

**AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF  
THE PHILIPPINES AND THE GOVERNMENT OF THE UNITED  
STATES OF AMERICA ON THE CONSTRUCTION AND EQUIPPING  
OF HOSPITALS FOR VETERANS AND THE PROVISIONS OF  
MEDICAL CARE AND TREATMENT OF VETERANS BY THE  
GOVERNMENT OF THE PHILIPPINES, AND THE FURNISHING OF  
GRANTS-IN-AID THEREOF BY THE GOVERNMENT OF THE UNITED  
STATES OF AMERICA**

Note: The Agreement entered into force, June 7, 1949.

Reference: This Agreement is also published in 45 UNTS, p. 63.

Whereas, the Congress of the United States by Public Law 865, Eightieth Congress, approved July 1, 1948, has provided for assistance by grants-in-aid to the Republic of the Philippines in providing medical care and treatment for certain veterans, as defined below; and

Whereas, the Government of the Republic of the Philippines is desirous of taking advantage of the provisions thereof for the purpose of expanding and improving the program of medical care and hospitalization of those disabled veterans who come within the purview of Public Law 865, Eightieth Congress;

The Governments of the United States and the Republic of the Philippines have decided to conclude an agreement for the above purposes, the provisions of which the Government of the United States will incorporate in the regulations "to be promulgated pursuant to the provisions of the said Public Law, and do hereby agree<sup>1</sup> as follows:

**TITLE I**

**PURPOSE AND DURATION**

Article 1. Subject to mutual agreement, the necessary Appropriation Acts of the United States Congress, and such rules and regulations as, from time to time, may be prescribed by the Administrator of Veterans' Affairs, to whom the President of the United States has delegated the authority conferred upon him by the aforesaid Act, the Government of the United States will furnish aid in the form of grants to the Republic of the Philippines in amounts as prescribed by said Act, as follows:

(a) For the construction and equipping of hospitals in the Philippines to be used exclusively for medical care and treatment of veterans for service-connected disabilities, in a total amount of not to exceed \$22,500,000.00.

(b) To reimburse the Republic of the Philippines for moneys expended for the hospitalisation of such veterans either in the hospitals so constructed and equipped, or any other hospitals in the Philippines, as provided in the aforesaid Act, for a period of not to exceed five years, in a total amount

of not to exceed \$3,285,000.00 for any fiscal year (July 1 through June 30).

Article 2. Grants for the construction and equipping of a hospital may be made prior to or following completion of such hospital, subject to the rules and regulations prescribed by the Administrator of Veterans' Affairs, and subject to conditions on the receipt of financial aid necessary to carry out the provisions of the Act, which may be imposed by him.

## **TITLE II**

### **DELEGATION OF AUTHORITY**

Article 3. The Secretary of National Defense of the Philippine Government, under the general direction of the President of the Republic of the Philippines, shall have full authority to administer, for the Government of the Republic of the Philippines, all matters relating to the construction and equipping of hospitals for veterans, within the purview of Public Law 865, 80th United States Congress.

## **TITLE III**

### **DEFINITIONS**

Article 4. The term "veterans" is agreed to mean, persons who have been determined by the Veterans' Administration to have served in the organized military forces of the Government of the Commonwealth of the Philippines while such forces were in the service of the armed forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941, including, among such military forces, organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander-in-Chief, Southwest Pacific Area, or other competent authority in the Army of the United States, and who were discharged or released from such service under conditions other than dishonorable.

Article 5. The term "service-connected disabilities" is agreed to mean any disability, which has been determined by the Veterans' Administration to have from personal injury suffered or disease contracted in service as defined in Article 4 hereof, or any aggravation of a disability existing prior to the Veterans' Administration to have been suffered or contracted in service as defined in Article 4, above.

## **TITLE IV**

### **GRANTS FOR CONSTRUCTION AND EQUIPPING OF HOSPITALS**

Article 6. The Government of the Republic of the Philippines agrees to furnish an adequate building site for each hospital to be constructed under the terms of this agreement, at no expense to the Government of the United States.

Article 7. Amounts necessarily expended for technical services required and obtained for preparation of plans and specifications, supervision of construction, and for overhead expenses incident to these functions will be reimbursed in the form of grants made by the Government of the United States, if specifically approved by the Administrator of Veterans' Affairs of the United States. In no event will the total of such amounts exceed five per cent of the total construction cost.

Article 8. The Government of the United States, through such qualified persons as the Administrator of Veterans' Affairs shall designate, shall inspect and approve each building site before construction of a hospital thereon is commenced.

Article 9. The Government of the United States, through such qualified persons as the Administrator of Veterans' Affairs shall designate, shall have the right to inspect buildings being constructed under this agreement, at all stages of construction; to inspect and audit all accounts necessary and incident to such construction; and to approve the procedure for letting of contracts both for hospital construction and the purchase of equipment.

Article 10. As a basis for determining the amount of funds to be granted for the program embraced by this agreement, there shall be transmitted to the Administrator of Veterans' Affairs by the Secretary of National Defense of the Philippine Government as early as may be following the entrance into force of this agreement, an itemized, detailed description of a hospital, or hospitals, upon which construction is expected and intended to be commenced, together with an accurate, detailed plat or map showing the prospective location thereof; an estimate of the time expected to be required for building and equipping, information detailing the size of each hospital plan and conformation and the type of materials intended to be used therein, and an estimate of the costs of construction, materials, and equipment.

Article 11. Following the concurrence by the Administrator of Veterans' Affairs in such preliminary plans, full-scale plans, blueprints and specifications for all of the buildings and equipment embraced in such data, together with proposed contract forms and forms of bids to be employed, shall be prepared by the Secretary of National Defense of the Philippine Government and transmitted for the concurrence of the Administrator of Veterans' Affairs. If concurred in, the Administrator of Veterans' Affairs shall make to the Government of the Philippines such installment-grants as the efficient progress of the construction program and the need for such equipment may, in his judgment, warrant.

Article 12. Any sums appropriated for the construction and equipping of hospitals under Public Law 865, 80th United States Congress, remaining unobligated at the end of any fiscal year shall be permitted to be carried over to the ensuing fiscal year.

## **TITLE V**

### **GRANTS FOR EXPENSES INCIDENT TO HOSPITALIZATION OF VETERANS**

Article 13. In the interim period required for the construction of hospitals under this agreement, veterans requiring treatment of service-connected disabilities may be hospitalized, upon a reimbursement basis, within the terms of Public Law 865, 80th United States Congress, in such existing hospitals in the Philippines, as the Secretary of National Defense of the Philippine Government may direct.

Article 14. The question of whether to hospitalize veterans, requiring treatment for service-connected disabilities, prior to an official determination of their status and eligibility having been made by the Veterans' Administration, or whether to require such determination of status and eligibility to be made prior to hospitalizing them, will be wholly within the discretion of the Secretary of National Defense of the Philippine Government, depending upon such contingencies and exigencies as the