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Authority, NAID 883078

LTR, Philippine Economic Mission, dated
26 Oct 1954, Addressed To Secretary of
State.

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Authority AND 882078

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PHILIPPINE ECONOMIC MISSION
TO THE UNITED STATES
Washington, D. C.

October 26, 1954

My dear Mr. Secretary:

I was sent to Washington by the President of the Philippines with authority to secure a re-examination of the Philippine-United States trade relations. In addition to this authority, I was also instructed "to work for the settlement of all the financial claims of the Republic of the Philippines on the Government of the United States." These claims are those referred to in the report of the Bell Mission as follows:

"There are a number of financial claims between the two governments, some antedating the war, others growing out of the war. It is not desirable to have these unsettled claims hampering close financial collaboration between the two governments. A joint commission should be set up promptly to negotiate an agreement to cover the claims of each government against the other and to provide for a final settlement. The Agreement should specifically state that no further final claims will be made by either government against the other for any alleged obligations incurred prior to the date of the Agreement." (Report to the President of the United States by the Economic Survey Mission to the Philippines, p. 105. Underlining supplied).

It was because of the instructions of President Magsaysay regarding these financial claims that I asked for a conference with you which you very kindly granted. In our conference on October 7, you suggested that we specify the claims which my Mission feels should be presented to the Government of the United States. In line with your suggestion, I am pleased to specify hereunder some of the said claims:

- 1) Credit authorized by Public Act 419 in favor of the Philippines for \$23,862,750.78, resulting from the reduction of the weight of gold dollars by the Proclamation of the President of the United States on January 31, 1934.
- 2) Additional war damages in accordance with the provisions of the Philippine Rehabilitation Act of 1946 (Public Act No. 270, 1946) and extension of war damage payment benefits to the damage and loss caused to three Philippine banks (the Philippine National Bank, the Philippine Bank of Commerce, and the Bank of the Philippine Islands) whose bank deposits were commandeered by the Japanese Military authorities during the last days of the Japanese Occupation and which were disallowed by the War Damage Commission due to inadequate wording in the Philippine Rehabilitation Act of 1946.

Because of the intense feeling of our people concerning the War Damage Claim, I have deemed it advisable to attach hereto a memorandum containing a summary which sets forth the position of my Government on the matter.

- 3) Payment for additional arrears in pay to enlisted personnel of the Army of the Philippines under the provisions of Executive Order No. 22 of the Philippine Commonwealth Government.
- 4) Re-submission of certain accounts for payment of expenses of the Army of the Philippines up to July 1, 1946 and related claims of personnel of the Philippine Army and of the Philippine Scouts.
- 5) Tax refunds and similar claims.

Some of these claims have already been denied. However, I regret to state that with respect to some of them we were not given an opportunity to discuss them, much less to present evidence showing their basic merits. To illustrate, may I be permitted to cite just one of these claims that had been summarily denied:

During the military occupation of the Philippines by the Japanese Army, the USAFFE soldiers in the Philippines could not be paid their salaries by the United States Government. When General MacArthur landed in Leyte towards the end of the year 1944, it was his desire to have these soldiers paid their full salary for the whole period of the occupation. However, it was seen that that step would take much time. The USAFFE soldiers were badly in need of money then, and as an emergency measure, it was decided to immediately give them three months' advance salary. Accordingly, soldiers in Leyte and nearby islands who could be reached by the Army paymasters were paid three months' salary, but those in Ison and other islands towards the north were not able to receive such three months' salary advance. Later on, all the USAFFE soldiers were paid salaries for the whole period of the Occupation, but instead of deducting the three months' salary only from those who actually received it, it was also deducted from the salaries of those who did not receive such salary advance at all.

I should be grateful to you, Mr. Secretary, if you would indicate to me the officials of your Government who may be approached by a committee of my Mission for the purpose of presenting evidence which heretofore has not been considered.

With assurances of my highest esteem and regard, I remain

Sincerely yours,

(signed)

JOSE P. LAUREL
Chairman

Embassy
Mr. Foster Dulles
Secretary of State
Washington, D. C.

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- 1) Credit authorized by Public Act 419 in favor of the Philippines for \$23,662,750.78, resulting from the reduction of the weight of gold dollars by the Proclamation of the President of the United States on January 31, 1934.
- 2) Additional war damages in accordance with the provisions of the Philippine Rehabilitation Act of 1946 (Public Act No. 270, 1946) and extension of war damage payment benefits to the damage and loss caused to three Philippine banks (the Philippine National Bank, the Philippine Bank of Commerce, and the Bank of the Philippine Islands) whose bank deposits were commandeered by the Japanese Military authorities during the last days of the Japanese Occupation and which were disallowed by the War Damage Commission due to inadequate wording in the Philippine Rehabilitation Act of 1946.

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Chairman

His Excellency
John Foster Dulles
Secretary of State
Washington, D. C.

Mr. M. ...
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- 1) Credit authorized by Public Act 419 in favor of the Philippines for \$23,362,750.78, resulting from the reduction of the weight of gold dollars by the Proclamation of the President of the United States on January 31, 1934.

Additional war damages in accordance with the provisions of the Philippine Rehabilitation Act of 1946 (Public Act No. 770, 1946) and extension of war damage payment benefits to the damage and loss caused to three Philippine banks (the Philippine National Bank, the Philippine Bank of Commerce, and the Bank of the Philippine Islands) whose bank deposits were commandeered by the Japanese Military authorities during the last days of the Japanese Occupation and which were disallowed by the War Damage Commission due to inadequate wording in the Philippine Rehabilitation Act of 1946.

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cc: Presidency

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