

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 (\$0.7 $\frac{1}{8}$) 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 cooperation 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