

## PAYMENT OF PUBLIC AND PRIVATE CLAIMS

*Agreement signed at Manila August 27, 1948*  
*Entered into force August 27, 1948*  
*Expired June 30, 1950, and April 30, 1951*<sup>1</sup>

62 Stat. 2819; Treaties and Other  
International Acts Series 1814

### AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF THE PHILIPPINES REGARDING THE PAYMENT OF PUBLIC AND PRIVATE CLAIMS

WHEREAS, the Government of the United States of America has enacted Public Law 370, 79th Congress, approved April 30, 1946,<sup>2</sup> known as the Philippine Rehabilitation Act of 1946, as amended, hereinafter called the "Act", which Act created the Philippine War Damage Commission, and

WHEREAS, Title I of said Act provides for the payment of private claims for war damage in the Philippines under the terms and conditions of said Title I, and

WHEREAS, Section 304 of said Act provides that

"The Philippine War Damage Commission, within the limits of the appropriations allocated to it for carrying out the provisions of this section, is authorized to compensate the Commonwealth of the Philippines (or the Republic of the Philippines), the provincial governments, chartered cities, municipalities, and corporations wholly owned by the Commonwealth of the Philippines (or the Republic of the Philippines), in the Philippines, for physical loss of or damage to public property in the Philippines occurring after December 7, 1941 (Philippine time), and before October 1, 1945, as a result of the perils listed in section 102(a) hereof, in any case in which compensation for such losses or the rebuilding, repair, or replacement of the lost or damaged property is not provided for by the transfer of surplus property under section 201 hereof, or provided for under the provisions of this title other than this section or otherwise provided for by the United States Government or any department or agency thereof. To the fullest extent practicable, the Commis-

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<sup>1</sup> In accordance with terms of art. XIII.

<sup>2</sup> 60 Stat. 128.

sion shall require that any lost or damaged property for which it decides to award compensation under this section shall be rebuilt, replaced, or repaired before payments of money are actually made to claimants under this section. The Commission in its discretion may request the Federal Works Agency or the Corps of Engineers of the United States Army to undertake, after consultation with the Philippine Government, the rebuilding, repair, or replacement of property for which the Commission awards compensation under this section, and, from the funds available for carrying out the provisions of this section, may transfer to such Agency or Corps of Engineers the funds necessary to pay for the work requested. The Federal Works Agency and the Corps of Engineers are authorized to rebuild, repair, or replace property in accordance with any such request of the Commission and to expend the funds so transferred to them for such purpose. The Commission shall have full power to select, and fix the priority of, cases in which compensation will be awarded or property rebuilt, repaired, or replaced under this section, and to determine the amount of such compensation and the extent to which such property will be rebuilt, repaired, or replaced, taking into account the relative importance of various projects to the reconstruction and rehabilitation of the economy of the Philippines and such other factors as the Commission deems relevant"; and

WHEREAS, the Government of the Republic of the Philippines is desirous of availing itself of the benefits and facilities which are authorized by Title I and Section 304 of said Act;

NOW, THEREFORE, the Government of the United States of America and the Government of the Republic of the Philippines 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 Philippine War Damage Commission, hereinafter called the "Commission", which may delegate to any duly authorized representative or representatives all or any part of its authority and responsibility for effectuating the provisions of this Agreement.

#### ARTICLE II

The responsible agent of the Government of the Republic of the Philippines for effectuating the provisions of this Agreement shall be the Secretary of Public Works and Communications, hereinafter called the "Secretary", who may delegate to any duly authorized representative or representatives all or any part of his authority and responsibility for effectuating the provisions of this Agreement.

## ARTICLE III

In carrying out Section 304 of the Act, the Commission shall select, and fix the priority of, public claim for which compensation will be awarded or property rebuilt, repaired, or replaced from the list of approved public claims submitted by the Secretary. In all cases where the Commission authorizes funds for rebuilding, repairing, or replacing public property the funds shall be paid into the Treasury of the Republic of the Philippines to be kept separate and apart from all other public funds and used solely for each approved public claim. The rebuilding, repairing, or replacing of all public property for which funds have been made available by the Commission shall be the responsibility of the Secretary.

## ARTICLE IV

Before undertaking the rebuilding, repairing, or replacing of any public building, the Secretary shall submit all plans and specifications thereof to the Commission for its approval. The Commission shall have the right to require reports or other data necessary for its purposes, including the right to inspect the work and all books or records maintained in connection therewith. Where the work is performed by contract, the Commission shall have the right to disapprove any unsatisfactory bid or contractor. In accordance with existing policies of the Republic of the Philippines, contractors who are citizens of the United States of America shall have equal rights with contractors who are citizens of the Republic of the Philippines on all rehabilitation projects financed by the Commission and no authorized funds shall be used to pay convict or other forced labor.

## ARTICLE V

Before undertaking any work for which funds have been authorized by the Commission, the Secretary shall assure himself that all the conditions of Section 304 of the Act have been met and that funds authorized by the Commission are sufficient to complete the work for which funds are authorized, or a useful unit thereof. After a project is initiated, if such funds are found to be in excess of the requirements, such excess shall be returned to the Commission, and if the funds are found to be insufficient the Government of the Republic of the Philippines shall complete the work, or a useful unit thereof, from its own funds. The Commission shall not be obligated to advance funds except as the work progresses and the Commission is satisfied that all the terms of this Agreement are being met.

## ARTICLE VI

The Government of the Republic of the Philippines shall provide all lands, easements, and rights-of-way necessary for the execution of the public projects under the program set forth in Section 304 of the Act. No funds shall be

used for the purchase of materials, equipment, or supplies which have been made available or shall be made available from surplus property provided for by Title II of the Act.

#### ARTICLE VII

The United States of America or the Commission shall have the right to undertake legal action in the Philippines to recover funds which the Commission is obligated to recover under the provisions set forth in Sections 107 and 108 of the Act, or other claims where the Commission is entitled to recover funds from private individuals or legal entities in the Philippines and no court costs or other charges shall be made in connection with such action.

#### ARTICLE VIII

The Government of the Republic of the Philippines shall cooperate with the Commission in providing necessary office space and facilities, and adequate housing accommodations for its United States citizen personnel and their families at reasonable rates.

#### ARTICLE IX

The Government of the Republic of the Philippines shall save harmless all officers and employees of the Commission from damage suits or other civil actions arising out of the performance of their duties under this Agreement.

#### ARTICLE X

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 Commission over all bridges, ferries, roads, and other facilities of the highways where tolls are collected for passage of vehicles or occupants.

#### ARTICLE XI

Pending the conclusion of negotiations now being considered by the United States of America and 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 owned by the Commission and used for the purposes of 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 personal funds or property, not intended for resale, imported into the

Republic of the Philippines for the use or consumption of Commission 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 XII

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 XIII

This Agreement shall become effective on the date of its signature and continue in effect until June 30, 1950, for the purposes enumerated in Section 304 of the Act and until April 30, 1951, for the purposes of Title I of the Act. This Agreement may be extended, revised, amended, or changed in whole or in part with the approval of both parties as indicated and effected by an exchange of notes. Either party 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 this Agreement in duplicate at Manila, this 27th day of August, 1948.

For the Government of the United States of America:

THOMAS H. LOCKETT

*Chargé d'Affaires ad interim of the  
United States of America at Manila*

For the Government of the Republic of the Philippines:

RICARDO NEPOMUCENO

*Secretary of Public Works  
and Communications*