

ment of the Commonwealth of the Philippine Islands when constituted.

(Mar. 24, 1934, ch. 84, § 5, 48 Stat. 459.)

REFERENCES IN TEXT

Treaties mentioned in the first section of this Act, referred to in text, were treaty of peace between the United States and Spain of December 10, 1898, and treaty between Spain and the United States concluded at Washington, Nov. 7, 1900.

The first section of this Act, referred to in text, is section 1 of act Mar. 24, 1934, which was classified to section 1231 of Title 48, Territories and Insular Possessions, and was omitted from the Code.

Since their independence, the Philippine Islands have been a republic, and are no longer designated as a "Commonwealth", referred to in text. See note below.

PRIOR PROVISIONS

Provisions similar to those in this section were contained in act Jan. 17, 1933, ch. 11, § 5, 47 Stat. 764.

SEPARABILITY

Act Mar. 24, 1934, ch. 84, § 16, 48 Stat. 464, provided: "If any provision of this Act [enacting this section and sections 1281a, 1393 to 1395 of this title, amending sections 1231 to 1234, 1237 to 1239, 1241 to 1243, 1245, 1247, and 1248 of Title 48, Territories and Insular Possessions] is declared unconstitutional or the applicability thereof to any person or circumstances is held invalid, the validity of the remainder of the act and the applicability of such provisions and circumstances shall not be affected thereby."

PHILIPPINE INDEPENDENCE

Philippine Islands granted independence by Proc. No. 2695, which is set out as a note under section 1394 of this title.

§ 1392. Acquisition of military and naval bases by United States

After negotiation with the President of the Commonwealth of the Philippines, or the President of the Filipino Republic, the President of the United States is authorized by such means as he finds appropriate to withhold or to acquire and to retain such bases, necessary appurtenances to such bases, and the rights incident thereto, in addition to any provided for by the Act of March 24, 1934, as he may deem necessary for the mutual protection of the Philippine Islands and of the United States.

(June 29, 1944, ch. 322, § 2, 58 Stat. 626.)

REFERENCES IN TEXT

Act of March 24, 1934, as amended, referred to in text, is act Mar. 24, 1934, ch. 84, 48 Stat. 456, as amended, which enacted sections 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.

PHILIPPINE INDEPENDENCE

Philippine Islands granted independence by Proc. No. 2695, which is set out as a note under section 1394 of this title, and they now constitute a republic.

§ 1393. Supplementary sinking fund for bond payments; purchase of bonds by United States; creation of special trust account

(a) to (f). Repealed. Apr. 30, 1946, ch. 244, title V, § 511(2), 60 Stat. 158.

(g)(1) The Philippine Government shall pay to the Secretary of the Treasury of the United States, at the end of each calendar quarter, all of the moneys received during such quarter from export taxes (less refunds), imposed and collected in accordance with the provisions of this section, and said moneys shall be deposited in an account with the Treasurer of the United States and shall constitute a supplementary sinking fund for the payment of bonds of the Philippines, its Provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress: *Provided, however*, That moneys received from any export tax imposed on any article which is shipped from the Philippines to the United States prior to July 4, 1946, and which is entered, or withdrawn from warehouse for consumption, on or after July 4, 1946, shall be refunded by the independent Government of the Philippines.

(2) The said Secretary of the Treasury is authorized to accept the deposits of the proceeds of the export taxes referred to in subdivision (1) of this subsection in accordance with section 1333¹ of this title.

(3) The Secretary of the Treasury of the United States, with the approval of the Philippine Government, is authorized to purchase with such supplementary sinking-fund bonds of the Philippines, its Provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress and to invest such fund in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. Whenever the Secretary of the Treasurer² finds that such fund is in excess of an amount adequate to meet future interest and principal payments on all such bonds, he may, with the approval of the Philippine Government, purchase with such excess any other bonds of the Philippines, its Provinces, cities, municipalities, and instrumentalities. For the purpose of this subsection obligations may be acquired on original issue at par, or by purchase of outstanding obligations at the market price. Any obligations acquired by the fund may, with the approval of the Philippine Government, be sold by the Secretary of the Treasury at the market price and the proceeds of such sale and the proceeds of the payment upon maturity or redemption of any obligations held in the supplementary sinking fund, as well as all moneys in any manner earned by such fund or on any obligations acquired by said fund, shall be paid into the said fund.

(4) During the three months preceding July 4, 1946, the Philippine Government and the Secretary of the Treasury of the United States shall confer to ascertain that portion of the bonds of the Philippines, its Provinces, cities, and municipalities, issued prior to May 1, 1934, under authority of Acts of Congress, which will remain outstanding on July 4, 1946; and the Philippine Government shall turn over to the Secretary of the Treasury of the United States for destruction all such bonds that are then held, canceled, or uncanceled, in any of the sinking funds maintained for the payment of such bonds. After such

¹ See References in Text note below.

² So in original. Probably should be "Treasury".

outstanding portion of this indebtedness is thus determined, and before July 4, 1946, (i) there shall be set up with the Treasurer of the United States a special trust account in the name of the Secretary of the Treasury of the United States to pay future interest and principal payments on such bonds; (ii) the Philippine Government shall pay to the Secretary of the Treasury of the United States for deposit in this special 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 Sec-

retary 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 peo-