

**August 27, 1948**

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

Note: The Agreement entered into force, August 27, 1948.

Reference: This Agreement is also published in I-3 DFA TS, p. 161 and 44  
UNTS, p-13.

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, 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 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 Commission 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 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 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 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,