

May 18, 1956
**Report No. 83 from Young Kee Kim to Syngman
Rhee**

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Summary:

Young Kee Kim briefs President Rhee on the ratification of the PI-JP reparations agreement.

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Report No. 83

LEGATION OF THE REPUBLIC OF KOREA
MANILA, PHILIPPINES

May 18, 1956

Dear Mr. President:

The Philippine Congress adjourned sine die on May 17 without approving the general appropriations bill, and a special session will be called to ratify the PI-Jap reparations agreement which awaits the final action by the Japanese Diet. The Philippine lower house will approve the creation of a PI-Jap reparations commission to implement the provisions of the agreement after the senate has ratified the reparations treaty. Both countries will normalize the diplomatic relations by exchanging diplomatic representatives with the rank of ambassador.

A Manila bank, jointly subscribed by Filipino and Japanese industrialists, will open to handle the transactions of the Jap indemnity payment, in heavy industry and service. The Two Million Dollar capital of the proposed Manila bank will be financed by 60% - Filipino bankers and the rest by the Japanese. It is expected that the operation will commence on August of this year, and the Japanese government has requested that the Japanese technicians be allowed to enter the Philippines with less restrictions as heretofore imposed upon their entry.

The controversial Rizal bill met final approval of the House in spite of the last ditch fight put up by the Catholic partisans. A sum of ₱300,000 was authorized to carry out the provisions of the amended Rizal bill upon its approval by the President. The upshot of the Catholic vs State controversial issue culminated in the consciousness of the lawmakers that the State detest the direct interference of the Catholic bloc in the enactment of a law which is considered to be inimical to the teachings and practices of the Catholic hierarchy. Senator Claro M. Recto advocated the appointment of a Cardinal in the person of an eminent Filipino priest to supersede the power and prestige of the Papal Nuncio, now Dean of the Diplomatic Corps in the Philippines.

Philippines and Japan signed the World War II reparations agreement which ended four years of painstaking diplomatic haggling between the two countries. The Philippine senate leaders assured the speedy ratification of the Jap reparations agreement despite the announced opposition of Senators Claro M. Recto and Lorenzo Tañada. The Senate approved the 1956-57



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fiscal budget of ₱659 Million with a difference of several millions of pesos to be ironed out at a joint Senate-House Finance Committee. The PI-Jap war indemnity agreement will be brought up for ratification.

Vice President Carlos P. Garcia recommended to the President to appoint Felino Neri, who was chairman of the local reparations plenipotentiary panel, as the first ambassador of the Philippines to Japan.

A reparations commission will be appointed with Filemon C. Rodriguez as chairman, to implement the provisions of the reparations agreement. Majority of Japan's reparations will be in capital goods such as plants and heavy machineries. The machineries will be installed in the Philippines and cared for a number of years by the Japanese until the Filipinos are able to take over the technical positions. From the Philippines, Japan purchases Lauan lumber, Manila hemp, copper ore and iron ore. Japan agrees to settle the reparations in twenty years. A full text of the PI-Jap reparations agreement was enclosed in my previous report to you.

Faithfully yours,

Young Kee Kim
YOUNG KEE KIM

His Excellency Syngman Rhee,
President of the Republic of Korea,
Seoul.

Copy to the Acting Minister of Foreign Affairs