

December 07, 1959

**EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT BETWEEN
THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES
OF AMERICA CONCERNING THE RELINQUISHMENT OF THE
COMMUNITY OF OLONGAPO AND CERTAIN AREAS ADJACENT
THERETO**

Note: The Agreement entered into force, December 7, 1959.

Reference: This Agreement is also published in 359 UNTS, p. 227.

I

No. 606

Manila, December 7, 1959

Excellency:

I have the honor to refer to Part I of the Memorandum of Agreement signed by Your Excellency and Ambassador Bohlen on August 14, 1959 and the recent discussions between representatives of our two governments concerning relinquishment of the community of Olongapo and certain areas adjacent thereto which are now located within the United States Naval Base, Subic Bay.

I have been advised that the agreed report of recommendations of the Philippine-United States Olongapo Committee have been accepted by my Government as terms for the relinquishment and is appended hereto as an annex. In accordance with the aforesaid report and in implementation of Part I of the Memorandum of Agreement of August 14, 1959, my Government hereby relinquishes to the Philippine Government the entire area north of the northern boundary line of the Naval Base as delineated in red on the map designated Map No. 4 in the Memorandum of Agreement and specifically described in the document dated September 27, 1959 appended to that map. The exact metes and bounds of this boundary line will be those determined by the Metes and Bounds Committee of the Mutual Defense Board. It is understood that the United States Government will transfer to the Philippine Government at the earliest possible date title to any items of property listed in the aforesaid agreed report to which title cannot be transferred today. In the interim, the Philippine Government shall have the use of such items of property.

It is further understood that the Philippine Government will hold the United States Government harmless from any claims which may arise from the use by others than the United States of the areas released today, except for those meritorious claims paid by the United States.

If the foregoing is acceptable to your Government, I have the honor to propose that this note with its annex and Your Excellency's reply thereto indicating such acceptance shall constitute the agreement of our two Governments with respect to

relinquishment of the community of Olongapo and adjacent areas to the Philippine Government.

Accept, Excellency, renewed assurances of my highest consideration.

George M. ABBOTT
Charge d'Affaires ad interim

His Excellency Felixberto M. Serrano
Secretary of Foreign Affairs
for the Republic of the Philippines

ANNEX

AGREED REPORT OF RECOMMENDATIONS PHILIPPINE-UNITED STATES OLONGAPO COMMITTEE

1. The Olongapo Committee met in the conference room at the headquarters of the Commander United States Naval Base, Subic Bay, at 10:40 a.m., 21 October 1959.
2. The Co-Chairmen introduced their respective members and technical advisors as follows;

United States

Rear Admiral Arthur F. Spring,
USN, Commander, United States
Naval Base, Subic Bay, Co-Chairman

Captain Francis B. Grubb,
SC, USN, Commanding Officer,
Naval Supply Depot, Subic Bay,
Member

Captain, Charles LaFarge, SC, USN,
Staff, Commander United States
Naval Forces, Philippines, Member

Captain Charles T. Cole,
USN, Staff, Commander United
States Naval Forces, Philippines,
Member

Captain Emory C. Smith
USN, Staff Commander, United
States Naval Forces, Philippines,
Technical Advisor

Captain Daniel Flynn, USN, Staff
Commander, United States Naval
Base, Subic Bay, Technical Advisor

Commander Franklin G. West,
USNR, Staff Commander, United
States Naval Base, Subic Bay,
Member

Republic of the Philippines

Minister Juan M. Arreglado,
Department of Foreign Affairs
Co-Chairman

Governor Manuel D. Bakretto,
Zambales, Member

Deputy Governor James L. Gordon
Zambales, Member

Vicente A. Garcia, Highway
Engineer, Zambales, Member

Commander Iluminado Columna,
PN, Member

Attorney Pacifico A. Castro,
Assistant to Minister Arreglado

Councilor Jose O. Pacheco,
Olongapo, Technical Advisor

3. The Terms of Reference of the Philippine-United States-Olongapo Committee were read into the official record (Appendix I).

4. The Co-Chairmen agreed to proceed with executive meetings behind closed doors.

5. The Co-Chairmen agreed that there would be a joint press release at such times as may be mutually agreed upon. The Co-Chairmen instructed the members and technical advisors present that they were not to divulge any information concerning the deliberations of the committee.

6. The Philippine Co-Chairman exhibited a chart entitled "a composite map from 4 sheets of AMS charts, series 8711, No. 3064 I, 3064 II, 3064 III, and 3064 IV" and initialed by Ambassador Bohlen of the United States and Secretary of Foreign Affairs Serrano of the Republic of the Philippines. (A photostatic copy of the above chart is attached to this report as Appendix II). He noted for the record that the Terms of Reference of this committee state that the purpose of the committee is to agree jointly upon the necessary administrative arrangements to effect the orderly and efficient transfer of the Community of Olongapo. The American Co-Chairman noted for the record that, at present, the Community of Olongapo has not been established as a separate political subdivision other than as a barrio of Subic City and that the exact geographical area comprised in such barrio has never been delineated. He further noted that the above chart (Appendix II) does not show any boundary line between the Community of Olongapo and the remaining northern portion of the present United States Naval Base, Subic Bay, which is to be relinquished to the Philippine authorities. Since the separate transfer of the Community of Olongapo without including the above mentioned northern portion of the Naval Base would give rise to serious sociological, economic, jurisdictional and related problems, to obviate the need for a separate committee, and to expedite the work of the committee under the Terms of Reference, the Co-Chairmen agreed on the following:

a. That the Co-Chairmen should recommend that the entire area north of the agreed northern boundary line of the United States Naval Base, Subic Bay, shown in Appendix II, as delineated with a red line on the chart and specifically described in the document appended to such chart dated 27 September 1959, should be relinquished to the Philippine authorities simultaneously with the transfer of the Community of Olongapo.

b. The Co-Chairmen agreed to recommend that the waters along Half Moon Beach be open to the public for swimming and other recreational purposes to the extent that such use will not impair the security requirements of the United States Naval authorities. In this connection, it was noted for the record that the problem areas related to navigation, fishing, and other access rights to the waters of Subic Bay are a matter for separate arrangement between the appropriate Philippine and United States authorities.

7. The Co-Chairmen agreed that the delineation of the political subdivision of the Community of Olongapo subsequent to the transfer thereof to the appropriate Philippine authorities shall be the exclusive concern of the Philippine authorities.

8. It is agreed that Commander United States Naval Base, Subic Bay, will turn over to the appropriate Philippine authorities on the date of transfer of the Community of

Olongapo a certified list of land and business permit holdings. The Co-Chairmen agreed to recommend that the Philippine Government shall hold harmless the United States Government, its agents or employees, by defending and, if liability is established, satisfying all claims against the United States, its agents or employees, that may arise after turnover in connection with any and all types of permits issued by the United States Navy. It is further understood that any claims against the United States Government, its agents or employees, arising or existing prior to the date of the transfer shall not be the responsibility of the Philippine Government.

9. The Co-Chairmen agreed that, on the date of transfer, the United States Navy will turn over to the appropriate Philippine authorities a certified copy of the closing statement of the account of the Olongapo Community Fund, together with a copy of all financial records pertaining thereto, including books and accounts as required.

10. The Co-Chairmen agreed that all items carried in the Plant Account of the community on the date of transfer will be turned over to the appropriate Philippine authorities. The list of items carried in Class I and Class II of the Plant Account on 22 October 1959 is attached hereto as Appendix III. It was further agreed that all items of Class III equipment and consummates under the cognizance of the Administrative Officer of Olongapo and utilized in the Community of Olongapo on the date of transfer will be turned over to the appropriate Philippine authorities. A general description of the principal items of equipment in this category is set forth in Appendix IV. On the date of transfer a copy of all available records pertaining to the foregoing classes of materials will be turned over to the appropriate Philippine authorities.

11. The Co-Chairmen agreed that the United States Navy will provide to the Community of Olongapo on the date of turnover two pieces of fire apparatus fully operational and in condition to carry out their intended purposes. The Co-Chairmen agreed that the United States Navy will provide advice, assistance, and training in fire-fighting to the degree considered practicable by Commander Naval Base to members of the organized fire department of Olongapo. The United States Navy will provide fire-fighting service to the Community of Olongapo on a special-request basis in accordance with an arrangement to be drafted at the local level between the Commander Naval Base, Subic Bay, and the appropriate municipal officials of Olongapo.

12. The Co-Chairmen agreed that the ice manufacturing plant located at the Olongapo Public Market will be transferred on an "as-is" basis. A detailed description of this plant is set forth in Appendix V.

13. The Co-Chairmen agreed to the transfer of the installed and operating water system on an "as-is" basis on the date of transfer of the Community of Olongapo. The water system is more specifically described in Appendix VI to this report.

14. The Co-Chairmen agreed to the transfer of the entire telephone system of Olongapo on an "as-is" basis. This system is described in detail in Appendix VII. Provision for the continuation of the trunk lines connecting the Community of Olongapo to the United States Naval Base switchboard will be the subject of an arrangement under the normal contract procedure for utilities contracts.

15. The Co-Chairmen agreed to the transfer of the existing electrical power facilities in the area to be transferred on an "as-is" basis to include the installed transmission lines, poles, transformers, necessary appurtenances and auxiliary equipment