

trust account all of the sinking funds maintained for the payment of such bonds; and (iii) the Secretary of the Treasury of the United States shall transfer into this special trust account all of the proceeds of the supplementary sinking fund referred to in subdivision (1) of this subsection. Any portion of such special trust account found by the Secretary of the Treasury of the United States on July 4, 1946, to be in excess of an amount adequate to meet future interest and principal payments on all such outstanding bonds shall be turned over to the Treasury of the independent Government of the Philippines to be set up as an additional sinking fund to be used for the purpose of liquidating and paying all other obligations of the Philippines, its Provinces, cities, municipalities, and instrumentalities. To the extent that such special trust account is determined by the Secretary of the Treasury of the United States to be insufficient to pay interest and principal on the outstanding bonds of the Philippines, its Provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress, the Philippine Government shall, on or before July 3, 1946, pay to the Secretary of the Treasury of the United States for deposit in such special trust account an amount which said Secretary of the Treasury determines is required to assure payment of principal and interest on such bonds: *Provided, however,* That if the Secretary of the Treasury of the United States finds that this requirement would impose an undue hardship upon the Philippines, then the Philippine Government shall continue to provide annually the necessary funds for the payment of interest and principal on such bonds until such time as the Secretary of the Treasury of the United States determines that the amount in the special trust account is adequate to meet interest and principal payments on such bonds.

(5) On and after July 4, 1946, the Secretary of the Treasury of the United States is authorized, with the approval of the independent Government of the Philippines, to purchase at the market price for the special trust account bonds of the Philippines, its Provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress. The Secretary of the Treasury of the United States is also authorized, with the approval of the independent Government of the Philippines, to invest all or any part of such special trust account in any interest-bearing obligations of the United States or in any obligations guaranteed as to both principal and interest by the United States. Such obligations may be acquired on original issue at the issue price or by purchase of outstanding obligations at the market price, and any obligations acquired by the special trust account may, with the approval of the independent Government of the Philippines, be sold by the Secretary of the Treasury at the market price, and the proceeds of the payment upon maturity or redemption of such obligations shall be held as a part of such special trust account. Whenever the special trust account is determined by the Secretary of the Treasury of the United States to be adequate to meet interest and principal payments on all outstanding bonds of the Philippines, its Provinces, cities, and municipalities,

issued prior to May 1, 1934, under authority of Acts of Congress, the Secretary of the Treasury is authorized to pay from such trust account the principal of such outstanding bonds and to pay all interest due and owing on such bonds. All such bonds and interest coupons paid or purchased by the special trust account shall be canceled and destroyed by the Secretary of the Treasury of the United States. From time to time after July 4, 1946, any moneys in such special trust account found by the Secretary of the Treasury of the United States to be in excess of an amount adequate to meet interest and principal payments on all such bonds shall be turned over to the treasurer of the independent Government of the Philippines.

(Mar. 24, 1934, ch. 84, § 6, 48 Stat. 459; Aug. 7, 1939, ch. 502, § 1, 53 Stat. 1226; Apr. 30, 1946, ch. 244, title V, § 511(2), 60 Stat. 158; Pub. L. 86-346, title I, § 104(1), Sept. 22, 1959, 73 Stat. 622.)

REFERENCES IN TEXT

Section 1333 of this title, referred to in subsec. (g)(2), was omitted from the Code.

PRIOR PROVISIONS

Similar provisions were contained in act Jan. 17, 1933, ch. 11, § 6, 47 Stat. 764.

AMENDMENTS

1959—Subsec. (g)(5). Pub. L. 86-346 substituted “on original issue at the issue price” for “on original issue at par”.

1946—Act Apr. 30, 1946, repealed opening par. and subsecs. (a) to (f), (h) relating to relations with the United States pending complete independence, and trade relations.

1939—Act Aug. 7, 1939, amended section generally.

EFFECTIVE DATE OF 1946 AMENDMENT

Amendment by act Apr. 30, 1946 effective May 1, 1946, see section 512 of act Apr. 30, 1946, set out as an Effective Date note under section 1354 of this title.

TERMINATION OF ACCEPTANCE OF DEPOSITS OF EXPORT TAXES

Authority of Secretary of the Treasury to accept deposits of proceeds of export taxes in accordance with section 1333 of this title terminated on July 1, 1951, under the provisions of act Aug. 7, 1946, ch. 809, § 2, 60 Stat. 901.

§ 1394. Recognition of Philippine independence

(a) Withdrawal of American sovereignty

On the 4th day of July immediately following the expiration of a period of ten years from the date of the inauguration of the new government under the constitution provided for in this Act, the President of the United States shall by proclamation withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States in the Philippines (except such naval reservations and fueling stations as are reserved under section 1391 of this title), and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the

same of the government instituted by the people thereof, under the constitution then in force.

(b) Naval reservations and fueling stations

The President of the United States is authorized and empowered to enter into negotiations with the government of the Philippine Islands, not later than two years after his proclamation recognizing the independence of the Philippine Islands, for the adjustment and settlement of all questions relating to naval reservations and fueling stations of the United States in the Philippine Islands, and pending such adjustment and settlement the matter of naval reservations and fueling stations shall remain in its present status.

(c) Property for diplomatic purposes

(1) Whenever the President of the United States shall find that any properties in the Philippines, owned by the Philippine Government or by private persons, would be suitable for diplomatic or consular establishments of the United States after the inauguration of the independent Government, he may, with the approval of the Philippine Government, and in exchange for the conveyance of title to the United States, transfer to the said Government or private persons any properties of the United States in the Philippines. Title to any properties so transferred to private persons, and title to any properties so acquired by the United States, shall be vested in fee simple in such persons and the United States, respectively, notwithstanding the provisions contained in subsection (a) of this section.

(2) Whenever, prior to July 4, 1946, the President of the United States shall find that any properties of the United States in the Philippines would be suitable for diplomatic and consular establishments of the United States after the inauguration of the independent Government, he shall designate the same by the issuance of a proclamation or proclamations, and title to any properties so designated shall continue to be vested in fee simple in the United States notwithstanding the provisions contained in subsection (a) of this section.

(3) Title to the lands and buildings pertaining to the official residences of the United States High Commissioner to the Philippine Islands in the cities of Manila and Baguio, together with all fixtures and movable objects, shall continue to be vested in the United States after July 4, 1946, notwithstanding the provisions contained in subsection (a) of this section.

(4) Administrative supervision and control over any properties acquired or designated by the President of the United States pursuant to this subsection, and over the official residences in the Philippines of the High Commissioner, shall, on and after July 4, 1946, be exercised by the Secretary of State, in accordance with Acts of Congress relating to property held by the United States in foreign countries for official establishments.

(Mar. 24, 1934, ch. 84, §10, 48 Stat. 463; Aug. 7, 1939, ch. 502, §3, 53 Stat. 1230.)

REFERENCES IN TEXT

This Act, referred to in subsec. (a), is act Mar. 24, 1934, ch. 84, 48 Stat. 456, as amended, which enacted sec-

tions 1281a, 1391, 1393 to 1395 of this title, and section 1248 of Title 48, Territories and Insular Possessions, amended sections 1231 to 1234, 1237, 1238, 1239, 1241 to 1243, 1245, and 1247 of Title 48, and enacted a provision set out as a note under section 1391 of this title. For complete classification of this Act to the Code, see Tables.

PRIOR PROVISIONS

Provisions similar to those contained in subsec. (a) of this section were contained in the first par. of section 10 of act Jan. 17, 1933, ch. 11, 47 Stat. 768.

AMENDMENTS

1939—Subsec. (c). Act Aug. 7, 1939, added subsec. (c).

EFFECTIVE DATE OF 1939 AMENDMENT

Section 7 of act Aug. 7, 1939, provided that act Aug. 7, 1939, should become effective on Jan. 1, 1940, if certain conditions were fulfilled. The conditions were fulfilled and section became effective on said date.

INDEPENDENCE DATE ADVANCED

Section 3 of act June 29, 1944, ch. 322, 58 Stat. 626, provided in part that date of independence could be advanced prior to July 4, 1946, but it was not done.

PROC. NO. 2695. PHILIPPINE INDEPENDENCE

Proc. No. 2695, July 4, 1946, 11 F.R. 7517, 60 Stat. 1352, provided:

The United States of America hereby withdraws and surrenders all rights of possession, supervision, jurisdiction, control, or sovereignty now existing and exercised by the United States of America in and over the territory and people of the Philippines; and,

On behalf of the United States of America, I do hereby recognize the independence of the Philippines as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, under the constitution now in force.

§ 1395. Definitions

(a) As used in sections 1393 and 1394 of this title—

(1) The term “United States”, when used in a geographical sense, but not the term “continental United States”, includes all Territories and possessions of the United States, other than the Philippines.

(2) The term “cordage” includes yarns, twines (including binding twine described in paragraph 1622¹ of section 1201 of title 19), cords, cordage, rope and cable, tarred or untarred, wholly or in chief value of manila (abaca) or other hard fiber.

(3) The term “Philippine Government” means the Government of the Commonwealth of the Philippines.

(4) The term “United States duty”, when used in connection with the computation of export taxes, means the lowest rate of ordinary customs duty in effect at the time of the shipment of the article concerned from the Philippines and applicable to like articles imported into the continental United States from any foreign country, except Cuba, or when more than one rate of ordinary customs duty is applicable to such like articles, the aggregate of such rates.

(5) The term “refined sugars” possesses the same meaning as the term “direct-consump-

¹ See References in Text note below.