

[REPUBLIC ACT No. 342, July 26, 1948]

AN ACT TO PROVIDE FOR THE LIFTING OF THE DEBT MORATORIUM AS REGARDS PREWAR OBLIGATIONS SUBJECT TO CERTAIN CONDITIONS AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Declaration of Policy.*—Because of the emergency resulting from the last war, Title III, Debt Moratorium, Executive Order No. 25 dated November 18, 1944, as amended by Executive Order No. 32 dated March 10, 1945, was promulgated and is now in full force and effect. Since liberation conditions have gradually returned to normal, but not so with regard to those who have suffered the ravages of war and who have not received any relief for the loss and destruction resulting therefrom. Rehabilitation of these elements of our national economy constitutes a prime concern of government, and while in one sense it is now deemed expedient to lift the effects of the debt moratorium on prewar debts, this cannot be extended to war sufferers who should be afforded an opportunity to rehabilitate themselves by giving them a reasonable time within which to pay their pre-war debts so as to prevent their being victimized by their creditors. The emergency created by the last war as regards these war sufferers being still existent, it is the declared policy of the State that as to them the debt moratorium should be continued in force in a modified form as provided herein.

SEC. 2. All debts and other monetary, obligations payable by private parties within the Philippines originally incurred or contracted before December 8, 1941, and still remaining unpaid, any provision or provisions in the contract creating the same or in any subsequent agreement affecting such obligation to the contrary notwithstanding, shall not be due and demandable for a period of eight (8) years from and after settlement of the war damage claim of the debtor by the United States Philippine War Damage Commission, without prejudice, however, to any voluntary agreement which the interested parties may enter into after the approval of this Act for the settlement of said obligations.

SEC. 3. Title III, Debt Moratorium, Executive Order No. 25 dated November 18, 1944, as amended by Executive Order No. 32, dated March 10, 1945, is hereby further amended by lifting the moratorium therein declared in so far as it affects prewar obligations, except that as regards those prewar obligations referred to in Section 2 hereof, the lifting of said moratorium shall be subject to the conditions provided in said section. Should the provision of Section 2 hereof be in any way declared void and unenforceable, then as regards the obligations affected thereby, the provisions of Title III, Debt Moratorium, Executive Order No. 25 dated November 18, 1944, as amended by Executive Order No. 32 dated March 10, 1945, shall continue to be in force and effect, any contract or agreement affecting the same to the contrary notwithstanding, until subsequently repealed or amended by further