

No. 4653

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**UNITED STATES OF AMERICA  
and  
PHILIPPINES**

**Agreement on the use of the Veterans Memorial Hospital and the provision 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. Signed at Manila, on 30 June 1958**

*Official text: English.*

*Registered by the United States of America on 2 February 1959.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
PHILIPPINES**

**Accord relatif à l'utilisation du Veterans Memorial Hospital, à la fourniture par le Gouvernement philippin de soins et de traitements médicaux aux anciens combattants et à l'octroi de subventions à cette fin par le Gouvernement des États-Unis d'Amérique. Signé à Manille, le 30 juin 1958**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 2 février 1959.*

No. 4653. AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES ON THE USE OF THE VETERANS MEMORIAL HOSPITAL AND THE PROVISION 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. SIGNED AT MANILA, ON 30 JUNE 1958

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Whereas, the Congress of the United States by Public Law 85-461 approved June 18, 1958, has provided for further 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 improving the program of medical care and hospitalization of those disabled veterans who come within the purview of Public Law 85-461 ;

The Government of the United States and the Government of the Republic of the Philippines have decided to terminate the Agreement entered into on June 7, 1949,<sup>2</sup> under the provisions of Public Law 865, 80th Congress as amended by exchange of notes between the two Governments dated October 6, 1954,<sup>3</sup> pursuant to Public Law 421, 83rd Congress, and to conclude an agreement for the above purposes, the regulations relating to which the Government of the United States will promulgate in the Federal Register, and do hereby agree as follows :

TITLE I

PURPOSES OF CONTRACT

*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,

<sup>1</sup> Came into force on 1 July 1958, in accordance with article 16.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 45, p. 63, and Vol. 82, p. 342.

<sup>3</sup> United Nations, *Treaty Series*, Vol. 235, p. 360.

the Administrator of Veterans Affairs will enter into a contract with the Director of the Veterans Memorial Hospital subject to the approval of the Secretary of National Defense of the Republic of the Philippines, as follows :

(a) To provide reimbursement to the Government of the Republic of the Philippines by the Government of the United States for hospital care in the Republic of the Philippines of Commonwealth Army veterans determined by the Administrator of Veterans Affairs to be in need of such hospital care for service-connected disabilities, at a per diem rate to be jointly determined for each fiscal year by the two Governments to be fair and reasonable ;

(b) To provide reimbursement for veterans' travel expenses incident to such hospitalization which are authorized in advance by the Administrator of Veterans Affairs ;

(c) To provide that the period of the contract may be for a period of not more than five consecutive fiscal years beginning July 1, 1958 ; and

(d) To provide that the total of payments for such hospital care plus any payments for authorized travel expenses incident to the hospitalization of Commonwealth Army veterans shall not exceed the amounts provided by the appropriation acts of the Congress of the United States for each fiscal year and in no event shall exceed \$2,000,000 for any one fiscal year.

## TITLE II

### DELEGATION OF AUTHORITY

#### *Article 2*

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 provision of medical care and treatment for veterans, within the purview of Public Law 85-461.

## TITLE III

### DEFINITIONS

#### *Article 3*

The terms "Commonwealth Army veterans" is agreed to mean persons who served before July 1, 1946, in the organized military forces of the Government 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. Determinations by the Department of Defense of the United States as to military service shall be accepted by the Veterans Administration. In those cases in which the Veterans Administration shall have information which it deems reliable and in conflict with the information upon which a determination was made, such cases together with the information in the possession of the Veterans Administration shall be referred to the Department of Defense of the United States for reconsideration and redetermination. Such determinations and redeterminations, respectively, as to military service shall be conclusive for the purposes of this Agreement.

#### *Article 4*

The term "service-connected disabilities" is agreed to mean disabilities determined by the Administrator of Veterans Affairs under laws administered by the Veterans Administration to have been incurred in or aggravated by the service described in Article 3 in line of duty.

#### TITLE IV

#### USE OF FACILITIES OF THE VETERANS MEMORIAL HOSPITAL

#### *Article 5*

As previously agreed between the two Governments, the ownership of the Veterans Memorial Hospital and the equipment thereof has been vested in the Government of the Philippines and the use to which said hospital or any part or equipment thereof shall be devoted is for determination by mutual consent of the two Governments.

#### *Article 6*

Use by the Republic of the Philippines of the facilities of the Veterans Memorial Hospital shall be discretionary with the Republic of the Philippines except that (a) first priority of admission and retention in such hospital shall be accorded Commonwealth Army veterans needing hospital care for service-connected disabilities, and, (b) shall not preclude the use of available facilities in such hospital on a contract basis for hospital care or medical services for persons eligible therefor from the Veterans Administration.

## TITLE V

## OTHER PROVISIONS

*Article 7*

It is agreed between the two Governments that the determinations of legal eligibility and medical need for hospitalization of Commonwealth Army veterans for treatment of service-connected disabilities rests exclusively with the Veterans Administration. The question of whether to hospitalize such veterans prior to an official determination of their legal eligibility and medical need having been made by the Veterans Administration, or whether to require such determinations 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 Secretary of National Defense of the Philippine Government may deem it appropriate to consider. No liability for reimbursement shall accrue to the Veterans Administration for any hospitalization of a Commonwealth Army veteran until legal eligibility and medical need for hospitalization has been determined by the Veterans Administration, but when such determinations shall have been made, the liability for reimbursement shall, subject to such limitations as the rules and regulations of the Veterans Administration may provide, relate back to the date of admission to the hospital. Hospitalization in the Philippines of Commonwealth Army veterans found by the Veterans Administration to be in need of hospitalization for service-connected disabilities shall not be limited to hospitalization in the Veterans Memorial Hospital, but that hospital will be used to the maximum extent feasible in the hospitalization of such veterans.

*Article 8*

The contract entered into pursuant to this Agreement shall provide for hospitalization on a per diem basis for those United States veterans in the Philippines who may be found eligible by the Veterans Administration for such hospitalization. Hospitalization of United States veterans who are in need of treatment for non-service-connected disabilities shall be limited to treatment in the Veterans Memorial Hospital and shall be further limited to use of facilities in that hospital that are in excess of the needs of the Republic of the Philippines. Billings for services rendered these United States veterans will be made separately, and reimbursements, including travel expenses incident to such hospitalization, shall be payable from Veterans Administration appropriations and shall not be chargeable to the \$2,000,000 ceiling for the hospitalization and travel expenses of Commonwealth Army veterans referred to in Article 1.

*Article 9*

The Administrator of Veterans Affairs will for a period coterminous with the period covered by the contract referred to in Article 1, provide medical outpatient treatment in the Republic of the Philippines for Commonwealth Army veterans determined by the Administrator of Veterans Affairs to be in need of such medical outpatient treatment for service-connected disabilities. Expenses incident to such treatment shall be borne by the Administrator of Veterans Affairs and shall not be chargeable to the \$2,000,000 ceiling for hospitalization and travel expenses of Commonwealth Army veterans referred to in Article 1.

*Article 10*

The Secretary of National Defense of the Republic of the Philippines will, with the concurrence of the Administrator of Veterans Affairs, cause such printed forms of Applications for hospitalization, forms of physical examination reports, forms for billing for services rendered and such other forms and notices as may be necessary and incident to the efficient execution of this program to be prepared, and such approved forms will be used wherever applicable in the general operation of such program.

*Article 11*

The Secretary of National Defense of the Philippine Government shall furnish to the Administrator of Veterans Affairs, upon his request, or the request of any officer duly designated by him for such purpose, full and complete cost accounting information, copies of medical examination and treatment reports and any other information deemed by him to be necessary and incident to the proper application of the terms of this Agreement.

*Article 12*

The Government of the United States through such qualified persons as the Administrator of Veterans Affairs may designate shall have the right to inspect any hospital in which veterans are being hospitalized under the terms of this Agreement ; to inspect and audit its books and all accounts as are incident to the proper determination of cost of and reimbursement, on a *per diem* basis, for such hospitalization ; and to determine whether the hospital facilities, procedures, techniques, and standards, as well as the quality of subsistence furnished, are adequate and proportionate to the charges being made therefor.

*Article 13*

Appropriations for medical care and treatment for veterans under Public Law 85-461 will if unobligated be reverted to the United States Treasury at the end of the fiscal year.

*Article 14*

It is agreed between the two Governments that if the conditions and terms of the Agreement are not being met, the Secretary of National Defense of the Philippine Government and the Administrator of Veterans Affairs or his designee shall enter into immediate consultation with a view to compliance with said terms and conditions. The initiation of such consultations by either Government shall not limit or qualify the duty and obligation of the Administrator of Veterans Affairs to withhold or suspend payments when in his judgment such payments would not be in accordance with the terms of this Agreement.

*Article 15*

It is agreed between the two Governments that the program under this Agreement, including the contract for reimbursement on a per diem basis for hospitalization of Commonwealth Army veterans found by the Veterans Administration to be in need of hospitalization for service-connected disabilities, shall be effective from July 1, 1958.

*Article 16*

The Agreement entered into between the two Governments on June 7, 1949 as amended by exchange of notes between the two Governments dated October 6, 1954 shall terminate and the present agreement shall come into force on July 1, 1958, and remain in force until amended or terminated by subsequent agreement. Such amendment or revocation may be accomplished by an exchange of notes between the two Governments.

*Article 17*

The Government of the Republic of the Philippines shall save harmless all officers and employees of the Veterans Administration from damage suits or other civil actions arising out of the performance of their duties under this Agreement.

*Article 18*

Officers, employees, and agents of the Government of the United States who are citizens of the United States and who are on duty or who may be assigned to duty in the Republic of the Philippines under the provisions of the present Agreement, and their families, shall be permitted to move freely into and out of the Republic of the Philippines, subject to existing visa and passport regulations. Gratis transit shall be extended to all such officers, employees or agents of the Veterans Administration over all bridges, ferries, roads, and other facilities of the highways where tolls are

collected for passage of vehicles or occupants in the performance of their official duties.

*Article 19*

No import, excise, consumption, or other tax, duty, impost fee, charge or exaction shall be imposed or collected by the Republic of the Philippines on funds or property in the Republic of the Philippines which are for use for purposes under this Agreement, or on any funds or property imported into the Republic of the Philippines for use in connection with such purposes. No tax, duty, impost fee, charge or exaction shall be imposed or collected by the Republic of the Philippines on personal funds or movable property, not intended for resale, owned by Veterans Administration personnel under the program covered by this Agreement, who are citizens of the United States, nor shall any tax, duty, impost fee, charge or exaction be imposed or collected by the Republic of the Philippines on the official emoluments paid to the Veterans Administration personnel, under the program covered by this Agreement, who are citizens of the United States, nor shall any tax, duty, impost fee, charge or exaction be imposed or collected by the Republic of the Philippines on personal funds or property, not intended for resale, imported into the Republic of the Philippines for the use of, or consumption by, Veterans Administration personnel under the program covered by this Agreement, who are United States citizens, nor shall any export or other tax, fee, charge or exaction be imposed or collected by the Republic of the Philippines on any of the foregoing funds or property mentioned in this Article in the event of their removal from the Republic of the Philippines.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto, have signed this Agreement in duplicate, in the City of Manila, this 30th day of June, 1958.

For the Government of the United States of America :

George M. ABBOTT  
Chargé d'Affaires ad interim

For the Government of the Republic of the Philippines :

Felixberto M. SERRANO  
Secretary of Foreign Affairs