

No. 8350

**UNITED STATES OF AMERICA
and
PHILIPPINES**

**Exchange of notes constituting an agreement concerning the
establishment of banking facilities at the United States
Naval Base at Subic Bay. Manila, 3 and 15 November
1965**

Official text : English.

Registered by the United States of America on 29 September 1966.

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

**Échange de notes constituant un accord relatif à la création de
services bancaires à la base navale américaine de la baie
de Subic. Manille, 3 et 15 novembre 1965**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 29 septembre 1966.

No. 8350. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE PHILIPPINES CONCERNING THE ESTABLISHMENT OF BANKING FACILITIES AT THE UNITED STATES NAVAL BASE AT SUBIC BAY. MANILA, 3 AND 15 NOVEMBER 1965

I

The American Embassy to the Philippine Department of Foreign Affairs

No. 358

The Embassy of the United States of America presents its compliments to the Department of Foreign Affairs of the Republic of the Philippines and has the honor to refer to recent informal consultations, which have taken place between officers of the Embassy and officials of the Department of Foreign Affairs, concerning the urgent need for establishment of banking facilities at the United States Naval Base at Subic Bay.

As the Government of the Philippines is aware, the need for such banking facilities to serve the requirements of this Base and its personnel has continued to increase significantly.

In order to fulfill a part of this increasingly urgent need, a United States Treasury Facility, an agency of the United States Government, is being established at the United States Naval Base at Subic Bay, in accordance with the provisions of Article XVIII of the Philippine-United States Military Bases Agreement of 1947.²

In order to fulfill the remainder of this increasingly urgent need, the United States Government proposes establishment on the Base of a commercial branch by a Philippine bank. In accordance with the provisions of Article XIX of the above referenced Military Bases Agreement, the consent of the Philippines Government is therefore requested for establishment within the limits of the United States Naval Base at Subic Bay of a commercial branch by a Philippine bank. This commercial branch would, of course, be subject to the exercise of all applicable controls by Philippine monetary and banking authorities. The fact that it would actually be located within the limits of the United States Naval Base would convey no immunity what-

¹ Came into force on 15 November 1965 by the exchange of the said notes.

² United Nations, *Treaty Series*, Vol. 43, p. 271; for subsequent actions relating to this Agreement, see Annex A in volumes 68, 185, 213, 229, 325 and 564.

soever from such Philippine controls. Philippine Government officials, when required to do so in the performance of their official duties, would be permitted to enter the Base for the purpose of examining the operations of this commercial branch.

As the Government of the Philippines is aware, the Olongapo branch of the Prudential Bank and Trust Company currently provides substantial banking services to the United States Naval Base at Subic Bay and its personnel. The Prudential Bank and Trust Company, which has been designated a Depositary of Public Moneys of the United States since July 13, 1959, has proposed to the Commanding Officer of the United States Naval Base at Subic Bay that it be authorized to establish such a commercial branch as referred to above within the limits of the Base. Subject to the consent of the Philippine Government, in accordance with the provisions of Article XIX of the above referenced Military Bases Agreement, the United States Government proposes to grant such authority to the Prudential Bank and Trust Company.

If the foregoing proposal meets with the approval of the Philippine Government, the Embassy suggests that this Note and the Department of Foreign Affairs' affirmative reply be considered as constituting an agreement, as contemplated in Article XIX of the above referenced Military Bases Agreement.

The Embassy avails itself of this opportunity to renew to the Department of Foreign Affairs the assurances of its highest consideration.

Embassy of the United States of America
Manila, November 3, 1965

II

The Philippine Department of Foreign Affairs to the American Embassy

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FOREIGN AFFAIRS

No. 45277

The Department of Foreign Affairs presents its compliments to the Embassy of the United States of America and has the honor to refer to its note No. 358 dated November 3, 1965, which reads as follows :

[See note I]

The Department wishes to inform the Embassy that the Philippine Government is agreeable to the aforementioned proposal and considers the Embassy's note and this reply as constituting an agreement under Article XIX of the Military Bases Agreement.

The Department avails itself of this opportunity to renew to the Embassy the assurances of its highest consideration.

T. C. B.

Manila, November 15, 1965