall be a first lien on the taxes collected in the Philippines.

"ARTICLE V

"The Republic of the Philippines and the United States of America agree that all cases at law concerning the Government and people of the Philippines which, in accordance with Section 7(6) of the Independence Act of 1934, are pending before the Supreme Court of the United States of

America at the date of the granting of the independence of the Republic of the Philippines shall continue to be subject to the review of the Supreme Court of the United States of America for such period of time after independence as may be necessary to effectuate the disposition of the cases at hand. The contracting parties also agree that following the disposition of such cases the Supreme Court of the United States of America will cease to have the right of review of cases originating in the Philippine Islands.

"ARTICLE VI

"In so far as they are not covered by existing legislation, all claims of the Government of the United States of America or its nationals against the Government of the Republic of the Philippines and all claims of the Government of the Republic of the Philippines and its nationals against the Government of the United States of America shall be promptly adjusted and settled. The property rights of the Republic of the Philippines and the United States of America, shall be promptly adjusted and settled by mutual agreement, and all existing property rights of the citizens and corporations of the Republic of the Philippines in the United States of America and of citizens and corporations of the United States of America in the Republic of the Philippines shall be acknowledged, respected and safeguarded to the same extent as property rights of citizens and corporations of the United States of America and of the Republic of the Philippines, respectively. Both Governments shall designate representatives who may in concert agree on measures best calculated to effect a satisfactory and expeditious disposal of such claims as may not be covered by existing legislation.

"ARTICLE VII

"The Republic of the Philippines agrees to assume all continuing obligations assumed by the United States of America under the Treaty of Paris between the United States of America and Spain concluded at Paris on the 10th of December, 1898, by which the Philippine Islands were ceded to the United States of America, and under the Treaty between the United States of America and Spain concluded at Washington on the 7th day of November, 1900.

"ARTICLE VIII

"This Treaty shall enter into force on the exchange of instruments of ratification.

"This Treaty shall be submitted for ratification in accordance with the constitutional procedures of the Republic of the Philippines and of the United States of America and instruments of ratification shall be exchanged and deposited at Manila.

"Signed at Manila this fourth day of July one thousand nine hundred forty-six.

"For the Government of the Republic of the Philippines:

"(Sgd.) MANUEL ROXAS

"For the Government of the United States of America:

"(Sgd.) PAUL V. MCNUTT"

* * *

"PROTOCOL

"TO ACCOMPANY THE TREATY OF GENERAL RELATIONS BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA SIGNED AT MANILA ON THE FOURTH DAY OF JULY 1946.

"It is understood and agreed by the High Contracting Parties that this Treaty is for the purpose of recognizing the independence of the Republic of the Philippines and for the maintenance of close and harmonious relations between the two Governments.

"It is understood and agreed that this Treaty does not attempt to regulate the details of arrangements between the two Governments for their mutual defense; for the establishment, termination or regulation of the rights and duties of the two countries, each with respect to the other, in the settlement of claims, as to the ownership or control of real or personal property, or as to the carrying out of provisions of law of either country; or for the settlement of rights or claims of citizens or corporations of either country with respect to or against the other.

"It is understood and agreed that the conclusion and entrance into force of this Treaty is not exclusive of further treaties and executive agreements providing for the specific regulation of matters broadly covered herein.

"It is understood and agreed that pending final ratification of this Treaty, the provisions of Article II and III shall be observed by executive agreement.

"Signed at Manila this fourth day of July, one thousand nine hundred and forty-six.

"For the Government of the Republic of the Philippines:

"(Sgd.) MANUEL ROXAS

"For the Government of the United States of America:

"(Sgd.) PAUL V. MCNUTT"

* * *

WHEREAS the Senate of the Republic of the Philippines by its Resolution No. 11, of August 9, 1946, did concur in the approval of the said treaty and protocol in accordance with the Constitution of the Philippines;

WHEREAS the said treaty and protocol have been duly ratified by the President of the Philippines in pursuance of the aforesaid concurrence of the Senate of the Republic of the Philippines;

WHEREAS the said treaty and protocol have been duly ratified on behalf of the Government of the United States of America;

AND WHEREAS, the instruments of ratification of the said treaty and protocol of the two Governments were exchanged at Manila, Philippines, on the twenty-second of October, one thousand nine hundred and forty-six;

NOW, THEREFORE, be it known that I, MANUEL ROXAS, President of the Philippines, do hereby proclaim and make public the said treaty of general relations and accompanying protocol to the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the Republic of the Philippines and the citizens thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and cause the Seal of the Republic of the Philippines to be affixed.

Done at the City of Manila, Philippines, this twenty-second day of October, in the year of Our Lord, nineteen hundred and forty-six, and of the Independence of the Philippines, the first.

(Sgd.) MANUEL ROXAS
President of the Philippines

By the President:

(Sgd.) EMILIO ABELLO
Chief of the Executive Office

HARRY S. TRUMAN

President of the United States of America

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

KNOW YE, That whereas a treaty of general relations between the United States of America and the Republic of the Philippines and a protocol to accompany that treaty were concluded and signed at Manila on July 4, 1946 by the respective plenipotentiaries of the United States of America and the Republic of the Philippines:

WHEREAS the tests of the said treaty and protocol are word for word as follows:

TREATY OF GENERAL RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF THE PHILIPPINES

The United States of America and the Republic of the Philippines, being animated by the desire to cement the relations of close and long friendship existing between the two countries, and to provide for the recognition of the independence of the Republic of the Philippines as of July 4, 1946, and the relinquishment of American sovereignty over the Philippine Islands, have agreed upon the following articles:

ARTICLE I

The United States of America agrees to withdraw and surrender and does hereby withdraw and surrender, all right of possession, supervision, jurisdiction, control or sovereignty existing and exercised by the United States of America in and over the territory and the people of the Philippine Islands, except the use of such bases, necessary appurtenances to such bases, and the rights incident thereto, as the United States of America, by agreement with the Republic of the Philippines, may deem necessary to retain for the mutual protection of the United States of America and of the Republic of the Philippines. The United States of America further agrees to recognize, and does hereby recognize, the independence of the Republic of the Philippines as a separate self-governing nation and to acknowledge, and does hereby acknowledge, the authority and control over the same of the Government instituted by the people thereof, under the Constitution of the Republic of the Philippines.

ARTICLE II

The diplomatic representatives of each country shall enjoy in the territories of the other the privileges and immunities derived from generally recognized international law and usage. The consular representatives of each country, duly provided with exequatur, will be permitted to reside in the territories of the other in the places wherein consular representatives are by local laws permitted to reside; they shall enjoy the honorary privileges and the immunities accorded to such officers by general international usage; and they shall not be treated in a manner less favorable than similar officers of any other foreign country.

ARTICLE III

Pending the final establishment of the requisite Philippine Foreign Service establishments abroad, the United States of America and the Republic of the Philippines agree that at the request of the Republic of the Philippines the United States of America will endeavor, in so far as it may be practicable, to represent through its Foreign Service the interests of the Republic of the Philippines in countries where there is no Philippine representation. The two countries further agree that any such arrangements are to be subject to termination when in the judgment of either country such arrangements are no longer necessary.

ARTICLE IV

The Republic of the Philippines agrees to assume, and does hereby assume, all the debts and liabilities of the Philippine Islands, its provinces, cities, municipalities and instrumentalities, which shall be valid and subsisting on the date hereof. The Republic of the Philippines will make adequate provision for the necessary funds for the payment of interests on and principal of bonds issued prior to May 1, 1934 under authority of an Act of Congress of the United States of America by the Philippine Islands, or any province, city or municipality therein, and such obligations shall be a first lien on the taxes collected in the Philippines.

ARTICLE V

The United States of America and the Republic of the Philippines agree that all cases at law concerning the Government and people of the Philippines, which, in accordance with Section 7(6) of the Independence Act of 1934, are pending before the Supreme Court of the United States of America at the date of the granting of the independence of the Republic of the Philippines shall continue to be subject to the review of the Supreme Court of the United States of America for such period of time after independence as may be necessary to effectuate the disposition of the cases at hand. The contracting parties also agree that following the disposition of such cases the Supreme Court of the United States of America will cease to have right of review of cases originating in the Philippine Islands.

ARTICLE VI

In so far as they are not covered by existing legislation, all claims of the Government of the United States of America or its nationals against the Government of the Republic of the Philippines and all claims of the Government of the Republic of the Philippines and its nationals against the Government of the United States of America shall be promptly adjusted and settled. The property rights of the United States of America and the Republic of the Philippines shall be promptly adjusted and settled by mutual agreement, and all existing property rights of citizens and corporations of the United States of America in the Republic of the Philippines and of citizens and corporations of the Republic of the Philippines in the United States of America shall be acknowledged, respected and safeguarded to the same extent as property rights of citizens and corporations of the Republic of the Philippines and of the United States of America, respectively. Both Governments shall designate representatives who may in concert agree on measures best calculated to effect a satisfactory and expeditious disposal of such claims as may not be covered by existing legislation.

ARTICLE VII

The Republic of the Philippines agrees to assume all continuing obligations assumed by the United States of America under the Treaty of Peace between the United States of America and Spain concluded at Paris on the 10th day of December, 1898, by which the Philippine Islands were ceded to the United States of America, and under the Treaty between the United States of America and Spain concluded at Washington on the 7th day of November, 1900.

ARTICLE VIII

This Treaty shall enter into force on the exchange of instruments of ratification.

This Treaty shall be submitted for ratification in accordance with the constitutional procedures of the United States of America and of the Republic of the Philippines; and instruments of ratification shall be exchanged and deposited at Manila.

Signed at Manila this fourth day of July, one thousand nine hundred forty-six.

For the Government of the United States of America:

[SEAL] PAUL V. MCNUTT

For the Government of the Republic of the Philippines:

[SEAL] MANUEL ROXAS

PROTOCOL

TO ACCOMPANY THE TREATY OF GENERAL RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF THE PHILIPPINES, SIGNED AT MANILA ON THE FOURTH DAY OF JULY 1946.

It is understood and agreed by the High Contracting Parties that this Treaty is for the purpose of recognizing the Independence of the Republic of the Philippines and for the maintenance of close and harmonious relations between the two Governments.

It is understood and agreed that this Treaty does not attempt to regulate the details of arrangements between the two Governments for their mutual defense; for the establishment, termination or regulation of the rights and duties of the two countries, each with respect to the other, in the settlement of claims, as to the ownership or control of real or personal property, or as to the carrying out of provisions of law of either country, or for the settlement of rights or claims of citizens or corporations of either country with respect to or against the other.

It is understood and agreed that the conclusion and entrance into force of this Treaty is not exclusive of further treaties and executive agreements providing for the specific regulations of matters broadly covered therein.

It is understood and agreed that pending final ratification of this Treaty, the provisions of Articles II and III shall be observed by executive agreement.

Signed at Manila this fourth day of July, one thousand nine hundred forty-six.

For the Government of the United States of America:

[SEAL] PAUL V. MCNUTT

For the Government of the Republic of the Philippines:

[SEAL] MANUEL ROXAS

AND WHEREAS the Senate of the United States of America by their Resolution of July 31, 1946 (two-thirds of the Senators present concurring therein), did advise and consent to the ratification of the said treaty and protocol;

NOW, THEREFORE, be it known that I, Harry S. Truman, President of the United States of America, having seen and considered the said treaty and protocol, do hereby, in pursuance of the aforesaid advice and consent of the Senate, ratify and confirm the same and every article and clause thereof.

IN TESTIMONY WHEREOF, I have caused the Seal of the United States of America to be hereunto affixed.

Done at the City of Washington this sixteenth day of August in the year of our Lord one thousand nine hundred forty-six and of the independence of the United States of America the one hundred seventy-first.

[SEAL] (Sgd.) HARRY S. TRUMAN

By the President:

(Sgd.) DEAN ACHESON
Acting Secretary of State

PHILIPPINE ABACA FIBER AGREEMENT

This Agreement, made as of August 8, 1946, by and between Reconstruction Finance Corporation, a corporate agency of the Government of the United States of America, and the Republic of the Philippines, hereinafter called the Republic,

WITNESSETH:

That in consideration of the mutual agreements herein contained the parties hereto agree as follows:

1. This Agreement shall be effective for the period August 8, 1946 to June 30, 1947, both dates inclusive.

2. During the period of this Agreement Reconstruction Finance Corporation or any other agency of the Government of the United States of America will purchase, and will have the exclusive right to purchase, the entire exportable surplus of abaca fiber (fiber of Musa Textilis) of the grades described in Paragraph 3 hereof, from all sellers in the Philippines, at the prices and upon the terms and conditions hereinafter set forth.

3. The prices for the respective grades of abaca fiber in cents per pound United States currency, free on board ocean carrier, Philippine ports, shall be as follows:

	Davao	Non-Davao
CD	15–¾	15–¾
E	14–⅜	14–⅜
F	13–½	13–½
I	13–⅛	12–⅛
S-2	12–¼	10–¾
J-1	12	10
S-3	9	8
G	10–½	18–⅜
H	7	6
J-2	9	7
K	6–⅞	5
L-1	4–½	3–⅝
L-2	4–⅛	3–¼
M-1	3–¾	2–⅞
M-2	3–½	2–½
OTYW	1–⅜	1–⅜
Decco 1	12–⅝	
Decco 2	11–¼	
Decco 3	9	
Decco 4	7	
Decco T	1–⅜	

In the event that existing freight rates be changed materially, either party to this Agreement may request a reconsideration of the free on board prices stipulated herein, for such modification of these prices as may be agreed upon between the contracting parties.

4. All of said grades of abaca fiber shall be as defined in Fiber Inspection Administrative Order No. 4 (Revised Dec. 1, 1939) of the Fiber Inspection Service of the Department of Agriculture and Commerce of the Commonwealth of the Philippines entitled "Determination and description of the official standards for the various commercial grades of certain Philippine fibers", and shall otherwise conform to the quality and standards set forth in said Order. The fiber shall be marked and baled for export in a careful manner in accordance with standard commercial practice, in bales weighing approximately 126.5 kilograms (278.88 pounds) net, and of cubic measurement not exceeding 13 cubic feet, or as otherwise acceptable to Reconstruction Finance Corporation.

5. The terms of payment shall be arranged with the individual sellers generally according to the following pattern. Reconstruction Finance Corporation will pay no less than eighty per cent of the purchase price by means of letters of credit opened by Reconstruction Finance Corporation in favor of the seller authorizing sight drafts on a New York bank when accompanied by commercial invoices, clean on board bills of lading drawn to the order of Reconstruction Finance Corporation, and other customary documents as directed by Reconstruction Finance Corporation. Settlement of the balance of the purchase price or any adjustment thereof shall be made to the seller after the fiber has arrived at United States port of entry and has been weighed and inspected. The fiber shall be invoiced on the basis of 273 pound bales, when baled in accordance with standard commercial practice, or net shipping weights less 2 per cent when otherwise baled; but the price of all fiber, however baled, shall be based on net landed weights.

6. The seller shall pay all inspection fees, lighterage fees, wharfage taxes, internal revenue taxes, export taxes and all other taxes, fees and charges of whatsoever nature imposed on the fiber or in connection with the exportation thereof from the Philippines; and the Republic agrees that no such taxes, fees or charges shall be collected from Reconstruction Finance Corporation. The seller shall bear all risk, costs and liability

incurred in connection with the fiber up to the time it has been loaded on board the ocean carrier.

7. Reconstruction Finance Corporation shall have the right to purchase abaca fiber from any seller upon a delivery basis other than free on board ocean carrier Philippine ports, in which event proper adjustment of the terms and prices shall be made between Reconstruction Finance Corporation and the seller on the basis of the free on board prices stipulated herein.

8. The Republic agrees immediately to establish and maintain during the term of this Agreement an export restriction on abaca, limiting the export of this product to the United States for the Reconstruction Finance Corporation, or to its designees and consignees in the United States or other countries.

9. The Republic agrees that it will use its best efforts to cause the maximum quantity of abaca fiber, which Reconstruction Finance Corporation has agreed to purchase under this Agreement, to be produced and exported under the terms of this Agreement. To this end the Republic agrees that it will not impose any restrictions upon the exportation of abaca fiber to the United States for the Reconstruction Finance Corporation, or to its designees and consignees in the United States or other countries; and that it will render to Reconstruction Finance Corporation all reasonable coöperation and assistance.

10. The Republic agrees that if the Republic finds it advisable, during the period of this Agreement, it will establish and enforced price ceilings covering the sale of abaca fiber to local manufacturers, which price ceilings shall not be higher than the free on board prices for the various grades stipulated herein, subject to proper adjustment for other terms of delivery. The Republic further agrees that it will use its best efforts to prevent the cordage mills in the Philippines from accumulating a supply of abaca fiber in excess of three times their current monthly consumption of fiber and that it will require the mills to report on the first day of each calendar month beginning September 1, 1946, their inventories at the beginning of the preceding month, their purchases and consumption of fiber during such preceding month and their inventories at the end of the month.

11. The Republic agrees that during the period of this Agreement, National Abaca and Other Fibers Corporation (hereinafter called NAFCO), a corporate agency of the Republic, will enter into a contract with Reconstruction Finance Corporation whereunder NAFCO will agree that it will sell

and will cause to be sold to Reconstruction Finance Corporation, through NAFCO or any exporter under contract to sell abaca fiber to Reconstruction Finance Corporation, upon the terms and conditions stipulated herein, all of the abaca fiber derived from the following sources:

(*a*) Produced upon lands formerly owned, leased or otherwise operated or controlled by Japanese individually or through corporations the majority of the issued and outstanding stock of which was owned or controlled by Japanese and over which lands NAFCO, the Republic or any of its subdivisions, agencies or instrumentalities are now exercising or may hereafter exercise control through the appointment of administrators or otherwise;

(*b*) Produced upon lands now or hereafter owned, leased or otherwise operated or controlled by NAFCO, the Republic and any of its subdivisions, agencies and instrumentalities;

(*c*) Produced upon lands owned, leased or otherwise operated or controlled by corporations, the majority of whose issued and outstanding stock is now owned or controlled or which may hereafter be owned or controlled by NAFCO, the Republic and any of its subdivisions, agencies and instrumentalities;

(*d*) Acquired from any sellers in the Philippines by NAFCO, the Republic and by any of its subdivisions, agencies and instrumentalities authorized to purchase abaca fiber.

All of such fiber will be clearly marked by an appropriate symbol identifying it as fiber derived from the aforesaid sources.

12. Reconstruction Finance Corporation agrees that upon entering into the purchase contract with NAFCO, it will advance to NAFCO, for the purpose of rehabilitating the abaca plantations in Davao formerly owned, leased or otherwise operated or controlled by Japanese individually or through corporations the majority of the issued and outstanding stock of which was owned or controlled by Japanese, the sum of $2,000,000, upon the following terms and conditions to which the Republic agrees:

(*a*) The Republic will guarantee the repayment of the advance in full upon the terms stipulated herein.

(*b*) Until the advance is fully repaid, Reconstruction Finance Corporation may deduct and retain, as partial payment of said advance, 10 per cent of the purchase price of all abaca fiber sold to Reconstruction Finance Corporation pursuant to the aforesaid contract with NAFCO.

(*c*) The unliquidated balance of the advance will be paid by NAFCO or the Republic at the earlier of the two following dates: July 1, 1947, or at the time that the United States Government or any of its agencies extends a loan to the Republic or any of its agencies, partly or wholly for the purpose of repaying the advance.

(*d*) In the event that the advance is not fully liquidated by July 1, 1947, Reconstruction Finance Corporation will have the option to demand from NAFCO and the Republic, the payment, in cash, of the unliquidated balance of the advance or to postpone payment of all or any part thereof. In the event of such postponement, Reconstruction Finance Corporation shall have the right, during the period of postponement, to continue to purchase all abaca fiber derived from the sources described in Paragraph 11 hereof, at prices generally prevailing at the time of such purchases on sales of Philippine abaca fiber to purchasers in the United States; and, until the advance is fully repaid, Reconstruction Finance Corporation shall have the right to deduct and retain, as partial payment of the advance, 10 per cent of the purchase price of all such abaca fiber sold to Reconstruction Finance Corporation.

(*e*) Prior to July 1, 1947, no interest will be charged on said advance, but thereafter, interest at 3 per cent per annum will be payable on any unliquidated balances.

13. All doubts and difficulties under this Agreement will be settled between the Government of the Republic of the Philippines and the Government of the United States of America. Provisions respecting prices are subject to review on the initiative of either Government at any time during the life of this Agreement.

In witness whereof, each of the parties has caused this instrument to be executed by a duly authorized representative as of August 8, 1946.

The Republic of the Philippines:

By (Sgd.) EMILIO ABELLO

Reconstruction Finance Corporation:

By (Sgd.) PAUL R. HARMEL

EXCLUSIVE PURCHASE AGREEMENT

A. Announcement of Agreements and Statement by President Manuel Roxas.

B. Texts of Abaca Fiber and Copra–Coconut Oil Agreements.

C. Major Provisions of Agreements (including prices).

D. Official Documents—

I. Note from United States Ambassador McNutt to Secretary Quirino.

II. Notes (a and b) from Secretary Quirino to United States Ambassador McNutt.

III. Note from United States Ambassador McNutt to Secretary Quirino.

IV. Note from Secretary Quirino to United States Ambassador McNutt.

V. Note from United States Ambassador McNutt to Secretary Quirino.

ANNOUNCEMENT OF SIGNING OF EXCLUSIVE PURCHASE AGREEMENTS AND STATEMENT BY THE PRESIDENT

President Roxas disclosed today that the Philippine Government has entered into a one-year contract with the United States Government under which the United States Government, through designated federal agencies, has agreed to purchase the Republic's entire exportable surplus of copra, coconut oil and abaca at price levels considerably higher than those currently prevailing, and with a clause allowing further review of prices on the initiative of either Government.

Two separate agreements were signed, President Roxas disclosed, one covering the sale of copra and coconut oil, and the other the sale of abaca. The agreements were signed in an informal ceremony last night at Malacañan, concluding negotiations begun in Washington last May.

The abaca agreement was actually negotiated between the Philippines and the United States Reconstruction Finance Corporation, a United States Government entity, while the copra agreement was between the Philippine Government and the United States Commodity Credit Corporation, likewise a government entity in the United States Department of Agriculture.

Secretary Emilio Abello signed for the Philippine Government while Mr. Paul R. Harmel, special representative of the Reconstruction Finance Corporation and of the Commodity Credit Corporation of the United States Government signed for the latter country. President Roxas and Ambassador Paul V. McNutt, and Vice-President Elpidio Quirino and E. D. Hester, Economic Advisor to the Ambassador, all of whom participated in the negotiations, were present at the signing. The actual negotiations were concluded just prior to the signing.

Malacañan made public today copies of the agreements and of the official correspondence between Secretary of Foreign Affairs Quirino and Ambassador McNutt dealing with the agreements.

The agreements were made immediately effective on signature. President Roxas made the following statement concerning the background and implications of the action taken:

"In the two agreements on copra, coconut, oil and abaca which we made yesterday with United States Government agencies, we have taken a long step toward the rehabilitation of these two basic industries which affect the lives and the employment of so many millions of our people.

"The agreements will last until June 30, 1947. They provide that we will sell to the United States or to designated agencies of the United States all our exportable surpluses of the commodities in question. These agencies, the Reconstruction Finance Corporation in the case of abaca and the Commodity Credit Corporation, in the case of coconut oil and copra, undertake to buy all that we can deliver on board for export.

"By this means we are coöperating with the general world effort to coördinate and stimulate the maximum production and the most equitable distribution possible of scarce commodities. The Reconstruction Finance Corporation and the Commodity Credit Corporation, although agencies of the United States Government have been designated by international agreement to handle the procurement of scarce commodities in certain parts of the world, including the Philippines. The commodities involved are then allocated, also by international agreement, to the consuming nations, including the United States.

"One of the first shipments of abaca which will be made from the Philippines under the new agreement, for instance, will be to Canada, under an allocation made to that country.

"In return for our coöperation with these international arrangements, we, in turn, receive allocations of rice, and other foodstuffs, as well as many other scarce critical items of which we are in vital need. The Commodity Credit Corporation is at this moment purchasing rice in Siam for the account of NARIC, as part of this world-wide coöperative program.

"One of the objectives of this program is to keep prices for these scarce commodities at a stable level, in order to forestall a ruinous cycle of inflation and disaster for both consumer and producer. The objective is to maintain a price which will furnish at the same time a proper return for the producer, encouraging him to maximum production, and prevent a competitive scramble for these commodities, ending up in a ruinous inflation, over-production and international commodity disaster.

"The United States, the leading exporter in the world today, and the leading buyer as well, has itself established and is maintaining with great effort ceiling prices on all essential commodities. These OPA price controls, on United States exports redound to the benefit of the Philippines by making it possible for us to obtain our import needs at a much lower price than would be possible if there were no price ceilings in the United States. It is only right, therefore, that we accept a fair price ceiling on our exports.

"As far as the Philippines are concerned, our long-term market for copra and coconut oil is in the United States; likewise our major market for abaca is in the United States. Hence it is to our supreme interest to channel our exports to that country during the period of world shortage. Simultaneously, although indirectly, we will be developing other foreign markets. To sell to what would amount to an international black market for the sake of temporary profits . . . in other words to take advantage of the spectacular prices being offered for small amounts of our products in a few countries which are not subscribers to the international allocation program would, in the long run, harm our economy to an incalculable extent.

"Such speculative prices in world black markets would, at best, benefit only the exporters and traders, and would not affect the general prices level paid to the producers.

"The need for Philippine coöperation with the general world price and export control program was obvious to me from the very first. However I knew that Philippine producers could not maintain and increase their production at the price levels which were prevalent last spring.

"Early in May, I insisted that price increases were absolutely essential for a rehabilitation of the copra and abaca industries. No international considerations could overlook the fact that our producers could not afford to harvest and process these commodities at the prices then being offered.

"On the eve of my departure for the United States, the price of copra was increased, partly, I think, due to my representations. The increase was approximately 47 per cent. In Washington I stressed the necessity of making a similar or even greater increase in the price of abaca. It was at that time that the proposal was advanced for an exclusive buying agreement.

"We have been negotiating, formally and informally, for many weeks. The agreements we signed yesterday are the result of those negotiations, which involved many, many discussions and presentation of cost figures and other financial data.

"The officials of the United States Government, headed by Ambassador McNutt and including Mr. Harmel, the special representatives of the RFC and the CCC, have been coöperative and understanding throughout. The State Department has shown a deep and vital interest in arranging proper terms for these agreements.

"I consulted with members of the Cabinet and with congressional leaders, irrespective of party affiliations, at various times during the course of the negotiations. I had assurances of bi-partisan support for this program which is, of course, completely non-political.

"Vice-President Quirino, in his capacity as Secretary of Foreign Affairs, labored hard on the mechanics of the negotiations and deserves a full measure of credit.

"One of the essential conditions for the rehabilitation of the abaca industry was first, the transfer to the Philippine Republic of the abaca-producing lands in Davao, formerly controlled by alien Japanese. A second condition was a provision for money to rehabilitate, physically, these properties.

"The first of these conditions was accomplished through the United States Property Act which provides for the transfer of these lands, vested by the Alien Property Custodian, to the Philippine Government. This transfer, incidentally, will be accomplished in a few days.

"The second condition, the provision of funds, is made possible in this agreement through a four million-peso loan from the RFC. With this money we will proceed immediately to launch a rehabilitation program in the abaca areas, especially in Davao.

"I insisted with all the force at my command at all times during the long negotiations on higher prices. The price granted us for abaca is 70 percent higher than it was, almost a doubling of the prevailing rates. The price for Davao hemp grade I, for instance, is now set at 26¼ centavos per pound or ₱73.20 per picul compared to 17 centavos per pound before the agreement.

"For copra and coconut oil, the price granted is 10.50 per cent higher than the prevailing price and 63.44 per cent higher than the price prevailing when these negotiations were begun. (New price $103.50 per long ton FOB compared to $63.32 before May 12 and $93 after May 12.)

"We have changed the basis of prices from delivery price at San Francisco to Free on Board (FOB) at Manila ports so that the responsibility for shipping rests with the purchaser. We have secured a clause permitting the reopening of prices, on the initiative of either Government, so that at any time the price levels tilts to our disadvantage, we can again negotiate for a higher price.

"I have informed Ambassador McNutt that I shall feel free to reopen the question of price at any time the world price for competitive or similar products increases or if the situation otherwise changes to the disadvantage of our producers.

"The U. S. Commercial Company, a subsidiary of the RFC, has also agreed, as a part of this transaction to transfer to the Philippine Government at cost approximately seven million pesos worth of trade goods, including textiles, rice and sugar. These goods will be disposed of by the Philippine Government in such a way as to depress inflationary prices of these commodities.

"I believe these agreements are fair and equitable to all concerned. I believe they will be of major help to our program of national rehabilitation.

"I intend to use the facilities of NAFCO and NACOCO to insure the payment of a fair minimum price to the producers, whose interests will be protected under the new arrangement. They must receive the benefits of the increased price.

"I shall shortly submit this statement and these agreements to Congress for its information and guidance. I shall require the authority of the loan legislation now pending in Congress to complete the negotiations for the four million-peso abaca rehabilitation loan from the RFC. I already have authority, under the Export Control Act, to channel our entire exportable surplus of the commodities involved to the designated purchasers."

OFFICE OF THE PRESIDENT
OF THE PHILIPPINES

NOTE FROM U. S. AMBASSADOR McNUTT TO SECRETARY QUIRINO

I

EMBASSY OF THE UNITED STATES OF AMERICA

July 24, 1946

EXCELLENCY:

I have the honor to invite the attention of your Government to the efforts being exerted by the Departments and agencies of the United States Government to coöperate internationally in the collection, allocation, and distribution of scarce commodities. The end sought is to obtain for each of the United Nations an equitable share of the available primary foodstuffs and essential raw materials at prices which will encourage and stabilize profitable production, avoid drastic fluctuations, and curtail inflationary trends.

To further these ends there has been established an International Emergency Food Council which the Philippines has been invited to join. Membership carries with it the advantage of primary claim for allocations of foodstuffs and the obligation to contribute domestic surpluses for allocation under the common procedure. It has only been through arrangements of this nature that the Philippines has been able to obtain allocations of rice, flour and other scarce commodities from the United States and other countries of the world.

Bridging the interval before full international organization will be effective, the Commodity Credit Corporation of the United States will enter actively into the acquisition of copra and coconut oil to be allocated at the direction of the International Emergency Food Council. To approximate the same objective with reference to hard fibers the Reconstruction Finance Corporation of the United States is undertaking the acquisition of abaca from both Philippine and Central American sources.

In consideration of the general plan I have been authorized to transmit to the Government of the Republic of the Philippines two Drafts of Agreement. One Agreement would provide that the Commodity Credit Corporation of the United States will purchase the entire exportable surplus of Philippine copra and coconut oil during the period from the signing of the Agreement to June 30, 1947. The second Agreement provides that the Reconstruction Finance Corporation of the United States will purchase the entire exportable surplus of the principal grades of abaca fiber during the period from the signing of the Agreement to June 30, 1947. In this connection you may be interested to learn that the Reconstruction Finance Corporation has made similar arrangements with the Republic of Mexico for henequen, and with the Republic of Haiti for sisal.

Mr. Paul Harmel, Special Agent of the Commodity Credit Corporation and of the Reconstruction Finance Corporation, is attached to the Embassy for the purpose of negotiating the Agreements. I shall be glad to inform him of the persons in your Government with whom he may discuss the proposals.

Accept, Excellency, the assurances of my most distinguished consideration.

PAUL V. MCNUTT

His Excellency

ELPIDIO QUIRINO,

Secretary for Foreign Affairs of the Republic of the Philippines.

Enclosures:

1. Philippine Copra and Coconut Oil Agreement.
2. Philippine Abaca Fiber Agreement.

OFFICE OF THE PRESIDENT
OF THE PHILIPPINES

II–A

NOTE FROM SECRETARY QUIRINO TO AMBASSADOR McNUTT

(REPLYING TO U. S. AMBASSADOR'S NOTE OF JULY 24)

MANILA, *July 29, 1946*

EXCELLENCY:

I have the honor to acknowledge the receipt of your kind letter of July 24 relative to the exclusive purchase agreement of abaca and hemp from the Philippines for a period of one year proposed by your Government. In this communication I shall refer only to copra. I shall reply in regard to the abaca agreement in the near future.

The reasons stated by Your Excellency for effecting the Agreement have been considered by my Government in the light of the present international efforts to prevent inflationary increases in prices of certain world-scarce commodities. The Philippine Government, as a manifest of its appreciation of the assistance given to the Philippines in the allocation of much-needed commodities such as rice, flour and textiles, is prepared to coöperate with the world economic policy in respect to copra.

The draft of the Agreement has been carefully examined by the different departments of the Philippine Government. I have the honor to submit the following request for modifications in said draft:

> One. That the price for copra, f.o.b. Philippine ports per long ton of 2240 pounds in bulk be increased from one hundred and one dollars, U. S. currency, to one hundred and ten dollars, U. S. currency. The Philippine Government considers that in order to stimulate the production of copra as much as possible it would be necessary to pay this price, considering the present costs of production and transportation.
>
> Two. Our coconut oil experts maintain that the price for coconut oil fixed in the draft Agreement at six and five-eighth cents, U. S. currency, per pound f.o.b. Philippine ports, does not correspond to the price fixed for copra. On the basis of a price of one hundred and one dollars, U. S. currency per ton of copra, the corresponding price for coconut oil per pound should be, I am in-

formed, a fraction over seven cents U. S. currency. It is, therefore, requested that the price for coconut oil be justified to correspond to the price that may be fixed for copra in accordance with the commercial price ration between coconut oil and copra, on the basis of the average relationship between such prices that existed in the trade before the war. As a matter of fact, if any modification of this ratio is to be made, it should be in the direction of an increase in the relative price for coconut oil because of the relatively greater increase in production cost of coconut oil as compared with copra and the destruction of the oil mills requiring new capital investments.

Three. In relation to paragraph 8 of the draft Agreement the Philippine Government desires to propose that there be substituted the following:

> "8. In the event that existing freight rates be changed materially, either party may request a reconsideration of the f.o.b. price fixed for copra and coconut oil, for such modification of said price as may be agreed upon by the contracting parties."

Four. We also desire to propose that a new section be inserted in the draft Agreement providing that the Commodity Credit Corporation will use its good offices to provide shipping space and facilitate the transportation of copra from the Philippines to the United States during the period of this Agreement.

Accept, Excellency, the assurances of my highest consideration.

ELPIDIO QUIRINO
Vice-President and concurrently
Secretary of Foreign Affairs

His Excellency
PAUL V. MCNUTT
American Ambassador
Manila

II–B

NOTE FROM SECRETARY QUIRINO TO AMBASSADOR McNUTT

(REPLYING TO AMBASSADOR McNUTT'S NOTE OF JULY 24)

MANILA, *July 29, 1946*

EXCELLENCY:

In connection with the proposed Agreement on abaca, I desire to inform you that the Philippine Government desires to coöperate with the Government of the United States and the International Emergency Food Council and is prepared to enter into an Exclusive Purchase Agreement for the sale of all the exportable surplus of abaca fiber from the Philippines to the United States for a period of one year.

After carefully examining the draft of the proposed Agreement, I hereby request the following modifications:

1. That the average price for abaca fiber be increased at least seventy (70) per cent. This increase is necessary in order to cover present production costs and to stimulate production of the fiber.
2. That the Reconstruction Finance Corporation grant a loan in the amount of $2,000,000 to the National Abaca and Other Fibers Corporation of this Government at a reasonable rate of interest, the loan to be repaid within a period of five years. As security for this loan the Reconstruction Finance Corporation may withhold ten (10) per cent of the sale price of all fibers exported from the Philippines to the United States. This will be guaranteed either by the Government of the Philippines or by any of its subsidiary corporations.
3. That the United States Commercial Company sell to the Philippine Government for cash at cost present stocks of commercial articles, including textiles, rice, sugar, milk, trucks, and Haggeten stripping machines with their corresponding engines. The purchase of these commodities will be made through the agency which the Government of the Philippines may designate for that purpose.
4. That local cordage or industries be permitted to acquire stocks of fiber not exceeding three times their current monthly consumption, instead of two months as proposed in the draft.
5. That a new section be inserted to provide: "In the event that existing freight rates be change materially,

either party may request a reconsideration of the f.o.b. price fixed in this Agreement for such modification as may be agreed upon between the contracting parties."

Should the Reconstruction Finance Corporation require the guarantee of the Government for the proposed loan, the President of the Philippines will be required to request from the Philippine Congress authority to incur that liability. In this event, the conclusion of the proposed Agreement may be delayed. In order not to delay the effectiveness of the new prices that may be agreed upon, I desire to advise you of the willingness of the President to enter into the Agreement, subject to such action as the Congress may take in relation thereto when the guarantee for the loan is submitted for congressional consideration.

Accept, Excellency, the assurances of my highest consideration.

ELPIDIO QUIRINO
Vice-President and concurrently Secretary of Foreign Affairs

His Excellency
PAUL V. MCNUTT
American Ambassador
Manila

III

NOTE FROM U. S. AMBASSADOR McNUTT TO SECRETARY QUIRINO

(REPLYING TO SECRETARY QUIRINO'S NOTE OF JULY 29)

EMBASSY OF THE UNITED STATES OF AMERICA

August 3, 1946

EXCELLENCY:

I have the honor to acknowledge receipt of your two notes of July 29, 1946 relating to agreements for the purchase of copra and coconut oil and abaca fiber. I appreciate profoundly your Excellency's information that the Philippine Government desires to coöperate with the Government of the United States and the International Emergency Food Council and that the Philippine Government is prepared to enter into exclusive purchase agreements for the sale of the exportable surplus of these commodities.

The Embassy has studied the comment in your notes on various terms of the Draft Agreements submitted with my note of July 24, 1946. I have communicated your comment to the agencies of the United States Government here and in Washington, and I am happy to inform you that it has been found possible to accept practically all of your suggestions.

In reference to the Philippine Abaca Fiber Agreement, the Reconstruction Finance Corporation has agreed to grant a loan of $2,000,000 to the National Abaca and Other Fibers Corporation for the rehabilitation of abaca plantations formerly held under Japanese control in Davao. The Reconstruction Finance Corporation will require the guarantee of the Philippine Government. Your request for a 70 per cent increase in abaca prices was urged upon the Reconstruction Finance Corporation and they have authorized their maximum quotations which represents an over-all advance of 62 per cent.

In reference to the Philippine Copra and Coconut Oil Agreement, the Commodity Credit Corporation was informed of your request for $110 a ton for copra and a relative increase in the price for coconut oil. After full reference to the schedules and ceiling prices on by-products and finished products, the Commodity Credit Corporation has authorized the maximum prices of $103.50 per ton for copra and $0.07⅛ per pound ($159.60 per ton) for the oil. I am informed that milling costs in the United States which have increased substantially since the beginning of the war account for the difference between these prices.

The United States Commercial Company will sell to such agencies of the Philippine Government as you may designate 3,500,000 yards of textiles, 750 tons of rice, 500 tons of sugar, 3,000 cases of powdered milk, 45 new trucks and approximately 350 hagotan abaca stripping machines with engines, the latter subject to outstanding rental agreements. The United States Commercial Company has informed me that they will sell these goods at landed cost plus a three per cent mark-up representing their administrative expenses, and that purchase may begin immediately on the conclusion of the agreements. It has not been deemed advisable to include the sale of the goods as an integral part of the agreements due to the fact that the goods are owned by the United States Commercial Company which is not a party to the agreements.

New drafts of the agreements have been drawn up in such a manner as to incorporate in the text the maximum prices, the loan, and the changes in other terms suggested by you. Should you deem it advisable the loan can be made the subject of a separate agreement. The new drafts are enclosed with this note.

Accept, Excellency, the assurances of my most distinguished consideration.

PAUL V. MCNUTT

His Excellency
ELPIDIO QUIRINO,
Secretary for Foreign Affairs of the
Republic of the Philippines

Enclosures:

1. Philippine Abaca Fiber Agreement;
2. Philippine Copra and Coconut Oil Agreement.

IV

NOTE FROM SECRETARY QUIRINO TO AMBASSADOR McNUTT

(ACCEPTING AGREEMENT)

MANILA, *August 6, 1946*

EXCELLENCY:

I have the honor to acknowledge the receipt of your note dated August 3 relative to the proposed Agreements for the purchase of copra and coconut oil and abaca fiber. I am happy to state that the terms of the revised drafts of the Philippine Abaca Fiber and the Philippine Copra and Coconut Oil Agreement are agreeable to this Government. The President has designated the Honorable Emilio Abello, Chief of the Executive Office, to sign both Agreements on behalf of the Philippine Government, and the National Trading Corporation to accept delivery from the United States Commercial Company of the 3,500,000 yards of textiles, 750 tons of rice, 500 tons of sugar, 3,000 cases of powdered milk, 45 new trucks and approximately 350 hagotan abaca stripping machines with engines.

I wish to reiterate the profound gratitude of my Government and of my own for your tireless effort in bringing about the consummation of the above-mentioned Agreements which, I am sure, will accelerate the economic development of this country.

I avail myself of this opportunity to renew the assurances of my highest consideration.

ELPIDIO QUIRINO

Vice-President and concurrently Secretary of Foreign Affairs

His Excellency
PAUL V. MCNUTT
United States Ambassador
Manila

V

NOTE FROM U. S. AMBASSADOR McNUTT TO SECRETARY QUIRINO

(ACKNOWLEDGING ACCEPTANCE, AND SUGGESTING FURTHER CHANGES)

EMBASSY OF THE UNITED STATES OF AMERICA

August 7, 1946

EXCELLENCY:

I have the honor to acknowledge the receipt of your Note dated August 6, relative to the proposed Agreements for the purchase of copra and coconut oil and abaca fiber in accordance with the revised drafts enclosed with my Note of August 3. I wish to express the gratitude of my Government for your coöperation in bringing about the consummation of the Agreements, and to concur in your opinion that their operation will accelerate the economic development of the Philippines.

In connection with the drafts of the Agreements I wish to invite your attention to the circumstance that the Department of State, in an instruction dated July 25 but not received at the Embassy until August 6, suggested two matters of interest: (1) That there be included a clause to the effect that the prices be subject to review on the initiative of either Government during contract life; (2) That the Agreements contain no provision restricting the freedom of action of the Philippine Government in controlling internal abaca marketing procedures and organization.

In furtherance of the first suggestion of the Department of State, which I do not doubt will be acceptable to your Government, I have caused to be prepared and I submit herewith, substitute copies of page three of "Philippine Copra and Coconut Oil Agreement" and, similarly, of page five of "Philippine Abaca Fiber Agreement."

In relation to the second suggestion of the Department of State your attention is invited to the fact that under the terms of Paragraphs 11 (*d*) and 12 NAFCO will be required to contribute for the amortization of the loan ten per cent of the price of abaca fiber produced on non-government-owned land which it may acquire. I have considered that Paragraph 11(*d*) has great advantages, in that it would prevent any question from arising as to whether a lot of fiber sold by NAFCO were in fact from land owned by your Government, or fiber otherwise acquired, and that to the extent to which NAFCO might acquire and sell abaca fiber produced on non-government-owned land there would result a more rapid amortization of the loan. I am confident that your Government will not consider that the operation of the Agreement would be a restriction of the freedom of action of the Philippine Government in controlling internal abaca marketing procedures and organization.

It is observed in your Note of August 6 that the President has designated the Honorable Emilio Abello, Chief of the Executive Office, to sign both Agreements on behalf of the Philippine Government. Mr. Paul R. Harmel, Special Representative of the Reconstruction Finance Corporation has been designated to sign both Agreements.

Accept, Excellency, the renewed assurances of my highest consideration.

PAUL V. MCNUTT

His Excellency

ELPIDIO QUIRINO

Secretary for Foreign Affairs of the
Republic of the Philippines.

Enclosures:

1. Substitute copy of page three of
"Philippine Copra and Coconut Oil Agreement"
2. Substitute copy of page five of
"Philippine Abaca Fiber Agreement."

PHILIPPINE COPRA AND COCONUT OIL AGREEMENT

This Agreement, made as of August 8, 1946, by and between Commodity Credit Corporation, an Agency of the Government of the United States of America, and the Republic of the Philippines, hereinafter called the Republic,

WITNESSETH:

That in consideration of the mutual agreements herein contained the parties hereto agree as follows:

1. This Agreement shall be effective during the period August 8, 1946 to June 30, 1947, both dates inclusive.

2. During the term of this Agreement, Commodity Credit Corporation, or any persons, firm or corporations designated by Commodity Credit Corporation (hereinafter called designees) will purchase and will have the exclusive right to purchase the entire exportable surplus of Philippine copra and coconut oil from all sellers in the Philippines, at the prices and upon the terms and conditions hereinafter set forth.

(*a*) *Price:*

Copra, fair merchantable, basis six per cent free fatty acid, one hundred and three dollars and fifty cents United States currency ($103.50), per long ton of 2,240 pounds in bulk, free on board ocean carrier, Philippine ports. Premium for copra in bags, if required by buyer, to be agreed upon between buyer and seller.

Coconut oil, basis six per cent free fatty acid, one per cent moisture and impurities, seven and one eighth cents United States currency ($0.7⅛) per pound, free on board ocean carrier, Philippine ports.

Commodity Credit Corporation and its designees shall have the right to purchase such copra and coconut oil from any seller upon a delivery basis other than free on board ocean carrier, Philippine ports, in which event proper adjustment of the terms and prices shall be made between Commodity Credit Corporation or its designees and the seller on the basis of the free on board prices stipulated herein.

In the event that existing freight rates be changed materially, either party to this Agreement may request a reconsideration of the free on board prices of copra and coconut oil stipulated herein, for such modification of these prices as may be agreed upon by the contracting parties.

(*b*) *Weight and analysis.*—In accordance with customary practices of the trade, certified net landed weights and analysis of officials samples taken on arrival at United States ports shall be final on shipments to the United States; certified net shipping weights and analysis of official shipping samples by a recognized chemist or surveyor in the United States, agreeable to buyer and seller, or by approved Manila laboratory shall be final on shipments to other destinations; on shipments of copra to other than United States destinations an allowance of two (2) per cent on certified net shipping weights "resecada basis" shall be made by seller and the remainder to be considered final as to weight.

(*c*) *Payment.*—Payments shall be made by letter of credit for ninety-five (95) per cent of the purchase price against sight drafts accompanied by seller's invoice, on-board bills of lading, certificate of weights, consular invoice, and other customary shipping documents. Final settlement shall be made promptly after determination of final weights and analysis in accordance with Paragraph 2 (*b*) above.

(*d*) *Taxes.*—The seller shall pay all taxes including export taxes or other fees and charges, imposed on the products while in the Philippines, or imposed because of the exportation of the products from the Philippines; and the Republic agrees that no such taxes, fees or charges will be collected from the Commodity Credit Corporation or its designees.

(*e*) *Rules governing.*—Individual contracts covering copra or coconut oil purchased or sold pursuant to this Agreement shall be governed by the Rules of the National Institute of Oilseed Products, except to the extent they may conflict with the terms of this Agreement.

3. Commodity Credit Corporation agrees that it will use its best efforts to expedite the purchase and exportation of copra and coconut oil which it has agreed to purchase under this Agreement; and that, in returning to private hands the importation of copra and coconut oil into the United States, it will use its best efforts to expedite the movement by private importers acting as agents or designees of the Commodity Credit Corporation.

4. Commodity Credit Corporation agrees to continue using its best efforts to make available and facilitate the procurement of copra bags, industrial supplies and other materials required for the rehabilitation of the Philippine copra industry, and to provide shipping space and facilitate the transportation of copra from the Philippines to the United States.

5. The Republic agrees immediately to establish and maintain during the term of this Agreement an export restriction on copra and coconut oil, limiting the export of these products to the United States for the Commodity Credit Corporation, or to its designees and consignees in the United States or other countries.

6. The Republic agrees that it will use its best efforts to cause the maximum quantity of copra and coconut oil which Commodity Credit Corporation has agreed to purchase under this Agreement, to be produced and exported under the terms of this Agreement. To this end the Republic agrees that it will not impose any restrictions upon the exportation of copra or coconut oil to the United States for the Commodity Credit Corporation, or to its designees and consignees in the United States or other countries; and that it will render to Commodity Credit Corporation all reasonable coöperation and assistance.

7. The Republic agrees that it will use its best efforts to insure that the exporters will fully comply with all the terms and conditions of this Agreement, and that the exporters will deliver copra and coconut oil of the quality stipulated herein.

8. All doubts and difficulties under this Agreement will be settled between the Government of the Republic of the Philippines and the Government of the United States of America. Provisions respecting prices are subject to review on the initiative of either Government at any time during the life of this Agreement.

In witness whereof, each of the parties hereto has caused this instrument to be executed by a duly authorized representative as of August 8, 1946.

The Republic of the Philippines

By (Sgd.) EMILIO ABELLO

Commodity Credit Corporation

By (Sgd.) PAUL R. HARMEL

MAJOR PROVISIONS OF EXCLUSIVE PURCHASE AGREEMENTS

COPRA AND COCONUT OIL

1. Price of copra increased 10.50 per cent over prevailing level, 63.45 per cent over level of May 12.
2. Price of coconut oil established on basis of copra price, with adequate protection for domestic industry.
3. Basis of sale changed to Free on Board (FOB), placing responsibility for shipment on purchaser.
4. In case of modification of freight rates, either party may request modification of FOB prices.
5. Provisions respecting prices are subject to review at any time on the initiative of either government.

ABACA

1. Price of abaca increased on all grades generally approximately 70 per cent.
2. The Reconstruction Finance Corporation agrees to extend loan of 4 million pesos for rehabilitation of abaca lands, loan to be repaid from sale of abaca or by Philippine Government from other proceeds. Loan guaranteed by Philippine Government.
3. Local cordage industry adequately protected, and authorized to build up its inventories.
4. No restrictions on export of cordage.

TRADE GOODS

The United States Commercial Co., a subsidiary of the RFC, has agreed to transfer to the Philippine Government, at cost, approximately 7 million pesos worth of trade goods, including textiles, rice, and sugar, formerly used by the United States Commercial Company in its transactions.

PRICE PROVISIONS

COPRA

May 12 price	May 13 price	New price
₱126.64 per long ton FOB	₱186.00	₱207.00 equivalent to ₱20.37 per kilo

COCONUT OIL

No previous price quotations in P. I.	₱0.14 ¼ per lb. equivalent to ₱0.31 42/100 per picul

ABACA

Old Price	New Price
Davao Grade I—17 centavos per lb.	26–¼ ctvos per lb. equivalent to ₱36.60 per picul
Non-Davao Grade I—15 centavos per lb.	24–¼ ctvos per lb. equivalent to ₱33.81 per picul

I

LETTER OF THE VICE-PRESIDENT PROPOSING CANCELLATION OF THE COPRA AND COCONUT OIL AGREEMENT

MANILA, *November 5, 1946*

EXCELLENCY:

On November 1st, I had the honor to send to Your Excellency a proposal by my Government to cancel the Copra and Coconut Oil Agreement entered into with the Commodity Credit Corporation of the United States on August 8th.

My Government has since had occasion to review the situation with regard to the Abaca Agreement entered into on the same date with the Reconstruction Finance Corporation of the United States. The reasons impelling my Government to seek the voiding of the Copra Agreement also largely pertain to the Abaca Agreement. The cost of production of Abaca is steadily rising. It continues to rise with each passing month as prices increase for products which must be imported from the United States. My Government does not believe that there can be any proper justification for continuation of the price ceiling on abaca. Without price structure, the Agreement itself becomes quite meaningless and there ceases to be cogent reason for the sale of abaca exclusively to the Reconstruction Finance Corporation. The same factors disturbing our copra producers also are now agitating our abaca producers, with resulting ill effects on the steady flow of abaca to market and the production of this vital commodity.

My Government, therefore, proposes that your Government immediately consider the cancellation of the Abaca Agreement. The promptest possible reply to this proposal will be appreciated by my Government, as enabling a clarification of a situation which has now become very disturbing to a considerable part of our population.

As in the case of copra, general world conditions have changed radically from those existing at the time of the signing of this accord. My Government continues to be anxious to coöperate in order to alleviate the present world shortage of critical commodities and to arrange for their distribution in the most orderly manner possible. In any fair and feasible program for such a distribution, my Government is happy to join.

Accept, Excellency, the renewed assurances of my highest consideration.

ELPIDIO QUIRINO
Vice-President and concurrently
Secretary of Foreign Affairs

His Excellency PAUL V. MCNUTT
U. S. Ambassador to the Philippines
Manila

II

LETTER OF HIS EXCELLENCY, THE U. S. AMBASSADOR TO THE PHILIPPINES, PAUL V. McNUTT, TO HIS EXCELLENCY, ELPIDIO QUIRINO, VICE-PRESIDENT OF THE PHILIPPINES, AND CONCURRENTLY SECRETARY OF FOREIGN AFFAIRS.

EMBASSY OF THE UNITED STATES OF AMERICA

November 15, 1946

EXCELLENCY:

I have the honor to refer to Your Excellency's note of November 5 proposing that my Government immediately consider the cancellation of the Philippine Abaca Fiber Agreement of August 8, 1946 between the Republic of the Philippines and the Reconstruction Finance Corporation, an agency of the Government of the United States, and setting forth the reasons impelling your Government to seek the voiding of the Agreement.

I am happy to inform you that in order to permit full establishment of a free market in abaca fiber, the Government of the United States accedes to your request and agrees to the outright cancellation of the Philippine Abaca Fiber Agreement of August 8, 1946 as amended by the exchange of notes dated August 30 and September 2 agreeing upon increases in prices in the said Agreement. The Government of the United States further announces that it will eliminate United States import restrictions on abaca fiber, and that it withdraws the request that Philippine export control measures be continued in its behalf.

The Government of the United States accepts your Government's offer for immediate repayment of the loan of $2,000,000 extended by the Reconstruction Finance Corporation to the National Abaca & Other Fibers Corporation under Paragraphs 11 and 12 of the Philippine Abaca Fiber Agreement of August 8, 1946, and will instruct the representative in the Philippines of the Reconstruction Finance Corporation regarding settlement of the unpaid balance of the loan.

The Government of the United States states that announcement of cancellation of the Agreement and elimination of import restrictions on abaca fiber will be made in Washington at 7:00 a. m., Monday, November 18, and requests that announcement in Manila will be made simultaneously, which will be at 8:00

p. m., Monday, November 18. The Department of State requests an urgent reply if simultaneous announcement is not possible.

Accept, Excellency, the assurances of my most distinguished consideration.

(Sgd.) PAUL V. MCNUTT

His Excellency

ELPIDIO QUIRINO,

Secretary for Foreign Affairs of the
Republic of the Philippines

III

TELEGRAM RECEIVED

070510Z

From: Washington

Date: December 6, 1946

No.: 789

Security: Plain

Received: 3 p. m., 7th

AMEMBASSY,
MANILA.

From McNutt.

Agriculture Department issued following press release this afternoon December 6th:

"Secretary Anderson today announced Department of Agriculture has agreed to immediate cancellation of Philippine Copra Agreement as requested by Philippine Government. Copra Agreement which was announced early in August, included specific price levels which would permit importation of Philippine copra and coconut oil into United States under existing price control. Removal of price and other controls in this country has changed the basic situation materially. Commenting on action to cancel the Copra Agreement, Secretary Anderson said, 'I feel fully assured that in the absence of a formal agreement the United States and the Philippine Governments will continue full coöperation to see that United States requirements for copra import are met and that necessary world allocation procedures are continued. Under all the circumstances, cancellation of the formal agreement should prove beneficial.' Under the terms of the Copra Agreement, Agriculture Department designated purchasers of Philippine copra in accordance with allocations which were approved through International Emergency Food Council. Now that agreement has been cancelled the Philippine Government will assume direct responsibility to further the equitable distribution of Philippine copra and coconut oil through IEFC procedures. Representatives of Philippine Government have also indicated their intention to coöperate through such mutual satisfactory arrangements as may be necessary to assure that the United States continue to receive its equitable share of Philippine copra."

AVW

ACHESON ACTING

Action: NPD

Info: EDH

AGREEMENT ON SURPLUS WAR PROPERTY

This Agreement between the Government of the United States of America, hereinafter called "UNITED STATES," and the Government of the Republic of the Philippines, hereinafter called "PHILIPPINES,"

WITNESSETH:

WHEREAS, the cessation of active military operations in the war with Japan has rendered surplus to the needs of the United States quantities of its property now situated in the Philippine Islands; and

WHEREAS, the Congress of the United States has, by the Surplus Property Act of 1944, as amended, authorized the disposal of the surplus property of the United States; and the Central Field Commissioner for the Pacific and China of the Office of the Foreign Liquidation Commissioner has been charged with responsibility for that disposal in the Philippine Islands; and

WHEREAS, such surplus property available for sale to the Philippines, exclusive of property which is already under contract or firm commitment for sale or transfer, represents an estimated aggregate procurement cost of approximately six hundred thirty million dollars ($630,000,000) in movables and fifty-five million dollars ($55,000,000) in fixed installations, of which over one-half has already been declared surplus; and

WHEREAS, it is the policy of the United States, as declared in the Surplus Property Act, to establish and develop foreign markets and promote mutually advantageous economic relations between the United States and other countries by the orderly disposition of surplus property to other countries, and to dispose of surplus property as promptly as feasible without fostering monopoly or restraint of trade; and

WHEREAS, the prosecution of the war with Japan caused widespread damage and loss in the Philippine Islands; and

WHEREAS, the Congress of the United States has, by the Philippine Rehabilitation Act of 1946, authorized the grant to the Philippines of surplus property in the Philippine Islands aggregating not more than one hundred million dollars ($100,000,000) in fair value without reimbursement to the United States; and

WHEREAS, a general understanding as to the property to be granted under the Philippine Rehabilitation Act of 1946 has been reached between the United States and the Philippines, and certain of such property has heretofore been transferred to the Philippines in accordance with the terms of Contracts Nos. W-ANL(PA-1)-206, W-ANL(PA-1)-1611, and W-ANL(PA-1)-3811 on the understanding that if and when said Rehabilitation Act became law, the fair value of the property so transferred would be charged as a transfer within the contemplation of, and under, said Rehabilitation Act; and

WHEREAS, the United States has a financial obligation to the Philippines arising from advances and loans to the United States and the issuance of emergency currency and guerrilla currency during the war with Japan,

NOW, THEREFORE, in consideration of the provisions and the mutual agreements and covenants hereinafter stated, it is agreed:

ART. 1. *Property sold and granted.*—That by these presents the United States sells and grants and the Philippines buys and accepts all that property owned by the United States on the effective date hereof but surplus to its needs in the Philippine Islands, except aircraft, ships (other than as specified in article 6, paragraph (*a*), hereof), and non-demilitarized combat material, subject, however, to the limitations following:

(1) That the property has been or will be declared surplus by the United States owning agency, pursuant to the said Surplus Property Act, and

(2) That no property is sold hereby which is already under contract or firm commitment for sale or transfer, and

(3) That, at the option of the United States, exercised within ninety (90) days from the effective date hereof, property having a sales value of ten million dollars ($10,000,000), in addition to the property designated in Article 1 (2) hereof, shall be deemed to be under firm commitment to governments other than the Philippines to which the United States has extended credit for the purchase of surplus property.

ART. 2. *Transfer of possession.*—(*a*) That the right to possession of the property sold under Article 1 hereof shall, after declaration to the Foreign Liquidation Commissioner for disposal as surplus, pass to the Philippines at the earliest practicable date upon either (1) the surrender by the United States and the acceptance by the Philippines of physical or constructive possession, or (2) the passage of sixty (60) days' time after notice to the Philippines that specified property is available for transfer, whichever shall first occur. That such notice shall be deemed to have been duly given when delivered, in writing, to the Office of the Philippine Government Purchasing Commission at Manila, and shall be deemed sufficient if it either generally describes the property available or generally describes the location thereof.

(*b*) That until right to possession passes to the Philippines pursuant to paragraph (*a*) of this article, the United States shall continue to have custody and control of the property sold, and shall give said property the same care and protection as is accorded its own property of like character.

(*c*) That after the right to possession with respect to specified property has passed to the Philippines pursuant to paragraph (*a*), all responsibility, risk of loss, and liability for the care, custody, protection and maintenance of such property shall be upon the Philippines, including rents and liabilities for the storage thereof and damages and claims of any nature arising out of or incident to the ownership of such property, and the Philippines shall indemnify and hold the United States harmless from any such responsibilities, risks, liabilities, rents, damages and claims. That the Philippines shall promptly enter into such rental and leasing arrangements as may be necessary or appropriate to the possession or use of the property transferred, and shall assume all obligations under such rental and leasing arrangements to which the United States is now a party, without charge to the United States other than such charges as shall have rightfully accrued prior to the effective date hereof, and the Philippines shall remove the property from land owned by the United States within six months, and from other land used or controlled by the United States within twenty-two months after passage of right to possession hereunder.

(*d*) That all crating, conditioning, handling, loading and transportation of the property sold shall be arranged and paid for by the Philippines.

(*e*) That the owning agency of the United States shall make property available for visual inspection before the transfer of right to possession.

(*f*) That representatives of the Philippines engaged in guarding, storing, or removal of property located on lands owned by the United States and on other lands used or controlled by the United States shall be subject to the rules and regulations of the owning agency of the United States, as may be agreed upon by the two governments.

ART. 3. *Distribution.*—That the Philippines shall utilize to the greatest extent possible established commercial distribution channels for the resale of property sold hereby and that United States distributors established in the Philippine Islands shall have an equal opportunity to bid for and to obtain such property. That the Philippines shall recognize normal distribution practices including the marketing wherever practicable of name brand products through the established agencies for such products.

ART. 4. *Warranties.*—That the United States warrants title to the property transferred, and that in lieu of any other warranty or undertaking as to the kind, size, weight, quantity, quality, character, value, description, condition or fitness for use thereof, it is understood that if a material disparity is found to exist between the property transferred to the Philippines hereunder and the consideration given therefor by the Philippines hereunder, the two Governments will consult each other to fix an appropriate adjustment in the price paid.

ART. 5. *Consideration.*—(*a*) That a portion of the property sold and granted hereby, together with the property heretofore sold under Contracts Nos. W-ANL(PA-I)-206, W-ANL(PA-I)-1611, and W-ANL(PA-I)-3811, having an agreed fair value of one hundred million dollars ($100,000,000) is accepted by the Philippines in full discharge of the grant authorized by Title II of the Philippine Rehabilitation Act of 1946 and any and all obligations of both parties hereto arising in any manner through or in relation to said contracts, and upon the effective date of this contract, the aforesaid three (3) contracts are hereby terminated, and the property so accepted shall be identified by methods and procedures to be determined by the United States. That the portion so identified or the proceeds from any and all sales of any part thereof shall be used by the Philippines in accordance with the provisions of Section 201 of said Rehabilitation Act, and there is hereby delegated to the President of the Republic of the Philippines authority to control the use and disposition of such property and the use of the proceeds of any disposition of any part thereof, provided such use and disposition must be in accordance with the provisions of Section 201 of said Rehabilitation Act, and there is hereby delegated to the President of the Republic of the Philippines authority to control the use and disposition of such property and the use of the proceeds of any disposition of any part thereof, provided such use and disposition must be in accordance with the provisions of Section 201 of said Rehabilitation Act and reports of all activities related thereto will be made available to the Central Field Commissioner for the Pacific and China at request, and said President is further authorized to redelegate this authority to any officer or employee of the Republic of the Philippines.

(*b*) That the United States shall forthwith pay to the Philippines the sum of twenty-five million dollars ($25,000,000) on account and in part payment of the financial obligations and responsibilities of the United States arising from:

(1) The issuance in the Philippines of emergency currency, guerrilla currency, military scrip or other writing intended to circulate as money the issuance of which was duly authorized, and

(2) Any unpaid advances, loans, credits and overdrafts by the Philippine National Bank, the Commonwealth of the Philippines or any corporation, political subdivision or agent thereof, during the war with Japan but not after the second day of September, 1945; and that the Philippines, as partial consideration for the property transferred hereunder and not identified in Article 5, (*a*) hereof as granted under the Philippine Rehabilitation Act of 1946, hereby releases and acquits the United States of the unpaid balance of the financial obligations and responsibilities aforesaid and shall forever indemnify and hold the United States harmless from all claims and demands of every nature arising therefrom by any person or persons whomsoever.

(*c*) That in further consideration for the property transferred hereunder and not identified pursuant to Article 5, (*a*) hereof as granted under the Philippine Rehabilitation Act of 1946, the Philippines shall make available to the United States the equivalent of five million dollars ($5,000,000) in manner following:

(1) The equivalent of three million dollars ($3,000,000) to be available for the purchase of designated real estate and improvements in real estate in the Philippines for the use and benefit of the United States at prices to be agreed upon by the Governments, and

(2) The equivalent of two million dollars ($2,000,000) and any unexpended portion of the sum set forth in Article 5, (*c*) (1) above, to be available for the implementation of agreements to be entered into between the Philippines and the United States for cultural, research, instruction and other educational activities.

ART. 6. *Miscellaneous Provisions.*—(*a*) That certain ships designated by mutual agreement and representing an aggregate fair value not in excess of six million dollars ($6,000,000) shall be included in the property transferred hereunder.

(*b*) That in connection with the fixed installations and the weather stations and communication service equipment incident to the operations of aircraft transferred hereunder, and as an additional consideration therefor, the Philippines shall undertake by separate agreement in the usual form to operate and maintain weather and communication services in a manner, to an extent, and within limits to be negotiated.

(*c*) That the Philippines shall use its best endeavors to ensure that property transferred pursuant to this Agreement shall not be imported into the United States in the same or substantially the same form, if such property was originally produced in the United States and is readily identifiable as such, unless such property is to be imported into the United States on consignment to a person or firm in the United States for the purpose of reconditioning for re-export, or by a member of the United States armed forces for his personal use.

(*d*) That no duty, tax, excise, or other governmental exaction is included in the price, and if any such duty, tax, excise, or governmental exaction is levied or found to be payable, the Philippines shall pay such sum in addition to the purchase price of the property sold. The United States represents that no duties, taxes, excises, or other governmental exactions are due to the Government of the United States.

(*e*) That the transfer of title to the fixed installations sold and granted hereunder is conditioned upon the approval thereof by appropriate agencies of the United States at Washington as required by the Surplus Property Act, as amended, and regulations promulgated thereunder.

(f) That this Agreement is conditioned upon the ratification or approval thereof by the Congress of the Philippines, but upon such ratification or approval shall be deemed to have taken effect on the second day of September 1946.

IN WITNESS WHEREOF, the undersigned, duly authorized by their respective Governments, have signed the present Agreement at Manila on the 11th day of September 1946.

The Government of the Republic of the Philippines:

By

(Sgd.) MANUEL ROXAS
President of the Philippines

The Government of the United States of America:

By

(Sgd.) WILLIAM E. VOGELBACK
Central Field Commissioner for the Pacific and China Office of the Foreign Liquidation Commissioner Department of State

EXCHANGE OF NOTES WITH GREAT BRITAIN ON THE TURTLE AND MANGSEE ISLANDS

MANILA, *September 19, 1946*

SIR:

By the Convention concluded between the President of the United States of America and His Britannic Majesty under date of January 2, 1930, and in an exchange of supplementary notes of the same date between the Secretary of State of the United States and the British Ambassador at Washington, His Britannic Majesty's Government in the United Kingdom acknowledged the following groups of islands as comprised within the Philippine Archipelago:

1. Sibaung, Boaan, Lihiman, Langaan, Great Bakungaan, Taganak, and Baguan in the group of islands known as the Turtle Islands;
2. The Mangsee Islands.

It was agreed in the exchange of notes that the British North Borneo Company be left undisturbed in the administration of these islands unless or until the United States Government gives notice to His Majesty's Government of its desire that the administration of the islands should be transferred to it. The transfer of the administration shall be effected within one year after such notice is given on a day and in a manner to be mutually arranged.

Pursuant to the notes adverted to, I have the honor, by the present note, to give notice to your Government of the desire of my Government to take over the administration of the Turtle and the Mangsee groups of islands within the one-year period agreed upon from the date of this notification, and to request that you be so good as to transmit this notice to your Government and to acquaint me at the earliest opportunity with the wishes of your Government as to the day and the manner in which the transfer shall be effected.

Accept, Sir, the renewed assurances of my high consideration.

ELPIDIO QUIRINO
Vice-President and concurrently
Secretary of Foreign Affairs

Mr. F. S. TOMLINSON
British Chargé d'Affaires a. i.
Manila

BRITISH LEGATION

MANILA

24th September, 1946

YOUR EXCELLENCY,

During the course of a conversation on the 1st of August, I undertook, at Your Excellency's request to ascertain the views of His Majesty's Government on the present status of the Turtle Islands.

I am now able to inform you that the exchange of notes attached to the Treaty of 1932 between the United Kingdom and the United States of America merely provided that the administration of the Turtle Islands should continue to be vested in the British North Borneo Company, subject to a year's notice should the United States Government wish to take over such administration.

Since, as a result of the Act of Independence, the Government of the Republic of the Philippines has succeeded to the rights and obligations of the United States under the Notes of 1932, it will be for the Government of the Republic of the Philippines to give the required notice provided for in them.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

(Sgd.) F. S. TOMLINSON
Chargé d'Affaires

His Excellency ELPIDIO QUIRINO,
Vice-President and concurrently
Secretary of Foreign Affairs of the
Republic of the Philippines.

CHARTER OF THE UNITED NATIONS

(Drafted and adopted at the United Nations Conference on International Organization in San Francisco, California, April 25–June 26, 1945.)

We, the peoples of the United Nations

Determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and

To reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal right of men and women and of nations large and small, and

To establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained, and

To promote social progress and better standards of life in larger freedom, and for these ends

To practice tolerance and live together in peace with one another as good neighbors, and

To unite our strength to maintain international peace and security, and

To insure, by the acceptance of principles and the institution of methods, that armed force shall not be used, save in the common interest, and

To employ international machinery for the promotion of the economic and social advancement of all people, have resolved to combine our efforts to accomplish these aims.

Accordingly, our respective Governments, through representatives assembled in the city of San Francisco, who have exhibited their full powers found to be in good and due form, have agreed to the present Charter of the United Nations and do hereby establish an international organization to be known as the United Nations.

CHAPTER I

PURPOSES

ARTICLE 1. The purposes of the United Nations are:

1. To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace and for the suppression of acts

of aggression or other breaches of the peace, and to bring about by peaceful means and in conformity with the principles of justice and international law, adjustments or settlement of international disputes or situations which might lead to a breach of the peace;

2. To develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace;

3. To achieve international coöperation in solving international problems of an economic, social, cultural or humanitarian character, and in promoting and encouraging respect for human rights and for the fundamental freedoms for all without distinction as to race, sex, language or religion; and

4. To be a center for harmonizing the actions of nations in the attainment of these common ends.

PRINCIPLES

ART. 2. The organization and its members, in pursuit of the purposes stated in Article 1, shall act in accordance with the following principles:

1. The organization is based on the principle of the sovereign equality of all its members.

2. All members, in order to ensure to all of them the rights and benefits resulting from membership, shall fulfill in good faith the obligations assumed by them in accordance with the present charter.

3. All members shall settle their international disputes by peaceful means in such a manner that international peace, and security, and justice, are not endangered.

4. All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any member or state, or in any other manner inconsistent with the purposes of the United Nations.

5. All members shall give the United Nations every assistance in any action it takes in accordance with the provisions of the present charter, and shall refrain from giving assistance to any state against which the United Nations is taking preventive or enforcement action.

6. The organization shall ensure that states not members act in accordance with these principles so far as may be necessary for the maintenance of international peace and security.

7. Nothing contained in the present charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state or shall require the members to submit such matters to settlement under the present charter; but this principle shall not prejudice the application of enforcement measures under Chapter VII.

CHAPTER II

MEMBERSHIP

ART. 3. The original members of the United Nations shall be the states which, having participated in the United Nations Conference on International Organization at San Francisco, or have previously signed the declaration of the United Nations of January 1, 1942, sign the present charter and ratify it in accordance with Article 110.

ART. 4—1. Membership in the United Nations is open to all other peace-loving states which accept the obligations contained in the present charter and which, in the judgment of the organization, are able and willing to carry out these obligations.

2. The admission of any such state to membership in the United Nations will be effected by a decision of the General Assembly upon the recommendation of the Security Council.

ART. 5. A member of the United Nations against which preventive or enforcement action has been taken by the Security Council may be suspended from the exercise of the rights and privileges of membership by the General Assembly upon the recommendation of the Security Council. The exercise of these rights and privileges may be restored by the Security Council.

ART. 6. A member of the United Nations which has persistently violated the principles contained in the present charter may be expelled from the organization by the General Assembly upon the recommendation of the Security Council.

CHAPTER III

ORGANS

ART. 7—1. There are established as the principal Organs of the United Nations: A General Assembly, a Security Council, an Economic and Social Council, an International Court of Justice, a Trusteeship Council and a Secretariat.

2. Such subsidiary organs as may be found necessary may be established in accordance with the present Charter.

ART. 8. The United Nations shall place no restrictions on the eligibility of men and women to participate in any capacity and under conditions of equality in the principal and subsidiary organs.

CHARTER IV

THE GENERAL ASSEMBLY

COMPOSITION

ART. 9—1. The General Assembly shall consist of all the members of the United Nations.

2. Each member shall not have more than five representatives in the General Assembly.

FUNCTIONS AND POWERS

ART. 10. The General Assembly may discuss any questions or any matters within the scope of the present Charter or relating to the powers and functions of any organs provided in the present Charter, and, except as provided in Article 12, may make recommendations to the members of the United Nations or to the Security Council, or both, on any such questions or matters.

ART. 11—1. The General Assembly may consider the general principles of coöperation in the maintenance of international peace and security, including the principles governing disarmament and the regulations of armaments, and may make recommendations with regard to such principles to the members or to the Security Council or to both.

2. The General Assembly may discuss any questions relating to the maintenance of international peace and security brought before it by any member of the United Nations, or by the Security Council, or by a State, which is not a member of the United Nations, in accordance with the provisions of Article 35, Paragraph 2, and, except as provided in Article 12, may make recommendations with regard to any such questions to the state or states concerned or to the Security Council, or to both. A question on which action is necessary shall be referred to the Security Council by the General Assembly either before or after discussion.

3. The General Assembly may call the attention of the Security Council to situations which are likely to endanger international peace and security.

4. The powers of the General Assembly set forth in this article shall not limit the general scope of Article 10.

ART. 12—1. While the Security Council is exercising with respect to any dispute or situation the functions assigned to it in the present Charter, the General Assembly shall not make any recommendation with regard to that dispute or situation unless the Security Council so requests.

2. The Secretary General, with the consent of the Security Council, shall notify the General Assembly at each session of any matters relative to the maintenance of international peace and security which are being dealt with by the Security Council and shall similarly notify the General Assembly, or the members of the United Nations if the General Assembly is not in session, immediately the Security Council ceases to deal with such matters.

ART. 13—1. The General Assembly shall initiate studies and make recommendations for the purpose of:

(*a*) Promoting international coöperation in the political field and encouraging the progressive development of international law and its codification;

(*b*) Promoting international coöperation in the economic, social, cultural, educational, and health fields, and assisting in the realization of human rights and basic freedoms for all without distinction as to race, sex, language, or religion.

2. The further responsibilities, functions, and powers of the General Assembly with respect to matters mentioned in Paragraph (*b*) above are set forth in Chapters IX and X.

ART. 14. Subject to the provisions of Article 12, the General Assembly may recommend measures for the peaceful adjustment of any situation, regardless of origin, which it deems likely to impair the general welfare or friendly relations among nations, including situations resulting from a violation of the provisions of the present Charter setting forth the purposes and principles of the United Nations.

ART. 15—1. The General Assembly shall receive and consider annual and special reports from the Security Council; these reports shall include an account of the measures that the Security Council has adopted or applied to maintain international peace and security.

2. The General Assembly shall receive and consider reports from the other organs of the organization.

ART. 16. The General Assembly shall perform such functions with respect to the international trusteeship system as are assigned to it under Chapters XII and XIII, including the approval of the trusteeship agreements for areas not designated as strategic.

ART. 17—1. The General Assembly shall consider and approve the budget of the organization.

2. The expenses of the organization shall be borne by the members as apportioned by the General Assembly.

3. The General Assembly shall consider and approve any financial and budgetary arrangements with specialized agencies referred to in Article 57 and shall examine the administrative budgets of such specialized agencies with a view to making recommendations to the agencies concerned.

VOTING

ART. 18—1. Each member of the United Nations shall have one vote in the General Assembly.

2. Decisions of the General Assembly on important questions shall be made by a two-thirds majority of those present and voting. These questions shall include: recommendations with respect to the maintenance of international peace and security, the election of the non-permanent members of the Security Council, the election of the members of the Economic and Social Council, the election of members of the Trusteeship Council in accordance with paragraph 1 (C) of Article 86 (C), the admission of new members of the United Nations, the expulsion of members, the suspension of the rights and privileges of members, questions relating to the operations of the trusteeship system, and budgetary questions.

3. Decisions on other questions, including the determination of additional categories of questions to be decided by a two-thirds majority, shall be made by a majority of those present and voting.

ART. 19. A member of the United Nations which is in arrears in the payments of its financial contributions to the organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years. The General Assembly may, nevertheless, permit such a member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the member.

PROCEDURE

ART. 20. The General Assembly shall meet in regular annual sessions and in such special session as occasion may require. Special sessions shall be convoked by the Secretary General at the request of the Security Council or of a majority of the members of the United Nations.

ART. 21. The General Assembly shall adopt its own rules of procedure. It shall elect its president for each session.

ART. 22. The General Assembly may establish such subsidiary organs as it deems necessary for the performance of its functions.

CHAPTER V

THE SECURITY COUNCIL

COMPOSITION

ART. 23—1. The Security Council shall consist of eleven members of the United Nations. The United States of America, the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, the Republic of China, and France, shall be permanent members of the Security Council. The General Assembly shall elect six other members of the United Nations to be non-permanent members of the Security Council, due regard being specially paid, in the first instance to the contribution of members of the United Nations to the maintenance of international peace and security and to the other purposes of the organization, and also equitable geographical distribution.

2. The non-permanent members of the Security Council shall be elected for a term of two years. In the first election of the non-permanent members, however, three shall be chosen for a term of one year. A retiring member shall not be eligible for immediate re-election.

3. Each member of the Security Council shall have one representative.

FUNCTIONS AND POWERS

ART. 24—1. In order to ensure prompt and effective action by the United Nations, its members confer on the Security Council primary responsibility for the maintenance of international peace and security, and agree that in carrying out its duties under this responsibility the Security Council acts on their behalf.

2. In discharging these duties the Security Council shall act in accordance with the purposes and principles of the United Nations. The specific powers granted to the Security Council for the discharge of these duties are laid down in Chapters VI, VII, VIII, and XII.

3. The Security Council shall submit annual and, when necessary, special reports to the General Assembly for its consideration.

ART. 25. The members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the provisions of the present charter.

ART. 26. In order to promote the establishment and maintenance of international peace and security with the least diversion for armaments of the world's human and economic resources, the Security Council shall be responsible for formulating, with the assistance of the Military Staff Committee referred to in Article 47, plans to be submitted to the members of the United Nations for the establishment of a system for the regulation of armaments.

VOTING

ART. 27—1. Each member of the Security Council shall have one vote.

2. Decisions of the Security Council on procedural matters shall be made by an affirmative vote of seven members.

3. Decisions of the Security Council on all other matters shall be made by an affirmative vote of seven members including the concurring votes of the permanent members; provided that, in decisions under Chapter VI and under Paragraph 3 of Article 52, a party to a dispute shall abstain from voting.

PROCEDURE

ART. 28—1. The Security Council shall be so organized as to be able to function continuously. Each member of the Security Council shall for this purpose be represented at all times at the seat of the organization.

2. The Security Council shall hold periodic meetings at which each of its members may, if it so desires, be represented by a member of the Government or by some other specially designated representative.

3. The Security Council may hold meetings at such places other than the seat of the organization as in its judgment may best facilitate its work.

ART. 29. The Security Council may establish such subsidiary organs as it deems necessary for the performance of its functions.

ART. 30. The Security Council shall adopt its own rules of procedure, including the method of selecting its president.

ART. 31. Any member of the United Nations which is not a member of the Security Council may participate without a vote in the discussion of any question brought before the Security

Council whenever the latter considers that the interests of that member are specially affected.

ART. 32. Any member of the United Nations which is not a member of the Security Council or any State not a member of the United Nations, if it is a party to a dispute under consideration by the Security Council, shall be invited to participate in the discussion relating to the dispute. The Security Council shall lay down such conditions as it may deem just for the participation of a State which is not a member of the United Nations.

CHAPTER VI

PACIFIC SETTLEMENT OF DISPUTES

ART. 33—1. The parties to any dispute, the continuance of which is likely to endanger the maintenance of international peace and security, shall, first of all, seek a solution by negotiation, inquiry, mediation, conciliation, arbitration, judicial settlement, resort to regional agencies or arrangements, or other peaceful means of their own choice.

2. The Security Council shall, when it deems necessary, call upon the parties to settle their dispute by such means.

ART. 34. The Security Council may investigate any dispute, or any situation which might lead to international friction or give rise to a dispute, in order to determine whether its continuance is likely to endanger the maintenance of international peace and security.

ART. 35—1. Any member of the United Nations may bring any dispute or any situation of the nature referred to in Article 34 to the attention of the Security Council or of the General Assembly.

2. A state which is not a member of the United Nations may bring to the attention of the Security Council or of the General Assembly any dispute to which it is a party, if it accepts in advance, for the purposes of the dispute, the obligations of pacific settlement provided in the present charter.

3. The proceedings of the General Assembly with respect to matters brought to its attention under this article will be subject to the provisions of Articles 11 and 12.

ART. 36—1. The Security Council may, at any stage of a dispute of the nature referred to in Article 33 or of a situation of like nature, recommend appropriate procedures on methods of adjustment.

2. The Security Council should take into consideration any procedures for the settlement of the dispute which have already been adopted by the parties.

3. In making recommendations under this article the Security Council should also take into consideration that legal disputes should as a general rule be referred by the parties to the International Court of Justice in accordance with the provisions of the statute of the court.

ART. 37—1. Should the parties to a dispute of the nature referred to in Article 33 fail to settle it by the means indicated in that article, they shall refer it to the Security Council.

2. If the Security Council deems that the continuance of the dispute is in fact likely to endanger the maintenance of international peace and security, it shall decide whether to take action under Article 36 or to recommend such terms of settlement as it may consider appropriate.

ART. 38. Without prejudice to the provisions of Articles 33 to 37 of this chapter, the Security Council may, if all the parties to any dispute so request, make recommendations to the parties with a view to a pacific settlement of the dispute.

CHAPTER VII

ACTION WITH RESPECT TO THREATS TO THE PEACE, BREACHES OF THE PEACE, AND ACTS OF AGGRESSION

ART. 39. The Security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression and shall make recommendations, or decide what measures shall be taken in accordance with the provisions of Articles 41 and 42, to maintain or restore international peace and security.

ART. 40. In order to prevent an aggravation of the situation, the Security Council may, before making the recommendations or deciding upon the measures provided for in Article 39, call upon the parties concerned to comply with such provisional measures as it deems necessary or desirable. Such provisional measures shall be without prejudice to the right, claims, or position of the parties concerned. The Security Council shall duly take account of failure to comply with such provisional measures.

ART. 41. The Security Council may decide what measures not involving the use of armed force are to be employed to give effect to its decisions, and it may call upon members of the United Nations to apply such measures. These may include complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations.

ART. 42. Should the Security Council consider that measures provided for in Article 41 would be inadequate, or have proved to be inadequate, it may take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security. Such action may include demonstrations, blockade, and other operations by air, sea, or land forces of members of the United Nations.

ART. 43—1. All members of the United Nations, in order to contribute to the maintenance of international peace and security, undertake to make available to the Security Council, at its call and in accordance with a special agreement or agreements, armed forces, assistance, and facilities, including rights of passage, necessary for the purpose of maintaining international peace and security.

2. Such agreement or agreements shall govern the numbers and types of forces, their degree of readiness and general location, and the nature of the facilities and assistance to be provided.

3. The agreement or agreements shall be negotiated as soon as possible on the initiative of the Security Council. They shall be concluded between the Security Council and member states or between the Security Council and groups of members and shall be subject to ratification by the signatory states in accordance with their constitutional processes.

ART. 44. When the Security Council has decided to use force it shall, before calling upon a member not represented on it to provide armed forces in fulfillment of the obligations assumed under Article 43, invite that member, if the member so desires, to participate in the decisions of the Security Council concerning the employment of contingents of that member's armed forces.

ART. 45. In order to enable the United Nations to take urgent military measures, members shall hold immediately available national air force contingents for combined international enforcement action. The strength and degree of readiness of these contingents and plans for their combined action shall be determined, within the limits laid down in the special agreement or agreements referred to in Article 43, by the Security Council with the assistance of the Military Staff Committee.

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ART. 46. Plans for the application of armed force shall be made by the Security Council with the assistance of the Military Staff Committee.

ART. 47—1. There shall be established a Military Staff Committee to advise and assist the Security Council on all questions relating to the Security Council's military requirements for the maintenance of international peace and security, the employment and command of forces placed at its disposal, the regulation of armaments, and possible disarmament.

2. The Military Staff Committees shall consist of the Chiefs of Staff of the permanent members of the Security Council or their representatives. Any member of the United Nations not permanently represented in the committee shall be invited by the committee to be associated with it when the efficient discharge of the committee's responsibilities requires the participation of that member in its work.

3. The Military Staff Committee shall be responsible, under the Security Council, for the strategic direction of any armed forces placed at the disposal of the Security Council. Questions relating to the command of such forces shall be worked out subsequently.

4. The Military Staff Committee, with the authorization of the Security Council and after consultation with appropriate regional agencies, may establish regional subcommittees.

ART. 48—1. The action required to carry out the decisions of the Security Council for the maintenance of international peace and security shall be taken by all the members of the United Nations, or by some of them, as the Security Council may determine.

2. Such decisions shall be carried out by the members of the United Nations directly and through their action in the appropriate international agencies of which they are members.

ART. 49. The members of the United Nations shall join in affording mutual assistance in carrying out the measures decided upon by the Security Council.

ART. 50. If preventive or enforcement measures against any state are taken by the Security Council, any other state, whether a member of the United Nations or not, which finds itself confronted with special economic problems arising from the carrying out of those measures shall have the right to consult the Security Council with regard to a solution of those problems.

ART. 51. Nothing in the present charter shall impair the inherent right of individual or collective self-defense, if an armed attack occurs against a member of the organization, until the

Security Council has taken the measures necessary to maintain international peace and security. Measures taken by members in the exercise of this right of self-defense shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council under the present charter to take at any time such action as it may deem necessary in order to maintain or restore international peace and security.

CHAPTER VIII

REGIONAL ARRANGEMENTS

ART. 52—1. Nothing in the present Charter precludes the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action, provided that such arrangements or agencies and their activities are consistent with the purposes and principles of the organization.

2. The members of the United Nations entering into such arrangements or constituting such agencies shall make every effort to achieve peaceful settlement of local disputes through such regional arrangements or by such regional agencies before referring them to the Security Council.

3. The Security Council should encourage the development of peaceful settlement of local disputes through such regional arrangements or by such regional agencies either on the initiative of the states concerned or by reference from the Security Council.

4. This article in no way impairs the application of Articles 34 and 35.

ART. 53—1. The Security Council shall, where appropriate, utilize such arrangements or agencies for enforcement action under its authority. But no enforcement action shall be taken under regional arrangement or by regional agencies without the authorization of the Security Council, with the exception of measures against any enemy state, as described below, provided for pursuant to Article 107 or in regional arrangements directed against renewal of aggressive policy on the part of any such state, until such time as the organization may, on request of the Governments concerned, be charged with the responsibility for preventing further aggression by such a state.

2. The term enemy state as used in paragraph 1 of this Article applies to any state which during the second World War has been an enemy of any signatory of the present charter.

ART. 54. The Security Council shall at all times be kept fully informed of activities undertaken, or in contemplation, under regional arrangements or by regional agencies for the maintenance of international peace and security.

CHAPTER IX

INTERNATIONAL ECONOMIC AND SOCIAL COOPERATION

ART. 55. With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

(*a*) Higher standards of living, full employment, and conditions of economic and social progress and development;

(*b*) Solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and

(*c*) Universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

ART. 56. All members pledge themselves to take joint and separate action in coöperation with the organization for the achievement of the purposes set forth in Article 55.

ART. 57—1. The various specialized agencies established by inter-governmental agreement, and having wide international responsibilities as defined in their basic instruments in economic, social, cultural, educational, health and related fields, shall be brought into relationship with the United Nations in accordance with the provisions of Article 63.

2. Such agencies thus brought into relationship with the organization are hereinafter referred to as specialized agencies.

ART. 58. The organization shall make recommendations for the coördination of the policies and activities of the specialized agencies.

ART. 59. The organization shall, where appropriate, initiate negotiations among the States concerned for the creation of any new specialized agencies required for the accomplishment of the purposes set forth in Article 55.

ART. 60. Responsibility for the discharge of the organizations functions set forth in this chapter shall be vested in the General Assembly and, under the authority of the General Assembly, in the Economic and Social Council, which shall have for this purpose the powers set forth in Chapter X.

CHAPTER X

ECONOMIC AND SOCIAL COUNCIL

COMPOSITION

ART. 61—1. The Economic and Social Council shall consist of eighteen members of the United Nations elected by the General Assembly.

2. Subject to the provisions of paragraph 3, six members of the Economic and Social Council shall be elected each year for a term of three years. A retiring member shall be eligible for immediate re-election.

3. At the first election, eighteen members of the Economic and Social Council shall be chosen. The term of office of six members so chosen shall expire at the end of one year, and of six other members at the end of two years, in accordance with arrangements made by the General Assembly.

4. Each member of the Economic and Social Council shall have one representative.

FUNCTIONS AND POWERS

ART. 62—1. The Economic and Social Council may make or initiate studies and reports with respect to international economic, social, cultural, educational, health, and related matters and may make recommendations with respect to any such matters to the General Assembly, to the members of the United Nations, and to the specialized agencies concerned.

2. It may make recommendations for the purpose of promoting respect for, and observance of, human rights and fundamental freedoms for all.

3. It may prepare draft conventions for submission to the General Assembly, with respect to matters falling within its competence.

4. It may call, in accordance with the rules prescribed by the United Nations, international conferences on matters falling within its competence.

ART. 63—1. The Economic and Social Council may enter into an agreement, approved by the General Assembly, with any of the agencies referred to in Article 57, defining the terms on which the agency concerned shall be brought into relationship with the United Nations. Such agreements shall be subject to approval by the General Assembly.

2. It may coördinate the activities of the specialized agencies through consultation with and recommendations to such agen-

cies and through recommendations to the General Assembly and to the members of the United Nations.

ART. 64—1. The Economic and Social Council may take appropriate steps to obtain regular reports from the specialized agencies. It may make arrangements with the members of the United Nations and with the specialized agencies to obtain reports on the steps taken to give effect to its own recommendations and falling within its competence made by the General Assembly.

2. It may communicate its observance on these reports to the General Assembly.

ART. 65. The Economic and Social Council may furnish information to the Security Council and shall assist the Security Council upon its request.

ART. 66—1. The Economic and Social Council shall perform such functions as fall within its competence in connection with the carrying out of the recommendations of the General Assembly.

2. It may, with the approval of the General Assembly, perform services at the request of the members of the United Nations and at the request of the specialized agencies.

3. It shall perform such other functions as are specified elsewhere in the present Charter and such functions as may be assigned to it by the General Assembly.

VOTING

ART. 67—1. Each member of the Economic and Social Council shall have one vote.

2. Decisions of the Economic and Social Council shall be taken by a majority of the members present and voting.

PROCEDURE

ART. 68. The Economic and Social Council shall set up commissions in economic and social fields and for the promotion of human rights, and such other commissions as may be required for the performance of its functions.

ART. 69. The Economic and Social Council shall invite any member of the United Nations to participate, without vote, in its deliberations on any matter of particular concern to that member.

ART. 70. The Economic and Social Council may make arrangements for representatives of the specialized agencies to participate, without vote, in its deliberations and in those of the commissions established by it, and for its representatives to participate in the deliberations of the specialized agencies.

ART. 71. The Economic and Social Council may make suitable arrangements for consultation with non-governmental organizations which are concerned with matters within its competence. Such arrangements may be made with international organizations, and, where appropriate, with national organizations after consultation with the member of the United Nations concerned.

ART. 72—1. The Economic and Social Council shall adopt its own rules of procedure, including the method of selecting its president.

2. The Economic and Social Council shall meet as required in accordance with its rules, which shall include provision for the convening of meetings on request of a majority of its members.

CHAPTER XI

DECLARATION REGARDING NON-SELF-GOVERNING TERRITORIES

ART. 73. Members of the United Nations which have or assume responsibilities for the administration of territories whose peoples have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost, within the system of international peace and security established by the present charter, the well-being of the inhabitants of these territories, and, to this end:

(*a*) To insure, with due respect for the culture of the peoples concerned their political, economic, social, and educational advancement, their just treatment, and their protection against abuses;

(*b*) To develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions, according to the particular circumstances of each territory and its peoples and their varying stages of advancement;

(*c*) To further international peace and security;

(*d*) To promote constructive measures of development, to encourage research, and to coöperate with one another and with appropriate international bodies with a view to the practical achievement of the social, economic, and scientific purposes set forth in this paragraph; and (*e*) To transmit regularly to the secretary general for information purposes, subject to such limitation as security and constitutional considerations may require, statistical and other information of a technical nature relating to economic, social, and educational conditions in the territories for which they are respectively responsible other than those territories to which Chapters XII and XIII apply.

ART. 74. Members of the United Nations also agree that their policy in respect to the territories to which this chapter applies, no less than in respect of their metropolitan areas, must be based on the general principle of good-neighborliness, due account being taken of the interests and well-being of the rest of the world, in social, economic and commercial matters.

CHAPTER XII

INTERNATIONAL TRUSTEESHIP SYSTEM

ART. 75. The United Nations shall establish under its authority an international trusteeship system for the administration and supervision of such territories as may be placed thereunder by subsequent individual agreements. These territories are hereafter referred to as trust territories.

ART. 76. The basic objectives of the trusteeship system in accordance with the purposes of the United Nations laid down in Article 1 of the present Charter, shall be:

(*a*) To further international peace and security;

(*b*) To promote the political, economic, social and educational advancement of the inhabitants of the trust territories, and their progressive development toward self-government or independence as may be appropriate to the particular circumstances of each territory and its peoples and the freely expressed wishes of the peoples concerned, and as may be provided by the terms of each trusteeship agreement;

(*c*) To encourage respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion, and to encourage recognition of the interdependence of the peoples of the world; and

(*d*) To ensure equal treatment in social, economic and commercial matters for all members of the United Nations and their nationals, and also equal treatment for the latter in the administration of justice, without prejudice to the attainment of the foregoing objectives, and subject to the provisions of Article 80.

ART. 77—1. The trusteeship system shall apply to such territories in the following categories as may be placed thereunder by means of trusteeship agreements:

(*a*) Territories now held under mandate;

(*b*) Territories which may be detached from enemy states as a result of the second World War; and

(*c*) Territories voluntarily placed under the system by states responsible for their administration.

2. It will be a matter for subsequent agreement as to which territories in the foregoing categories will be brought under the trusteeship system and upon what terms.

ART. 78. The trusteeship system shall not apply to territories which have become members of the United Nations, relationship among which should be based on respect for the principle of sovereign equality.

ART. 79. The terms of trusteeship for each territory to be placed under the trusteeship system, including any alteration or amendment, shall be agreed upon by the states directly concerned including the mandatory power in the case of territories held under mandate by a member of the United Nations, and shall be approved as provided for in Articles 83 and 85.

ART. 80—1. Except as may be agreed upon in individual trusteeship agreements made in accordance with the provisions of this chapter, placing each territory under the trusteeship system, and until such agreements have been concluded, nothing in this chapter shall be construed in or of itself to alter in any manner the rights whatsoever of any states or any peoples or the terms of existing international instruments to which members of the United Nations may respectively be parties.

2. Paragraph 1 of this article shall not be interpreted as giving grounds for delay or postponement of the negotiation and conclusion of such agreements for placing mandated and other territories under the trusteeship system as provided for in Article 77.

ART. 81. The trusteeship agreement shall in each case include the terms under which the trust territory will be administered and designate the authority which shall exercise the administration of the trust territory. Such authority, hereafter called the administering authority, may be one or more states of the United Nations itself.

ART. 82. There may be designated, in any trusteeship agreement, a strategic area or areas which may include part or all of the trust territory to which the agreement applies, without prejudice to any special agreement or agreements made under Article 43.

ART. 83—1. All functions of the United Nations relating to strategic areas, including the approval of the terms of the trusteeship agreements and of their alteration or amendment, shall be exercised by the Security Council.

2. The basic objectives set forth in Article 76 shall be applicable to the people of each strategic area.

3. The Security Council shall, subject to the provisions of the trusteeship agreements and without prejudice to security considerations, avail itself of the assistance of the Trusteeship Council to perform those functions of the United Nations under the trusteeship system relating to political, economic, social and educational matters in the strategic areas.

ART. 84. It shall be the duty of the administering authority to ensure that the trust territory shall play its part in the maintenance of international peace and security. To this end the administering authority may make use of volunteer forces, facilities, and assistance from the trust territory in carrying out the obligations toward the Security Council undertaken in this regard by the administering authority, as well as for local defense and the maintenance of law and order within the trust territory.

ART. 85—1. The functions of the United Nations with regard to trusteeship agreements for all areas not designated as strategic, including the approval of the terms of the trusteeship agreements and of their alteration or amendment, shall be exercised by the General Assembly.

2. The Trusteeship Council, operating under the authority of the General Assembly, shall assist the General Assembly in carrying out these functions.

CHAPTER XIII

THE TRUSTEESHIP COUNCIL

COMPOSITION

ART. 86—1. The Trusteeship Council shall consist of the following members of the United Nations:

(*a*) Those members administering trust territories;

(*b*) Such of those members mentioned by name in Article 23 as are not administering trust territories; and

(*c*) As many other members elected for three-year terms by the General Assembly as may be necessary to ensure that the total number of members of the Trusteeship Council is equally divided between those members of the United Nations which administer trust territories and those which do not.

2. Each member of the Trusteeship Council shall designate one specially qualified person to represent it therein.

FUNCTIONS AND POWERS

ART. 87. The General Assembly and, under its authority the Trusteeship Council, in carrying out their functions, may:

(*a*) Consider reports submitted by the administering authority;

(*b*) Accept petitions and examine them in consultation with the administering authority;

(*c*) Provide for periodic visits to the respective trust territories at times agreed upon within the administering authority; and

(*d*) Take these and other actions in conformity with the terms of the trusteeship agreements.

ART. 88. The Trusteeship Council shall formulate a questionnaire on the political, economic, social and educational advancement of the inhabitants of each trust territory, and the administering authority for each trust territory within the competence of the General Assembly shall make an annual report to the General Assembly upon the basis of such questionnaire.

VOTING

ART. 89—1. Each member of the Trusteeship Council shall have one vote.

2. Decisions of the Trusteeship Council shall be taken by a majority of the members present and voting.

PROCEDURE

ART. 90—1. The Trusteeship Council shall adopt its own rules of procedure, including the method of selecting its president.

2. The Trusteeship Council shall meet as required in accordance with its rules, which shall include provision for the convening of meetings on the request of a majority of its members.

ART. 91. The Trusteeship Council shall, when appropriate, avail itself of the assistance of the Economic and Social Council and of the specialized agencies in regard to matters with which they are respectively concerned.

CHAPTER XIV

THE INTERNATIONAL COURT OF JUSTICE

ART. 92. The International Court of Justice shall be the principal judicial organ of the United Nations. It shall function in accordance with the annexed statute, which is based upon the statute of the Permanent Court of International Justice and forms an integral part of the present chapter.

ART. 93—1. All members of the United Nations are *ipso factc* parties to the statute of the International Court of Justice.

2. A state which is not a member of the United Nations may become party to the statute of the statute of the International Court of Justice on conditions to be determined in each case by the General Assembly upon recommendation of the Security Council.

ART. 94—1. Each member of the United Nations undertakes to comply with the decision of the International Court of Justice in any case to which it is a party.

2. If any party to a case fails to perform the obligations incumbent upon it under a judgment rendered by the Court, the other party may have recourse to the Security Council, which may, if it deems necessary, make recommendations or decide upon measures to be taken to give effect to the judgment.

ART. 95. Nothing in the present Charter shall prevent members of the United Nations from entrusting the solution of their differences to other tribunals by virtue of agreements already in existence or which may be concluded in the future.

ART. 96. The General Assembly or the Security Council may request the International Court of Justice to give an advisory opinion on any legal question.

2. Other organs of the United Nations and specialized agencies which may at any time be so authorized by the General Assembly, may also request advisory opinions of the court on legal questions arising within the scope of their activities.

CHAPTER XV

THE SECRETARIAT

ART. 97. The Secretariat shall comprise a Secretary General and such staff as the organization may require. The Secretary General shall be appointed by the General Assembly on the recommendation of the Security Council. He shall be the chief administrative officer of the organization.

ART. 98. The Secretary General shall act in that capacity in all meetings of the General Assembly, of the Security Council, of the Economic and Social Council and of the Trusteeship Council, and shall perform such other functions as are entrusted to him by these organs. The Secretary General shall make an annual report to the General Assembly on the work of the organization.

ART. 99. The Secretary General may bring to the attention of the Security Council any matter which in his opinion may threaten the maintenance of international peace and security.

ART. 100—1. In the performance of their duties the Secretary General and the staff shall not seek or receive instructions from any government or from any other authority external to the organization. They shall refrain from any action which might reflect on their position as international officials responsible only to the organization.

2. Each member of the United Nations undertakes to respect the exclusively international character of the responsibilities of the Secretary General and the staff, and not to seek to influence them in the discharge of their responsibilities.

ART. 101—1. The staff shall be appointed by the Secretary General under regulations established by the General Assembly.

2. Appropriate staffs shall be permanently assigned to the Economic and Social Council, the Trusteeship Council, and, as required, to other organs of the United Nations. These staffs shall form a part of the Secretariat.

3. The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible.

CHAPTER XVI

MISCELLANEOUS PROVISIONS

ART. 102—1. Every treaty and every international agreement entered into by any member of the United Nations after the present charter comes into force shall as soon as possible be registered with the Secretariat and published by it.

2. No party to any such treaty or international agreement which has not been registered in accordance with the provisions of paragraph 1 of this article may invoke that treaty or agreement before any organ of the United Nations.

ART. 103. In the event of a conflict between the obligations of the members of the United Nations under the present charter and any other international obligations to which they are subject, their obligations under the present charter shall prevail.

ART. 104. The organization shall enjoy in the territory of each of its members such legal capacity as may be necessary for the exercise of its functions and the fulfillment of its purposes.

ART. 105—1. The organization shall enjoy in the territory of each of its members such privileges and immunities as are necessary for the fulfillment of its purposes.

2. Representatives of the members of the United Nations and officials of the organization shall similarly enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the organization.

3. The General Assembly may make recommendations with a view to determining the details of the application of Paragraphs 1 and 2 of this article or may propose conventions to the members of the United Nations for this purpose.

CHAPTER XVII

TRANSITIONAL SECURITY ARRANGEMENTS

ART. 106. Pending the coming into force of such special agreements referred to in Article 43, as in the opinion of the Security Council enable it to begin the exercise of its responsibilities under Article 42, the parties to the Four-Nation Declaration signed at Moscow, October 30, 1943, and France, shall, in accordance with the provisions of paragraph 5 of that Declaration, consult with one another and, as occasion requires, with other members of the organization with a view to such joint action on behalf of the organization as may be necessary for the purpose of maintaining international peace and security.

ART. 107. Nothing in the present charter shall invalidate or preclude action in relation to any state which during the second World War has been an enemy of any signatory to the present charter, taken or authorized as a result of that war by the governments having responsibility for such action.

CHAPTER XVIII

AMENDMENTS

ART. 108. Amendments to the present charter shall come into force for all members of the organization when they have been adopted by a vote of two-thirds of the members of the General Assembly and ratified in accordance with their respective constitutional processes by two-thirds of the members of the United

Nations, including all the permanent members of the Security Council.

ART. 109—1. A general conference of the members of the United Nations for the purpose of reviewing the present charter may be held at a date and place to be fixed by a two-thirds vote of the General Assembly and by a vote of any seven members of the Security Council. Each member of the United Nations shall have one vote in the conference.

2. Any alteration of the present charter recommended by a two-thirds vote of the conference shall take effect when ratified in accordance with their respective constitutional processes by two-thirds of the members of the United Nations including all the permanent members of the Security Council.

3. If such a conference has not been held before the tenth annual session of the General Assembly following the coming into force of the present charter, the proposal to call such a conference shall be placed on the agenda of that session of the General Assembly, and the conference shall be held if so decided by a majority vote of the members of the General Assembly and by a vote of any seven members of the Security Council.

CHAPTER XIX

RATIFICATION AND SIGNATURE

ART. 110—1. The present charter shall be ratified by the signatory states in accordance with their respective constitutional processes.

2. The ratifications shall be deposited with the Government of the United States of America, which shall notify all the signatory states of each deposit as well as the Secretary General of the organization when he has been appointed.

3. The present charter shall come into force upon the deposit of ratifications by the Republic of China, France, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, and by a majority of the other signatory states.

4. The states signatory to the present charter which ratify it after it has come into force will become original members of the United Nations on the date of the deposit of their respective ratifications.

ART. 111. The present charter, of which the Chinese, English, French, Russian, and Spanish texts are equally authentic, shall remain deposited in the archives of the Government of the

United States of America. Duly certified copies thereof shall be transmitted by that Government to the Governments of the other signatory states.

IN FAITH WHEREOF the representatives of the United Nations have signed the present charter.

Done at the City of San Francisco the twenty-sixth day of June, one thousand nine hundred and forty-five.

Below are the members of the United Nations with the dates (all 1945) they deposited their ratifications of the Charter or the dates they ratified it as of November 15. All dates are for deposits unless marked * which indicates ratification only.

Country	Deposited	Country	Deposited
Argentina	Sept. 24	Lebanon	Oct. 15
Australia		Liberia	
Belgium	*Oct. 31	Luxembourg	Oct. 17
Bolivia		Mexico	*Oct. 3
Brazil	Sept. 21	Netherlands	
Canada	Nov. 9	New Zealand	Sept. 19
Chile	Oct. 11	Nicaragua	Sept. 6
China	Sept. 28	Norway	
Colombia	*Oct. 24	Panama	
Costa Rica		Paraguay	Oct. 12
Cuba	Oct. 15	Peru	*Oct. 15
Czechoslovakia	Oct. 19	Philippines	Oct. 11
Denmark	Oct. 9	Poland	Oct. 24
Dominican Republic	Sept. 4	Saudi Arabia	Oct. 18
Ecuador		Syria	Oct. 19
Egypt	Oct. 22	South Africa	
El Salvador	Sept. 26	Turkey	Sept. 28
Ethiopia		Uruguay	*Nov. 2
France	Aug. 31	United Kingdom	Oct. 20
Greece	*Sept. 25	United States	Aug. 8
Guatemala		U. S. S. R.	Oct. 24
Haiti	Sept. 27	Byelorussia S. S. R.	Oct. 24
Honduras		Ukraine S. S. R.	Oct. 24
India	*Oct. 18	Venezuela	*Sept. 25
Iran	Oct. 16	Yugoslavia	Oct. 19
Iraq	*Oct. 30		

The Charter came into being October 24, 1945, when the Union of Soviet Socialist Republics deposited its instrument of ratification, the 29th necessary to bring this about. Secretary of State James F. Byrnes then signed the protocol formally attesting that the Charter of the United Nations had come into force.

CONSTITUTION

OF THE

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

THE GOVERNMENTS OF THE STATES PARTIES TO THIS CONSTITUTION ON BEHALF OF THEIR PEOPLES DECLARE

that since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed;

that ignorance of each other's ways and lives has been a common cause, throughout the history of mankind, of that suspicion and mistrust between the peoples of the world through which their differences have all too often broken into war;

that the great and terrible war which has now ended was a war made possible by the denial of the democratic principles of the dignity, equality, and mutual respect of men, and by the propagation, in their place, through ignorance and prejudice, of the doctrine of the inequality of men and races;

that the wide diffusion of culture, and the education of humanity for justice and liberty and peace are indispensable to the dignity of man and constitute a sacred duty which all the nations must fulfill in a spirit of mutual assistance and concern;

that a peace based exclusively upon the political and economic arrangements of Governments would not be a peace which could secure the unanimous, lasting, and sincere support of the peoples of the world, and that the peace must therefore be founded, if it is not to fail, upon the intellectual and moral solidarity of mankind.

FOR THESE REASONS,

the States parties to this Constitution, believing in full and equal opportunities for education for all, in the unrestricted pursuit of objective truth, and in the free exchange of ideas and knowledge, are agreed and determined to develop and to increase the means of communication between their peoples and to employ these means for the purposes of mutual understanding and a truer and more perfect knowledge of each other's lives;

IN CONSEQUENCE WHEREOF

they do hereby create the United Nations Educational, Scientific, and Cultural Organization for the purpose of advancing, through the educational and scientific and cultural relations of the peoples of the world, the objectives of international peace and of the common welfare of mankind for which the United Nations Organization was established and which its Charter proclaims.

ARTICLE I

PURPOSES AND FUNCTIONS

1. The purpose of the Organization is to contribute to peace and security by promoting collaboration among the nations through education, science, and culture in order to further universal respect for justice, for the rule of law and for the human rights and fundamental freedoms which are affirmed for the peoples of the world, without distinction of race, sex, language, or religion, by the Charter of the United Nations.

2. To realize this purpose the Organization will:

(*a*) collaborate in the work of advancing the mutual knowledge and understanding of peoples, through all means of mass communication and to that end recommend such international agreements as may be necessary to promote the free flow of ideas by word and image;

(*b*) give fresh impulse to popular education and to the spread of culture by collaborating with Members, at their request, in the development of educational activities; and by instituting collaboration among the nations to advance the ideal of equality of educational opportunity without regard to race, sex, or any distinctions, economic or social;

(*c*) maintain, increase, and diffuse knowledge by assuring the conservation and protection of the world's inheritance of books, works of art, and monuments of history and science, and recommending to the nations concerned the necessary international conventions; by encouraging coöperation among the nations in all branches of intellectual activity, including the international exchange of persons active in the fields of education, science, and culture and the exchange of publications, objects of artistic and scientific interest, and other materials of information; and by initiating methods of international coöperation calculated to give the people of all countries access to the printed and published materials produced by any of them.

3. With a view to preserving the independence, integrity, and fruitful diversity of the cultures and educational system of the States Members of this Organization, the Organization is prohibited from intervening in matters which are essentially within their domestic jurisdiction.

ARTICLE II

MEMBERSHIP

1. Membership to the United Nations Organization shall carry with it the right to membership to the United Nations Educational, Scientific, and Cultural Organization.

2. Subject to the conditions of the agreement between this Organization and the United Nations Organization, approved pursuant to Article X of the Constitution, States not members of the United Nations Organization may be admitted to membership to the Organization upon recommendation of the Executive Board, by a two-thirds majority vote of the General Conference.

3. Members of the Organization which are suspended from the exercise of the rights and privileges of membership to the United Nations Organization shall, upon the request of the latter, be suspended from the rights and privileges of this Organization.

ARTICLE III

ORGANS

The Organization shall include a General Conference, an Executive Board, and a Secretariat.

ARTICLE IV

THE GENERAL CONFERENCE

A. Composition

1. The General Conference shall consist of the representatives of the States Members of the Organization. The Government of each Member State shall appoint not more than five delegates, who shall be selected after consultation with the National Commission, if established, or with educational, scientific, and cultural bodies.

B. Functions

2. The General Conference shall determine the policies and the main lines of work of the Organization. It shall take decisions on programmes drawn up by the Executive Board.

3. The General Conference shall, when it deems it desirable, summon international conferences on education, the sciences and humanities, and the dissemination of knowledge.

4. The General Conference shall, in adopting proposals for submission to the Member States, distinguish between recommendations and international conventions submitted for their approval. In the former case a majority vote shall suffice; in the latter case a two-thirds majority shall be required. Each of the Member States shall submit recommendations or conventions to its competent authorities within a period of one year from the close of the session of the General Conference at which they were adopted.

5. The General Conference shall advise the United Nations Organization on the educational, scientific, and cultural aspects of matters of concern to the latter, in accordance with the terms and procedure agreed upon between the appropriate authorities of the two Organizations.

6. The General Conference shall receive and consider the reports submitted periodically by Member States as provided by Article VIII.

7. The General Conference shall elect the members of the Executive Board and, on the recommendation of the Board, shall appoint the Director-General.

C. Voting

8. Each Member State shall have one vote in the General Conference. Decisions shall be made by a simple majority except in cases in which a two-thirds majority is required by the provisions of this Constitution. A majority shall be a majority of the Members present and voting.

D. Procedure

9. The General Conference shall meet annually in ordinary session; it may meet in extraordinary session at the call of the Executive Board. At each session the location of its next session shall be designated by the General Conference and shall vary from year to year.

10. The General Conference shall, at each session, elect a President and other officers and adopt rules of procedure.

11. The General Conference shall set up special and technical committees and such other subordinate bodies as may be necessary for its purposes.

12. The General Conference shall cause arrangements to be made for public access to meetings, subject to such regulations as it shall prescribe.

E. Observers

13. The General Conference, on the recommendation of the Executive Board and by a two-thirds majority may, subject to its rules of procedure, invite as observers at specified sessions of the Conference or of its commissions, representatives of international organizations, such as those referred to in Article XI, paragraph 4.

Article V

EXECUTIVE BOARD

A. Composition

1. The Executive Board shall consist of eighteen members elected by the General Conference from among the delegates appointed by the Member States, together with the President of the Conference, who shall sit *ex officio* in an advisory capacity.

2. In electing the members of the Executive Board the General Conference shall endeavour to include persons competent in the arts, the humanities, the sciences, education, and the diffusion of ideas, and qualified by their experience and capacity to fulfil the administrative and executive duties of the Board. It shall also have regard to the diversity of cultures and a balanced geographical distribution. Not more than one national of any Member State shall serve on the Board at any one time, the President of the Conference excepted.

3. The elected members of the Executive Board shall serve for a term of three years, and shall be immediately eligible for a second term, but shall not serve consecutively for more than two terms. At the first election eighteen members shall be elected, of whom one third shall retire at the end of the first year and one third at the end of the second year, the order of retirement being determined immediately after the election by the drawing of lots. Thereafter, six members shall be elected each year.

4. In the event of the death or resignation of one of its members, the Executive Board shall appoint, from among the delegates of the Member States concerned, a substitute, who shall

serve until the next session of the General Conference, which shall elect a member for the remainder of the term.

B. Functions

5. The Executive Board, acting under the authority of the General Conference, shall be responsible for the execution of the programme adopted by the Conference and shall prepare its agenda and programme of work.

6. The Executive Board shall recommend to the General Conference the admission of new Members to the Organization.

7. Subject to decisions of the General Conference, the Executive Board shall adopt its own rules of procedure. It shall elect its officers from among its members.

8. The Executive Board shall meet in regular session at least twice a year and may meet in special session if convoked by the Chairman on his own initiative or upon the request of six members of the Board.

9. The Chairman of the Executive Board shall present to the General Conference, with or without comment, the annual report of the Director-General on the activities of the Organization, which shall have been previously submitted to the Board.

10. The Executive Board shall make all necessary arrangements to consult the representatives of international organizations or qualified persons concerned with questions within its competence.

11. The members of the Executive Board shall exercise the powers delegated to them by the General Conference on behalf of the Conference as a whole and not as representatives of their respective Governments.

ARTICLE VI

SECRETARIAT

1. The Secretariat shall consist of a Director-General and such staff as may be required.

2. The Director-General shall be nominated by the Executive Board and appointed by the General Conference for a period of six years, under such conditions as the Conference may approve, and shall be eligible for re-appointment. He shall be the chief administrative officer of the Organization.

3. The Director-General, or a deputy designated by him, shall participate, without the right to vote, in all meetings of

the General Conference, of the Executive Board, and of the committees of the Organization. He shall formulate proposals for appropriate action by the Conference and the Board.

4. The Director-General shall appoint the staff of the Secretariat in accordance with staff regulations to be approved by the General Conference. Subject to the paramount consideration of securing the highest standards of integrity, efficiency and technical competence, appointment to the staff shall be on as wide a geographical basis as possible.

5. The responsibilities of the Director-General and of the staff shall be exclusively international in character. In the discharge of their duties they shall not seek or receive instructions from any government or from any authority external to the Organization. They shall refrain from any action which might prejudice their position as international officials. Each State Member of the Organization undertakes to respect the international character of the responsibilities of the Director-General and the staff, and not to seek to influence them in the discharge of their duties.

6. Nothing in this Article shall preclude the Organization from entering into special arrangements within the United Nations Organization for common service and staff and for the interchange of personnel.

ARTICLE VII

NATIONAL CO-OPERATING BODIES

1. Each Member State shall make such arrangements as suit its particular conditions for the purpose of associating its principal bodies interested in educational, scientific, and cultural matters with the work of the Organization, preferably the formation of a National Commission broadly representative of the Government and such bodies.

2. National Commissions or national co-operating bodies, where they exist, shall act in an advisory capacity to their respective delegations to the General Conference and to their Governments in matters relating to the Organization and shall function as agencies of liaison in all matters of interest to it.

3. The Organization may, on the request of a Member State, delegate, either temporarily or permanently, a member of its Secretariat to serve on the National Commission of that State, in order to assist in the development of its work.

ARTICLE VIII

REPORTS BY MEMBER STATES

Each Member State shall report periodically to the Organization, in a manner to be determined by the General Conference, on its laws, regulations and statistics relating to educational, scientific and cultural life and institutions, and on the action taken upon the recommendations and conventions referred to in Article IV, paragraph 4.

ARTICLE IX

BUDGET

1. The budget shall be administered by the Organization.
2. The General Conference shall approve and give final effect to the budget and to the apportionment of financial responsibility among the States Members of the Organization subject to such arrangement with the United Nations as may be provided in the agreement to be entered into pursuant to Article X.
3. The Director-General, with the approval of the Executive Board, may receive gifts, bequests, and subventions directly from governments, public and private institutions, associations, and private persons.

ARTICLE X

RELATIONS WITH THE UNITED NATIONS ORGANIZATION

This Organization shall be brought into relation with the United Nations Organization, as soon as practicable, as one of the specialized agencies referred to in Article 57 of the Charter of the United Nations. This relationship shall be effected through an agreement with the United Nations Organization under Article 63 of the Charter, which agreement shall be subject to the approval of the General Conference of this Organization. The agreement shall provide for effective coöperation between the two Organizations in the pursuit of their common purposes, and at the same time shall recognize the autonomy of this Organization, within the fields of its competence as defined in this Constitution. Such agreement may, among other matters, provide for the approval and financing of the budget of the Organization by the General Assembly of the United Nations.

ARTICLE XI

RELATIONS WITH OTHER SPECIALIZED INTERNATIONAL ORGANIZATIONS AND AGENCIES

1. This Organization may coöperate with other specialized inter-governmental organizations and agencies whose interests and activities are related to its purposes. To this end the Director-General, acting under the general authority of the Executive Board, may establish effective working relationships with such organizations and agencies and establish such joint committees as may be necessary to assure effective coöperation. Any formal arrangements entered into with such organizations or agencies shall be subject to the approval of the Executive Board.

2. Whenever the General Conference of this Organization and the competent authorities of any other specialized inter-governmental organizations or agencies whose purposes and functions lie within the competence of this Organization, deem it desirable to effect a transfer of their resources and activities to this Organization, the Director-General, subject to the approval of the Conference, may enter into mutually acceptable arrangements for this purpose.

3. This Organization may make appropriate arrangements with other inter-government organizations for reciprocal representation at meetings.

4. The United Nations Educational, Scientific, and Cultural Organization may make suitable arrangements for consultation and coöperation with non-governmental international organizations concerned with matters within its competence, and may invite them to undertake specific tasks. Such coöperation may also include appropriate participation by representatives of such organizations on advisory committees set up by the General Conference.

ARTICLE XII

LEGAL STATUS OF THE ORGANIZATION

The provisions of Articles 104 and 105 of the Charter of the United Nations Organization concerning the legal status of that Organization, its privileges and immunities shall apply in the same way to this Organization.

ARTICLE XIII

AMENDMENTS

1. Proposals for amendments to this Constitution shall become effective upon receiving the approval of the General Conference by a two-thirds majority; provided, however, that those amendments which involve fundamental alterations in the aims of the Organization or new obligations for the Member States shall require subsequent acceptance on the part of two-thirds of the Member States at least six months in advance of their consideration by the General Conference.

2. The General Conference shall have power to adopt by a two-thirds majority rules of procedure for carrying out the provisions of this Article.

ARTICLE XIV

INTERPRETATION

1. The English and French texts of this Constitution shall be regarded as equally authoritative.

2. Any question or dispute concerning the interpretation of this Constitution shall be referred for determination to the International Court of Justice or to an arbitral tribunal, as the General Conference may determine under its rules of procedure.

ARTICLE XV

ENTRY INTO FORCE

1. This Constitution shall be subject to acceptance. The instruments of acceptance shall be deposited with the Government of the United Kingdom.

2. This Constitution shall remain open for signature in the archives of the Government of the United Kingdom. Signature may take place either before or after the deposit of the instrument of acceptance. No acceptance shall be valid unless preceded or followed by signature.

3. This Constitution shall come into force when it has been accepted by twenty of its signatories. Subsequent acceptances shall take effect immediately.

4. The Government of the United Kingdom will inform all members of the United Nations of the receipt of all instruments of acceptance and of the date on which the Constitution comes into force in accordance with the preceding paragraph.

In faith whereof, the undersigned, duly authorized to that effect, have signed this Constitution in the English and French languages, both texts being equally authentic.

Done in London the sixteenth day of November, 1945 in a single copy, in the English and French languages, of which certified copies will be communicated by the Government of the United Kingdom to the Governments of all the Members of the United Nations.

[Here follow the signatures of the heads of the delegations.]

LEGATION OF SWITZERLAND

WASHINGTON 8, D.C.

The Minister of Switzerland presents his compliments to the Honorable the Acting Secretary of State and has the honor to inform him that the Swiss Government is prepared in principle to negotiate a new trade agreement after the 4th of July with the Philippine Republic, and that in the meantime Switzerland will continue to apply the agreements and regulations which governed the commerce between the two countries prior to the Philippine Declaration of Independence. The Minister would much appreciate if this intention would be communicated to the appropriate authorities in the Philippines.

WASHINGTON D.C., *July 2, 1946.*

MEMORANDUM

The Department of State transmits herewith copies of a note of July 2, 1946 from the Minister of Switzerland indicating that "the Swiss Government is prepared in principle to negotiate a new trade agreement after the fourth of July with the Philippine Republic, and that in the meantime Switzerland will continue to apply the agreements and regulations which governed the commerce between the two countries prior to the Philippine Declaration of Independence."

The Department of State would be glad to arrange for the transmission of any reply which the Republic of the Philippines may wish to send to the Swiss Government.

Enclosures:

Note from the Minister of Switzerland—July 2, 1946
Department of State, Washington, July 4, 1946.

MANILA, *September 28, 1946*

SIR:

Reference is made to that Embassy's dispatch, File No. 000.3 of July 16, 1946, transmitting a memorandum from the Department of State of the United States, dated July 4, 1946, to which was attached a note from the Minister of Switzerland at Washington, dated July 2, 1946, with the information that the Swiss Government is prepared in principle to negotiate a new trade agreement with this Republic and that, in the meantime, Switzerland will continue to apply the agreements and regulations which govern the commerce between the two countries prior to the declaration of independence of the Philippines.

You will please inform the Swiss Minister that this Government is prepared to enter into a new trade agreement with his Government and that, pending its conclusion, the Republic will continue to apply the same agreements and regulations governing the commercial relations between the two countries prior to July 4, 1946.

Yours very truly,

ELPIDIO QUIRINO
Vice-President and concurrently
Secretary of Foreign Affairs

The Honorable JOAQUIN M. ELIZALDE
Philippine Ambassador
Washington, D.C.

The Chargé d'Affaires ad interim of the Republic of the Philippines presents his compliments to His Excellency the Minister of Switzerland and has the honor to refer to his note of July 2, 1946, and to convey to him the message from the Honorable the Vice-President and concurrently Secretary of Foreign Affairs of the Republic of the Philippines, dated at Manila, September 28, 1946, that the Philippine Government is prepared to enter into a new trade agreement with the Government of Switzerland and that, pending its conclusion, the Philippine Republic will continue to apply the same agreements and regulations governing the commercial relations between the two countries prior to July 4, 1946.

Philippine Embassy,
Washington, D.C., October 28, 1946.

LEGATION OF SWITZERLAND

WASHINGTON 8, D.C.

The Minister of Switzerland presents his compliments to the Chargé d'Affaires of the Republic of the Philippines and begs to acknowledge receipt of the message from His Excellency the Vice-President of the Republic of the Philippines, dated at Manila, September 28, 1946, that "the Philippine Government is prepared to enter into a new trade agreement with the Government of Switzerland and that, pending its conclusion, the Philippine Republic will continue to apply the same agreements and regulations governing the commercial relations between the two countries prior to July 4, 1946," transmitted by the Philippine Embassy's note of October 28, 1946.

November 5, 1946.

AGREEMENT BETWEEN THE PHILIPPINES AND THE UNITED STATES OF AMERICA REGARDING TRANSFER OF ENEMY PROPERTY IN DAVAO PROVINCE AND ELSEWHERE

THIS INDENTURE, made by and between James E. Markham, Washington, D. C., as Alien Property Custodian of the United States of America (hereinafter described as "the Custodian"), and Manuel Roxas, Manila, P. I., as President of the Philippines.

WITNESSETH:

WHEREAS, under and by virtue of the authority conferred on and delegated to him by the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, the Custodian did, in the national interest, vest:

a. By Vesting Order No. P–2, dated January 7, 1946, effective January 8, 1946, and published in the Federal Register on January 10, 1946 (11 Fed. Reg. 496), 9,975 shares of the ₱100 par value capital stock of Furukawa Plantation Company, a corporation organized and doing business under the laws of the Philippines, and any and all additional shares of stock of Furukawa Plantation Company or the right to subscribe to and receive such additional shares which accrued or may accrue to the shares herein described, or the holders thereof, by virtue of any action taken to increase the capital stock of Furukawa Plantation Company; and

b. By Vesting Order No. P–3, dated January 7, 1946, effective January 8, 1946, and published in the Federal Register on January 10, 1946 (11 Fed. Reg. 497), 2,430 shares of the ₱100 par value capital stock of the Ohta Development Company, Inc., a corporation organized and doing business under the laws of the Philippines, and any and all additional shares of stock of Ohta Development Company, Inc., or the right to subscribe to and receive such additional shares which accrued or may accrue to the shares described herein, or the holders thereof, by virtue of any action taken to increase the capital stock of Ohta Development Company, Inc.; and

c. By Vesting Order No. P-22, dated April 1, 1946, effective April 19, 1946, and published in the Federal Register on April 23, 1946 (11 Fed. Reg. 4481), all of the capital stock of Gui Hing Plantation Company, a corporation organized under the laws of the Philippines;

having found that such property was property within the United States owned by nationals of designated enemy countries, all of which is more fully set forth in said Vesting Orders; and

WHEREAS, by Public Law of the United States No. 485, 79th Congress, 2d Session, approved July 3, 1946, the Custodian is authorized and directed, for a nominal cash consideration and upon receipt of an agreement for indemnification for claims, cost, and expenses of adminsitration, to transfer to the Philippine Government all vested agricultural lands in the Philippines, vested or hereinafter vested improved property in Manila which in his judgment is urgently needed for the operation of an administrative agency of the Philippine Government, and all shares vested by him in corporations owning, leasing, operating or controlling agricultural lands in the Philippines; and

WHEREAS, by the said Public Law of the United States No. 485, 79th Congress, 2d Session, Act No. 8 of the First Congress of the Republic of the Philippines, 1st Session, approved August 9, 1946, and by the Constitution and laws of the Philippines, the President of the Philippines is authorized and empowered, in consideration of the transfer, and the agreement for transfer, of the herein described property by the Custodian, to agree to indemnify the United States for certain claims and charges against the property hereby transferred;

NOW, THEREFORE: 1. In consideration of the sum of One Dollar ($1.00), paid to the Custodian by the President of the Philippines, the receipt of which is hereby acknowledged, and in consideration of the agreement to indemnify the United States for certain claims, costs, and expenses of administration made by the President of the Philippines, the Custodian, under and by virtue of all authority and powers conferred on and delegated to him, does hereby, and without any warranties or guaranties, expressed or implied, transfer, sell and assign to the Philippine Government the said shares of stock hereinabove described with particularity; and does hereby agree to transfer to the Philippine Government all agricultural lands in the Philippines, vested or hereafter vested improved property in Manila which in the judgment of the Custodian is urgently needed for the operation of an administrative agency of the Philippine Government, and all shares in corporations owning, leasing, operating or controlling agricultural lands in the Philippines which have heretofore been or which shall hereafter be vested by the Custodian, such transfer to be made as soon as reasonably possible after such vesting.

2. In consideration of the transfer and agreement to transfer made by the Custodian as hereinabove set forth, the President of the Philippines does hereby agree to indemnify and hold harmless the United States against any claim to or with respect to the property hereby transferred or to be transferred, which may be allowed by or enforced against the United States or any officer or agency thereof pursuant to the said Trading with the Enemy Act, as amended, or pursuant to the said Public Law of the United States No. 485, 79th Congress, 2d Session, and does hereby agree to reimburse the United States for all such costs and expenses of administration incurred by the United States or any officer or agency thereof, as may by law be charged against the property hereby transferred, or its proceeds.

3. It is hereby understood and agreed, by and between the parties hereto, that this indenture is made without recourse of any kind by anyone against the Custodian, individually or as Alien Property Custodian, or against any representative or employee of the Custodian, or against any successor or against any representative or employee of any successor of the Custodian.

IN WITNESS WHEREOF, the parties have hereunto affixed their names and caused their official seals to be attached on the twenty-second day of August, 1946.

[SEAL] (Sgd.) MANUEL ROXAS
President of the Philippines

[SEAL] (Sgd.) JAMES E. MARKHAM
Alien Property Custodian
of the United States of America

93.

NOTE FROM THE U. S. EMBASSY, MANILA, RE ALIEN PROPERTY CUSTODIAN, ETC.

EMBASSY OF THE UNITED STATES OF AMERICA

July 29, 1946

EXCELLENCY:

I have the honor to inform you that the President of the United States approved on July 3, 1946, Public Law 485—79th Congress, and issued on the same day Executive Order No. 9747 entitled "Continuing the Functions of the Alien Property Custodian and the Department of the Treasury of the Philippines."

Public Law 485—79th Congress reads as follows:

"AN ACT TO PROVIDE FOR THE RETENTION BY THE UNITED STATES GOVERNMENT OR ITS AGENCIES OR INSTRUMENTALITIES OF REAL AND PERSONAL PROPERTY WITHIN THE PHILIPPINES NOW OWNED OR LATER ACQUIRED AND FOR THE ADMINISTRATION OF THE TRADING WITH THE ENEMY ACT OF OCTOBER 6, 1917, AS AMENDED, IN THE PHILIPPINES, SUBSEQUENT TO INDEPENDENCE.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Philippine Property Act of 1946.'

"SEC. 2. There shall remain vested in the Government of the United States or its agencies or instrumentalities all the right, title, and interest of the said Government or its agencies or instrumentalities to all real and personal property within the Philippine Islands as may now be vested in, or later be acquired by the Government of the United States or any of its agencies or instrumentalities.

"SEC. 3. The Trading with the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, shall continue in force in the Philippines after July 4, 1946, and all powers and authority conferred upon the President of the United States or the Alien Property Custodian by the terms of the said Trading with the Enemy Act, as amended, with respect to the Philippines, shall continue thereafter to be exercised by the President of the United States, or such officer or agency as he may designate: *Provided,* That all property vested in or transferred to the President of the United States, the Alien Property Custodian, or any such officer or agency as the President of the United States may designate under the Trading with the Enemy Act, as amended, which was located in the Philippines at the time of such vesting, or the proceeds thereof, and which shall remain after the satisfaction of any claim payable under the Trading with the Enemy Act, as amended, and after the payment of such costs and expenses of administration as may by law be charged against such property or proceeds, shall be transferred by the President of the United States to the Republic of the Philippines: *Provided further,* That such property, or proceeds thereof, may be transferred by the President of the United States to the Republic of the Philippines upon indemnification acceptable to the President of the United States by the Republic of the Philippines for such claims, costs, and expenses of administration as may by law be charged against such property or proceeds thereof before final adjudication of such claims, costs and expenses of administration: *Provided further,* That the Court of First Instance of the . . . (See Bill.)

"Approved, July 3, 1946."

Executive Order No. 9747 reads as follows:

"EXECUTIVE ORDER CONTINUING THE FUNCTIONS OF THE ALIEN PROPERTY CUSTODIAN AND THE DEPARTMENT OF THE TREASURY OF THE PHILIPPINES.

"By virtue of the authority vested in me by the Constitution and statutes, including Title III of the First War Powers Act, 1941 (50 U.S.C. App., Sup., 616 et seq.), as amended, the Trading with the Enemy Act of October 6, 1917 (50 U.S.C. App., et seq.), as amended, and Public Law No. 485, 79th Congress, approved July 3, 1946, and as President of the United States, it is hereby ordered as follows:

"The terms and provisions of Executive Order No. 9095 of March 11, 1942, as amended, and Executive Order

No. 8389 of April 10, 1940, as amended, shall continue in force in the Philippines after July 4, 1946, and all powers and authority delegated by the said Executive Orders to the Alien Property Custodian and to the Secretary of the Treasury, respectively, shall after July 4, 1946, continue to be exercised in the Philippines by the said officers, respectively, as therein provided.

"HARRY S. TRUMAN

"THE WHITE HOUSE, *July 3, 1946.*"

May I request your Excellency's assurances that the terms of the Public Law and the Executive Order quoted above are acceptable to your Government and that the Government of the Republic of the Philippines will sustain within its jurisdiction the operation of the Public Law and the Executive Order quoted above and the lawful acts of officers and employees of the United States in the enforcement of same.

Accept, Excellency, the assurances of my most distinguished consideration.

PAUL V. MCNUTT

LETTER OF TRANSMITTAL BY UNDERSECRETARY AFRICA TO THE CHIEF OF THE EXECUTIVE OFFICE RE "PHILIPPINE PROPERTY ACT OF 1946."

MANILA, *August 14, 1946*

SIR:

I have the honor to forward herewith for the information of the President and files of that Office two (2) copies each of the following:

"A BILL (H. R. 6801)—To provide for the retention by the United States Government or its agencies or instrumentalities of real and personal property within the Philippines now owned or later acquired and for the administration of the Trading with the Enemy Act of October 6, 1917, as amended, in the Philippines, subsequent to independence.

"Report (No. 2296) to accompany H. R. 6801."

Very respectfully,

For the Secretary:

(Sgd.) BERNABE AFRICA

The Honorable
The CHIEF OF THE EXECUTIVE OFFICE
Malacañan Palace, Manila

79TH CONGRESS } 2d Session } Union Calendar No. 689

H. R. 6801

(Report No. 2296)

IN THE HOUSE OF REPRESENTATIVES

June 17, 1946

Mr. Bell introduced the following bill, which was referred to the Committee on Insular Affairs, June 18, 1946

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

(Omit the part struck through and insert the part printed in italic)

A BILL TO PROVIDE FOR THE RETENTION BY THE UNITED STATES GOVERNMENT OR ITS AGENCIES OR INSTRUMENTALITIES OF REAL AND

PERSONAL PROPERTY WITHIN THE PHILIPPINES NOW OWNED OR LATER ACQUIRED AND FOR THE ADMINISTRATION OF THE TRADING WITH THE ENEMY ACT OF OCTOBER 6, 1917, AS AMENDED, IN THE PHILIPPINES, SUBSEQUENT TO INDEPENDENCE.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Philippine Property Act of 1946."

SEC. 2. There shall remain vested in the Government of the United States or its agencies or instrumentalities all the right, title, and interest of the said Government or its agencies or instrumentalities to all real and personal property within the Philippine Islands as may now be vested in, or later be acquired by the Government of the United States or any of its agencies or instrumentalities.

SEC. 3. The Trading with the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, shall continue in force in the Philippines after July 4, 1946, and all powers and authority conferred upon the President of the United States or the Alien Property Custodian by the terms of the said Trading with the Enemy Act, as amended, with respect to the Philippines, shall continue thereafter to be exercised by the President of the United States, or such officer or agency as he may designate: *Provided,* That all property vested in or transferred to the President of the United States, the Alien Property Custodian, or any such officer or agency as the President of the United States may designate under the Trading with the Enemy Act, as amended, which was located in the Philippines at the time of such vesting, or the proceeds thereof, and which shall remain after the satisfaction of any claim payable under the Trading with the Enemy Act, as amended, and after the payment of such costs and expenses of administration as may by law be charged against such property or proceeds, shall be transferred by the President of the United States to the Republic of the Philippines: *Provided further,* That such property, or proceeds thereof, may be transferred by the President of the United States to the Republic of the Philippines upon indemnification acceptable to the President of the United States by the Republic of the Philippines for such claims, costs, and expenses of administration as may by law be charged against such property or proceeds thereof before final adjudication of such claims, costs, and expenses of administration: *Provided further*, That the courts of first instance of the Republic of the Philippines are hereby given jurisdiction to make and enter all such rules as to notice or otherwise, and 11 such orders and decrees, and to issue such process as may be necessary and proper in the premises to enforce any orders, rules, and regulations issued by the President of the United States, the Alien Property Custodian, or such officer or agency designated by the President of the United States pursuant to the Trading with the Enemy Act, as amended, with such right of appeal therefrom as may be provided by law: *And, provided further*, That any suit authorized under the Trading with the Enemy Act, as amended, with respect to property vested in or transferred to the President of the United States, the Alien Property Custodian, or any officer or agency designated by the President of the United States hereunder, which at the time of such vesting or transfer was located within the Philippines, shall after July 4, 1946, be brought, in the appropriate court of the first instance of the Republic of the Philippines, against the officer or agency hereunder designated by the President of the United States, *with such right of appeal therefrom as may be provided by law*. In any litigation authorized under this section, the officer or administrative head of the agency designated hereunder may appear personally, or through attorneys appointed by him, without regard to the requirements of law other than this section.

SEC. 4. In respect to property not transferable to the Republic of the Philippines under section 3 of this Act, the President of the United States is authorized, in his discretion and under such terms and conditions as he may deem appropriate, to transfer to the Republic of the Philippines any or all of the right, title, and interest of the Government of the United States or its agencies or instrumentalities to any or all real and personal property vested in such agencies or instrumentalities.

SEC. 5. Immediately upon passage of this Act the Alien Property Custodian of the United States shall enter into an agreement with the President of the Philippines to transfer to the Philippine Government for a nominal cash consideration all shares now vested or thereafter vested by the Alien Property Custodian of corporations owning in fee, leasing, or otherwise operating or controlling agricultural lands in the Philippines, other agricultural lands in the Philippines vested or hereafter vested by the Alien Property Custodian not included in the foregoing, and improved property in Manila vested or hereafter vested by the Alien Property Custodian which in his judgment is urgently needed for the operation of an administrative agency of the Philippine Government: *Provided*, That in respect to property transferred under this section to the Philippine Government, it shall be made a part of the agreement that the Philippine Government shall fully indemnify the United States for all claims payable under the Trading with the Enemy Act, as amended, and for all such costs and expenses of administration as may by law be charged against such property or proceeds thereof.

SEC. 6. Nothing contained in this Act shall be construed as amending the provisions of the Act of March 24, 1934 (48 Stat. 456), as amended, respecting naval reservations and fueling stations, and diplomatic or consular property, and the property of the High Commissioner to the Philippine Islands, nor as amending the provisions of the joint resolution of June 29, 1944 (Public Law 380, Seventy-eighth Congress), respecting bases for the mutual protection of the Philippine Islands and the United States.

SEC. 7. For the purposes of this Act the term "Philippine Government" shall mean "Government of the Commonwealth of the Philippines" until the date of Independence, and thereafter it shall mean the "Government of the Republic of the Philippines."

AGREEMENT BETWEEN THE UNITED STATES INFORMATION SERVICE, OPERATOR OF RADIO STATION KZFM AND THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES

THIS CONTRACT by and between the United States Information Service, operator of Radio Station KZFM, an instrumentality of the United States Government, represented herein by George C. Betts, Acting Chief of the United States Information Service, hereinafter referred to as the USIS; and the Government of the Republic of the Philippines, represented herein by Emilio Abello, Chief of the Executive Office of the Republic of the Philippines, hereinafter referred to as the Government;

WITNESSETH:

WHEREAS, it is the desire of the contracting parties to provide for the continuance of radio broadcasting in the Philippines, to afford a medium for the transmission of radio programs; to provide a means for training radio technicians; and to provide for the temporary use by the Government of the facilities of Radio KZFM when operation thereof by the USIS shall have ceased on October 20, 1946, and until such time as an agreement regarding the use of the United States Government-owned broadcasting facilities shall have been entered into and the necessary action taken for the final transfer of title to the now existing technical equipment of Radio Station KZFM, as per attached Inventory and to such other additional radio equipment and facilities as may be declared surplus and transferable, to the Government,

NOW, THEREFORE, USIS, for and in consideration of the above premises, has conveyed and transferred and, by these presents, hereby transfers and conveys unto the Government the free use of all radio broadcasting equipment and facilities now existing and utilized by Radio Station KZFM, as per Inventory hereto attached and made an integral part hereof, and such other radio equipment as may be declared surplus and transferable to the Government under the following terms and conditions:

1. Two Studios Nos. 1 and 2, at present operated by USIS and located at the 4th Floor of the Ramon Roces Bldg., Calero St., shall be made available for the free use by the Government for a period of sixty (60) days computed from the date of the signing of this Contract;

2. USIS agrees to assist the Government in the construction of its own studios by lending to it studio broadcast equipment in so far as its present stock permits. This equipment shall be used by the Government until such time when it shall have obtained the needed materials, but in no case shall such period exceed twelve (12) months;

3. The salaries of the administrative and technical personnel needed to operate the station shall be borne by the Government;

4. USIS agrees to allow the Government to have the privilege of rebroadcasting programs emanating from the United States and agrees to make this available without cost to the Government during the life of this contract;

5. USIS likewise agrees to make available to the Government the use of the USIS transcription library for a period of sixty (60) days. Responsible USIS personnel will be maintained during this period to supervise the issuance of transcriptions from this library;

6. The Government agrees to assume the operating cost previously borne by USIS (fuel and lubricating oil of power station) of the transmitting power station. There will be no charge for power consumed by the Government at the Roces Building studios;

7. The Government agrees to assume the cost of all wire circuits, cost of rentals, occasioned by the operation of the station;

8. During the period covered by this contract, the Government agrees not to lease any facilities of station KZFM to commercial entities;

9. The Government agrees to make no change on the presently assigned frequencies without agreement with the United States Army in the joint use of the antenna at Polo, Bulacan, by Station KZFM and the United States Army. This restriction shall be in force during the period of the agreement. In the event that it becomes necessary to assign another or other frequencies to Station KZFM, such frequencies shall be mutually agreed upon by the United States Army and the Government in view of the joint use of the present antenna system by the Government and the United States Army. It is understood that no changes on the frequency or frequencies presently used by

Station KZFM shall be made without the prior approval of the Department of National Defense.

IN WITNESS WHEREOF, the Parties hereto have hereunto affixed their signatures in the City of Manila, Philippines, this fourth day of October, 1946.

For the United States Information Service (USIS):

....

By GEORGE C. BETTS
Acting Chief, USIS

For the Government of the Republic of the Philippines:

....

By EMILIO ABELLO
Chief of the Executive Office

Witnesses:

AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA REGARDING METEOROLOGICAL FACILITIES AND TRAINING PROGRAM

WHEREAS, the Government of the United States of America has enacted Public Law 370—79th Congress, approved April 30, 1946, known as the Philippine Rehabilitation Act of 1946, whereof Section 308, entitled "Weather Information," provides:

> "(*a*) The Chief of the Weather Bureau of the Department of Commerce is authorized to establish meteorological facilities in the Philippines as may be required to provide weather information, warnings, and forecasts for general agricultural and commercial activities, including meteorological service for the air routes on which air-navigation facilities are operated by the Civil Aëronautics Administration, and to maintain such meteorological offices until the Philippine Weather Bureau is reëstablished and in position to assume responsibility for the service.
>
> "(*b*) The Chief of the Weather Bureau of the Department of Commerce is authorized, under such regulations as he may adopt, to train not to exceed fifty Filipinos in the first year and not to exceed twenty-five Filipinos in each succeeding year prior to July 1, 1950, the trainees to be designated by the President of the Philippines subject to the provisions of Section 311 (*c*), and the training to include meteorological observations, analyses, forecasting, briefing of pilots, and such other meteorologcial duties as are deemed necessary in maintenance of general weather service, including weather information required for air navigation and the safe operation of air traffic. The training of these employees shall be in addition to and not in lieu of Weather Bureau employees to be trained under current Weather Bureau appropriations," and

WHEREAS, the Government of the Republic of the Philippines is desirous of availing itself of the benefits, facilities and services which are authorized by the above-quoted Section 308 of the said Public Law 370—79th Congress;

THEREFORE, the Government of the Republic of the Philippines and the Government of the United States of America have decided to conclude an agreement for the foregoing purposes and have agreed mutually as follows:

ARTICLE I

The responsible agent of the Government of the United States of America for effectuating the provisions of this Agreement shall be the Chief of the United States Weather Bureau of the Department of Commerce, hereinafter referred to as the Chief. The Chief may delegate to a duly authorized representative all or part of his authority for effectuating the provisions of this Agreement. The duties, functions, and powers exercised in the Republic of the Philippines under the terms of this Agreement by the Chief, or his duly authorized representative, shall be under the general supervision of the United States Ambassador accredited to the Government of the Republic of the Philippines, or, in the absence of the Ambassador, of the Charge d'Affaires ad interim of the United States of America. The Chief, or his duly authorized representative, may negotiate and conclude working agreements and contracts necessary for carrying out the provisions of this Agreement.

The responsible agent of the Government of the Republic of the Philippines for effectuating the provisions of this Agreement shall be the Director of the Weather Bureau of the Department of Agriculture and Commerce, hereinafter referred to as the Director. The Director may delegate to an officer or employee of the Weather Bureau of the Philippine Department of Agriculture and Commerce all or part of his authority for effectuating the provisions of the Agreement. The Director, or his duly authorized representative, shall be the representative of the Government of the Republic of the Philippines in the negotiation and conclusion of all working agreements and contracts necessary for carrying our the provisions of this Agreement.

The Chief and the Director shall coöperate in every way possible to carry out the spirit and purpose of this Agreement.

ARTICLE II

The Chief, or his authorized representative, shall, with the consent of and in coöperation with the Government of the Republic of the Philippines, establish, maintain, and operate such meteorological facilities in the Republic of the Philippines as may be required to provide weather information, warnings, and forecasts for general agricultural and commercial activities, including meteorological service for the air routes on which air-navigation facilities are operated, all such meteorological facilities to be operated insofar as possible in conformance with recognized international standards for meteorological observations and procedures.

The Chief shall assign to the Republic of the Philippines for the purpose of carrying out the provisions of this Agreement a representative and assistants, including instructors and administrative personnel, the salaries and expenses of all such personnel to be paid directly by the United States Weather Bureau of the Department of Commerce.

The Chief, or his duly authorized representative, shall analyze the plans submitted by the Government of the Republic of the Philippines within the terms of this Agreement involving the expenditure of funds by the Government of the United States of America and after consultation with the Director shall approve, disapprove, or modify such plans. The Chief, or his authorized representatives, upon his approval of operational plans and program shall enter into contracts with the Government of the Republic of the Philippines when necessary for the carrying out of such program.

ARTICLE III

The Chief shall provide for the training during the period of this Agreement of not to exceed fifty (50) citizens of the Republic of the Philippines in the first year and not to exceed twenty-five (25) citizens of the Republic of the Philippines in each succeeding year. This training will include meteorological observations, analyses, forecasting, briefing of pilots, and such other duties as are deemed necessary in the maintenance of a general weather service, including weather information required for air navigation and the safe operation of air traffic. The Chief shall provide for the payment of all expenses incidental to such training, including, but not necessarily limited to, transportation to and from and in the United States of America, allowances for tuition, educational fees and subsistence.

Subject to the provisions of Section 311 (*c*) of the said Public Law 370—79th Congress, the trainees referred to in the preceding paragraph of this Article shall be designated by the President of the Philippines in accordance with procedures and standards established by the Chief. The Government of the Republic of the Philippines shall furnish to the United

States Embassy at Manila the names and necessary supporting documents of the trainees so designated.

ARTICLE IV

The Government of the Republic of the Philippines agrees to provide free of cost to the Government of the United States of America such lands, rights-of-way and easements necessary for carrying out the terms of this Agreement. Furthermore, the Government of the Republic of the Philippines shall furnish such equipment, facilities, and qualified personnel, including technicians, administrative personnel, and such other trained persons necessary to carry out the purposes of this Agreement, as may be available to the Government of the Republic of the Philippines. The Chief is authorized to accept and utilize for the performance of the terms of this Agreement contributions of labor, materials, equipment, and money from the Government of the Republic of the Philippines and its political subdivisions.

ARTICLE V

The responsible agent of the Government of the Republic of the Philippines shall submit to the Chief, or his duly authorized representative, plans for:

(1) The establishment and maintenance of a suitable network of basic weather observing and reporting stations including a suitable number of stations at which upper air observations will be made;

(2) The prompt collection of weather observations at one or more central forecasting offices and the development of weather analysis and forecasting procedures designed to furnish general weather service as well as meeting the economic requirements of domestic and international aviation and maritime commerce;

(3) The establishment of international exchanges of weather information in accordance with recognized international standards;

(4) The compilation and publication of weather records and reports including the results of meteorological investigations;

(5) The training of technical and professional personnel required to maintain a modern weather service;

(6) Fiscal requirements for the inauguration, maintenance, and operation of the foregoing programs.

ARTICLE VI

The Government of the Republic of the Philippines will cooperate with the Chief, or his duly authorized representative, in providing such temporary or permanent office and other space and facilities as may be required and shall render all practicable assistance in securing adequate housing accommodations, at reasonable rental rates, for personnel of the United States Weather Bureau of the Department of Commerce engaged in effectuating this program, and their families.

ARTICLE VII

The Government of the Republic of the Philippines will save harmless all officers and employees of the United States Weather Bureau of the Department of Commerce who are citizens of the United States of America from damage suits or other civil actions arising out of their performance of their official duties under this Agreement.

ARTICLE VIII

Officers, employees and agents of the Government of the United States of America who are citizens of the United States and who are on duty or who may be assigned to duty in the Republic of the Philippines under the provisions of the present Agreement, and their families, shall be permitted to move freely into and out of the Republic of the Philippines, subject to existing visa and passport regulations. Gratis transit shall be extended to all officers, employees, or agents of the United States Weather Bureau of the Department of Commerce over all bridges, ferries, roads and other facilities of the highways where tolls are collected for passage of vehicles or occupants.

ARTICLE IX

Pending the conclusion of negotiations now being considered by the Government of the United States of America and the Government of the Republic of the Philippines, no import, excise, consumption, or other tax, duty, or impost shall be levied on funds or property in the Republic of the Philippines which are owned by the United States Weather Bureau of the Department of Commerce and used for purposes under the present Agreement or on funds, materials, supplies, and equipment imported into the Republic of the Philippines for use in connection with such purposes; nor shall any such tax, duty, or impost be levied on the personal funds or property, not intended for resale, imported into the Republic of the Philippines for the use of or consumption of the United States Weather Bureau personnel who are United States citizens; nor shall any export or other tax be placed on any such funds or property, including United States Government property, in the event of its removal from the Republic of the Philippines.

ARTICLE X

Each Government reserves the right to remove any personnel paid by it and involved in carrying out the provisions of this Agreement with the understanding that each Government shall maintain an adequate force to carry out the provisions and requirements of this Agreement so long as the Agreement is in effect.

ARTICLE XI

All commitments made in this Agreement on the part of the Government of the United States of America shall be subject to the availability of appropriated funds by the Government of the United States of America.

ARTICLE XII

The Agreement shall become effective on the date of its signature and shall continue in effect until completely executed on both sides, but in no event later than June 30, 1950; *Provided, however,* That this Agreement may be revised, amended, or changed in whole or in part with the approval of both parties as indicated and effected by an exchange of notes between the two contracting parties; *And, provided further,* That either Government may terminate this Agreement by giving to the other party ninety days' notice in writing through diplomatic channels.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto, have signed the present Agreement in duplicate at Manila this 12th day of May, 1947.

For the Government of the Republic of the Philippines:

(Sgd.) MARIANO GARCHITORENA
Secretary of Agriculture and Commerce

For the Government of the United States of America:

(Sgd.) NATHANIEL P. DAVIS
Chargé d'Affaires ad interim of the United States of America at Manila

AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA REGARDING AIR NAVIGATION FACILITIES AND TRAINING PROGRAM

WHEREAS, the Government of the United States of America has enacted Public Law 370–79th Congress, approved April 30, 1946, known as the Philippine Rehabilitation Act of 1946, whereof Section 307, entitled "Inter-Island Air Navigation," provides:

> "(*a*) The Administrator of Civil Aëronautics of the Department of Commerce is authorized to acquire, establish, operate, and to maintain a system of air-navigation facilities and associated airways communications services in the Philippines for inter-islands airways operation and to connect the Philippine airways with international and interoceanic routes.
>
> "(*b*) The Administrator of Civil Aëronautics is authorized, under such regulations as he may adopt, to train not exceeding fifty Filipinos each year prior to July 1, 1950, to be designated by the President of the Philippines subject to the provisions of Section 311 (*c*), in air-traffic control, aircraft communications, maintenance of air-navigation facilities, and such other airman functions as are deemed necessary for the maintenance and operation of aids to air navigation and other services essential to the orderly and safe operation of air traffic." and

WHEREAS, the Government of the Republic of the Philippines is desirous of availing itself of the benefits, facilities and services which are authorized by the above-quoted Section 307 of the said Public Law 370–79th Congress;

THEREFORE, the Government of the Republic of the Philippines and the Government of the United States of America have decided to conclude an agreement for the foregoing purposes and have agreed mutually as follows:

ARTICLE I

The responsible agent of the Government of the United States of America for effectuating the provisions of this

Agreement shall be the Administrator of Civil Aëronautics of the Department of Commerce, hereinafter referred to as the Administrator. The Administrator may delegate to a duly authorized representative of the Civil Aëronautics Administration all or any part of his authority for effectuating the provisions of this Agreement. The duties, functions, and powers exercised in the Republic of the Philippines under the terms of this Agreement by the Administrator or his duly authorized representative shall be under the general supervision of the United States Ambassador accredited to the Government of the Republic of the Philippines or, in the absence of the Ambassador, of the Chargé d'Affaires *ad interim* of the United States of America. The Administrator, or his duly authorized representative, may negotiate and conclude any working agreements, necessary for carrying out the provisions of this Agreement.

The responsible agent of the Government of the Republic of the Philippines for effectuating the provisions of this Agreement shall be the Director of Aëronautics of the Bureau of Aëronautics of the Department of National Defense, hereinafter referred to as the Director of Aëronautics. The Director of Aëronautics may delegate to an officer or employee of the Bureau of Aëronautics of the Department of National Defense all or part of his authority for effectuating the provisions of this Agreement. The Director of Aëronautics, or his duly authorized representative, shall be the representative of the Government of the Republic of the Philippines in the negotiation and conclusion of all working agreements necessary for carrying out the provisions of this Agreement.

The Administrator and the Director of Aëronautics shall coöperate in every way possible to carry out the spirit and purposes of this Agreement.

ARTICLE II

The Administrator shall acquire and establish, and shall maintain and operate during the period required for the training of citizens of the Republic of the Philippines for such operation, a system of air navigation facilities and associated airway communications services in the Philippines for inter-island airways operations and to connect the Philippine airways with international and interoceanic routes.

The Administrator, or his duly authorized representative, shall analyze the plans submitted by the Government of the

Republic of the Philippines within the terms of this Agreement involving the expenditure of funds by the Government of the United States of America and after consultation with the Director of Aëronautics shall approve, disapprove, or modify such plans.

ARTICLE III

The Administrator shall provide for the training during the period of this Agreement of not to exceed fifty citizens of the Republic of the Philippines each year in the duties of air traffic control, aircraft communication, maintenance of air navigation facilities, and such other airman functions as he deems necessary for the maintenance and operation of aids to air navigation and other services essential to the orderly and safe operation of air traffic. The Administrator shall provide for the payment of all expenses incidental to such training, including, but not necessarily limited to, actual transportation expenses to and from and in the United States of America, allowances for tuition, educational fees, and subsistence.

Subject to the provisions of Section 311 (*c*) of the said Public Law 370–79th Congress, the trainees referred to in the preceding paragraph of this Article shall be designated by the President of the Philippines in accordance with procedures and standards established by the Administrator. The Government of the Republic of the Philippines shall furnish to the United States Embassy at Manila the names and necessary supporting documents of the trainees so designated.

ARTICLE IV

The Government of the Republic of the Philippines agrees to provide free of cost to the Government of the United States of America such lands, rights-of-way, and easements necessary for carrying out the terms of this Agreement. The Administrator is authorized to accept and utilize for the performance of the terms of this Agreement contributions of labor, materials, equipment and money from the Government of the Republic of the Philippines and its political subdivisions.

ARTICLE V

The Director of Aëronautics shall assist the representative of the Administrator in carrying out the objectives of this Agreement by providing:

(1) recommendations relative to locations for the establishment of air navigation facilities and the type of facilities and services required for each location;

(2) advice as to the specific radio frequency assignments which may be used and as to materials and equipment owned by the Government of the Republic of the Philippines which can be made available for use in carrying out this Agreement; and

(3) suggestions for the accomplishment of all phases of the Agreement, including suggestions for the accomplishment of the physical work involved and for the maintenance and operation of completed facilities.

The Government of the Republic of the Philippines shall furnish such equipment, facilities, and qualified personnel, including technicians, administrative personnel, and other personnel, as may be necessary and as may be available to the Government of the Republic of the Philippines to carry out the purpose and intent of this Agreement.

ARTICLE VI

The Government of the Republic of the Philippines will cooperate with the Administrator, or his duly authorized representative, in providing such temporary or permanent office and other space and facilities as may be required, and shall render all practicable assistance in securing adequate housing accomodations, at reasonable rental rates, for personnel of the Civil Aëronautics Administration engaged in effectuating this program, and their families.

ARTICLE VII

The Government of the Republic of the Philippines will save harmless all officers and employees of the Civil Aëronautics Administration of the Department of Commerce who are citizens of the United States from damage suits or other civil suits arising out of their performance of their duties under this Agreement.

ARTICLE VIII

Officers, employees, and agents of the Government of the United States of America who are citizens of the United States and who are on duty or who may be assigned to duty in the Republic of the Philippines under the provisions of the present Agreement, and their families, shall be permitted to move freely into and out of the Republic of the Philippines, subject to existing visa and passport regulations. Gratis transit shall be extended to all officers, employees or agents of the Civil Aëronautics Administration of the Department of Commerce over all bridges, ferries, roads and other facilities of the highways where tolls are collected for passage of vehicles or occupants.

ARTICLE IX

Pending the conclusion of negotiations now being considered by the Government of the United States of America and the Government of the Republic of the Philippines, no import, excise, consumption, or other tax, duty or impost shall be levied on funds or property in the Republic of the Philippines which are owned by the Civil Aëronautics Administration and used for purposes under the present Agreement or on funds, materials, supplies, and equipment imported into the Republic of the Philippines for use in connection with such purposes; nor shall any such tax, duty, or impost be levied on the personal funds or property, not intended for resale, imported into the Republic of the Philippines for the use or consumption of Civil Aëronautics Administration personnel who are United States citizens; nor shall any export or other tax be placed on any such funds or property, including United States Government property, in the event of its removal from the Republic of the Philippines.

ARTICLE X

Each Government reserves the right to remove any personnel paid by it and involved in carrying out the provisions of this Agreement with the understanding that each Government shall maintain an adequate force to carry out the provisions and requirements of this Agreement so long as the Agreement is in effect.

ARTICLE XI

All commitments made in this Agreement on the part of the Government of the United States of America shall be subject to the availability of appropriated funds made by the Government of the United States of America.

ARTICLE XII

This Agreement shall become effective on the date of its signature, and shall continue in effect until completely executed on both sides but in no event later than June 30, 1950; provided, however, that this Agreement may be revised, amended, or changed in whole or in part with the approval of both parties as indicated and effected by an exchange of notes between the two contracting parties; *And provided further*, That either Government may terminate this Agreement by giving to the other party ninety days' notice in writing through diplomatic channels.

IN WITNESS WHEREOF the Undersigned, duly authorized thereto, have signed the present Agreement in duplicate at Manila this 12th day of May, 1947.

For the Government of the Republic of the Philippines:

(Sgd.) RUPERTO K. KANGLEON
Secretary of National Defense

For the Government of the United States of America:

(Sgd.) NATHANIEL P. DAVIS
Chargé d'Affaires ad interim
of the United States of America at Manila