BILATERAL

AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA RELATING TO THE REPAYMENT OF FUNDS ADVANCED TO THE NATIONAL DEFENSE FORCES, REPUBLIC OF THE PH...

Read online (full-text search, related cases, audio case brief): https://batas.org/library/b302c13e5aa4/

Note: The Agreement entered into force, November 30, 1950. The validity of this Agreement was upheld by the Supreme Court in USAFFE Veterans Association, Inc. v. The Treasurer of the Philippines, L 10500, prom. June 30, 1959.

Reference: This Agreement is also published in II DFA TS No. 1, p. 148; 122 UNTS, p. 63 and I UST 765.

This agreement, signed this date by and between the Government of the Republic of the Philippines, represented by the honorable Carlos P. Romulo, Secretary of Foreign Affairs, and the Government of the United States, represented by the Honorable John W. Snyder, Secretary of the Treasury, is entered into for the purpose of arranging for the return to the Government of the United States of America of the residual total of the peso funds purchased for dollars and advanced to the National Defense Forces, Republic of the Philippines, by the United States Philippines-Ryukyus command under agreements dated June 30, 1948, and July 11, 1949, between the Commanding General of the United States Philippines-Ryukyus Command and the Chief of Staff of the National Defense Forces, Republic of the Philippines, copies of which are attached hereto and made a part hereof, for the purpose of permitting the Headquarters of the National Defense Forces in behalf of the United States Philippines-Ryukyus Command to pay certain specified claims which had on or before that date been approved by the United States Philippines-Ryukyus Command.

ARTICLE I

This Government of the Republic of the Philippines in recognition of its obligation to return to the United States the balance of the funds referred to above, now mutually agrees with the United States Government to the following method of accomplishing the return to the Government of the United States of the said balance:

1. In consideration of the agreement by the Government of the Republic of the Philippines to pay to the Government of the United States in dollars the balance of the aforesaid funds, the Government of the United States hereby releases the Government of the Republic of the Philippines from the obligation described in the aforesaid agreements of June 30, 1948 and July 11, 1949, to return immediately the total unexpended balance of the said peso funds.

2. The Government of the Republic of the Philippines agrees that the dollar amount payable hereunder, when it shall have been finally ascertained in accordance with Article II hereof, shall be computed at the rate of two pesos to one dollar.

3. The Government of the Republic of the Philippines further agrees to pay the dollar amount payable hereunder to the Secretary of the Treasury of the United States in ten annual installments, the first nine payments to be in the amounts of $3,500,000, and the final or residual payment to be in the amount determined by deducting the total of the previous principal payments from the total amount of dollars to be paid to the

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

Secretary of the Treasury of the United States, the latter amount to be determined as provided in Article II hereof. It is further agreed that the first annual payment will be made on May 31, 1951.

4. The total amount of the dollar repayment herein mutually agreed to shall bear interest at the rate of two and one-half per cent per annum, payable on the unpaid principal balance thereof from time to time outstanding, and may be paid either annually or semi-annually, at the option of the Government of the Republic of the Philippines, the first interest payment to be made on May 31, 1951, coincident with the first annual payment of principal. Interest shall be computed from the effective date of this agreement, and all interest shall be computed on the basis of the actual number of days using a 365-day factor; Provided, however, That pending final determination to the total principal amount to be paid to the Secretary of the Treasury of the United States in accordance with Article II hereof, interest shall computed on the basis of a total amount payable of 35,000,000, to be appropriately adjusted by mutual agreement between the parties hereto upon final determination of such amount.

ARTICLE II

It is agreed by the parties hereto that the results of an audit currently being made by the United States Philippines-Ryukyus Command will be accepted by the Government of the Republic of the Philippines, for the purpose of computing the dollar amount payable hereunder, as finally determinative of the total amount of peso funds required to be returned to the Treasurer of the United States pursuant to the aforesaid agreement of June 30, 1948, as extended by the agreement of July 11, 1949. It is further understood and agreed that the total amount of such peso funds will be the sum of all items, including unexpended funds in bank accounts of the National Defense Forces, Republic of the Philippines, which are determined by the aforesaid audit to be payable to the Government of the United States under the aforesaid agreements. The initial payments of principal provided for in Article I hereof shall be applied by the Government of the United States to the liquidation of all items which the aforesaid audit shall establish as representing collections due to the Government of the United States.

It is understood that the National Defense Forces, Republic of the Philippines, will lend full assistance to the United States Philippines-Ryukyus Command in order to effect the speedy completion of such audit.

ARTICLE III

It is understood and agreed by the parties hereto that the acceptance of this agreement by the Government of the Republic of the Philippines shall not be construed as a waiver of its rights to negotiate with the Government of the United States for the settlement of any pending claims which may be outstanding as of the effective date of this agreement. It is further understood and agreed that the obligation of the Government of the Republic of the Philippines to pay any installment in accordance with the provisions of Articles I and II hereof shall not be deferred or delayed by reason of any negotiations then pending concerning any such claims.

ARTICLE IV

This agreement shall come into effect on the date of signature.

Signed in duplicate at Washington, D.C., this sixth day of November, 1950.

For the Government of the United States of America:

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

JOHN W. SNYDER

For the Government of the Republic of the Philippines:

CARLOS P. ROMULO

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.