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FOREIGN CLAIMS SETTLEMENT COMMISSION

GOVERNMENT

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HEARING

BEFORE THE

SUBCOMMITTEE ON COMMERCE AND FINANCE

OF THE

COMMITTEE ON

INTERSTATE AND FOREIGN COMMERCE

HOUSE OF REPRESENTATIVES

NINETY-SECOND CONGRESS

FIRST SESSION

ON

H.R. 3669 and S. 1206

BILLS TO AMEND SUBSECTION (d) OF SECTION 2 OF THE
WAR CLAIMS ACT OF 1948, AS AMENDED, RELATING TO
THE TERMS OF OFFICE OF THE MEMBERS OF THE FOR-
EIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED
STATES

JULY 26, 1971

Serial No. 92-29

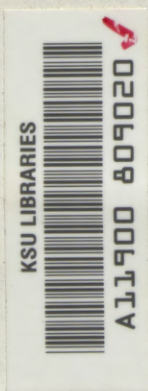
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COLLEGE

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1. The first year of college is a year of transition from the life of the high school to the life of the college. It is a year of adjustment to a new environment, to new teachers, to new methods of instruction, and to new standards of scholarship. The student must learn to take responsibility for his own education and to develop the habits of self-discipline and independent thought.

2. The second year of college is a year of consolidation and deepening of the student's knowledge and understanding. It is a year of specialization, in which the student begins to focus his studies on a particular field of interest. The student must learn to work more independently and to develop the ability to analyze and synthesize information.

3. The third year of college is a year of advanced study and research. It is a year in which the student is expected to make original contributions to his field of study. The student must learn to work with a high degree of independence and to develop the ability to conduct research and to write scholarly papers.

4. The fourth year of college is a year of preparation for the future. It is a year in which the student is expected to complete his education and to be ready to enter the world of work or to pursue further study. The student must learn to evaluate his progress and to make plans for the future.

FOREIGN CLAIMS SETTLEMENT COMMISSION

MONDAY, JULY 26, 1971

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COMMERCE AND FINANCE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to notice, in room 2123, Rayburn House Office Building, Hon. John E. Moss (chairman) presiding.

Mr. Moss. The subcommittee will be in order. This morning the subcommittee begins hearings on H.R. 3669 and S. 1206, which was passed by the Senate on June 23, 1971. These bills are both identical to draft legislation which was submitted to the Congress by the Foreign Claims Settlement Commission. In substance these bills propose to abolish the present fixed term of office for members of the Foreign Claims Settlement Commission and to modify its existing composition by designating two of the three members to serve on part-term basis subject to the call of the Commission chairman.

Statutes administered by the Commission have been of limited duration and, with one exception, only administrative duties will remain at the end of fiscal year 1972. This proposal is intended to tailor the administration of the Commission to a changing role so it may more economically carry out its assigned duties. We are pleased to welcome as our first witness the Chairman of the Foreign Claims Settlement Commission, Lyle S. Garlock.

(The text of H.R. 3669 and S. 1206 and departmental reports thereon, follow:)

[H.R. 3669, 92d Cong., 1st sess., introduced by Mr. Staggers (for himself and Mr. Springer) on February 4, 1971; and
S. 1206, 92d Cong., 1st sess., referred to the Committee on Interstate and Foreign Commerce on June 24, 1971,
are identical as follows:]

A BILL To amend subsection (d) of section 2 of the War Claims Act of 1948, as amended, relating to the terms of office of the members of the Foreign Claims Settlement Commission of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 2, title I, of the War Claims Act of 1948, as amended, is amended to read as follows:

"(d) The terms of office of members of the Foreign Claims Settlement Commission holding office on the date of enactment of this amendment shall expire at the end of the current term of office. Thereafter, any new members shall be appointed by the President by and with the consent of the Senate to hold office at the pleasure of the President. The President shall designate one of the members of the Commission as the Chairman. Per diem compensation shall be paid to the other two members of the Commission and who shall serve at the discretion of the Chairman in order to constitute a forum for the transaction of the business of the Commission."

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES,
OFFICE OF THE CHAIRMAN,
Washington, D.C., February 19, 1971.

HON. HARLEY O. STAGGERS,
*Chairman, Committee on Interstate and Foreign Commerce,
Rayburn House Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: This will acknowledge receipt of your letter dated February 17, 1971, requesting a report from the Commission on H.R. 3669, 92nd Congress, entitled, "A bill to amend subsection (d) of section 2 of the War Claims Act of 1948, as amended, relating to the terms of office of the members of the Foreign Claims Settlement Commission of the United States."

The bill, H.R. 3669, is identical to the draft bill which was transmitted to the Speaker of the House of Representatives by this Commission on January 29, 1971, on behalf of the Executive Branch for consideration in the 92nd Congress.

It is respectfully requested that the Commission's letter of transmission to the Speaker explaining the purpose and nature of the bill, be accepted as the Commission's report on the legislation. A copy of the subject letter is attached for your convenience.

In case further information is required please do not hesitate to call upon me.

Sincerely yours,

LYLE S. GARLOCK, *Chairman.*

Enclosure.

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES,
OFFICE OF THE CHAIRMAN,
Washington, D.C., January 29, 1971.

The Honorable the SPEAKER OF THE
HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR MR. SPEAKER: Transmitted herewith in behalf of the Executive Branch for the consideration of the 92d Congress is the draft of a proposed bill entitled, "A Bill to amend subsection (d) of section 2 of the War Claims Act of 1948, as amended, relating to the terms of office of the members of the Foreign Claims Settlement Commission of the United States."

In effect the draft bill proposes to abolish the present three year terms of office of the members of the Foreign Claims Settlement Commission and to reduce the present full time membership of three members to one full time member. Two members would serve on a part time basis.

Subsection (d) of section 2 was added to the War Claims Act by Public Law 87-846, approved October 22, 1962 (76 Stat. 1113; 50 U.S.C. 2001). It provided that each member serve for 3-year staggered terms of office, beginning October 22, 1963. Consequently, the term of office for each member of the Commission would expire in succeeding years on the same date, October 21st.

Under the proposed bill the Foreign Claims Settlement Commission will continue to function as a three member Commission. The members shall be appointed by the President by and with the consent of the Senate to serve at the pleasure of the President upon expiration of the current terms of office. One member shall be designated by the President to serve as Chairman and shall be responsible for the internal affairs of the Commission in accordance with Reorganization Plan No. 1 of 1954.

The Chairman would serve on a full time basis. The other two members would serve only upon call of the Chairman when Commission business warrants or requires their services.

The purpose of the proposed amendment is simply that there is no basic need for a full time complement of a three member Commission inasmuch as the current adjudicatory functions of the Commission do not warrant such a membership. Moreover, it is estimated that the enactment of the amendment would result in a savings of at least \$100,000 per annum.

On the other hand, however, it is important that the Commission continue, possibly with a reduced staff, as the permanent national claims agency of the United States Government in the spirit under which it was created by Reorganization Plan No. 1 of 1954.

The statutes administered by the Foreign Claims Settlement Commission have all been of statutorily limited duration. With the exception of the Vietnam

prisoner of war claims program, the present functions allocated to the Commission are due to expire concurrently with the end of Fiscal Year 1972, when the Bulgarian, Cuban, Italian and Rumanian claims programs will have been completed.

There will remain, of course, those duties and functions necessarily attendant upon the orderly wind-up of the various programs and other related matters. These duties and functions do not require, in my opinion, a three member Commission on a full time basis. A staff, however, will be required to handle a large volume of anticipated correspondence regarding the 32 completed claims programs involving in excess of 600,000 claims.

It is also anticipated that the Commission will have jurisdiction to adjudicate claims arising in the Trust Territory of the Pacific within the near future, as well as additional claims under the International Claims Settlement Act, thus justifying the continued existence of a national claims commission. These programs will not require a three member commission as presently constituted.

It is believed that the proposed amendment would provide for a more economical operation of the Commission now and in the future years of its existence.

I respectfully urge that favorable consideration be given to the proposed bill. There is no objection from the standpoint of the Administration's program to the submission of this draft legislation to the 92d Congress.

Sincerely yours,

LYLE S. GARLOCK, *Chairman.*

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., April 5, 1971.

HON. HARLEY O. STAGGERS,
*Chairman, Committee on Interstate and Foreign Commerce, House of Representatives,
Rayburn House Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request of February 17, 1971, for the views of this Office on H.R. 3669, a bill "To amend subsection (d) of section 2 of the War Claims Act of 1948, as amended, relating to the terms of office of the members of the Foreign Claims Settlement Commission of the United States."

H.R. 3669 is identical to draft legislation submitted to the Congress on January 29, 1971, by the Chairman of the Foreign Claims Settlement Commission. It would provide for a more economical operation of the Commission by authorizing two of the three members of the Commission to serve at the discretion of the Chairman when necessary to constitute a forum for transacting the business of the Commission.

We recommend enactment of H.R. 3669, which reflects the absence of a need for a full-time complement of the three-member Commission to discharge its current adjudicatory functions.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

Mr. Moss. Mr. Garlock.

**STATEMENT OF HON. LYLE S. GARLOCK, CHAIRMAN, FOREIGN
CLAIMS SETTLEMENT COMMISSION; ACCOMPANIED BY ANDREW
T. McGUIRE, GENERAL COUNSEL; AND FRANCIS MASTERSON,
EXECUTIVE DIRECTOR**

Mr. GARLOCK. Thank you. I appreciate this opportunity to appear before you today to present my views on the proposed legislation pending before the subcommittee relating to the terms of office of members of the Foreign Claims Settlement Commission of the United States.

The Commission was established under Reorganization Plan No. 1 of 1954, effective July 1, 1954, as the national claims commission of the U.S. Government to settle claims of U.S. nationals as authorized under the War Claims Act of 1948, the International Claims Settlement Act of 1949, as amended, and under treaties and international claims agreements. The new Commission acquired the duties and functions of the War Claims Commission and the International Claims Settlement Commission which, under the terms of the reorganization plan, had been abolished.

The reorganization plan also provided that the Foreign Claims Settlement Commission be composed of three members appointed by the President by and with the advice and consent of the Senate. One member is designated chairman by the President and is solely responsible for the internal management of the affairs of the Commission. Two members of the Commission constitute a quorum for the transaction of Commission business.

The terms of office of members of the Commission were not specified until the enactment of Public Law 87-846, approved October 22, 1962. This act amended, among other things, section 2, title I of the War Claims Act of 1948, as amended, by providing that each member of the Commission serve 3-year staggered terms of office, beginning October 22, 1963. Consequently, the terms of office for each member of the Commission would expire in succeeding years on the same day, October 21.

The bill, H.R. 3669, is intended to abolish the 3-year term of office and to reduce the present full-time membership of three members to one full-time member. The three members of the Commission would be appointed by and with the consent of the Senate to serve at the pleasure of the President upon expiration of the current terms of office. One member is to be designated chairman by the President and will serve on a full-time basis. The other two members would serve on a per diem basis in order to constitute a forum for the transaction of Commission business. Under the bill the Chairman would continue to be responsible for the internal affairs of the Commission in accordance with Reorganization Plan No. 1 of 1954.

The object of the proposed amendment is simply that there is no basic need for a full-time complement of a three-member Commission inasmuch as the current adjudicatory functions do not warrant such a membership.

The programs administered by the Commission have all been of limited duration by statute. With the exception of the Vietnam prisoner of war claims program, the present claims programs administered by the Commission are due to expire by June 30, 1972, when the Bulgarian, Cuban, Italian, and Rumanian claims programs will have been completed. The current Bulgarian, Italian, and Rumanian programs do not involve a large number of claims, therefore it is possible that the programs will be completed within a relatively short time.

After the completion of the programs there will remain, of course, those duties and functions necessarily attendant upon the orderly windup of the various programs and other related matters, in addition to continuing the Vietnam prisoner of war program. These duties and

functions do not require, in my opinion a three-member Commission on a full-time basis.

On the other hand, however, it is important that the Commission continue, with a reduced staff, as the permanent national claims agency of the U.S. Government in the spirit under which it was created by Reorganization Plan No. 1 of 1954. A staff will be required to handle a large volume of anticipated correspondence regarding the 32 completed claims programs involving in excess of 600,000 claims which the Commission has processed.

Moreover, the Chairman of the Commission was recently assigned the authority under Public Law 92-39 to organize and otherwise oversee the operation of the Micronesian Claims Commission which has jurisdiction to adjudicate certain wartime and postwar claims arising in the Trust Territory of the Pacific. It also is anticipated that the Commission will have jurisdiction to determine additional claims under the International Claims Settlement Act when future claims agreements with foreign governments are reached, that is Czechoslovakia and Hungary, thus justifying the continued existence of a national claims commission. In any case these proposed programs would not require a three-member commission as presently constituted.

It is believed that the enactment of the proposed amendment under H.R. 3669 would provide for a more economical operation of the Commission now and in the future years of its existence. It is estimated that the enactment of the bill would result in a savings of at least \$100,000 per annum.

I recommend that favorable consideration be given to the bill, H.R. 3669.

Mr. Moss. Mr. Garlock, when does the last term of the present members of the Commission expire?

Mr. GARLOCK. That is mine and it expires the 22d day of October 1972.

We have one vacancy and Mr. Jaffe's term expires this year on October 22.

Mr. Moss. What is the current budget of the Commission?

Mr. GARLOCK. Well, the budget for next year is \$750,000.

Mr. Moss. And you figure this change would save a hundred thousand dollars?

Mr. GARLOCK. Well, that isn't quite correct, sir. We will save more than a hundred thousand in fiscal year 1973. This provision alone will result in \$100,000 saving.

Mr. Moss. What is the volume of correspondence handled by the Commission at the present time?

Mr. GARLOCK. This is Mr. Masterson, our administrative officer.

Mr. MASTERSON. Speaking over and beyond the current programs that we are administering, the volume would be around 1,400 or 1,500 a year pertaining to completed claims programs.

Mr. Moss. That would be the volume referred to on page 3 of your statement in the third paragraph, second sentence. "A staff will be required to handle a large volume of anticipated correspondence regarding the 32 completed claims programs involving in excess of 600,000 claims which the Commission has processed."

Mr. MASTERSON. Yes, sir.

Mr. Moss. That is 1,200 to 1,400 per year.

Mr. MASTERSON. I would say 1,400 to 1,500, sir.

Mr. MOSS. Well, all right. Now, I have looked at this rather carefully, and what would your immediate reaction be if the Commission's life were to be extended until the date which coincides with the term of your office, and the present other Commissioner continued in office for the same period of time? At that time, dissolve the Commission and assign any residual functions to another department or agency of the Government?

Mr. GARLOCK. Well, sir, all I can say on that is that in connection with the Budget Bureau, starting about a year ago, we considered a whole variety of possibilities on this, and the conclusion of the Budget Bureau, and Justice, and ours, was that Justice and Budget Bureau wanted an independent Commission to do this kind of thing.

Now, the actual difference in cost, the Budget Bureau estimated, is not to exceed one position, which because of the two continuing programs, one of the supervision of the Micronesia program and the supervision of the Vietnam prisoner-of-war program, and the mail involved—

Mr. MOSS. Let us take the Micronesian problem.

Mr. GARLOCK. The main problem is not the problem of writing letters.

Mr. MOSS. What is the volume of work anticipated from the Micronesian program? It will be minimal?

Mr. GARLOCK. Some 5,000 or 10,000 claims. It is a little difficult on the basis of getting information from that far out.

Mr. MOSS. What funds are available to pay Micronesian claims?

Mr. GARLOCK. There is an agreement between the United States and Japan whereby each country will put up \$5 million, and that will pay for personal injury.

Mr. MOSS. How many years do you contemplate it will take to handle these?

Mr. GARLOCK. Let me finish the other answer, sir.

In addition, the U.S. Congress has passed a law which also provides \$20 million for what they call postsecure claims. That means damage to property done after the American forces took possession. To answer your question on the lengths of time, it will take 3 to 4 years. The law allows a year in which to file. Then you adjudicate the claims, and the Commission would consist of three Americans and two Micronesians. Now, it is a little difficult to—

Mr. MOSS. What provides that will consist of three Americans and two Micronesians?

Mr. GARLOCK. The basic law that was passed first day of July, Public Law 92-39.

It has been passed and signed. We anticipate that—

Mr. MOSS. What would be the problem of the Department of the Interior when these trust territories are handling these claims?

Mr. GARLOCK. Well, the judgment of the Budget Bureau was, and State and Interior concurred, they were better off to have an independent Commission than to get involved in that themselves.

Mr. MOSS. I think we want to get a hold of the Bureau of Budget and the Justice Department and ask them for their specific comments on this proposal to do away with this Commission.

Would you supply for the committee a breakdown of the anticipated workload connected with the Micronesian claims—and you also mentioned Czechoslovakian and Hungarian claims—when and if an agreement has been reached.

Mr. GARLOCK. That is right.

Mr. MOSS. How long have we been negotiating for an agreement? Since the end of World War II?

Mr. McGUIRE. Since 1949.

Mr. MOSS. We probably could continue to negotiate for a comparable period of time.

Mr. McGUIRE. For those two countries; yes, sir.

Mr. MOSS. We are no closer to a solution than we were when we started, are we?

Mr. McGUIRE. State Department representatives and representatives of both of those Governments do meet from time to time on this.

Mr. MOSS. They have been meeting rather consistently over the years?

Mr. McGUIRE. It is spasmodic.

Mr. MOSS. Let us ask the Department of State for their judgment as to when these agreements might be reached. Now, in connection with the Vietnamese workload, I think we are discussing somewhere between 300 and maybe 400 or 500 prisoner-of-war claims there, is that correct?

Mr. GARLOCK. That is not a large amount.

Mr. MOSS. It could be very minimal?

Mr. GARLOCK. That is right. As a matter of fact, we have made no specific provision in the budget for it at any time.

Mr. MOSS. Mr. Broyhill.

Mr. BROYHILL. No questions.

Mr. MOSS. Mr. Eckhardt.

Mr. ECKHARDT. No questions.

Mr. MOSS. Mr. McCollister.

Mr. MCCOLLISTER. Can you tell me how this \$750,000 budget is used, to provide what staff? What is the nature of your staff at the moment?

Mr. GARLOCK. I will ask Mr. Masterson to give you the detailed breakdown on it. One of the problems is that we are making a substantial reduction in staff after the first of the year, and so there are substantial termination charges and leave into this budget.

Mr. MCCOLLISTER. How many positions in staff are there now?

Mr. MASTERSON. Sir, 36.

Mr. MCCOLLISTER. What do these 36 consist of?

Mr. MASTERSON. First of all, we have provided for three Presidential appointees at \$36,000 each, and administrative assistants to those appointees: a General Counsel, and one other person in the General Counsel's Office, and clerical assistants there.

Mr. MCCOLLISTER. How much clerical assistance there?

Mr. MASTERSON. Two positions, and then we have two divisions operating now, a Cuban Division and what is known as General Claims Division. The Cuban Division is handling the claims against the Government of Cuba. Those, under the statute, are scheduled to be terminated by June 30, 1972.

We have seven attorneys in that division; and we have another division, the General Claims Division, that handles the claims against

Italy, Bulgaria, and Rumania. Those three programs are scheduled to be terminated at the end of this calendar year.

Mr. McCOLLISTER. How many people are involved there?

Mr. MASTERSON. We have three attorneys involved in that, and two clericals. Then in addition to that, we have an administrative staff of about 11 persons, which should constitute the entire staff at this moment.

Mr. McCOLLISTER. Thank you.

Mr. Moss. Would you supply for the committee, and I urge this be begun rather promptly, a detailed breakdown of your budget and of the number of positions which will be required after the substantial termination charges have been disposed of.

Mr. MASTERSON. You are talking about 1973 budget, in other words.

Mr. Moss. If you have a projection for 1973.

Mr. MASTERSON. We are in the process now of preparing that to be submitted to the Bureau of the Budget, and that budget, of course, will to some extent be based on the decision of this committee whether those Presidential appointees are—this is the subject here today—whether they are covered.

(The following letter and attachments were received for the record:)

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES,
OFFICE OF THE CHAIRMAN,
Washington, D.C., July 29, 1971.

Hon. JOHN E. MOSS,

Chairman, Subcommittee on Commerce and Finance, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. MOSS: Response is made to the Committee's request of July 26, 1971, for supplementary information relative to (a) the Commission's staffing pattern for FY 1972 and to the projected staffing pattern upon passage of H.R. 3669, and (b) a break-down of the Commission's anticipated work load subsequent to FY 1972.

The former is provided as an attachment to this letter; the later request is discussed below:

Items arising from completed programs under the International Claims Settlement Act of 1949, as amended.....	350
Items arising from completed programs under the War Claims Act of 1948, as amended.....	300
Other.....	800
Total.....	1,450

The items arising from completed programs under the International Claims Act of 1949 and the War Claims Act of 1948 consist principally of responding to inquiries and requests for details relative to disposed claims. Such requests frequently require a complete review of the claim involving in many instances a reexamination of a large amount of evidence to respond appropriately. In numerous instances, new evidence becomes available after the statutory completion date of a program which, on many occasions, prompts claimants to seek relief through private bills. While most of these bills are never enacted, their consideration by Congress involves time consuming research and reports including the attendance at hearings on the part of the Commission.

Similarly, there are activities from time to time by classes of claimants who seek remedial legislation to correct what they consider to be an unjust provision of the law. In such instances, the Commission must be ready on the basis of its experience to offer its evaluation on the overall impact of such legislation on other claimants and to make recommendations as to its merits.

In addition to the above-mentioned activities, the Commission will, after the end of FY 1972, be concerned with an unestimated residue of business arising from the completed Cuban and China claims programs. These two programs are

unique in that they are the first programs administered in two decades where no funds have been available for the payment of awards out of either liquidated blocked assets or lump-sum settlement agreements with these countries.

While the Commission's experience has shown that the service on completed programs will gradually diminish in several years time, the opposite experience is anticipated in the Cuban and China programs because of the absence of any monetary settlements. Until compensation becomes available through a claims settlement agreement or from blocked assets thereby permitting the payment of the losses certified in these programs, it is anticipated that these claims will require continuous maintenance.

The future activity of the Commission with respect to "other" items will pertain also to inquiries arising out of the Philippine War Damage Program for which the Commission was authorized to make additional payments on account of the unpaid balances of awards made by the now defunct Philippine War Damage Commission. The Commission also receives inquiries concerning potential claim programs against foreign governments not heretofore covered under the present laws.

In addition to the items described above, it is anticipated that approximately 5,000 to 10,000 claims will be filed by the Micronesians under Public Law 92-39, approved July 1, 1971. This program comes under the general supervision and control of the Chairman of the Foreign Claims Settlement Commission.

The Commission became involved in this program because of its expertise and experience in the adjudication of claims of the nature provided for under the statute.

As to future claims settlement programs, the Commission is advised that negotiations are nearing completion with respect to a United States-Hungarian claims settlement Agreement whereby additional claims of United States nationals would be received and adjudicated under the provisions of the International Claims Settlement Act of 1949. The Commission's estimate of the number of claims filed under such agreement is between 1,000 and 1,500.

Negotiations have been held from time to time between the United States and Czechoslovakia for a similar claims settlement Agreement. Although these negotiations have not progressed as far as the negotiations with Hungary, nevertheless there appears a good chance that a settlement will be concluded at a future date. These claims would be handled also under the International Claims Settlement Act of 1949. It is estimated that the number of claims filed under this program will number approximately 750 to 1,000.

No staffing provisions have been made with respect to the three preceding items.

There is enclosed for the information of the Committee an updated listing of the claims programs administered by this Commission.

Sincerely,

LYLE S. GARLOCK, *Chairman.*

Enclosures.

FOREIGN CLAIMS SETTLEMENT COMMISSION—SCHEDULE OF POSITIONS, FISCAL YEARS 1972 AND 1973

Fiscal year 1972 (Occupied as of July 1, 1972)	Number,	Fiscal year 1973 ¹ (projected)
Grades and ranges:		
Executive Level V, \$36,000.....	2	1
Equivalent of Executive Level V (per diem).....	1	2
GS-16 \$28,129 to \$35,633.....	4	1
GS-15 \$24,251 to \$31,523.....	8	2
GS-14 \$20,815 to \$27,061.....	1	.....
GS-13 \$17,761 to \$23,089.....	.....	.....
GS-12 \$15,040 to \$19,549.....	.....	.....
GS-11 \$12,615 to \$16,404.....	2	1
GS-10 \$11,517 to \$14,973.....	.....	.....
GS-9 \$10,470 to \$13,611.....	2	1
GS-8 \$9,493 to \$12,337.....	1	1
GS-7 \$8,582 to \$11,156.....	4	2
GS-6 \$7,727 to \$10,049.....	4	1
GS-5 \$6,938 to \$9,017.....	2	1
GS-4 \$6,202 to \$8,065.....	1	.....
GS-3 \$5,524 to \$7,180.....	1	.....
GS-2 \$4,897 to \$6,364.....	1	.....
Ungraded.....	1	.....
Total.....	36	13

¹ Excludes personnel required for the recently authorized Micronesian claims program.

EXHIBIT III SUMMARY OF PROGRAMS COMPLETED UNDER THE WAR CLAIMS ACT OF 1948

Authority	Type of claims	Period covered	Number of claims	Number of awards	Number of denials	Amount of awards	Filing period	Program complete
Sec. 6(d), War Claims Act of 1948; (W.C.A.), Public Law 80-886, approved July 3, 1948; 62 Stat. 1244; 50 U.S.C. App. 2005).	Members of U.S. Armed Forces held as prisoners of war by enemy. Inadequate food rations \$1 per day.	World War II commencing Dec. 7, 1941, ending Sept. 2, 1945.	286,315	179,725	106,590	\$49,935,899	Jan. 30, 1950 to Mar. 31, 1952.	Mar. 31, 1955
Sec. 3(a) (e), W.C.A.	U.S. civilians captured and interned by Japanese or in possession.	do.	23,000	9,260	13,740	13,679,329	Jan. 1950 to Mar. 31, 1952.	Do.
Sec. 7(a), W.C.A.	Religious organizations and personnel in Philippines affiliated with U.S. organization for reimbursement for food, shelter, supplies, and medicine furnished U.S. Armed Forces and citizens in Philippine Islands during World War II.	do.	10,194	35	10,159	2,858,560	do.	Do.
Sec. 6(d), W.C.A., as amended by Public Law 82-303; (66 Stat. 43; 50 U.S.C. App. 2005).	Members of U.S. Armed Forces held as prisoners of war by enemy. Forced labor and for inhumane treatment—\$1.50 per day.	do.	254,228	178,900	75,328	73,492,926	Apr. 9, 1952 to Aug. 1, 1954.	Do.
Sec. 7(b) (c), W.C.A., as amended by Public Law 82-303; (66 Stat. 48; 50 U.S.C. App. 2005).	Religious organizations affiliated with U.S. organization for damage or loss of educational institutions and other connected facilities (church structures were precluded) in Philippines during World War II.	do.	89	48	41	17,238,597	Apr. 9, 1953 to Aug. 1, 1954.	Do.
Sec. 6(e), W.C.A., as amended by Public Law 83-515; approved Aug. 21, 1954 (68 Stat. 761; 50 U.S.C. App. 2004).	Members of U.S. Armed Forces held as prisoners of war during the Korean conflict—\$2.50 per day.	Korean conflict commencing June 25, 1950, ending Aug. 21, 1954.	9,877	9,450	427	8,874,458	Aug. 21, 1954, to Aug. 21, 1955.	Aug. 21, 1955
Sec. 5(g), W.C.A., as amended by Public Law 83-615 (68 Stat. 759; 50 U.S.C. App. 2004).	Civilian American citizens interned or in hiding during Korean conflict—\$60 per month.	do.	10	10	0	16,774	do.	Do.

Sec. 5(a) (e), W.C.A., as amended by Pub. Law 83-744; approved Aug. 1954 (68 Stat. 1033; 50 U.S.C. App. 2004).	U.S. civilian employees and contractors interned by Japanese Government in U.S. territory and possessions—\$60 per month under sec. 5(a) (e).	World War II commencing Dec. 7, 1941, ending Aug. 8, 1945.	2,968	2,222	746	4,082,086	Aug. 31, 1954 to Aug. 31, 1955.	Aug. 31, 1956
Sec. 15, W.C.A., as amended by Public Law 83-744 (68 Stat. 1034; 50 U.S.C. App. 2014).	U.S. citizens who were captured as POW's while serving in Armed Forces of U.S. Allies during World War II, \$2.50 per day subsequent to Dec. 7, 1941.	do.	265	206	59	335,836	do.	Do.
Sec. 16, W.C.A., as amended by Public Law 83-744 (68 Stat. 1034; 50 U.S.C. App. 2015).	U.S. merchant seamen captured and interned in World War II not covered under sec. 5(a) (e)—\$60 per month for every month interned.	do.	385	171	214	333,594	do.	Do.
Sec. 17, W.C.A., as amended by Public Law 83-744 (68 Stat. 1035; 50 U.S.C. App. 2016).	Sequestration of bank accounts of U.S. civilians, members of U.S. Armed Forces, U.S. business firms, and banking institutions in Philippines by Japanese during World War II.	do.	3,626	3,167	459	10,570,917	Aug. 31, 1954 to Aug. 31, 1955.	Aug. 31, 1956
Sec. 7(b), W.C.A., as amended by Public Law 84-997; approved Aug. 6, 1956 (70 Stat. 1063; 50 U.S.C. App. 2006).	Religious organizations functioning in the Philippines during World War II of the same denomination as a religious organization functioning in the U.S. (but not affiliated). Covers same types of claims as sec. 7(a) and 7(b)-g.	do.	109	42	67	8,711,482	Aug. 6, 1956 to Feb. 6, 1957.	Feb. 6, 1958
Sec. 5, W.C.A., as amended by Public Law 87-617; approved Aug. 31, 1962 (76 Stat. 413; 50 U.S.C. App. 2004).	Detention benefits to Guamanians captured by Japanese on Wake Island during World War II. (Previously excluded as non-U.S. citizens.)	do.	35	35	0	91,782	Aug. 31, 1962 to Feb. 28, 1963.	Dec. 31, 1963
Title II, W.C.A., as amended by Public Law 87-846; approved Oct. 22, 1962 (72 Stat. 1107).	War damage or loss to property in certain eastern European countries and territories occupied or attacked by Japanese forces during World War II, damage to ships, losses to insurers, passengers on ships.	World War II commencing Sept. 1, 1939, ending Sept. 2, 1945 (Pacific area) July 1, 1937 to Sept. 2, 1945.	22,605	7,039	15,566	334,783,630	July 15, 1963 to July 15, 1964.	May 17, 1967

1 Many thousands of claims for prisoner of war benefits were received from residents in U.S. possessions and territories acquired by enemy forces during World War II who filed claims for these benefits but were not officially listed as members of duly recognized units of the Armed Forces of the U.S. during World War II. Accordingly, such residents were ineligible to receive prisoner of war benefits, thus the high number of disallowances.

EXHIBIT V.—SUMMARY OF PROGRAMS COMPLETED UNDER THE INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

TITLE I—PROGRAMS COMPLETED

Country	Type of claim covered	Starting date of program	Completion date of program	Source of funds for payment of claims	Amount of funds available or provided	Principal amount of awards approved	Number of awards	Number of claims wholly denied	Approximate percent approved of awards paid
Yugoslavia.....	Nationalization or other taking of American-owned property prior to July 19, 1948 by Yugoslavia.	June 30, 1951	Dec. 31, 1954	Yugoslavia Claims Agreement of July 19, 1948.	\$17,000,000.00	\$18,817,894.90	876	671	91.0
Panama.....	Based on the taking of certain property belonging to American citizens by Panama.	do.....	do.....	Panama Claims Agreement of Oct. 11, 1950.	400,000.00	441,891.84	62	5	90.0
Poland.....	Nationalization or other taking of American owned property by Poland.	Sept. 1, 1960	Mar. 31, 1966	Polish Claims Agreement of July 16, 1960.	140,000,000.00	100,736,781.63	5,022	5,147	236.0

TITLE III—PROGRAMS COMPLETED

Bulgaria.....	(1) War damage claims, (2) nationalization or other taking of American-owned property, (3) failure to meet certain contractual obligations.	Sept. 30, 1955	Aug. 9, 1959	Liquidated assets of Bulgaria blocked in United States.	\$2,613,325.59	\$4,684,187.00	217	174	50.0
Hungary.....	do.....	do.....	do.....	Liquidated assets of Hungary blocked in United States.	1,653,647.09	58,181,408.00	1,153	1,572	1.5
Rumania.....	do.....	do.....	do.....	Liquidated assets of Rumania blocked in United States.	22,025,370.00	60,011,348.00	498	575	35.0
Italy.....	Principally, war damage claims arising outside of Italy caused by Italian military action.	do.....	May 31, 1960	Memo of understanding with Italy dated Mar. 29, 1957.	5,000,000.00	3,659,311.00	482	1,764	100.0
Soviet Union.....	Certain claims of U.S. nationals arising prior to Nov. 6, 1933 (included claims based on World War I takings and defaulted bond obligations).	do.....	Aug. 9, 1959	Litvinov assignments of Aug. 25, 1933, and Nov. 15, 1933.	8,658,722.43	70,466,019.00	1,925	2,205	8.5

TITLE IV—PROGRAM COMPLETED

Czechoslovakia.....	Nationalization or other taking of American-owned property.	Aug. 8, 1959	Sept. 15, 1962	Blocked Czechoslovakian assets in United States.	\$8,540,768.41	\$113,645,205.41	2,630	1,346	5.3
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¹ To be paid over a 20-year period beginning January 1961.

² Estimated.

³ Includes both principal and interest inasmuch as payment priorities and limitations under this title were based on the total amount of awards whereby such priorities and limitations under titles I and III were based on initial and prorated payments on principal amount of awards, prior to making payments on awards of interest. Thus far no interest on awards has been made due to lack of funds with exception of Italian claims.

SUMMARY OF CURRENT AND RECENTLY COMPLETED PROGRAMS—REVISED, JULY 30, 1971

Program	Date of law	Program commenced	Filing period	Date completed	Number of claims filed	Total awards (Principal Amount)	
						Proposed	Final Available fund
Cuba: Public Law 88-666	Oct. 16, 1964	Sept. 2, 1965	Nov. 2, 1965-May 1, 1967	July 6, 1972 ¹	8,800	\$1,678,336,643	\$1,580,270,913
Yugoslavia	Nov. 5, 1964 ²	Nov. 8, 1966	Jan. 15, 1967-Jan. 15, 1968	July 13, 1969	1,877	-----	3,580,093
China: Public Law 89-780	Nov. 6, 1965	Nov. 6, 1967	Jan. 6, 1968-July 6, 1969	July 6, 1972	576	178,254,526	196,381,059
Bulgaria: Public Law 90-421	July 24, 1968	Jan. 1, 1970	Jan. 1, 1970-July 1, 1970	Dec. 31, 1971 ³	64	35,400	400,000
Italy: Public Law 90-421	do	do	do	do ³	357	188,759	1,096,521
Rumania: Public Law 90-421	do	do	do	do ³	389	385,570	2,500,000

¹ Statutory deadline.² Agreement.³ Projected.

Mr. Moss. I will be very candid as to what my view is, what the decision should be, and that is that we terminate in October of next year and assign these duties. I think it would be rather a refreshing change to have Congress eliminate an agency.

It doesn't happen too often. I participated once in doing that. I would like to have the satisfying experience a second time, and I have given a lot of thought to this and reviewed the work of this Commission in recent months.

I have even a bill drafted which would accomplish that objective, although I don't think it is necessary to bring a bill in. We have legislation before us that can be amended to do this same thing.

Mr. ECKHARDT. Mr. Chairman.

Mr. Moss. Mr. Eckhardt.

Mr. ECKHARDT. I would like to ask one question after Mr. McCollister's question. Suppose the Commission were composed of two persons who were not full time. Would they have full-time administrative assistants?

Mr. GARLOCK. No; I can give you a positive answer on that. No; they would not. That is the reason we get to the hundred thousand. The Commissioner, in round numbers, with assistants and space and everything, costs about \$50,000; and for all practical purposes we eliminate the most of that.

Mr. ECKHARDT. The chairman would have, though, I assume, the necessary help.

Mr. GARLOCK. The chairman would have whatever help was required. You should remember, sir, that Mr. Rooney reviews this budget in the Appropriations Committee, and he has a reputation for a very careful eye.

Mr. ECKHARDT. Would that tend to make the chairman more or less de facto single judge?

Mr. GARLOCK. No; he couldn't decide on the cases. This is when the other Commissioners would have to be called in. But the biggest workload after a year from now is the supervision of the Micronesian Claim Commission, in which he has sole authority and responsibility, and the other members of the Commission have no such authority or responsibility.

Mr. ECKHARDT. What is the advantage of having a three-member Commission instead of just a person in charge of the determinations?

Mr. GARLOCK. Well, I think the people with the claims have the feeling that they have a better chance for a better hearing with a little wider review.

Mr. ECKHARDT. Ordinarily though, when a court is sitting on a matter, each judge is equally prepared factually, and with respect to staff, to determine the matters. For instance, the Supreme Court Judge and Associate Judge is exactly in the same position with respect to staff, with respect to his assistants and his research facilities, as the Chief Judge.

The same would be true of a court of appeals; the same would be true of a three-judge court on a constitutional question; the same would be true of State courts with several judges; and it is very difficult for me to imagine a situation in which you really have three persons

determining judicial issues if only one of them is full time and only one is equipped with staff responsible to him.

Mr. GARLOCK. Well, the legal staff would be available to advise on individual cases; and the other thing you have to realize on this particular Commission, there is no appeal as there is in the court situation you were talking about. There is no appeal from merits of the decisions in these cases.

Mr. ECKHARDT. On several cases I am referring to, there is no appeal. There is no appeal from the Supreme Court.

Mr. GARLOCK. But that is a nine-member court.

Mr. ECKHARDT. And that strikes me as the very reason why, if there is to be a three-judge court, each should be equal. I am not arguing that you should keep three members, but I am arguing against a situation in which you give an impression of having a three-judge court but in fact have a one-judge court.

Mr. GARLOCK. Well, my argument on this is that the volume of business, after the Cuban claims, et cetera, are taken care of, is so low that it would not justify it. The other thing is that if a large claim program of some kind came into existence, we could put two per diem members back full time with whatever staff is needed to serve all members of the Commission. This leaves us the flexibility.

Mr. ECKHARDT. Thank you, sir.

Mr. Moss. Any further questions? If not, Mr. Garlock, we thank you for your appearance. The committee will stand adjourned.
(Whereupon, at 10:25 a.m. the committee adjourned.)



