

DECLASSIFIED

Authority AND 683078

POLICY FILE NO. 83Alien and Enemy Property Custodian

<u>Item</u>	<u>Date of Paper</u>	<u>Subject</u>
1.	23 Apr 1945	Disposition of Impounded Vehicles
2.	25 Apr 1945	Claims arising from seizure of property by APC not acceptable
3.	4 May 45	Opinions - Enemy Property
4.	28 May 1945	Conference - Enemy Property for use in Rehabilitation & Source of Supply
5.	5 Jun 1945	Salvage Vessels
6.	10 Jan 46	Property seized by Enemy from original owner without reimbursement.
7.	26 Jun 46	Philippine Nationals are not Enemy Nationals
8.	9 Aug 46	RA No. 7 - Establishment of Foreign Funds Control Office
9.	7 May 47	Disposition of Property Seized by Enemy
10.	16 Jun 47	Contract of Custodianship - between US and Philippine Governments
11.	31 Oct 47	Sample - Vesting Order
12.	15 Nov 47	Handling enemy property not subject of Vesting Order
13.	9 Jan 48	Lists of Looted Property checked against Claims
14.		Sample - Notice to AGRD of claims filed with PAPA
15.		Cross Reference Sheet

DECLASSIFIED

Authority AND 883073

not a part of  
the master file

STATE OF NEW YORK )

SS:

COUNTY OF ALBANY .)

SPENCER B. EDDY, is being duly sworn, deposes and says:

That I reside at 24 Madison Avenue, Saratoga Springs, New York, and am a Public Service Commissioner of the State of New York.

That in the latter part of the year 1944 and the early part of the year 1945 I served as Colonel of Infantry with headquarters U.S.A.F.F.E. and during the times mentioned herein was either Deputy Enemy Custodian or Enemy Property Custodian, which office I was still holding at the time of leaving the Philippines for the United States in May of 1945.

The office of Enemy Property Custodian was established at about the time the American forces entered the City of Manila and I assumed my duties in charge of the office of Enemy Property Custodian shortly after the capture of the walled city.

At about the time of my arrival I learned that one of the United States Military Government units (my impression is that it was #10) had taken over a bodega owned or operated by Aginaldo in which there were a large (my memory is that the number was in excess of 100,000) number of garments and were using some of them for relief purposes. Shortly after setting up the office of Enemy Property Custodian there were several claims made by various people, whose names I do not now remember, that they were the owners or believed they might be the owners of some of the garments so stored. The questions of the ownership and use of the garments was a matter of very considerable discussion between the office of Enemy Property Custodian, the discussions being largely conducted by myself, and the office of Military Government. Many of the discussions I had were with Lt. Col. Joseph L. Rauh. In the course of the discussions I requested an inventory of the garments and also samples to endeavor to have the evidence to

establish who were the proper owners.

I personally prepared a staff memorandum outlining all of the information then available to the office of the Enemy Property Custodian. That memorandum was submitted to Major Gen. Richard Marshall, Chief of Staff to General Mac Arthur, as Commanding General of U.S.A.F.P.E. The memorandum was transmitted through the office of Brig. Gen. Whitney, who was head of the Military Government, and was approved by that Staff Section. The memorandum was subsequently approved by Gen. Marshall acting for General Mac Arthur.

As a result of the various discussions and the action by the office of Enemy Property Custodian as approved by General Marshall, it was understood that the garments were to be used for such purposes as the Military Government, staff section, believed necessary for civilian relief with the understanding that the United States Government would assume liability for paying the rightful owners for the value of the goods so taken upon a determination as to who might be the rightful owner.

There existed a question as to whether or not some or all of the goods had at one time come into the possession of the Japanese government. However, the office of Enemy Property Custodian at no time made a determination that any of the garments were in fact enemy goods.

It is my memory, however, that the office of Enemy Property Custodian did place a custody notice on the bodega where the goods were stored. In addition to the garments which were in that building there were a number of other items as to which there was a question as to whether or not they were enemy goods but, so far as the garments were concerned, no determination was made by the office of Enemy Property Custodian as to whether they were or were not enemy goods during the time I served in that office; and at the time I left Manila, all of the goods had been used by the Military Government.

/s/ Illegible

Sworn to before me this  
10th day of February, 1947.

/s/ Elizabeth A. Wilkinson  
NOTARY PUBLIC

ELIZABETH A. WILKINSON

Notary Public in the State of New York  
Residing in Albany County Official No. 1557  
Commission Expires March 30, 1948

CERTIFIED TRUE COPY:

*Paul D. Ferrine*

PAUL D. FERRINE  
Director, Team #2

STATE OF NEW YORK )

SS:

COUNTY OF ALBANY ))

SPENCER B. EDDY, is being duly sworn, deposes and says:

That I reside at 24 Madison Avenue, Saratoga Springs, New York, and am a Public Service Commissioner of the State of New York.

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establish who were the proper owners.

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Shown to before me this  
10th day of February, 1947.

/s/ Illegible

/s/ Elizabeth A. Wilkinson  
NOTARY PUBLIC  
ELIZABETH A. WILKINSON  
Notary Public in the State of New York  
Residing in Albany County Official No. 1557  
Commission Expires March 30, 1948

CERTIFIED TRUE COPY:

*Paul D. Ferride*  
PAUL D. FERRIDE  
Director, Team #2

CITY OF WASHINGTON )  
 ) SS:  
 DISTRICT OF COLUMBIA )

JOSEPH L. RAUH, JR., being duly sworn, deposes and says:

That I reside at 2949 Newark Street, N. W., Washington, C. D.

That I have read the attached affidavit of Spencer B. Eddy and that I believe the facts set forth therein are accurate.

That during all the times mentioned in the attached affidavit I was a Lieutenant Colonel with headquarters U.S.A.F.F.E., having the particular responsibility for civil administration and relief in the City of Manila. I was, therefore, dealing with the matter set forth in the attached affidavit and am in a position to corroborate the facts set forth therein.

/s/ Joseph L. Rauh, Jr.  
/t/ Joseph L. Rauh, Jr.

Sworn to before me this 14th day of February, 1947.

/s/ Robert E. Corish  
Notary Public

My commission expires:

March 31, 1951

CERTIFIED TRUE COPY:

*Paul D. Perrine*  
 PAUL D. PERRINE  
 Director, Team #2



CITY OF WASHINGTON )  
 ) SS:  
 DISTRICT OF COLUMBIA )

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/s/ Joseph L. Rauh, Jr.  
/t/ Joseph L. Rauh, Jr.

Sworn to before me this 2th day of February, 1947.

/s/ Robert E. Gorish  
 Notary Public

My commission expires:

March 31, 1951

CERTIFIED TRUE COPY:

*Paul D. Perrine*  
 PAUL D. PERRINE  
 Director, Team #2

Claimant: Tolentino <sup>Manila</sup> rep by Santuyana  
 For 1

Storage of Colba -  
 supposed to be prop  
 owned on  
 theory - USA took  
prop property -  
 Therefor local officials  
 could exercise constructive  
 Custody of this property  
 and could bind  
 USA to pay  
 rental of area for  
 storage.

2 Facts:

During this time ---  
 Colba has disappeared.

3 EPC does not take  
 Custody of prop property  
 until some finding  
 by EPC the  
 property is "present".

4. EPC holds USA does  
 not take title until  
 PAPA determines  
prop owner's enemy - and

issues formal "vesting order  
establishing title in USA,

5, Pending "vesting order"  
property subject to  
release by EPC  
to owner with  
clearance -

6. Responsibility for incurring  
storage or other  
safeguard cost is  
by order of EPC  
~~or~~ or established  
army authority.

*Cross Reference Sheet*

- 1. Policy File No 31- Collaborators and Blacked Nationals*

15

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*Admitt*

PHILIPPINE  
ALIEN PROPERTY ADMINISTRATION  
OF THE UNITED STATES  
MANILA, P. I.

VESTED PROPERTY CLAIMS COMMITTEE

MAR 7 1949

NOTICE OF FILING OF CLAIMS

The following claims have been filed with this Administration.

<u>Claim No.</u>	<u>Claimant</u>	<u>V.O.No.</u>	<u>Nature of Claim</u>	<u>Date Filed</u>
1264	Tan Uh Back	P-17	For the return of property.	3-24-49
1265	Harry D. Kneedlar	P-5 etc	Payment of debt for \$825,840.00.	3-25-49
1266	Ricardo Tala	P-766	For the return of a two-story house.	3-28-49
1267	Francisco Lomayon	P-782	For the return of a one-story house.	3-28-49
1268	Teodorico Santa Cruz	P-57(S)	For the return of lot.	3-22-49
1269	Norman J. Masterson	P-4	Payment of debt for ₱364.50.	3-24-49
1270	Li Seng Giap & Company, Inc.	P-224	Payment of debt for \$4,140.00.	4-1-49

*Milobral*  
JULIO S. ARZADON  
Secretary



PHILIPPINE  
 ALIEN PROPERTY ADMINISTRATION  
 OF THE UNITED STATES  
 MANILA, P. I.  
 VERIFIED PROPERTY CLAIMS COMMITTEE

MAR 7 1950

NOTICE OF FILING OF CLAIMS

The following claims have been filed with this Administration.

<u>Date filed</u>	<u>Nature of claim</u>	<u>V.O.No.</u>	<u>Claimant</u>	<u>Claim No.</u>
3-24-49	For the return of property.	P-17	Two UN Bank	1282
3-28-49	Payment of debt for \$222,848.00.	P-8	HARRY B. KNEEDLER	1283
3-28-49	For the return of a two-story house.	P-788	Ricardo Tala	1284
3-28-49	For the return of a one-story house.	P-782	Francisco Lomayon	1287
3-23-49	For the return of lot.	P-87(2)	Teodorico Santa Cruz	1288
3-24-49	Payment of debt for \$84.50.	P-4	NORMAN J. MASTERTON	1289
4-1-49	Payment of debt for \$4,140.00.	P-324	LI SENG GIAP & COMPANY, INC.	1290

*Handwritten signature*  
 JAMES C. ANDERSON  
 Secretary



C O P Y

BASIC: Ltr, Hq, Philippines-Ryukyus Command, APO 707, GSCLR 150/1760,  
 subj, "Restitution of Looted Property from P. I. from which  
 Payment Has Been Made," 21 Nov 47

AG 386.6 (21 Nov 47)CPC/FP 1st Ind

GENERAL HEADQUARTERS, SUPREME COMMANDER FOR THE ALLIED POWERS, APO 500  
9 January 1948

TO: Commanding General, Philippines-Ryukyus Command, APO 707

The information requested is forwarded on the inclosed lists. Further reports will be forwarded from time to time as changes occur in the status of the reference property.

FOR THE SUPREME COMMANDER:

- 4 Incls  
 w/d 1 incl w/incls  
 Added 4 incls
2. List of Vessels
  3. List of Property in Custody
  4. List of Singer Sewing Machines  
 in Custody
  5. List of Restituted Property  
 w/photograph

Signed.  
 A. J. REHE  
 Major, AGD  
 Asst Adj Gen

13

C O P Y

*Copy 1/13*

13

HEADQUARTERS  
PHILIPPINES-RYUKYUS COMMAND

GSCLR.150/1760

AP0 707  
21 Nov 1947

SUBJECT: Restitution of Looted Property from P. I. from  
which Payment Has Been Made.

TO : Civil Property Custodian, SCAP, APO 500  
ATTENTION: Looted Property Branch, Foreign  
Property Division

1. Attention is invited to the inclosed correspondence.
2. It is requested that this office be furnished with a copy of all lists of tangible recovered property looted from the Philippine Islands.
3. A detailed description of the recovered property, particularly in the case of vessels and vehicles, is necessary for checking against claims filed with this office.

FOR THE COMMANDING GENERAL:

s/t/ R E CANTRELL  
Captain, AGD  
Asst Adj Gen

1 Incl:  
Copy ltr fr Lt. Col.  
B. A. Wood, PHILRYCOM  
dtd 9 Jun 47 w/ 1st &  
2nd Indorsements

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COPY FOR: JUDGE ADVOCATE, PFC



**BASIC:** Ltr fr Lt. Col. Basil A. Wood, Chief of Claims Service, PHILIPPINES to Col. F. P. Shaw dtd 9 June 1947, re Restitution of Looted Property for Which Payment Has Been Made.

**OSCE** 2nd Ind

Headquarters, Philippines-Ryukyus Command, Office of the Chief of Claims Service, APO 707, 24 July 1947 ✓

**TO:** General Headquarters, Far East Command  
**ATTENTION:** Judge Advocate

1. Claims Service has received over 100,000 claims and it is estimated that another 150,000 claims will be filed. Of this total approximately 50 percent are for tangible personal property such as is described in Inclosures 4, 5 and 6. The War Damage Commission, which has an equivalent interest in this subject, estimates that over a million claims will be filed with it, of which a large portion will also be for similar personal property.

2. While this section is not informed as to the number of instances in which looted property is recovered and returned or action is taken by Claims Branch of the Foreign Property Division therefor, it is believed that the volume thereof would be materially less than the claims filed with Claims Service or the War Damage Commission covering tangible personal property of all kinds. The mechanics of preparing the list suggested in paragraph 2 in 1st Indecrement would require a large clerical force and probably consume several months of time.

3. It is therefore requested that Claims Branch and Looted Property Branch of the Foreign Property Division, Civil Property Custodian, SCAF, be requested to furnish this Section with a copy of the list of all tangible personal property recovered in such descriptive detail as may be necessary to permit a check against claims for the same property in this Section.

6 Incls  
n/c

WILLIAM S. ELEY  
Colonel, Infantry  
Chief of Claims Service

ADM DIV

RECEIVED  
11 JUL 1947

2007  
5

J4, REC

**BASIG:** Ltr fr Lt. Col. Basil A. Wood, Chief of Claims Service, PHILRYCOM to Col. F.P. Shaw dtd 9 June 1947, re Restitution of Looted Property for Which Payment Has Been Made.

1st Ind.

OFFICE OF THE JUDGE ADVOCATE, GENERAL HEADQUARTERS, FAR EAST COMMAND,  
APO 500, 27 June 1947.

**TO:** Chief of Claims Service, Philippines-Ryukyus Command, APO 707.

1. Conferences concerning the matters referred to in above letter have been held between a representative of this office and representatives of the Claims Branch and Looted Property Branch of the Foreign Property Division, Civil Property Custodian, SCAP, which maintain respectively records of claims for looted property and catalogs of recovered looted property.

2. The Foreign Property Division suggests that Claims Service, PHILRYCOM, forward to this office, for transmission to GPC, a list of all tangible personal property (e.g., automobiles, boats, etc.) for which claims, based on alleged requisition by United States forces in the Philippines, have been filed with or paid by Claims Service. Such a list should provide descriptions sufficiently detailed to enable the Looted Property Branch to make an adequate check against lists of all recovered looted property.

3. The Foreign Property Division has furnished catalogs of recovered looted property now in storage in Japan, including a catalog of recovered automobiles, of which some may have been the basis of claims presented to or paid by Claims Service, PHILRYCOM. Enclosed are copies of the mentioned catalogs and of orders to the Japanese Government to make restitution of three automobiles.

4. It is suggested that you consider and recommend a method for periodic exchange with the Foreign Property Division, GPC, of lists of the claims filed from time to time in your respective offices in order to safeguard against, on the one hand, restitution of vehicles for which claims have been paid by the United States and, on the other hand, payment of claims where restitution of the property has been made.

**6 Incls:**

1. Newspaper Clip.-6 Jun 47
2. Memo for Jap.Gov., subj:  
Restitution Car Removed  
from Philippines
3. Memo for Jap.Gov., subj:  
Restitution of Looted  
Vehicles
4. Catalog of Looted Cars  
Strd in Kisugawa Kampon Whse
5. Catalog of Looted Properties  
Strd in Mitsui Kitahama Whse
6. Catalog of Ltd. Prop.  
Strd in Hakozaki Whse



REAG: For Lt. Col. Basil A. Wood, Chief of Claims Service, PHILADELPHIA  
 Lt. Col. F. P. Shaw 4th June 1947, re restitution of looted property  
 for which payment has been made.

1st Ind.

OFFICE OF THE JUDGE ADVOCATE, GENERAL HEADQUARTERS, FAR EAST COMMAND,  
 490 500, 27 June 1947.

TO: Chief of Claims Service, Philippines-Formosa Command, 490 707.

1. Conference concerning the matters referred to in above letter  
 have been held between a representative of this office and representatives  
 of the Claims Branch and Looting Property Branch of the Foreign Property  
 Division, Civil Property Administration, SCAP, which maintain respectively  
 records of claims for looted property and catalogs of recovered looted  
 property.

2. The Foreign Property Division suggests that Claims Service  
 PHILADELPHIA forward to this office for transmission to CPO, a list of all  
 foreign personal property (e.g., automobiles, boats, etc.) for which  
 claims based on alleged restitution by United States forces in the  
 Philippines, have been filed with or paid by Claims Service. Such a list  
 should provide descriptions sufficiently detailed to enable the Looting  
 Property Branch to make an adequate check against list of all recovered  
 looted property.

3. The Foreign Property Division has furnished catalogs of recovered  
 looted property now in storage in Japan, including a catalog of recovered  
 automobiles, of which some may have been the basis of claims presented to  
 or paid by Claims Service, PHILADELPHIA. Enclosed are copies of the mentioned  
 catalogs and of orders to the Japanese Government to make restitution in  
 three automobiles.

4. It is suggested that you consider and recommend a method for  
 periodic exchange with the Foreign Property Division of lists of  
 claims filed from time to time in your office in order to  
 determine if any of the claims listed in your office are included in the  
 catalogs which are being made available to you. The exchange of  
 information should be made on the basis of the catalogs of claims  
 which have been paid by the United States and the catalogs of claims  
 where restitution of the property has been made.



JUDGE ADVOCATE  
 FAR EAST COMMAND

- 6. Catalog of Looting Property
- 5. Catalog of Looting Properties
- 4. Catalog of Looting Cars
- 3. Memo for Lt. Col. Shaw re  
 Restitution of Looting  
 Cars from Philippines
- 2. Memo for Lt. Col. Shaw re  
 Restitution of Looting  
 Cars
- 1. Memo for Lt. Col. Shaw re  
 Restitution of Looting  
 Cars

HEADQUARTERS  
PHILIPPINES-RYUKYUS COMMAND  
OFFICE OF THE CHIEF OF CLAIMS SERVICE

APO 707  
9 June 1947

Colonel Franklin T. Shaw, JAGD  
The Judge Advocate, Far East Command  
Meiji Building  
APO 500

Dear Colonel Shaw:

I inclose herewith a copy of a newspaper article showing the location of automobiles and other property in Japan, that was taken by the Japs from the Philippine Islands.

We have records on approximately five thousand vehicles, and many sewing machines, boats, ships and other equipment, where the claimants have offered proof that the United States Army procured the property and on which we have had to make payment. Therefore, the title to the property is in the United States and the property should not be returned to the prior owner.

Claims Service requires a list of the property that is available for return to owners from the Philippines. May I ask that you make such request to the proper agency there, or advise me so that I can address the proper agency and secure a list of property that is available to be returned to proper owners.

Very truly yours,

Incl

Newspaper clipping -  
6 June 47 - "Madrigal Boat,  
Aguinaldo Car Grabbed by Japs  
To be Returned to Owners."

/s/ Basil A. Wood  
/t/ BASIL A. WOOD  
Lieutenant Colonel, JAGD  
Chief of Claims Service

COPI:

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Authority AND 683078

DECLASSIFIED  
DATE 08-28-2001 BY 60322 UCBAW/STP

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PHILIPPINE  
ALIEN PROPERTY ADMINISTRATION  
OF THE UNITED STATES  
MANILA, P. I.

DECLASSIFIED

Authority AND 683078

November 15, 1947

The Chief  
Claims Service  
PHILRYCOM, APO 707

Re: Vesting Order No. P-428

Dear Sir:

Attention: Captain Myers

This makes reference to our telephone conversation of yesterday in which you requested that we furnish you with a list of enemy property at Iloilo now in possession of your office there. We are pleased to enclose a copy of our Vesting Order No. P-428.

Inasmuch as the Claims Service is now thru with the property, it is requested that you turn over the property to some responsible person under trusteeship furnishing us receipt. You mentioned in your conversation yesterday that you thought there was some real estate involved also. We are unable to identify the real estate which the Claims Service is occupying but in the event the Claims Service is using any other enemy property, we suggest that you handle it in the same manner as you handle the personal property. That is, turn it over to some responsible person under custodianship.

Yours very truly,



M. McCONNELL  
Chief

Property Mgmt. &amp; Sales Division

Enc.-1



UNITED STATES OF AMERICA  
PHILIPPINE ALIEN PROPERTY ADMINISTRATION

Vesting Order No. P-428

Re: Personal property owned by  
the Imperial Japanese Army

Under the authority of the Trading with the Enemy Act, as amended, the Philippine Property Act of 1946, and Executive Order No. 9818, and pursuant to law, after investigation, it is hereby found:

1. That the property described as follows:

- 4 brown narra rest or easy chairs (Ambassador model), with metal linings;
- 1 narra desk w/4 drawers 4' x 8';
- 1 long heavy narra dining table with 4 legs 3 $\frac{1}{2}$ ' x 8';
- 1 lauan dining table 4' 10';
- 1 narra desk w/7 drawers 4' x 6';
- 1 brown narra revolving chair, bejuco back, manufactured by Ideal Furniture, Benavides, Manila;
- 2 bookshelves (narra) without doors, glass sides, 4 shelves each 1' x 3' x 5' with tops destroyed;
- 1 brown narra desk, 7 drawers (3 missing) 3 $\frac{1}{2}$ ' x 6';
- 1 narra revolving chair, high back, bejuco back;
- 2 dark brown revolving chairs, wooden back;
- 1 lauan desk with 5 drawers (drawers provisionally built) 3' x 5';
- 1 lauan desk with 6 drawers 3 $\frac{1}{2}$ ' x 5';
- 1 tanguile aparador, wooden doors 1' x 3' x 5';
- 1 brown narra table w/3 drawers 4' x 5';
- 1 bookshelf, tanguile, 4 shelves glass door, upper portion of glass door missing, identified with number 6236-1;
- 1 small tanguile brown desk with 5 small drawers 30" x 60";
- 1 dark brown desk w/7 drawers (1 missing) 3' x 6';
- 1 small dark brown narra desk w/7 drawers 3' x 5';
- 1 dark brown tanguile table w/7 drawers 3 $\frac{1}{2}$ ' x 6',

all presently being used by the Claims Service, PHILRYCCM, 25 Gral. Blanco Street, Iloilo City, Philippines.

is property within the Philippines owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence



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of ownership or control by, a designated enemy country (Japan);

And having made all determinations and taken all action required by law, and deeming it necessary in the national interest,

HEREBY VESTS in the Philippine Alien Property Administrator the property described in subparagraph 1 hereof, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States, in accordance with the provisions of the Trading with the Enemy Act, as amended, and the Philippine Property Act of 1946.

Any person, except a national of a designated enemy country, asserting any claim arising as a result of this Order may, within two years from the date hereof, or within such further time as may be allowed, file with the Philippine Alien Property Administrator on Form PAPA-1 a notice of claim, together with a request for a hearing thereon. Nothing herein contained shall be deemed to constitute an admission of the existence, validity or right to allowance of any such claim.

Executed at Manila, Philippines, on October 31, 1947.

/s/ James McI. Henderson  
/t/ JAMES McI. HENDERSON  
Philippine Alien Property Administrator

of ownership or control by, a designated enemy country (Japan);

And having made all determinations and taken all action required by law, and deeming it necessary in the national interest,

HEREBY VESTS in the Philippine Alien Property Administrator the property described in subparagraph 1 hereof, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest and for the benefit of the United States, in accordance with the provisions of the Trading with the Enemy Act, as amended, and the Philippine Property Act of 1946.

Any person, except a national of a designated enemy country, asserting any claim arising as a result of this Order may, within two years from the date hereof, or within such further time as may be allowed, file with the Philippine Alien Property Administrator on Form PAPA-1 a notice of claim, together with a request for a hearing thereon. Nothing herein contained shall be deemed to constitute an admission of the existence, validity or right to allowance of any such claim.

Executed at Manila, Philippines, on October 31, 1947.

/s/ James McI. Henderson  
/t/ JAMES McI. HENDERSON  
Philippine Alien Property Administrator

Filed with the  
Official Gazette:

<u>October 31, 1947</u>	<u>9:25 a.m.</u>
Date	Time

I hereby certify that the foregoing is a true and correct copy of an instrument on file in this office entitled "Vesting Order Number P-428."

*Charles E. Junkin*  
CHARLES E. JUNKIN  
APPROVED CERTIFIED OFFICER

NOV 5 1947

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PHILIPPINE ALIEN PROPERTY ADMINISTRATION  
Manila, P. I.

I, Adjutant, hereby certify  
that as Director, Claims Service,  
Manila, was served with  
a copy of Vesting Order No. D-488 of the Philippine Alien  
Property Administrator of the United States, at 10:55  
o'clock, on November 14, 1947.

Mrs William P. Johnson  
Adjutant  
Director, Claims Service  
Manila

-----

This is to certify that I, G. N. Briones,  
an employee of the Philippine Alien Property Administration,  
United States of America, served the Director, Claims Service,  
with a copy of Vesting Order No. D-488, dated PHILIPPINES  
Oct. 31, 1947  
of the Philippine Alien Property Administrator by leaving  
the same with Adjutant at 10:55 o'clock  
November 14, 1947.

G. N. Briones  
G. N. BRIONES  
Investigator  
Official Designation  
Philippine Alien Property Administration

*[Handwritten mark]*

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C O N T R A C T   O F   C U S T O D I A N S H I P

This Contract of Custodianship

executed by and between

The Government of the United States

represented by

The Enemy Property Custodian,  
Headquarters, Philippine Ryukyus Command,  
hereinafter referred to as the Enemy Property Custodian

and

The Government of the Republic of the Philippines

represented by

The National Land Settlement Administration,  
hereinafter referred to as the Administration

## WITNESSETH THAT:

1. The Enemy Property Custodian hereby agrees to deliver into custody of the Administration certain enemy owned personal property including but not limited to, cattle located in the Sarangani Bay Area, Cotabato, Mindanao, Philippines;

2. The Enemy Property Custodian and the Administration both agree that a physical check of the personal property and an itemized receipt will be made by their duly authorized agents or representatives, and when receipted for by the Administration, its agents or representatives, custody shall pass to the Administration and the receipt shall become a binding part of this contract;

3. The Administration acknowledges that it has no title to the said personal property, pending effectiveness of a Vesting Order by the Philippine Alien Property Administrator based on the receipt referred to in paragraph 2 hereof and transfer of ownership to the Republic of the Philippines by the Philippine Alien Property Administrator pursuant to Section 3 of the Philippine Property Act of 1946;

4. Until transfer of ownership has been effected, which is referred to in paragraph 3 hereof, the Administration hereby obligates and binds itself to maintain, safeguard, care for and preserve all of the personal property, its fruits and the increase thereof, delivered into custody of the Administration, under the itemized receipt referred to in paragraph 2 hereof, or to indemnify and save the Enemy Property Custodian harmless from any claims for loss or damages;

5. The Administration agrees that in the event it becomes imperative to sell any part or portion of the personal property received for under this contract of custodianship, sale will only be made under such terms and conditions that will insure receipt of the fair market value therefor: The Administration further agrees that all funds so received shall be held in trust for the Philippine Alien Property Administrator or other rightful owners thereof: Provided, however, That necessary expenditures for upkeep and maintenance of the property may be deducted therefrom and: Provided further, That all records of receipts and expenditures shall be subject to an accounting;



6. The Administration further obligates and binds itself to save harmless the Enemy Property Custodian, his agents and representatives from any claims and expenses which have arisen or which may arise with respect to the personal property referred to in paragraph 2 hereof, and hereby approves and ratifies all transactions heretofore made by the Enemy Property Custodian with respect to the said personal property;

7. The Administration agrees to accept custody of said personal property under the conditions outlined above.

IN WITNESS WHEREOF, the Enemy Property Custodian and the Administration have executed this Contract of Custodianship on this 16th day of June, 1947, in duplicate originals and have caused their official seals to be affixed in the City of Manila, Philippines.

FOR THE GOVERNMENT OF  
THE UNITED STATES OF AMERICA

/s/ JOHN C. NEWTON  
Enemy Property Custodian

FOR THE GOVERNMENT OF  
THE REPUBLIC OF THE PHILIPPINES

/s/ MANUEL V. GALLEGO  
National Land Settlement Administration

WITNESSES:

/s/ Wm. P. COCHRANE

/s/ BERNABE AFRICA

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GSGLI,OA

Claim of Marcos Escobar (PRO - 2696)

(2) Acting Director TO: Director 7 May 1947  
Investigation Division Branch Office, Claims Service  
Cebu City, Cebu

1. The file of subject claim is returned herewith for immediate investigation. The Director or a competent representative should contact the owner or Congressman Binasire to determine the action contemplated, insofar as the filing of claim by the owner is concerned and to determine the identity of the owner.

2. The Enemy Property Custodian advises that in the event property was taken by the Japanese from the owner, PEAU, or any other unit of the U. S. Army taking the property from the Japanese, has a duty to turn the property over to the original owner. If, however, sale was made in any form, regardless of the amount or regardless of alleged duress, title is not considered to be vested in the owner. Therefore, he has no right to make a claim. If the Japanese made any payment whatsoever for the property, then title is not considered to be in the original owner.

PAT HALLFORD  
Acting Director  
Investigation Division

Incls  
File

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RECEIVED  
MAY 10 1947  
INVESTIGATION DIVISION

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TO: Director

Acting Director

Human Affairs, Claims Service  
Geneva City, Calif

Investigation Division

(2)

1. The title of subject matter is returned herewith for immediate investigation. The Director or a competent representative should contact the owner or Congressman Hinrich to determine the action contemplated, including the filing of claim by the owner in connection and to determine the identity of the owner.

2. The newly Property Guardian advises that in the event property was taken by the Japanese from the owner, PCMU, or any other unit of the U. S. Army during the property from the Japanese, has a duty to turn the property over to the original owner. If, however, sale was made in any form, regardless of the amount or regardless of alleged fraud, title is not considered to be vested in the owner. Therefore, he has no right to make a claim. If the Japanese made any payment whatsoever for the property, then title is not considered to be in the original owner.

FOR THE DIRECTOR  
Acting Director  
Investigation Division

Title



FIRST CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Session )

H. No. 444

9 Aug 1946

(REPUBLIC ACT NO. 7)

**AN ACT TO ESTABLISH THE FOREIGN FUNDS CONTROL OFFICE, AND FOR OTHER PURPOSES**

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

**Section 1.** There is hereby established a Foreign Funds Control Office under the Department of Finance with authority, during the existence of the national emergency resulting from the war or so long as it may be necessary in the public interest, to exercise financial control over, and to investigate, regulate, direct and compel, nullify, void, prevent or prohibit any holding of, or dealing in, or exercising of any right, power or privilege with respect to any property within the Philippines or any transaction involving such property in which any enemy country or national thereof has any interest.

**Section 2.** The Foreign Funds Control Office is authorized to require any person to keep a full record of and to furnish under oath in the form of reports, or otherwise, complete information relative to any act or transaction referred to in this Act either before, during, or after the completion thereof, or relative to any property or interest therein in which any enemy country or any national thereof has or has had any interest or as may be necessary to enforce the provisions of this Act; and in any case in which a report could be required, the Foreign Funds Control Office may require the production of, or seize any books of account, records, contracts, letters, memoranda or other papers in the custody or control of such person, and the Foreign Funds Control Office may take further measures not inconsistent herewith for the enforcement of this Act.

**Section 3.** For the purpose of this Act, the term "national" of an enemy country shall include, but not by way of limitation,

- (1) Any foreigner who directly or indirectly, or who there is a reasonable cause to believe directly or indirectly, levied war against the United States or the Commonwealth of the Philippines, or adhered or gave aid or comfort to an enemy country, during the war;
- (2) Any foreigner who is or has been, or to the extent that there is reasonable cause to believe that such person is or has been, acting or purporting to act directly or indirectly for the benefit or on behalf of any enemy country or national thereof, and
- (3) Any Filipino citizen against whom charges for treason or any other crime against the national security are pending in any court or tribunal, civil or military.

Republic Act No. 7.

Section 4. The Foreign Funds Control Office, with the approval of the President, is hereby authorized to prescribe from time to time further definitions not inconsistent with the purposes of this Act, and generally to make such rules and regulations as may be deemed necessary or expedient to carry out and enforce the purposes of this Act.

Section 5. Any person violating any provisions of this Act shall, upon conviction, be punished by a fine of not exceeding twenty thousand pesos or by imprisonment of not exceeding ten years, or both, in the discretion of the court.

Section 6. To carry out the purposes of this Act, there is hereby appropriated out of any funds in the Treasury of the Philippines not otherwise appropriated the sum of fifty thousand pesos, to be expended upon the recommendation of the Secretary of Finance with the approval of the President.

Section 7. This Act shall take effect upon its approval.

Approved, August 9, 1946.

COPY

JAGD/D-84004

(Palanca, Sebastian C.)  
WD, JAGO, Washington 25, D.C.

2nd Ind

RF/omg  
JUNE 26, 1946TO: Commanding General, AFWESPAC, APO 707, c/o Postmaster, San Francisco.  
ATTENTION: Chief of Claims.

1. It is not the view of this office that this claim was disapproved on the ground of collaborationism. Both the memorandum of this office for the Under Secretary of War dated 8 April 1946 and the action by the Under Secretary were based on the same grounds as found by Foreign Claims Commission No. 56, namely failure of proof.

2. In view of the fact that no Filipino national could be a "national of any country at war with the United States or of any ally of such enemy country" as described in the Foreign Claims Act (Act of Jan 2, 1942, as amended), their claims do not appear to be excluded on that or any similar basis. The fact that the Act of July 31, 1945 made the Foreign Claims Act applicable to the Philippine Islands does not appear to have affected that portion of the Foreign Claims Act.

3. Therefore, it is the view of this office that the procedure adopted by the Claims Service, AFWESPAC, as described in Pars 3 and 4 of basic communication is correct and should continue to be followed.

FOR THE JUDGE ADVOCATE GENERAL:

/s/ Harry E. Clarke  
/t/ HARRY E. CLARKE  
Lieutenant Colonel, JAGD  
Chief of Claims Division

C O P Y

Completed

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CMN:jbg

Validity of Sale by Philippine  
Civil Affairs Unit No. 26

TO: Director,  
Claims Investigating Service  
Claims Service, AFWESPAC  
APO 707

FROM: Bacolod Sub-Office  
Claims Service, AFWESPAC  
Negros Occidental  
Via Iloilo, Panay  
APO 715

THRU: Officer In Charge  
Branch Office "S"  
Claims Service, AFWESPAC  
Sub-Base "S", APO 718

1. Recently the local court invalidated a sale of an automobile (allegedly enemy property) by PCAU No. 26. The buyer at the public sale now makes inquiry as to whether or not he has a claim against the United States for the purchase price paid, the value of improvements made and for expenses incurred in litigation including attorney's fees.

2. The facts involved in this case were briefly these

During the Japanese occupation of this island the Japanese Army through duress and without paying a consideration took over A's car. They continued to use it for military purposes until the American liberation, at which time the car was taken over and used by the American forces. Shortly thereafter, PCAU No. 26, after advertising in the local newspapers, sold this car at public sale to B. A did not at that time voice any objection to the sale. Subsequently, however, A brought an action in the Court of First Instance to recover the car and the court upheld him saying that the car was illegally taken away from A by the Japanese and that PCAU No. 26 had no interest whatsoever in the car and that B also had notice from the public records that PCAU No. 26 was not the owner of the car, and it held further that A was entitled to all the improvements made by B. B does not intend to appeal this decision as he has no funds to prosecute same.

3. In view of this decision and the fact that many



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such sales had been made by FCAU No. 26 and not having proper facilities upon which to base an opinion, it is requested that the Legal Research Section render an opinion as to whether or not FCAU No. 26 committed a wrong which will give rise to a claim under AR 25-90.

CHARLES M. MENAPACE  
1st Lt., JAGD  
Investigating Officer  
Claims Service, AFWESPAC

HEADQUARTERS  
REPLACEMENT COMMAND  
U.S.A.F.F.E.

## CHECK SHEET

Do Not Remove From Attached Sheets.

Note No.            File No.            Subject:

Asst to C/S

GPA

1 June 1945

1. Inclosures 1 and 2 are memo from EPC on salvageable vessels.
2. Plan for putting salvaged vessels to constructive use approved in principle. Work out with civil affairs proper method.

/s/t/ R.C.K.

Copy to EPC, Civil Affairs

2 Incls:

Incl 1 - Salvaged Craft

Incl 2 - Enemy Craft

FROM: Civil Affairs

TO: EPC  
THRU: GPA5 June 1945

1. It is suggested that the boats be treated prima facie as enemy property, and that the Enemy Property Custodian dispose of these vessels in such a manner as he may deem practicable either on the acceptance of bids or by private sale.
2. The Commonwealth Government should be satisfied as to the reliability of the purchaser and the proposed use to which the purchaser will put the boats. If sold upon bids, the proposal for bids should contain provisions to this effect.
3. The Commonwealth Government is agreeable to this program.

/s/t/ C.W.

Incls: n/c

UNITED STATES ARMY FORCES IN THE FAR EAST  
OFFICE OF THE ENEMY PROPERTY CUSTODIAN

C H E C K   S H E E T

File No. FEPEC ESS: WHQ: Subject: Disposition of Enemy-Owned Craft.

FROM: EPC, USAFFE.

TO: C/S, USAFFE.

30 May 1945

1. Numerous enemy-owned craft located in and about Philippine waters, afloat, submerged, partially submerged, and on land, are a menace to navigation. Use of these vessels by civilians will be helpful in the rehabilitation of the Philippines.

2. Approval of the following plan is requested:

a. That this office shall dispose of these vessels to civilians.

b. That this disposal shall be based either on an Army appraisal or on the acceptance of bids, either open or closed, in such a manner as best appears to this office to be necessary to protect the interests of the Government. In the event it appears to this office to be desirable that the vessels be advertised for sale, this office will publicly advertise these vessels for sale.

3. If the requested approval is granted, contracts will usually contain the following provisions:

a. That a payment will be made in advance by the contractor, and that upon his failure to comply with any of the contractual conditions, this payment will be forfeited by him.

b. That the contractor will remove the vessels within a specified time.

c. That the contractor will warrant that, (1) the purpose for which the vessel is intended is the establishing of legitimate trade and commerce which will be useful in the rehabilitation of the Philippines, (2) his operations will not imperil navigation, and (3) he has the knowledge, experience, personnel and equipment necessary to perform the salvage operation.

4. This matter has been discussed with the General Purchasing Agent and with Major Peter J. Short of the Port Command, and their concurrence in this plan has been obtained.

/s/t/ E. S. S.

UNITED STATES ARMY FORCES IN THE FAR EAST  
OFFICE OF THE ENEMY PROPERTY CUSTODIAN

## C H E C K   S H E E T

File No. FEPEC    ESS:pd    Subject: Salvage of Small Craft Submerged,  
Partially Submerged, or Afloat.

FROM: EPC, USAFFE.

TO: Asst. to C/S, USAFFE.  
(Col. Kramer)

26 May 1945.

1. There are a considerable number of shipping vessels, partially or completely submerged or afloat, not currently being used for military purposes, which would be of considerable value for rehabilitation of commerce in the Philippine Islands. Some are enemy property.
2. Attached hereto is a copy of a check sheet to the Judge Advocate regarding the legal question as to the status of such vessels.
3. Many individuals have asked permission from this office to engage in the salvage of enemy-owned vessels.
4. The Enemy Property Custodian has taken no action with reference to submerged, partially submerged, or floating vessels, and feels that his actions should be dependent upon an overall policy as herein suggested.
5. It is recommended that procedures agreeable to the Commonwealth Government be established for the salvaging of such property, the procedure to include:
  - a. An application for permission to salvage, filed with a central agency.
  - b. An appraisal of the value of the property to be salvaged.
  - c. An authorization for salvage operations, containing such conditions as are deemed desirable, and providing for payments to be made, if any.

/s/t/ E. S. S.

1 Incl - Copy, check sheet, EPC to JA,  
dtd 26 May 45.

Incl: 1

MEMORANDUM  
of

Conference held 28 May 1945, 9:00 A.M. at the Office of General  
Purchasing Agent, Room 605, T & C Bldg.

The following were present at the meeting:

Col. Shattuck	}	EPC
Lt. Col. Quasha		
Major Franklin		
Lt. Col. Roberts	}	Base X
Major Heaphy		
Colonel Gardner	}	GPA
Lt. Col. Lassiter		
Lt. Col. Prior		
Major Horrigan		
Lt. Luedeman		
Lt. White		
Lt. Neely		
Lt. Gehrett		

Colonel Gardner opened the conference and stated as its purpose the bringing together of interested sections to discuss enemy property and what the effect was on activities of the General Purchasing Agent. He stated that one aspect to be considered was rehabilitation of industry just as soon as things could be set up; that one of the biggest assets was enemy property, which included machinery, supplies, equipment and buildings, and that he would like to have the question of disposition of enemy property determined. Another aspect was the distribution of equipment, etc., considering Navy requirements, USASOS requirements, and construction requirements, and how they could be worked in as part of the overall program.

It was suggested that effort be made to make survey of all industry in the Philippines to find out requirements, see what could be purchased locally, what could be procured from enemy property, what could be procured from supply services, and then prepare requisition on the States for the difference, thus cutting down shipping space required. Also it would be necessary to get an overall picture of Army and Navy needs, keeping in mind rehabilitation.

Question was asked whether EPC had records on the property and equipment taken over. Colonel Shattuck stated that presently the records were very inadequate, but that complete records were in process of being set up which would disclose what property was procured and how it was disposed of. Presently all that their office has are individual files from which could be ascertained what had happened in individual cases.

There was some discussion on how enemy property had been disposed of up to the present, and Colonel Quasha stated that the primary interest has been to turn over what property has been secured to someone who had use for it now. There are no facilities for taking property and storing it, and a system has been worked out with Base X under which they were notified whenever property was taken which no one had specifically asked for. As soon as possible Base X picked it up and took it to whatever service could use that type of property. What Base X could not classify and use went to salvage without further inquiry.

Colonel Shattuck stated that EPC expected to have complete records as to collection and disposal of property about June 1st, picking up the backlog on what happened previously. Some cases may have to be reinvestigated.

Colonel Gardner asked how EPC acquired the property; whether information just came into the office, whether it was secured on investigation, or what. Colonel Shattuck stated that there were several sources of information. A great many records were left behind by the Japs; a representative from the EPC office tried to be present when bank vaults were opened; EPC works closely with CIC and Provost Marshal. In general, information was collected wherever and whenever available. Some was gathered from people who were in possession of enemy property themselves, and when theirs was picked up, they would tell of some else who had some and where it was located.

Lt. Colonel Quasha stated that EPC has only scratched the surface as yet; that presently there were only 12 officers and 17 enlisted personnel to cover the Philippines and that additional personnel has been requested. Some civilian personnel is being used and have been quite helpful, especially with information as to where to find enemy property.

Colonel Gardner indicated interest in a Philippine Engineering Company which has on hand a lot of equipment and machinery, a quantity of which had been left by the Japs, which was just going to waste, and as to which there was some doubt as to ownership. He was particularly interested in how EPC would go about the burden of proof. Lt. Col. Quasha said that the general policy was not to take possession of property with doubtful ownership; that there was a separate directive under which the Provost Marshal picks up any property on which title is doubtful. EPC finds it better to operate through Provost Marshal because till property is declared enemy property it can only be taken for safekeeping until rightful owner is determined. Actually it is better to warehouse property if there is any possible use by the Army or Navy. Then if later it is determined that there has been a mistake in ownership, the material can be turned over. EPC stated that each case was individual and different. They made the decision as to whether it was enemy property or not. Quite often bills of sale were produced or records of some type showing ownership, and if the person were reputable, the proof of ownership produced was generally accepted.

Lt. Colonel Prier brought up the question about supplying certain industries with individual parts to enable operation and suggested the best solution would be to set up a system of priorities. Lt. Colonel Quasha said that before anything could be worked out along that line there were two fundamental problems, both different. First there was isolated equipment. Disposition under system of priority sounds all right, but first one must arrange to warehouse the property. There is presently no place for storage until a priority system could be worked out. That phase would have to be disposed of. Second, there was production. In the tobacco case, which has previously been worked out, USASOS was asked to state requirements. They delegated authority to PHIBSEC to become Procurement Service. PHIBSEC came to GPA for approval to buy. Enemy property was involved, but a meeting was arranged and an agreement reached as to distribution of contracts so that each company was able to undertake a share of the tobacco production. He suggested control of production by contract. Again it was stated that the burden of proof was decided by EPC. It was stated that although EPC finds enemy property on premises, if the owners were reputable and in production and able to produce, they would feel safe to contract with them.

Colonel Gardner indicated that GPA didn't want to become an operating authority but only a coordinating authority to supply the U.S. Armed forces and help in the rehabilitation program.

There was general discussion about how rehabilitation of different industries could be effected and controlled by contract to insure furnishing the Armed Forces with necessary supplies before supplying others, which Lt. Col. Quasha said could be determined by contract stating that the armed forces have priority. He stated that similar problems presented themselves in Australia and had been worked out satisfactorily. EPC is concerned mainly with the fact that the property becomes a subject of government direction. If no enemy property were involved, the owners could be contacted and arrangements made to contract to supply the armed services. If enemy property were involved, the terms of the contract could be more or less dictated through negotiation with the Commonwealth.

Lt. Col. Prier asked if EPC cleared a plant and a method was set up with the Commonwealth Government for production, could we say who should have priorities. Lt. Col. Lassiter stated that from conferences with the Commonwealth representatives he felt that we could assume complete authority to move in until ownership was decided. A value could be worked out depending on circumstances. EPC would determine whether enemy property or not, in whole or in part and a contract could be worked out. EPC would like to be advised what form property taken was going into.

Lt. Col. Quasha again said that EPC will keep records and would distribute items which were particularly needed. If things were not picked up quickly they would be gone the next day.

Col. Gardner suggested an ideal system would be storage of the



property and then decide what should be done. That brought up the question again of who was responsible for the property on hand, who would house it and store it. It is the responsibility of Base X, but they do not have storage space nor transportation, nor personnel sufficient to inventory goods, transport it and store it.

It was decided that Lt. Col. Roberts would make requisition for additional personnel to perform the functions of Base X, in this connection.

Col. Gardner stated that he expected to have a meeting with the Rehabilitation Committee when it is hoped to get an inventory of requirements and to arrange a system to determine who needs what and if we can make it available.

It was pointed out that an opinion by Judge Advocate provides that property will be loaned wherever possible rather than sold. Colonel Shattuck suggested that we determine what laws needed revision and get a practicable, useable ruling.

It was Lt. Col. Quasha's suggestion that all property which was not required by the armed services be turned over to the Commonwealth for disposition. Turn it over with an appraisal. Then Commonwealth could agree to take the property over and dispose of it by contract with the civilians, thereby placing the responsibility on the Commonwealth of dealing with individual contractors.

Col. Gardner raised question of getting the materials into the hands of the people who needed them. Col. Shattuck stated that the materials would be turned over to the Commonwealth with assurance that something would be done quickly.

Col. Gardner suggested appraising materials and advertising for sale, saying we could do it as salvage (advertise and sell). It was recommended that we could get a directive on how far EPC can go, where Base X comes in, and get approved by JA and work out form of procedure. There is no question that USASOS can dispose of property after it is turned over to them.

Col. Gardner again stated that we didn't want to operate, but just wanted to get things started. Col. Shattuck mentioned that Lt. Col. Quasha could draw up a plan covering the procedure.

Lt. Colonel Prior then stated that if we advertised for sale we would make materials available to speculators who have money. Lt. Col. Quasha again stated that that was another reason why it was better to turn it over to the Commonwealth. U.S. wants to help in rehabilitation, not rebuild the Philippines, and he suggested setting up a method where the government could stand on its own feet.



Lt. Colonel Prior stated that our responsibility as to rehabilitation is to get industry started, and that we should have a priority to use what we needed. Lt. Col. Quasha stated that enemy property can be disposed of if army or navy does not need it. If not needed by army or navy, let Commonwealth handle it.

Col. Shattuck asked who set value? USASOS is directed to appraise, but has insufficient personnel.

Lt. Col. Lassiter then asked EPC if they were in a position to handle enemy property. Col. Quasha replied that they were presently interested in any possible short cut to dispose of it where needed. It was agreed that storage space and transportation was needed to get unused property into the hands of the Commonwealth.

Lt. Col. Prior stated the following necessities:

1. Inventories,
2. Determination by USASOS and Navy what they need,
3. What is required for rehabilitation and turn it over to Commonwealth.

Lt. Col. Quasha stated that EPC sends out check sheets daily advising GPA what EPC has and GPA can decide where it should go.

Col. Prior said that that would involve setting up a Commonwealth Agency, but that we must get things started. No immediate prospect is seen of Base X being able to handle what it has been directed to do unless it were furnished with personnel, storage, etc.

Lt. Col. Lassiter suggested it might be of value to submit a check sheet to C/S with recommendations. Col. Shattuck said that that would be of no value unless we could offer some constructive suggestion. C/S is informed regularly and should know how things stand since approval is needed for distribution.

Lt. Col. Quasha brought up question of handling and proposed that we coordinate all service requirements. EPC will notify what and when anything is available and GPA might be able to get major critical items when needed. Lt. Col. Quasha wanted to get commitments as to what is needed by USASOS. Major Franklin of EPC raised the question of getting expert advice as to what the property consisted of. That again involves personnel, which Col. Gardner suggested might be gotten at Santa Tomas.

It was decided Base X would turn over property to whoever gives requisition (Army and Navy priorities.) USASOS should have over all picture of requirements which are the basis of requisition on the States.

Base X surplus goes to salvage and then to sale. Try to turn salvage over to Commonwealth.

Base X will issue a requisition for personnel required to carry out their directives.

83

HEADQUARTERS  
 UNITED STATES ARMY FORCES IN THE FAR EAST  
 CLAIMS SERVICE, USAFFE

JWW:jt

APO 501  
4 May 1945

MEMORANDUM to: Captain Becker

SUBJECT : Enemy Property

The following type cases are pending in this office:

1. C's factory, and raw materials seized by Japs. Japs operated same through a Japanese Corporation. No compensation paid. C's capital and facilities used to secure additional raw materials which were captured in the liberation. C claims lien on raw materials and completed products. Custodian of Enemy Property has issued C an "emergency purchase order" and has turned property to Army.

2. C's factory and materials seized by Japs. On liberation a quantity of materials was captured which C asserts is his. Custodian of enemy property has issued C a "receiving report" which gives rise to claim. Custodian states that this may be enemy property and has transmitted papers to this office. Doubtful that C can identify the property as his own.

C's property seized by Japs subsequently is recaptured in Liberation. C asserts Custodian now has property.

These questions among others are presented:

1. Does seizure of the property by Japs divest the owner of title to the extent that he may not again assert title in event of its recapture by friendly forces?

2. Does the capture of property secured by the Japs with the capital and facilities give claimant a lien on such property that he may assert a claim in the event of its being taken by the Army?

3. In those cases of doubt as to the source of the property captured from the Japs, delivered to the Custodian of enemy property and he in turn has issued a receiving report to claimant, who will determine whether in fact it is enemy property?

In discussing these questions with the Custodian of enemy property it is learned that the following policies in effect in his office:

3

Where property is captured from the Japs which can be identified to the Custodian's satisfaction as being the property of the claimant, such property will be returned to the claimant, except in those cases where the property is needed by the Army in which event it is delivered to the proper military organization.

It is submitted it is a rule of international law that an occupying country has the right and authority to seize and expend all private property that is required by the necessity of war. What kind of property is necessary depends on the character of the property seized and circumstances under which it is seized. Authorities are not available but the rule is believed to be that the belligerent who then controls the field shall determine what seizures are in fact necessary. The right to review the facts necessitating such seizure will not present itself until the peace treaty. The leading available decision is found in the case of Mrs. Alexanders cotton, wherein cotton was seized by the Union Army which was subsequently driven from the field, not until however the cotton had been sold and the proceeds impounded. Mrs. Alexander brought suit for the proceeds. The court held that the seizure was legal and that the claimant was not entitled to any of the proceeds. The decision was also supported by legislation. It would seem that title had passed even though the plaintiff could trace his property. The plaintiff based her action on legislation which protected friendly aliens rather than international law.

It is submitted that the true rule is that title to such property does in fact pass to the Japanese Government by its seizure. No cases are known which indicate that property once taken as enemy property by the Japs loses its character by its subsequent recapture. The principle in our law that private property may not be confiscated without compensation is one that must be enforced at the peace table.

If this conclusion is correct the second and third questions become moot. Once property is termed enemy property or its use is commandeered by the occupying country, the right of lien or claim to the property is one that must be presented to the power seizing the property. It is unfortunate that claimants only means of enforcing his lien is by the peace treaty, <sup>and</sup> ~~the~~ <sup>once</sup> recaptured by friendly forces ~~is~~ is enemy property to the friendly forces. No intimation is known indicating the rule to be that title is reinvested in the claimant.

It seems obvious that no restitution can be made where property seized by the enemy, treated by him as enemy property, and expended. No basis can be determined <sup>by the Custodian</sup> ~~whereby~~ <sup>whereby</sup> one whose property was not expended than one whose property is consumed in the war. The policy of the Custodian of enemy property in delivering to the original owner such property when recaptured is one of gratuity and of no concern to this office.

Those cases in which the Custodian may be without record as to where the property came from or where he is in doubt as to the claimant's proof of ownership are of no concern to us. The Claims Service is not his jury. No basis for a claim exists. No useful purpose will be served in attempting to solve the Custodian's difficulty or in investigating such a claim.

These observations are made without benefit of authorities and none are presently available. They are, what I consider to be rules which we may safely follow.

*James W. Wallace*  
JAMES W. WALLACE,  
Captain, J.A.C.D.  
Claims Service, USAFFE.

*These observations are made without benefit of authorities.*

## HEADQUARTERS USAFFE

## CHECK SHEET

Do Not Remove From Attached Sheets

LDD/jcc

Note No.      File No.      Subject:

FROM: CLAIMS SERVICE, USAFFE, APO 501. TO: CHIEF OF CLAIMS. 25 Apr 45.

1. A question has arisen as to the proper procedure to be followed in certain cases where claims have been filed for supplies and materials which have been sequestered as enemy property by the U. S. Army, through the Alien Property Custodian.
2. Lieutenant Beaudoin has at least three cases which directly involve this situation. Attached hereto is his request for clarification.
3. Captain Becker and Lieutenant Beaudoin have discussed this matter with Colonel Eddy. His reply was to the effect that his office was in charge of the taking of this property and, after due consideration, reached the conclusion that it was Japanese property. Also that the property was necessary for military purposes and in no event would be returned. He suggested that it was his belief that if any person involved was not satisfied that Claims Service would be the proper agency to investigate and process any alleged claim.
4. Investigation of these claims will necessitate a great deal of field work before the facts can be adequately determined. In view of the apparent determination of the status of the property by the Alien Property Custodian, it has been suggested that this office might take the position of declining to consider any such claim - on the theory that the matter had already been determined by competent authority, to wit, the Alien Property Custodian.
5. Any assistance which you could give us on this matter will be greatly appreciated.

*Leon D. Latham, Jr.*  
LEON D. LATHAM, JR.,  
Major, J. A. G. D.

Incl: Request for  
clarification.

*CPC to Maj. Latham 1 May 45*  
*For the future, this Service will not consider any claim arising out of the acts of the Alien Property Custodian in taking over property of questioned Japanese ownership, or otherwise.*  
*Am*

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HEADQUARTERS  
UNITED STATES ARMY FORCES IN THE FAR EAST  
CLAIMS SERVICE, USAFFE

IWB/lb

AFO 501  
24 April 1945

SUBJECT: Authority to Pay Contract Claims.

TO : Assistant Chief of Claims Service, USAFFE.

Request an opinion be stated with respect to whether a claim could be paid under the following circumstances:

Property of a Manila firm is requisitioned by the Japanese Army or by an agency of the Philippine Puppet Government. It is alleged that no compensation was received for such requisition. Upon liberation of Manila, the identical property is sequestered by the United States Army (Alien Property Custodian) and subsequently expended for U. S. Army purposes.

*Irving W. Beaudoin*  
IRVING W. BEAUDOIN  
1st Lt., A C  
Investigating Officer  
Claims Service, USAFFE

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HEADQUARTERS  
UNITED STATES ARMY FORCES IN THE FAR EAST  
CLAIMS SERVICE, USAFFE

MJR:rg

23 April 1945

## MEMORANDUM TO THE CHIEF OF CLAIMS SERVICE:

1. Major Latham and the undersigned had an interview this morning with Captain Feuchter of the Traffic Division, Central Hotel, Manila, to find out whether there was any possibility of having several impounded, unclaimed vehicles assigned to this Section. He referred us to Colonel Purdy, acting Provost Marshal of Greater Manila.

2. In a conversation with Colonel Purdy, it was learned that all such impounded vehicles were automatically turned over to the Philippine Commonwealth Government for the purpose of determining their true ownership. If this could not be determined, then the vehicles are returned to the U.S. Army. First, they are sent to Ordnance for a complete overhauling and, once this is done, they are delivered to USASOS. This headquarters then assigns the vehicles to units in the same manner as if they were originally U.S. Army property.

*Maurice J. Ross*

MAURICE J. ROSS,  
1st Lt, Infantry,  
Investigating Officer,  
Claims Service, USAFFE.

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ALIEN & ENEMY PROPERTY CUSTODIANS

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