

DECLASSIFIED

Authority: *JUP 84-3078*

Legal Research Division
 Policy File No. 15

SUBJECT: Philippine War Damage Corporation

Item No.	Date of	DESCRIPTION
1.	27 Mar 42	Public Law 506 - 77th Congress - Financing War Damage Corporation
2.	1944	Filipino Rehabilitation Commission Members
3.	29 Jun 44	Public Law 381 - 78th Congress
4.	Undated	War Damage Corporation and Coverage in Philippines
5.	27 Dec 44	Survey of Expected Army Assistance to War Damage Commission
6.	4 Apr 45	Damage in Philippine Islands not insured by War Damage Corporation
7.	14 Jul 45	War Damage Commission not accepting claims as of this date
8.	26 Jul 45	Claims Service to Accept and Hold War Damage Claims Pending Transfer to Philippine Office
9.	10 Aug 45	Claims Service does not Accept War Damage Claims
10.	18 Aug 45	Public Law 170 as it affects War Damage Claims
11.	30 Aug 45	Inquiry re Filing Claims for War Damage
12.	31 Aug 45	War Damage Claims Not Processed by Claims Service
13.	Undated	Application of Foreign Claims Act to Philippine Islands
14.	3 Sep 45	Records of claims maintained by Claims Service
15.	30 Apr 46	Public Law 370 - 79th Congress - Philippine Rehabilitation Act of 1946
16.	13 May 46	Establishment of Philippine War Damage Commission
17.	Undated	Claims Arising Out of Philippine Guerrilla Activities
18.	23 Oct 46	Claims Arising Out of Guerrilla Activities

19. : 15 Nov 46 : Division of Responsibility Between Department of the
: : Army and Philippine War Damage Commission
20. : 22 Nov 46 : Establishment of Liaison Between the Various Claims
: : Agencies and Philippine War Damage Commission
21. : 3 Jan 47 : Approval of Plan to Prevent Duplication of Payments
22. : 6 Feb 47 : Records of Claims Service Needed by Philippine War
: : Damage Commission
23. : 7 Feb 47 : Records of Claims Filed with Claims Service furnished
: : Philippine War Damage Commission
24. : 8 Feb 47 : Preparation of Duplicate Index Cards for War Damage
: : Commission
25. : 21 Apr 46 : Houses Not Payable Under AR 25-100
26. : 30 Sep 47 : Cooperation Between Claims Service and Philippine
: : War Damage Commission
27. : 30 Sep 47 : Liaison With Philippine War Damage Commission
28. : 10 Oct 47 : Liability for Property Destroyed to Prevent Falling
: : Into the Hands of the Enemy
29. : 24 Mar 48 : War Damage Claims Held by Claims Service
30. : 5 May 48 : Explanation of War Damage Claims in the Hands of
: : Claims Service Barred From Claimant by Department
: : of the Army Subsequent to Closing Date for Accept-
: : ance of Claims by P. W. D. C.
31. : 21 Apr 48 : Letter to US Ambassador
32. : 6 May 48 : Request that Damage Claims Disapproved by Claims
: : Service be Accepted on a Transfer Basis by Philip-
: : pine War Damage Commission
33. : 18 Jun 48 : Philippine War Damage Commission Refuses to Accept
: : Claims From Claims Service on a Transfer Basis Sub-
: : sequent to Closing Date for Filing Claims
34. : Undated : Retention of Claims Files in the Philippines for use
: : of Philippine War Damage Commission

AGAW-E (16 May 48) 313.3 3d Ind

AGO, Dept of the Army, Washington 25, D. C. 19 July 1948

TO: Commander-in-Chief, Far East Command, APO 500, c/o Postmaster, San Francisco, California

By: AGAW-E

1. Concur in recommendation in paragraph 2 of 2d Indorsement. The claims files referred to will be retained in the Philippines at an appropriate location for such time as is necessary to meet the legitimate needs of the Philippine War Damage Commission.

2. Mr. Vernon E. Moore, Director of the Washington Office of the Philippine War Damage Commission has stated that the Commission would furnish all necessary clerical and other personnel to administer the claims files in question. If it should develop that any costs devolving upon the Army cannot be absorbed by you command an estimate of requirements and necessary funds will be submitted to the Budget Division, Office of the Army Comptroller, through The Adjutant General.

BY ORDER OF THE SECRETARY OF THE ARMY:

The delay in the settlement of certain claims was originally increased the expense involved in the verification of these claims under claim with both the Army Claims Service and the United States Philippine War Damage Commission. However, if /s/t/ EDWARD P. WITSELL at one time Major General The Adjutant General personnel to verify the items in question which clerical work could devolve upon the Army.

AG 150 (16 May 48) JA 4th Ind

GENERAL HEADQUARTERS, FAR EAST COMMAND, APO 500, 16 August 1948

TO: Commanding General, Philippines Command, APO 707

Your cooperation in this matter is appreciated.

Sincerely yours

/s/t/ J. H. E.2 Incls
n/c/s/t/ FRANK E. HARKINS
ChairmanThe Adjutant General
Department of the Army
Washington 25, D. C.

Through:

The Adjutant General
Philippines-Mykyna Command
APO 707, c/o Postmaster
San Francisco, California

PHILIPPINE WAR DAMAGE COMMISSION
Philippines, dated 15 May 1948

MANILA, PHILIPPINES

OSK 33.3 1st Ind May 18, 1948

My Dear Sir: Philippine-Ryukyus Command, APO 707, 8 June 1948

As you know, accessibility to the files now developed and maintained under the Army Claims Service, Philippines-Ryukyus Command, is imperative in connection with the orderly and speedy adjudication of certain claims filed with this Commission. We have been informed that these files are in the process of being packed and are to be sent to Yokohama on or by June 30, 1948, unless other arrangements are made.

The purpose of this communication is to request that these files continue to be maintained under Army supervision, either in the Manila area or in one of the nearby Army installations, such as Fort Stearns or Clark Field, for ready reference to a small group of our designated personnel. If these files are maintained at a point other than one of the three mentioned above, it will cause a considerable delay in the settlement of certain claims and will obviously increase the expense involved in the verification of items placed under claim with both the Army Claims Service and the United States Philippine War Damage Commission. However, if these files can be located at one of the three points specified above, the operation will be greatly expedited. This Commission would, of course, provide the necessary personnel to verify the items in question and no clerical work would devolve upon the Army.

It is believed that the above arrangement would redound to the best interest of the United States Government, and it is therefore urgently requested that every effort be made to accede to this request as soon as possible before action is taken to ship any of the records in question to points other than those recommended herein.

Your cooperation in this matter is appreciated.

Sincerely yours

4. Since the only savings would be the time required by the Philippine-United States War Damage Commission to correspond with Records Depot, it is recommended that 1/3 FRANK A. WAREING be retained as Adjutant General. The Adjutant General has been retired in compliance with indices G-17196 Department of the Army. Washington 25, D. C.

FOR THE COMMISSIONING GENERAL:

Through:

The Adjutant General
Philippines-Ryukyus Command
APO 707, c/o Postmaster
San Francisco, California
2 - Radio 5-35411

JAMES W. WILL
Lt Col, ASD
Adjutant General

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1 Base; 1 Ltr fr Office of Philippine War Damage Commission, Manila,
Philippines, dtd 15 May 1948

AG 130718 May 1948

2d Ind.

GSX 313.3

1st Ind

GENERAL HEADQUARTERS, FAR EAST COMMAND, APO 500, 30 June 1948

Headquarters Philippine-Ryukyus Command, APO 707, 8 June 1948
TO: The Adjutant General, Department of the Army, The Pentagon, Wash-
THRU: Commander-in-Chief, Far East, APO 500

TO: 1. The Adjutant General, Department of the Army, The Pentagon,
directed Washington, 25, D. C. referred to in basis and final inclosure
pending decision of questions presented.

1. Subject records involve approximately 300,000 claims or
1,000 record boxes, and are presently serviced by approximately
fifteen civilian personnel in Claims Service. Since these records
substantiate or deny claims upon the U.S. Government, proper pre-
cautions must be taken in their preservation. If these records are
maintained and serviced by this headquarters, necessary supervisory
personnel must be retained with the records, and adequate fire-proof,
stamper-proof, moisture-proof and guarded facilities must be provided
for storage. All cost for storage and personnel would be borne by the
Army for the sole purpose of furnishing the Philippine-United States
War Damage Commission access to the records.

2. The appropriations for payment of claims expires 30 June
1948, at which time Claims Service, this headquarters, will be in-
activated. Current foreign and military claims received subsequent
to that date will be handled by the Judge Advocate Section, this
headquarters and further payment of wartime Procurement Claims is not
contemplated, and other expenses should be borne by the Commission
while the records are held for its use. Elements of cost involved

3. The Philippine-United States War Damage Commission has
been furnished a condensed index card bearing pertinent information
on each claim paid which is a duplicate of the card index system pre-
sently in use by Claims Service. It is not believed necessary there-
fore that they have the complete record since approximately 600 claims
per month only are checked against these records, on which most of the
information desired is contained on the index cards. *were included in
the Far East Command 1949 and 1950 budgets.*

4. Since the only savings would be the time required by the
Philippine-United States War Damage Commission to correspond with
Records Depot, it is recommended that these records not be retained
at this headquarters but be retired in compliance with Radies G-17196
GSCL and Z-35411, copies inclosed.

FOR THE COMMANDING GENERAL:

10/4 R. E. LEVY
Colonel, AGD,
Adjutant General
JAMES W. HILL
Lt Col, AGD
Adjutant General

2 Incls

w/c

2 Incls:

- 1 - Radio G-17196 GSCL
- 2 - Radio Z-35411

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Ltr fr Office of Philippine War Damage Commission, Manila, Philippines, dtd 18 May 48

AG 150(18 May 48)JA

2d Ind.

ROUTINE

GENERAL HEADQUARTERS, FAR EAST COMMAND, APO 500,

30 June 1948

TO: The Adjutant General, Department of the Army, The Pentagon, Washington 25, D. C.

1. The Commanding General, Philippines-Ryukyus Command, has been directed to retain the records referred to in basic and first indorsement pending decision of questions presented.

2. The Chairman of the Philippine War Damage Commission states that accessibility to the records in question is imperative in connection with the orderly and speedy adjudication of certain claims filed with this Commission. Opposed to this is the statement in first indorsement by the Commanding General, Philippines-Ryukyus Command, that the condensed index card bearing pertinent information on each claim said is considered by him to render retention of the records unnecessary. The Chairman of the Commission should be in a better position to determine its requirements than the Commanding General, Philippines-Ryukyus Command. This headquarters does not feel that it can, on the basis of this correspondence, concur in the opinion contained in the first indorsement. Rejection of what is asserted to be the means of supplying an imperative need of the Commission is not recommended. It is believed that the Army should cooperate in all practicable ways with the War Damage Commission, but that responsibility for security of the records, cost of maintenance, servicing, storage, and other expenses should be borne by the Commission while the records are held for its use. Elements of cost involved which do not pertain to Army requirements, and location of records in the Philippines, can best be determined on the ground by agreement between the command and the Commission.

3. If it is deemed that costs shall be borne by the Army, information is desired as to what appropriation will be charged, in view of the fact that no requests for funds for this purpose were included in the Far East Command 1949 and 1950 budgets.

4. Instructions are requested.

FOR THE COMMANDER-IN-CHIEF:

SGT

13 Jan 48

/s/v/ R. M. LEVY
Colonel, AGD,
Adjutant General

2 Incls
n/c

CG PHILRYCOM

ROUTINE CLEAR

UNCLASSIFIED

COMMANDER IN CHIEF
FAR EAST COMMAND
APO 500

ROUTINE CLEAR

ROUTINE
X

TO : 1 160211/3

PHILRYCOM HQ

INFO : 16 JAN 48 1300/3

IN CLAS 304

O 17196 OSGL

ACTION: CLAIMS

YIK

ATTENTION JUDGE ADVOCATE IN ACCORDANCE WITH SECTION ONE CIRCULAR SEVEN NINE. GSHQ CMA FAR EAST COMMAND CMA TWO THREE JULY FOUR SEVEN CMA CLAIMS SERVICE CMA THIS COMMAND IS PREPARING TO FORWARD CLOSED CLAIMS FILES TO ADDRESS GIVEN IN REFERENCE ABOVE PD REQUEST APPROVAL OF ACTION OR INSTRUCTION END., 13 JANUARY 1948. PROPOSED DISPOSITION

OF CLOSED CLAIMS FILES IS APPROVED. A SUMMARY OF THE FILES TO BE FORWARDED TO THE JUDGE ADVOCATE GENERAL'S OFFICE IS ATTACHED TO THIS MESSAGE. THE FILES TO BE FORWARDED TO THE JUDGE ADVOCATE GENERAL'S OFFICE ARE THOSE WHICH ARE IN THE STATUS OF "CLOSED" AND WHICH ARE NOT IN THE STATUS OF "PENDING". THE FILES TO BE FORWARDED TO THE JUDGE ADVOCATE GENERAL'S OFFICE ARE THOSE WHICH ARE IN THE STATUS OF "CLOSED" AND WHICH ARE NOT IN THE STATUS OF "PENDING".

A CERTIFIED TRUE COPY

M. O. HILLIS
Capt., AGD
Asst Adj Gen

ROUTINE CLEAR

UNCLASSIFIED

ENDING

OSGL 13 Jan 48

PAGE 1 OF 1 PAGE

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ROUTINE CLEAR

B-53

OFFICE OF THE CHIEF OF CLAIMS SERVICE
RAM/MBB

TO : 160211/Z

PHILLYOON DIST

RECD : 16 JAN 48 1300/Z

18 June 1948

ACTION: CLAIMS

Mr. Walter Long
Philippines War Damage Commission

FILE

FROM : CINGFE

TO : PHILLYOON

Reference is made to the claim filed with your office by
Mr. C. E. Hodges for the reimbursement of the value of his
CITY : E-35411 by guerrilla forces.

In REURAD G-17196 GSGL, 13 JANUARY 1948. PROPOSED DISPOSITION
during that period this office received your claims which were out
OF CLOSED CLAIMS FILES IS APPROVED. As guerrilla units operated from
in February 1945 and after. Said period covered but a small por-
tion of his loss. A copy of the claimant's letter furnished us,
dated 5 February 1948 reveals that he filed with your office the
claim for the rest of his loss furnishing you with the receipts and other
evidence necessary for the proper adjudication of the claim.

In the meantime, the recognition date of the guerrilla unit
involved was set back to 30 June 1945 which makes this office liable
A CERTIFIED TRUE COPY: W.D. Approved 14, 15, 16 and 17, which is a
portion of the claim filed with your office.

In view of the above, it is requested that the receipts and
other E. O. BILBE and portion of the claim filed with your office,
be to Capt., AGD the purpose of properly adjudicating his claim
in the Asst Adj Gen

Very truly yours,

ROUTINE CLEAR

INCOMING

C. F. KENNEDY
Maj., Inf.
Executive Officer

PART 1 OF 1 PAGE

EGGE

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PHILIPPINE HEADQUARTERS COMMISSION
 PHILIPPINES-HUKYUOS COMMAND
 OFFICE OF THE CHIEF OF CLAIMS SERVICE

COPY

HWT/INT/jya

May 6, 1948

APO 707

18 June 1948

OSLI.04

G-6-156,841

Colonel W. S. Army

Sir:

U. S.

Philippine War Damage Commission

Manila

Dear Sir:

My dear Sir:

Reference is made to the claim filed with this office by Mr. C. N. Hodges for the reimbursement of the value of property alleged commandeered by guerrilla forces.

In 1946, said claimant filed a claim with this office but during that period this office honored only claims which arose out of the commandeered activities of the guerrilla unit involved from 15 February 1943 and after. Said period covered but a small portion of his loss. A copy of the claimant's letter furnished us, dated 5 February 1948 reveals, that he filed with your office the claim for the rest of his loss furnishing you with the receipts and other evidence necessary for the proper adjudication of the claim.

In the meantime, the recognition date of the guerrilla unit involved was set back to 20 June 1942 which makes this office liable for the payment of Part V-A, Annexes 14, 15, 16 and 17, which is a portion of the claim filed with your office.

In view of the above, it is requested that the receipts and other evidence in said portion of the claim filed with your office, be furnished us for the purpose of properly adjudicating his claim in this office.

Very truly yours,

In addition, every possible effort was made to impress upon claimants the requirement that claims must be received by the Commission on or before February 29, 1948, in order to be considered. This information was given in notices posted in the Philippines, as well as in coverage through the Executive, Officer and other media for disseminating information to the public.

COPY

A copy of this letter is being forwarded to Mr. Thomas R. Lebelt, Charge d'Affaires, American Embassy, Manila.

Sincerely yours,

P. L. Charles
 Secretary

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PHILIPPINE WAR DAMAGE COMMISSION
MANILA, PHILIPPINES

COPY

May 6, 1948

Colonel W. S. Eley
Director
U. S. Army Claims Service
Phillycon, APO 707

Dear Mr. Ambassador

My dear Colonel Eley:

Your request that this Commission accept for adjudication some 200 claims filed with the Army Claims Service prior to February 29, 1948, on which compensation is not authorized to be paid by the War Department, was presented to the Commission for consideration. Major Derrick and Captain Phillips conferred with our Chief Examiner, and a report of this conference was also considered by the Commission. I have been instructed to advise you that, after careful deliberation, the Commission has determined that it cannot accept these claims, for the reason that they were not submitted to the Commission by the claimants in reasonable conformity with the Rules and Regulations of the Commission, nor in compliance with the provisions of Section 203 (f) of the Philippine Rehabilitation Act of 1946, which require that claims be filed with us during the 1-year filing period.

It is realized that this ruling may result in a hardship in some instances. However, claimants were informed throughout the filing period by public announcements in the newspapers and over the radio, as well as through individual letters, that claims filed with the Army Claims Service, Navy Department, and other government agencies do not constitute a claim filed with this Commission, and that where there is any question, a claim should be filed or refilled with this Commission. We have received many thousands of claims where the claimant has also filed with the Army Claims Service or other government agency.

In addition, every possible effort was made to impress upon claimants the requirement that claims must be received by the Commission on or before February 29, 1948, in order to be considered by this agency. This information was given in notices posted in public buildings throughout the Philippines, as well as in newspaper releases, radio announcements, and other media for disseminating information to the public.

A copy of this letter is being forwarded to Mr. Thomas H. Lockett, Charge d'Affaires, American Embassy, Manila.

Sincerely yours,

F. L. Charles
Secretary

051

Office of Property in Manila, 264 15 Apr 48. COPY

CGCIG 150

21 Apr 1948

Headquarters, Philippine War Damage Commission, Office of the Chief of Claims Service, 474 7th, 1 May 1948.

The Honorable Emmet O'Neal
American Ambassador
Manila, P. I.

Dear Mr. Ambassador:

The PHILIPPINE Claims Service has at present approximately 190 claims which have been disapproved on the basis that the damage was caused by combat activity and, therefore, are not payable under current Army regulations. These claims rightfully fall within the jurisdiction of the United States-Philippine War Damage Commission, however, the claimants are now precluded from filing at that office since the expiration of the period for the acceptance of claims was 29 February 1948.

To prevent unintentional discrimination against a few unfortunate individuals who inadvertently filed their claims with this office, I feel that these claims should be accepted on a transfer basis between the Government agencies. A claim filed within the time limit established is still a claim against the United States Government even if filed with an agency other than the one directly concerned.

Any action you may take to present this matter before the United States-Philippine War Damage Commission to right the injustice I feel is being done will be greatly appreciated. I would like to segregate all these claims and take action on them prior to the closing date for acceptance of claims (29 February, 1948) by the Philippine War Damage Commission. Claims Service representatives were proceeding on the basis that a claim filed in any claims agency against the United States Government within the period covered by the statute of limitations or prior to any established delimiting dates are legitimate claims and should be acceptable on a transfer basis by the agency. Major General, U. S. Army Commanding, received no answer to the question, the undersigned and Captain Philip used for a special conference with a representative of the War Damage Commission. In this instance,

G.O. F. MOORE
Major General, U. S. Army
Commanding

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BASIC: Ltr fr DA, OJAG, subj: Claims over \$5,000 arising fr the Bulldozing of Property in Manila, dtd 16 Apr 48.

OSGL 1st Ind

Headquarters, Philippine-Ryukyus Command, Office of the Chief of Claims Service, APO 707, 5 May 1948.

To: Judge Advocate General, Washington 25, D.C.
Attention: Assistant Judge Advocate General

1. Reference is made to basic communication.

2. When a determination was made upon claims arising from the bulldozing of property in Manila due to tactical operations in support of combat troops and claimant was notified of disapproval, or in cases where the amount of claim was above \$5,000, and the claimant was notified in writing that his claim had been forwarded to your office with recommendation of disapproval, he was informed that it seemed from the examination of the file that there was a possibility of his having a claim with the U.S. - Philippine War Damage Commission and it was suggested that he contact that agency.

3. Constant liaison has been maintained by this Command Claims Service and the U.S. - Philippine War Damage Commission, with reference to claims not under the jurisdiction of the Army, duplicate claims, and other matters. As early as January 1948, the undersigned, with Captain George R. Philip, Jr., both members of Foreign Claims Commission No. 58, had conferences with Mr. Lang of the War Damage Commission with reference to claims filed with the Army and properly falling under the jurisdiction of the Philippine War Damage Commission. At the time, knowing that the deadline for filing claims with the War Damage Commission had been set for 29 February 1948, it was suggested by the Claims Service representatives that the War Damage Commission accept claims filed with the Army but falling within the Commission's jurisdiction, on a transfer basis. An effort was made to segregate all these claims and take action on them prior to the closing date for acceptance of claims (29 February 1948) by the Philippine War Damage Commission. Claims Service representatives were proceeding on the basis that a claim filed in any claims agency against the United States Government within the period covered by the statute of limitations or prior to any established delimiting dates are legitimate claims and should be acceptable on a transfer basis by the agency concerned. Mr. Lang of the War Damage Commission stated that he could not answer the question and the answer would have to come from a higher level. Having received no answer to the question, the undersigned and Captain Philip asked for a second conference with a representative of the War Damage Commission. In this instance,

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the War Damage representative was Mr. Schien. The substance of this conference was that the United States-Philippine War Damage Commission could not accept any claims from this Command Claims Service on a transfer basis. This, he stated, was the decision of one of the commissioners, the other two being in the United States at the time. and C/S

h. In an effort to prevent unintentional discrimination against the unfortunate individuals who inadvertently filed their claims with the Army when they should have properly been filed with the U.S.-Philippine War Damage Commission, and to bring the matter before higher authorities, a letter was prepared for the signature of the Commanding General, Philippines-Ryukyus Command, addressed to the Honorable Ernest O'Neal, the American Ambassador to the Republic of the Philippines. This letter, a copy of which is enclosed, and to which no reply has been received, was dispatched on 21 April 1948.

5. A close liaison with the U.S.-Philippine War Damage Commission with reference to subject matter will be maintained. Your office will be notified of any subsequent development. Exec. Officer

(2) FROM: Chief of Claims Service TO: GOC 21 March 1948
THRU: DC and C/S

Many claims have in the past been delayed due to the tremendous
1 Incl. claims filed in this office and G. F. DERRICK, Chief of personnel.
Copy, ltr to Major, Infantry
American Ambassador claim, along with Executive Officer
for Ernest O'Neal, dated from payment under the provisions of paragraph 15,
AR 25-90, and in reality, due to the President, Foreign Claims Commission No. 58
scope and jurisdiction of the Philippine-USA Commission No. 58.

3. An effort was made to segregate all these claims and take action on them prior to the final date for the acceptance of claims by the Philippine-USA War Damage Commission. However, some of these claims were not processed early enough to allow the claimant to receive the notice by local mail.

4. There is no reason for any attempt to distort other regulations in order to fit these claims under them for payment. It seems that the correct solution would be the acceptance of the fact, by all claims organizations, that a claim, filed in any Government claims agency against the US Government within the period covered by the statute of limitations, or prior to any established delimiting date is a legitimate filing and that the claim be acceptable or such as a transfer basis by the agency concerned.

C O P Y

OSCS

Alleged Inefficiency in Claims Service.

(1) FROM: OCG War Damage Commission TO: Claims Service 19 Mar 48
 THRU: DG and C/S 19 October 1947

2. An informal conference was held between the heads of OSCS and the Commanding General desires your comments on events Legal Division, War Damage Commission, and Major General, the conference was held at the office of the War Damage Commission, alleged in inclosure.

FOR THE COMMANDING GENERAL:

3. The meeting was arranged to coordinate the legal activities of both Claims Service and War Damage Commission with reference to the liability of the Army or the War Damage Commission for property destroyed by the United States in War Area falling into the hands of the enemy while

1 Incl
 Ltr fr Mrs. R.T. Caballero /s/ B. R. Brown
 to Gen. Moore, dtd 12 Mar /t/ B. R. BROWN
 48, w/2 incls. Lt. Col., GSC
 Exec. Officer

(2) FROM: Chief of Claims Service TO: OCG 24 March 1948
 THRU: DG and C/S

1. Many claims have in the past been delayed due to the tremendous number of claims filed in this office and the constant shifting of personnel.

2. This particular claim, along with approximately 190 others, is of a type that is precluded from payment under the provisions of paragraph 15, AR 25-90, and in reality, due to the nature of the damage, falls within the scope and jurisdiction of the Philippine-US War Damage Commission.

3. An effort was made to segregate all these claims and take action on them prior to the final date for the acceptance of claims by the Philippine-US War Damage Commission. However, some of these claims were not processed early enough to allow the claimant to receive the notice by local mail.

4. There is no reason for any attempt to distort other regulations in order to fit these claims under them for payment. It seems that the correct solution would be the acceptance of the fact, by all claims organizations, that a claim, filed in any Government claims agency against the US Government within the period covered by the statute of limitations, or prior to any established delimiting date is a legitimate filing; and that the claim be acceptable as such on a transfer basis by the agency concerned.

Conference with Mr. Schriver, Chief of the Legal Division,
War Damage Commission.

HLG

TO: COCS

10 October 1947

1. An informal conference was held between the hours of 10:00 A. M. and 11:30 A. M., 10 October 1947, between Mr. Schriver, Chief, Legal Division, War Damage Commission, Mr. Freitag, Mr. Glerum, the undersigned and Major Darrick. The conference was held at the offices of the War Damage Commission.

2. The meeting was arranged to coordinate the legal activities of both Claims Service and War Damage Commission with relation to the liability of the Army or the War Damage Commission for property destroyed by the United States to keep from falling into the hands of the enemy while being held under the terms of a lease by the United States (As found in Nielson Airport claim, Mt. Arayat Sugar, Tacloban Ice Co.).

3. Mr. Schriver was of the opinion that:

- (a) The United States Government is not liable for property destroyed to keep from falling into the hands of the enemy whether it is or is not under the terms of a lease.
- (b) That the War Damage Commission would assume, as its responsibility, the payment for damages to property destroyed to keep from falling into the hands of the enemy whether such property was or was not held under a lease.

4. Appropriate copies of reports, including copies of the Service Building, being the Storage Equipment and Typewriters, where they copied the duplicate of the index cards. Later a request for copies of statistical information was supplied with, as the following:

a. Shipping dates, giving size and ship names and numbers.

b. Duplication of vehicle claims. This continues.

c. Duplication of other claims by description of property involved or by names of districts. This checking continues.

d. One illustration of g above, as the details completed in the investigation of Claims Service on the Philippine Long Distance Telephone Company Claims, where a duplicate claim was filed with War Damage Commission.

e. List and addresses of commercial firms.

f. Copies of reports of Quartermaster and other personnel of WASTE 1941-42 Operations.

1. At this time Captain Benjamin Pulley is the Liaison Officer for Claims Service appointed by 15 July 1947 letter from Chief of Claims Service. It is Liaison with Philippine War Damage Commission. It is recommended that a letter be prepared and forwarded to the Philippine War Damage Commission, ATTENTION: Mr. ACCCS, who has TO: CCGS all matters of administration, and advise the Commission of such list being furnished.

30 September 1947

1. Upon the arrival in Manila of personnel from the Philippine War Damage Commission, the undersigned arranged for a series of conferences between Claims Service personnel and the War Damage personnel.

2. The objectives of Claims Service were discussed, and the objectives of the War Damage Commission were discussed, and Claims Service was requested to give the War Damage Commission members maps and information. A course of instructions on their policy matters for their personnel were set up and Claims Service personnel were invited for information.

3. To prevent duplication of claims and payments, it was decided to allow the War Damage personnel to copy the index cards of all claims already filed totalling approximately 60,000; and Claims Service offered to assist by having cards on new claims completed in duplicate and one copy mailed to the War Damage Commission. This has been done since the publication of Administrative Order No. 8, Claims Service, dated 8 February 1947. In addition, the registration card on automobiles was prepared in duplicate for the War Damage Commission.

4. Approximately 50 War Damage Personnel were moved to Claims Service Building, using War Damage equipment and typewriters, where they copied the duplicate of claims index cards. Later a request for copies of statistical information was complied with, on the following:

- a. Shipping claims, giving size and ship names and owners.
- b. Duplication of vehicle claims. This continues.
- c. Duplication of other claims by description of property involved or by names of elements. This checking continues.
- d. One illustration of g above, is the details completed in the investigation of Claims Service on the Philippine Long Distance Telephone Company Claims, where a duplicate claim was filed with War Damage Commission.
- e. List and addresses of commercial firms.
- f. Copies of reports of Quartermaster and other personnel of USAFFE 1941-42 Operations.

5. At this time Captain Benjamin Pulley is the Liaison Officer for Claims Service appointed by 15 July 1947 letter from Chief of Claims Service. It is noted that this letter was addressed to only one of the Divisions of War Damage Commission. It is recommended that a letter be prepared and forwarded to the Philippine War Damage Commission, ATTENTION: Mr. O'Donnell, Commissioner, who has charge of all matters connected with administration, and advise the Commission of such list being established.

6. The War Damage Commission requested transfer of certain equipment from Claims Service through Army channels, to it for use by its branch offices. Such a plan should be presented in writing to the Commanding General, ATTENTION: Chief of Claims Service, and include the description of the property on the Form WD, AGO, No. 445, in triplicate. After the Chief of Claims Service checks the list so requested, it should be forwarded by wire check sheet to C-4, ATTENTION: Distribution Division, Lt. Colonel Hood, Telephone 33-Extension 1213, who will comply with the action decided upon by this Headquarters.

7. In accordance with Claims Service Administrative Order No. 8, dated 8 February 1947, a card index system was inaugurated on the part of this office with consent of WDC wherein a duplicate card would be forwarded to the WDC for all claims filed with this Service with the exception of Page 4 Incls.

1. CS Adm Order No. 28. office under the / BASIL A. HOOD 25-100. In ad-
2. Auto Registration motor vehicles of Lieutenant Colonel, JAGD. This office Card of which is forwarded Asst. Chief of Claims Service
3. Ltr, appointing Liaison Officer retained by the Two Services with your attention
4. Form 445, (in trip) Chief of Claims Service, dated 15 July 1947 to the WDC, appointing the undersigned as liaison officer for Claims Service. Prior to this, Mr. Vincent T. Skopete had been initially appointed.

8. 1 copy of the appointing letter for the undersigned and Administrative Order No. 8 are herewith attached.

BENJAMIN J. PULLEY
 Captain, Infantry
 Acting Director
 Investigation Division

BJP/seq

OSGLI

Cooperation Between Claims Service and Philippine War Damage Commission

ABID

TO: COCS
THRU: A/COCS

30 Sep 47

1. Set forth hereon are steps which this office has taken to effect liaison cooperation between this Service and the Philippine War Damage Commission.
2. Sometime during the Fall of last year, a group of WDC employees were allowed to copy the entire valuation system presently in effect in this office. This require approximately one month on the part of WDC.
3. In accordance with Claims Service Administrative Order No. 8, dated 8 February 1947, a card index system was inaugurated on the part of this office with concurrency of WDC wherein a duplicate card would be forwarded to the WDC for all claims filed with this Service with the exception of Wage and Personal Injury, and it might be pointed out that the WDC is not advised of claims received by this office under the provision of AR 25-100. In addition, index cards for motor vehicles are prepared in duplicate by this office, one copy of which is forwarded to WDC.
4. A liaison is maintained by the Two Services with your attention invited to a letter of the Chief of Claims Service, dated 15 July 1947 to the WDC, appointing the undersigned as liaison officer for Claims Service. Prior to this, Mr. Vincent T. Ricevuto had been initially appointed.
5. A copy of the appointing letter for the undersigned and Administrative Order No. 8 are herewith attached.

CERTIFIED TRUE COPY

BENJAMIN J. FULLEY
Captain, Infantry
Acting Director
Investigation Division

✓ Clerk
✓ Captain, GSC

HEADQUARTERS
OFFICE PHILIPPINES-MILITARY SERVICE

Volume V, Number 4

AFD 707
8 February 1947

ADMINISTRATIVE ORDER NO. 8

BULLETIN

SUBJECT: Preparation of Duplicate Index Cards and Form 1040 to
of The Judge Advocate General of the Army - April 1946

TO : All Personnel **EXTRACT**

1. Effective 1 March 1947, a duplicate index card Form 1040, ~~with the exception of~~
wage and personal injury claims.

715a. Personnel Claims act.

Secs 1, 2, act of 29 May 1945 (59 Stat. 225); 31 U. S. C. 222c, 222d.

Cross-References: 709-1. Loss by fire probably resulting from
negligence of Government employees. mailed directly to the Philippine
War Damage Commission, Claims Division, Imitada Building, Manila
Scope of act. -

3. The duplicates prepared during 2 week will be mailed to
Bangor On and prior to 8 December 1941 claimant, a member of the Philip-
pine Scouts, was stationed in the Philippine Islands. The property
captured, destroyed or abandoned as the result of enemy action, and
For which claim was made, included two houses. Claim approved except
as to the houses. Held: Houses, even if they remain personal prop-
erty by agreement between the owner of the land the tenant, are not
the type of personal property for the destruction of which reimburse-
ment is authorized by the Personnel Claims Act of 1945 and AR 25-100,
29 May 1945. SPJGD/D-209132; 14 March 1946. A claim being investigated
by Form 31 may bear the following numbers: PHD-31-246. The number will
be a claimant's name and number's box in use.

6. An example of a card correctly prepared, is attached hereto.
CERTIFIED TRUE EXTRACT COPY:

1 Encl: a/ Clark Sealand
 b/ CLARK SEALAND
 Captain, OMC

a/ Basil A. Wood
Lieutenant Colonel, JAGP
Chief of Claims Service

HEADQUARTERS

48
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HEADQUARTERS
CLAIMS SERVICE, PHILRYCOM
OFFICE OF THE CHIEF OF CLAIMS SERVICE

AFO 707
8 February 1947

ADMINISTRATIVE ORDER NO. 8

SUBJECT: Preparation of Duplicate Index Cards, and Transmittal to
War Damage Commission.

TO : All Personnel

1. Effective 1 March 1947, a duplicate index card form CIS 634, 1 Mar. 47, will be prepared on all claims docketed, with the exception of wage and personal injury claims.
2. The originals of all duplicate cards will be filed in the usual alphabetical order in the card index file, by each team outside of the Manila area, and by Registration Section, Records and Fiscal Division in the Manila Branch. The duplicate will be mailed directly to the Philippine War Damage Commission, Claims Division, Aguinaldo Building, Manila.
3. The duplicates prepared during a week will be mailed to the War Damage Commission each Monday.
4. The cards will be 5" x 8" in size. No exceptions are authorized. In the event cards of 5" x 8" size are not available and cannot be secured, pieces of paper cut to 5" x 8" size will be mimeographed locally, and used as substitutes for the cards.
5. The claim number must identify the team to which the claim is assigned for investigation, i.e., a procurement claim being investigated by Team 5I may bear the following number: PNO-5I-246. The numbering will be a continuation without changes, of the series of numbers now in use.
6. An example of a card correctly prepared, is attached hereto.

1 Encls
Example of index card

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

DISTRIBUTION:

G

PHILIPPINE WAR DAMAGE COMMISSION
MANILA, PHILIPPINES

February 7, 1947

Dear Lt. Ricevuto:

On February 6, 1947, we completed copying the vehicle registration cards of Army Claims Service. These are the cards compiled by your service on vehicles for which claims have been presented.

In order that we may keep our cards up to date with your index, it is requested that, beginning on February 7, 1947, Army Claims Service prepare the new cards in duplicate and furnish the Philippine War Damage Commission with the duplicate card.

This has already been discussed with Mr. P. H. Hallford, but I wanted to bring it to the attention of your agency by letter so you could have a record of this request.

It is suggested that these cards be mailed weekly to Philippine War Damage Commission, Claims Division, Aginaldo Building, Manila.

Sincerely yours,

Frank W. Barton
FRANK W. BARTON
Liaison Officer

Lt. V. T. Ricevuto, Liaison Officer
Headquarters, Claims Service
Philippine Ryukyus Command

Your cooperation and assistance in the preparation and submission of claims is appreciated. We will appreciate any suggestions you care to make on the above matter and any other recommendations that will aid us in our work.

With kindest personal regards, I am,

Sincerely yours,

Frank W. Barton
FRANK W. BARTON

MEMO: To: PHILIPPINE WAR DAMAGE COMMISSION; Claims Arising Out
of Philippine MANILA, PHILIPPINES - File 42 7704.

AG 7704 (22 Nov 46)21

1st Ind.

February 6, 1947

General TRANSMITTALS, THE EAST COMMAND, APO 500, 3 January 1947.
Lt Colonel Basil A. Wood, Chief of Claims,
HQ Claims Service, ~~707~~ Philippine-Ryukyus Command, APO 707.
Philippine Ryukyus Command

The objective plus described in paragraph 3 of this memo
Dear Lt Colonel Wood: ~~is approved.~~

This afternoon we began copying Registration Cards from your files
records and just as soon as we open our Branch Offices we intend
to copy the Registration Cards in your Branch Offices. The government
preferred to make duplicate payment of claims.

The following steps in copying and keeping up to date this
index were discussed and agreed upon by Mr. P. H. Hallford, Lt. V.
T. Ricevuto and myself:

Your office is using a 5" x 8" card and the PWDC will
use the same size card.

Beginning March 1st your Manila Office and all Branch
Offices will prepare their Registration Cards in duplicate
(Some of your Branch Offices are using cards other than
5" x 8") and the PWDC will furnish your Offices with
sufficient 5" x 8" cards for this operation.

The Chief of Claims will request the Branch Offices to
permit PWDC personnel in our Branch Offices to copy their
Registration Card Index for claims filed prior to March 1st
1947.

Duplicate cards prepared by your Offices should be mailed
weekly to PWDC, Claims Division, Aguinaldo Building, Manila

The PWDC does not need Registration Cards for Wage Claims or
Personal Injury Claims and your Offices should be instructed
not to prepare duplicate cards on these types of claims.

We certainly appreciate the cooperation and assistance you and
your Claims Service personnel have given us and you may expect full
cooperation from us in the furtherance of our "common" problem. We
would appreciate any suggestions you care to make on the above matter
and any other recommendations that will aid us in our work.

With kindest personal regards, I am,

Sincerely yours,

s/ Frank W. Barton
FRANK W. BARTON

BASIC: Ltr, Hq AFWESTPAC, GSCL, 22 Nov 46, Subj: Claims Arising Out of Philippine Guerrilla Activities - File AG 370.64.

AG 370.64 (22 Nov 46)JA 1st Ind.

22 November 1946

GENERAL HEADQUARTERS, FAR EAST COMMAND, APO 500, 3 January 1947.

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

1. The alternative plan described in paragraph 5 of this basic letter, 22 November 1946, is approved.
2. It is directed that liaison be established with the Philippine War Damage Commission in such manner that the provisions of Public Law 370 will be complied with, and the interest of the government protected against duplicate payment of claims.

BY COMMAND OF GENERAL MacARTHUR:

a. The subject of the draft should refer to all claims received, and not be limited to Guerrilla claims. Guerrilla claims constitute approximately 25 percent in amount of dollars of the Army claims being processed. Incl: w/d

s/ J. M. Ebbitt
t/ J. M. EBBITT,

b. The proposal establishes a fixed plan for receiving and routing of claims. Such a plan appears to involve problems of authority, assignment of personnel, and increase in budgetary cost, without compensating benefits accruing to either the Army or the Philippine War Damage Commission. The principles by which a successful and effective liaison could be established, are not applied, as no discretion to establish an effective liaison is allowed to the Agencies.

c. Philippine War Damage Commission has announced it expects to receive one million claims over a period of a year. Its policy on making payments has not been established, and its policy on disposition of claims may not be available for many months.

d. The Philippine Contract Settlement Commission (Nav) has received about 500 claims and does not expect to receive more than 500 claims. The Navy Guidelines for filing claims is 31 December 1946. It operates solely under the provisions of the Contract Settlement Act, which is applicable to a limited field of procurement, contracting, and requisitioning of supplies and services.

e. The Manila Engineer District (MSED) has many thousands of leases and matters growing out of the necessity of real estate. Many records are closed and it will dispose of several thousands, in

CONF

HEADQUARTERS
UNITED STATES ARMY FORCES WESTERN PACIFIC
OFFICE OF THE COMMANDING GENERAL

OSGL

AFPO 707

22 November 1946

SUBJECT: Claims Arising Out of Philippine Guerrilla Activities -
File AG 370.64

TO : Commander-in-Chief, United States Army Forces, Pacific, AFPO 500.

1. Paragraphs 1 to 5 of the basic letter, 23 October 1946, file number as above, included instructions on paying guerrilla claims. These were answered by 1st Indorsement, dated 15 November 1946.

2. The following suggestions are submitted as to paragraph 6 which discusses the proposed establishment of a Joint Claims Office with personnel of the Philippine War Damage Commission, the Philippine Contract Settlement Commission (Navy), and the Army.

a. The subject of the draft should refer to all claims received, and not be limited to Guerrilla claims. Guerrilla claims constitute approximately 15 percent in amount of dollars of the Army claims being processed

b. The proposal establishes a fixed plan of the receiving and routing of claims. Such a plan appears to involve many complex problems of authority, assignment of personnel, and increase in budgetary cost, without compensating benefits accruing to either the Army or the Philippine War Damage Commission. The principles by which a successful and effective liaison could be established, are not applied, as no discretion to establish an effective liaison is allowed to the Agencies.

c. Philippine War Damage Commission has announced it expects to receive one million claims over a period of a year. Its policy on making payments has not been established, and its policy on disposition of claims may not be available for many months.

d. The Philippine Contract Settlement Commission (Navy) has received about 200 claims and does not expect to receive more than 500 claims. The Navy dead-line for filing claims is 31 December 1946. It operates solely under the provisions of the Contract Settlement Act, which is applicable to a limited field of procurement, commandeering, and requisitioning of supplies and services.

e. The Manila Engineer District (NAVED) has many thousands of leases and matters growing out of the occupancy of real estate. Many records are closed and it will dispose of several thousands, in

the future. Most of these should be classed as current procurement leases, and information about a large percent of these records will be of no use or purpose to the PWDC or to Claims Service, AFWSBPAC.

f. Claims Service, AFWSBPAC has been operating for approximately 23 months. It has approximately 150,000 records in Manila and in the Branch Offices, located on many Islands. As one illustration, the Mindanao Branch Office has approximately 10, records. The Manila Office forwards claims that arose on Mindanao to that office. The information on these claims is not available in Manila. This situation prevails as to all Branch Offices.

g. The majority of claims under the jurisdiction of the Army will not be of interest to the Philippine War Damage Commission. It is estimated that approximately 10 percent of the number of Army claims filed will include duplication of names, or properties involved. This estimate is based upon experience in the preparation of proof supporting claims, where the descriptions appear to refer to matters that are combat or war damage.

h. The majority of claims under the jurisdiction of the PWDC will not be of interest to the Army. No estimate as to a percentage can be made, as yet.

3. At the present time a continuous liaison is in operation between Claims Service, the Recovered Personnel Division of AG, the Philippine Contract Settlement Commission (Navy), and the Employees Compensation Commission of the Federal Security Agency, for the purposes of checking and clearing every claims, where the name of the claimant or the facts disclosed a possibility that the claim could be duplicated in any other Agency. This liaison has proven efficient and effective, and the policies providing for checking names and types of claims have been established without a Joint Office, with its many problems.

h. Several conferences have occurred in which personnel from the Philippine War Damage Commission, MANED, and Claims Service, have discussed the liaison problems and tentatively arranged the expansion of the present liaison, checking of the names of claimants, and the type or claims, and the clearing of claims records already filed and those that may be filed in the future. The Navy did not participate, stating it would only be located in the Philippines for a short number of days, and that it would make its records available before it returned to Washington. It appears that this planning will give full assurance of a satisfactory clearance of all claims, that will give protection against the duplicate payments as well as complying with all laws and regulations.

5. As an alternative, it is recommended that this headquarters be authorized to establish liaison with the Philippine War Damage Commission, in such manner that the provisions of Public Law 370 may be complied with, and give protection to the Government against the duplicate payments of claims; and that this headquarters establish policies and operations therefor.

The Commander-in-Chief, USAF, and USA

Respectfully Colonel Franklin S. Shaw, Staff, USAF, USAF

1. Paragraphs 1, 2 and 4 and 5 of the last report will be changed with

J. G. CHRISTIANSEN
Major General, USA
Deputy Commander and
Chief of Staff

1 Incl:

Ltr CINCPAC, 23 Oct 46,
with Incl. 1, and 1st Ind.

3. The Chief of the Legal Division, War Damage Commission has advised the Chief of Staff, USAF, that claims may be filed directly with the Philippine War Damage Commission "for all matters not within the jurisdiction of other agencies." That it will determine such claims when reference is any agency, in all cases where the facts disclose no other agency would have jurisdiction over such claims. That the provisions of Section 101 of Public Law 370 require the War Department to make payment only on those claims that are within the jurisdiction of the War Department.

4. Section 101 (c) of Public Law 370 does not require all war damage claims to be first reviewed by the War Department, but only such claims as are within the jurisdiction of the War Department. The act provides as follows:

"Sec. 101. The Commission shall make no payment under the provisions of this title -

(a) to compensate for any loss or damage-

(1) for which the War Department or the Navy Department is authorized to make payment; or

(2) for which compensation or liability is otherwise provided, or has been paid, or is authorized to be paid, by the Government of the Government of the Philippines (Republic of the Philippines), or by the United States Government or by any other Government, or by any other authority, or by any other person, organization, or agency.

COPY

BASIS: War OIG, AFPAC, AG 370.0 (23 Oct 46)JA, dtd 23 Oct 45, subj: "Claims arising out of Guerrilla Activities" to CG, AFWSAPAC, (Authority for such loss or damage)

CGCL-150/919 PW 1st Ind
HEADQUARTERS, UNITED STATES ARMY FORCES WESTERN PACIFIC, OFFICE OF THE COMMANDING GENERAL, APO 707, 15 November 1946.

TO: Commander-in-Chief, AFPAC, APO 500
Attention: Colonel Franklin R. Shaw, JAGC, Judge Advocate.

1. Paragraphs 1, 2 and 4 and 5 of the basic letter will be complied with.

2. As instructions to pay claims for loans of different currencies to recognized Guerrilla Units are not included, the original of the attached radio was forwarded on 12 November 1946. Pending receipt of confirmation, action on these claims has been suspended.

3. a. The Chief of the Legal Division, War Damage Commission has advised the Chief of Claims, AFWSAPAC, that claims may be filed direct with the Philippine War Damage Commission "for all matters not within the jurisdiction of other agencies." That it will determine such claims without reference to any agency, in all cases where the facts disclose no other agency would have jurisdiction over such claims. That the provisions of Section 103 of Public Law 370 require the War Department to decline payment only on those claims that are within the jurisdiction of the such Department.

b. Section 103 (c) of Public Law 370 does not require all war damage claims to be first reviewed by the War Department, but only such claims as are within the jurisdiction of the War Department. The act provides as follows:

"Sec. 103. The Commission shall make no payment under the provisions of this title -

(c) to compensate for any loss or damage-

(1) for which the War Department or the Navy Department is authorized to make payment, or

(2) for which compensation or indemnity is otherwise payable, or has been paid, or is authorized to be paid, by the Government of the Commonwealth of the Philippines (Republic of the Philippines), or by the United States Government or by their respective departments, establishments, or agencies,

2 incls
1 - W/O
2 - W/O radio (added)

CG, WPA
Asst Adj Gen

unless the War Department, Navy Department, respective department, establishment, or agency concerned has declined to pay compensation or indemnity for such loss or damage;

c. However, the provisions of paragraph 3 of the basic letter refer to all of the types of claims that are within the jurisdiction of the War Damage Commission and continue with the following:

"The War Damages Commission cannot make payment on any such claim unless payment has been declined by the War Department. It is directed therefore, that the AFWSPPAC Claims Service, as the War Department's claims representative in the Philippine Area, decline payment of all claims in categories which the War Damage Commission is empowered to pay and that such claims, if now filed with the Claims Service, be transmitted by it to the War Damage Commission."

(Underscore supplied)

This would require, for the first time, the acceptance of claims that are not within the jurisdiction of Claims Service, AFWSPPAC, the increase of the budget to provide for the employment of several hundred additional employees to receive, investigate sufficiently to allow a determination, which would affirmatively decline payment on an estimated several hundred thousand claims. It is suggested that this plan will be a duplication of the investigation and action now contemplated by the War Damage Commission.

h. In the alternative, should the provisions of paragraph 3 of the basic letter quoted above direct that Claims Service, AFWSPPAC write a single letter to the War Damage Commission, stating that it declines payment on all claims in the categories which the War Damage Commission is empowered to pay, then, it is suggested that such action is not desired by the War Damage Commission and further, is not required by Public Law 370.

5. It is recommended that the above quoted part of paragraph 3 be superseded by new directions, providing that Claims Service, AFWSPPAC, comply with the provisions of Public Law 370.

6. Paragraph 6 of the basic letter involves the separate question of establishing a Joint Claims Office for liaison purposes. This is answered by a separate letter.

FOR THE COMMANDING GENERAL:

2 Incls
1 - w/d
2 - cc radio (added)

/s/ Thomas J. Brown
/s/ THOMAS J. BROWN
CWO, USA
Asst Adj Gen

BASIC: War, OHQ, AFPAC, AG 370.04 (23 Oct 46)JA, dated 23 October 1946
subject: "Claims Arising Out of Guerilla Activities," to
CG, AFWESPAC.

resulted from any of the other perils enumerated in this section or from control by enemy forces.

The War Damages Commission cannot make payment on any such claims unless payment has been declined by the War Department. It is directed therefore, that the AFWESPAC Claims Service, as the War Department's claims representative in the Philippine Area, decline payment of all claims in categories which the War Damages Commission is empowered to pay and that such claims, if now filed with the Claims Service, be transmitted by it to the War Damage Commission.

4. The War Damages Commission is not empowered to pay contractual or quasi-contractual claims, including salary claims of the guerilla forces and claims for services, equipment and supplies furnished to the guerilla forces under a clearly expressed or implied agreement to pay their fair or stated value. Such claims, if meritorious, can be paid by the AFWESPAC Claims Service. Moreover, the War Damages Commission is not empowered to pay a claim of an enemy alien, regardless of how the claim arose. Such a claim may be paid by the Claims Service if it is found that the enemy alien was friendly to the United States and actively assisted its forces or forces cooperating with it.

5. In the case of claims for services, equipment, and supplies furnished to the guerilla forces, the Claims Service will require compelling evidences: (a) that such services, equipment, and supplies were furnished with the understanding on both sides that payment would be made therefor and (b) that they were necessary for the conduct of operations against the enemy. Contemporary evidence of transactions, such as receipt or book entry, is especially valuable in showing the intent to repay since, with the successful completion of the war, what was intended at the time as a patriotic donation may now be made the basis of a monetary claim.

6. Attached hereto is draft of a communication to the War Department proposing that a liaison file be established and maintained jointly by the War and Navy Departments and the War Damages Commission to preclude possible duplication of payment of Philippine claims. Pending such action, liaison will be established by the AFWESPAC Claims Service with the Navy Department Claims Service operating in the Philippine area and with the War Damages Commission to insure that payment is not made on any single claim by more than one of the three agencies. Your concurrence or non concurrence in the proposed draft is requested.

BY COMMAND OF GENERAL MacARTHUR:

/s/ J. M. Ebbitt
/s/ J. M. EBBITT
Captain, AGD
Asst Adj Gen

1 Incl: as noted above

COPY

be. Section of the GENERAL HEADQUARTERS to appropriate claim
SUPREME COMMANDER FOR THE ALLIED POWERS
service. It is inevitable that AND will arise as to which agency
UNITED STATES ARMY FORCES, PACIFIC
should handle a particular claim. For example, a question may arise as to
APO 500

Whether a particular claim is quasi-contractual in nature and properly
370.61 ()AG
payable by the War Department or whether the claim arises from one of the
SUBJECT: Claims Arising out of Philippine Guerilla Activities.
guerrillas encountered in the Philippine Rehabilitation Act and is properly
TO : The Adjutant General, Washington, 25, D. C.
payable by the War Damage Commission. Similarly, in claims arising from

1. The matter of the procedure to be followed in handling claims arising
out of the activities of Philippine guerillas has come up for review
because of the creation of a War Damage Commission by Public Law 370,
79th Congress (Philippine Rehabilitation Act). There will now be operating
in the Philippine area, three separate claims services: a War Department
Claims Service, a Navy Department Claims Service, and the War Damage
Commission.

2. It is possible that, under the circumstances outlined above, some
claims may be presented to more than one agency and multiple payment made
thereon. For example, a claim for property damage occurring during
amphibious operations might be presented successfully to each of the three
agencies and payment of it made by each.

3. In order to preclude the possibility of payment of any single
claim by more than one agency, it is recommended that a Joint Claims Office
be established with functions as follows:

a. Registration of all claims coming under jurisdiction of all
three claims services. Such registration to be required before any action
on claim will be taken.

b. Routing of claim after registration, to appropriate claim service. It is inevitable that questions will arise as to which agency should handle a particular claim. For example, a question may arise as to whether a particular claim is quasi-contractual in nature and properly payable by the War Department or whether the claim arises from one of the perils enumerated in the Philippine Rehabilitation Act and is properly payable by the War Damage Commission. Similarly, in claims arising from joint Army-Navy operations, there may be a question as to whether the claim should properly be referred to the War Department or to the Navy Department claims service. Claims would be initially referred to a routing board, consisting of one representative from each of three agencies, for investigation and initial consideration of the claim. Such routing would not impair the right of any agency to determine whether any claim so presented comes within its own jurisdiction.

c. Maintenance of a clearing and liaison file for mutual benefit of all three agencies. Much of the information compiled by one claims agency, during the investigation of claims, will be of value to other agencies investigating similar or related claims. The liaison file should be so operated as to provide easy access to and full interchange of information by all three agencies.

d. Certification of each claim registered and routed to a claims agency that damage for which claim was submitted was not covered, in whole or in part, by any claim previously certified by Joint Claims Office.

FOR THE COMMANDER-IN-CHIEF:

/s/ Harry A. Gault
/s/ Henry A. Gault
Colonel, USA
Chief of Claims Division

COPY

HEADQUARTERS, ARMY SERVICE FORCES
OFFICE OF THE JUDGE ADVOCATE GENERAL
WASHINGTON 25, D. C.

SPJWD/17790-R

MAY 13 1946

SUBJECT: Philippine War Damage Claims

TO: Commanding General, AFRES/PAC
APO 707, c/o Postmaster
San Francisco, California
ATTENTION: Chief of Claims

1. Inclosed for your information is copy of the Philippine Rehabilitation Act of 1946 (Act of April 30, 1946, Public Law 370, 79th Congress).

2. It will be observed that Section 101 provides for the establishment of a Philippine War Damage Commission with power to allow and pay war damage claims arising in the Philippines after 7 December 1941 and before 1 October 1945 as a result of the perils listed in Section 102(a) to claimants who meet the qualifications of Section 102(b), excluding the classes of property referred to in Section 110. Section 103 further prohibits payment in certain cases. Particular attention is invited to Section 103(e).

3. Section 109 of the Act terminates the authority of War Damage Corporation with respect to war damage claims arising in the Philippines. Accordingly, in those cases where it has been your practice to refer claimants to War Damage Corporation, it will be necessary to revise your procedures so that claimants are now referred to the Philippine War Damage Commission. That Commission has not yet been appointed and, after its appointment, some time will probably elapse before it is ready to accept claims and give the public notice required by Section 101(c). There is no address to which claimants can be directed at this time. Therefore, it is suggested that claimants referred to Philippine War Damage Commission be advised that they may file claims with such Commission, provision for the appointment of which is made by the Act approved April 30, 1946 (Public Law 370, 79th Congress), as soon as that Commission gives public notice of the time when and place where claims may be filed.

FOR THE JUDGE ADVOCATE GENERAL:

1 Incl
P.L. 370 (dup)

/s/ Harry E. Clarke
/s/ HARRY E. CLARKE
Colonel, JAGC
Chief of Claims Division

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30 Apr 1946

[PUBLIC LAW 370—79TH CONGRESS]
[CHAPTER 243—2D SESSION]
[S. 1610]

AN ACT FOR THE REHABILITATION
OF THE PHILIPPINES

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Philippine Rehabilitation Act of 1946".

TITLE I—COMPENSATION FOR WAR DAMAGE

SEC. 101. (a) There is hereby established a Philippine War Damage Commission (in this title referred to as the "Commission"). The Commission shall consist of three members, to be appointed by the President of the United States, by and with the advice and consent of the Senate. One of the members of the Commission shall be a Filipino. The members of the Commission shall receive compensation at the rate of \$12,000 a year. The terms of office of the members of the Commission shall expire at the time fixed in subsection (d) for winding up the affairs of the Commission. A vacancy in the membership of the Commission shall not impair the authority of the remaining two members of the Commission to exercise all of its functions. Vacancies occurring in the membership of the Commission shall be filled in the same manner as in the case of the original selection. Members of the Commission shall receive their necessary traveling and other expenses incurred in connection with their duties as such members, or a per diem allowance in lieu thereof, to be fixed by the Commission without regard to the limitation prescribed in any existing law.

(b) The Commission may, without regard to the civil-service laws or the Classification Act of 1923, as amended, appoint and fix the compensation and allowances of such officers, attorneys, and employees, and may make such expenditures, as may be necessary to carry out its functions. Officers and employees of any other department or agency of the Government may, with the consent of the head of such department or agency, be assigned to assist the Commission in carrying out its functions. The Commission may, with the consent of the head of any other department or agency of the Government, utilize the facilities and services of such department or agency in carrying out the functions of the Commission.

(c) The Commission may prescribe such rules and regulations as are necessary for carrying out its functions, and may delegate functions to any member, officer, or employee of the Commission or of any other department or agency of the United States or of the Commonwealth of the Philippines and shall give public notice of the time when, and the limit of the time within which, claims may be filed, which notice shall be given in such manner as the Commission shall prescribe.

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(d) The Commission shall, so far as practicable, give consideration to, but need not await, or be bound by, the recommendations of the Filipino Rehabilitation Commission (created by the Act approved June 29, 1944) with respect to Philippine war damage. The Commission shall wind up its affairs not later than two years after the expiration of the time for filing claims under this title if possible, but, in no event later than five years from the enactment of this Act.

SEC. 102. (a) The Commission is hereby authorized to make compensation to the extent hereinafter provided on account of the physical loss or destruction of or damage to property in the Philippines occurring after December 7, 1941 (Philippine time), and before October 1, 1945, as a result of one or more of the following perils: (1) Enemy attack; (2) action taken by or at the request of the military, naval, or air forces of the United States to prevent such property from coming into the possession of the enemy; (3) action taken by enemy representatives, civil or military, or by the representatives of any government cooperating with the enemy; (4) action by the armed forces of the United States or other forces cooperating with the armed forces of the United States in opposing, resisting or expelling the enemy from the Philippines; (5) looting, pillage, or other lawlessness or disorder accompanying the collapse of civil authority determined by the Commission to have resulted from any of the other perils enumerated in this section or from control by enemy forces: *Provided*, That such compensation shall be payable only to qualified persons having, on December 7, 1941 (Philippine time), and continuously to and including the time of loss or damage, an insurable interest as owner, mortgagee, lien holder, or pledgee in such property so lost or damaged: *Provided further*, That any qualified person who acquired any deceased person's interest in any property either (1) as heir, trustee, legatee, or distributee, or (2) as executor or administrator of the estate of any such deceased person for the benefit of one or more heirs, devisees, legatees, or distributees, all of whom are qualified persons, shall be deemed to have had the same interest in such property during such deceased person's lifetime that such deceased person had: *Provided further*, That no claim shall be approved in an aggregate amount which exceeds whichever of the following amounts, as determined by the Commission, is less: (a) The actual cash value, at the time of loss, of property lost or destroyed and the amount of the actual damage to other property of the claimant which was damaged as a direct result of the causes enumerated in this section; (b) the cost of repairing or rebuilding such lost or damaged property, or replacing the same with other property of like or similar quality: *Provided further*, That in case the aggregate amount of the claims which would be payable to any one claimant under the foregoing provisions exceeds \$500, the aggregate amount of the claims approved in favor of such claimant shall be reduced by 25 per centum of the excess over \$500.

(b) When used in this section, the term "qualified person" means—

(1) any individual, who on December 7, 1941 (Philippine time), and continuously to the time of filing claim pursuant to this title, was a citizen of the United States or of the Commonwealth of the Philippines or of the Republic of the Philippines or who, being a citizen of a nation not an enemy of the United States, which nation grants reciprocal war damage payments to American citizens resident in such countries was for five years prior to December 7, 1941, a resident of the Philippines;

(2) any individual, who at any time subsequent to September 16, 1940, and prior to August 14, 1945, served honorably in the armed forces of the United States or of the Commonwealth of the Philippines, or honorably performed "service in the merchant marine" (as defined in the first section of the Act entitled "An Act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes", approved June 23, 1943);

(3) any church or other religious organization; and
(4) any unincorporated association, trust, or corporation (or, upon dissolution, its successor) organized pursuant to the laws of any of the several States or of the United States or of any Territory or possession thereof (including any other unincorporated association, trust, corporation or sociedad anonima organized pursuant to the laws in effect in the Philippines at the time of its organization), but excluding any corporation wholly owned by the Commonwealth of the Philippines (or the Republic of the Philippines).

SEC. 103. The Commission shall make no payment under the provisions of this title—

(a) to any enemy alien;

(b) to any person who, by a civil or military court having jurisdiction, has been found guilty of collaborating with the enemy, or of any act involving disloyalty to the United States or the Commonwealth of the Philippines;

(c) to any unincorporated association, trust, corporation or sociedad anonima owned or controlled by any of the persons specified in clauses (a) and (b) of this section;

(d) to compensate for any loss of or damage to property which, at the time of loss or damage, was insured against any one or more of the perils specified in section 102 hereof, except to the extent that the loss or damage exceeds the amount of such insurance, whether or not collectible;

(e) to compensate for any loss or damage—

(1) for which the War Department or the Navy Department is authorized to make payment, or
(2) for which compensation or indemnity is otherwise payable, or has been paid, or is authorized to be paid, by the Government of the Commonwealth of the Philippines (Republic of the Philippines), or by the United States Government or by their respective department, establishments, or agencies.

unless the War Department, Navy Department, respective department, establishment, or agency concerned has declined to pay compensation or indemnity for such loss or damage;

(7) unless the claimant shall file with the Commission, within twelve months after the date on which public notice is given as prescribed in section 101 (c) of this title, a claim in reasonable conformity with the requirements of this title and such reasonable regulations as shall be established by the Commission.

SEC. 104. (a) No claim shall be paid unless approved by the Commission or its authorized representatives, and on account of each claim so approved the Commission may make immediate payment of (1) so much of the approved amount of the claim as does not exceed five hundred dollars or one thousand Philippine pesos, plus (2) such percentage, not in excess of 80 per centum of the remainder of the approved amount of the claim as the Commission shall make applicable to all approved claims, due consideration having been given to the total funds available for distribution. After the time for filing claims has expired, the Commission shall determine the amount of money available for the further payment of claims. Such funds shall be applied pro rata toward the payment of the unpaid balances of the amounts authorized to be paid pursuant to section 102 of this title.

(b) The Commission may, at its option, make payment, in whole or in part, of the amount payable in the case of any claim authorized to be paid under this title by replacing lost, damaged, or destroyed property with other property of like or similar kind. The amount expended for such purpose in any case, including the fair value of property transferred to the claimant, shall be deemed to have been paid to the claimant on account of his claim, and such amount shall in no case exceed the amount authorized to be paid under this title on account of such claim. The Commission is authorized to acquire such property, to have such work done, to make such contracts, and to take such other action as may be necessary for the purposes of this subsection. To accomplish the purposes of this section such surplus property of the United States, wherever located, as the President of the United States by Executive order shall direct, shall be transferred to the Commission. The Commission shall pay to the disposal agency the fair value of the property as agreed to by the Commission and the disposal agency.

(c) All of the provisions of this title shall be subject to the requirement that, to the fullest extent practicable, the Commission shall require that the lost or damaged property be rebuilt, replaced, or repaired before payments of money are actually made to claimants under this title.

SEC. 105. Not later than six months after its organization, and every six months thereafter, the Commission shall make a report to the Congress concerning operations under this title:

Provided, That if the Commission determines it is impossible for any reason beyond the control of the claimant, or is impractical to rebuild, replace, or repair the lost or damaged property, the Commission may make payment to the claimant without making said requirement: *Provided, however*, That, as a condition to the making of such payment, the Commission shall require that the whole of such payment shall be reinvested in such manner as will further the rehabilitation or economic development of the Philippines; *And provided further*, That nothing in this subsection shall preclude the partial payment of claims as the rebuilding, replacing, or repairing of the property progresses.

SEC. 106. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amount of \$400,000,000 for the purposes of paying compensation to the extent authorized by this title, and of such sum, not to exceed \$4,000,000 shall be available to pay the expenses of the Commission.

(b) Any money or bullion received by the United States from the Japanese Government or the Japanese people by way of reparations or indemnity on account of war losses in the Philippines—

(1) shall be covered into the Treasury of the United States until the value of said money or bullion so covered into the Treasury is equal to the sum of the amounts appropriated for the payment of compensation under this title and the amounts appropriated for carrying out the purposes of Title III of this Act;

(2) when the amounts covered into the Treasury under clause (1) are equal to the amount so appropriated, the excess over the amount so appropriated shall be used, first, to satisfy in full the balance unpaid of any approved claims under this title; second, toward the payment of any amount by which any claim was reduced under section 102 (c) hereof; third, toward the satisfaction of any approved claim of the Government of the Commonwealth of the Philippines (or the Republic of the Philippines), its provinces, cities, municipalities, and instrumentalities, not compensated under this Act; and

(3) the balance shall be covered into the Treasury of the United States.

(c) Notwithstanding any other provision of law, any other property received by the United States from the Japanese Government or the Japanese people, whether by way of reparations or restitution on account of war losses in the Philippines, may be transferred, by Executive order of the President of the United States, to the Commission, to be applied in kind, under such regulations as may be adopted by it, to the payment of losses or damages covered by this Act, or in such other manner as the Commission may determine to be necessary to carry out the purposes and policy of this Act.

(d) Nothing in this Act shall prejudice the right of any claimant not covered by this Act to recover damages from Japanese

Government or the Japanese people, by way of reparations or indemnity on account of the war, for losses not, or not fully, compensated for hereunder.

SEC. 107. Whoever, in the Philippines or elsewhere, makes any statement or representation knowing it to be false, or whoever willfully and fraudulently overvalues loss of or damage to property for the purpose of obtaining for himself or for any claimant any compensation pursuant to this title, or for the purpose of influencing in any way the action of the Commission with respect to any claim for compensation pursuant to this title, or for the purpose of obtaining money, property, or anything of value under this title, shall, upon conviction, be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both, and shall not receive any payments or other benefits under this title and, if any payment or benefit shall have been made or granted, the Commission shall take such action as may be necessary to recover the same.

SEC. 108. No remuneration on account of services rendered or to be rendered to or on behalf of any claimant in connection with any claim for compensation pursuant to this title shall exceed 5 per centum of the compensation paid by the Commission on account of such claim. Any agreement to the contrary shall be unlawful and void. Whoever, in the Philippines, or elsewhere, pays or offers to pay, or promises to pay, or receives, on account of services rendered or to be rendered in connection with any claim for compensation hereunder, any remuneration in excess of the maximum permitted by this section, shall be deemed guilty of a misdemeanor and, upon conviction thereof shall be fined not more than \$5,000, or imprisoned for not more than twelve months or both, and, if any such payment or benefit shall have been made or granted, the Commission shall take such action as may be necessary to recover the same, and, in addition thereto, any such claimant shall forfeit all rights under this title.

SEC. 109. Except as lawfully provided in policies of insurance heretofore or hereafter issued by the War Damage Corporation pursuant to subsection (a) of section 59 of the Reconstruction Finance Corporation Act, as amended, the authority herein granted to the Philippine War Damage Commission shall be in lieu of and shall supersede all authority previously conferred on the War Damage Corporation to furnish protection or pay compensation with respect to property situated, at the time of loss or damage, in the Philippines, and the protection authorized to be extended and the compensation authorized to be paid by the Philippine War Damage Commission shall be in lieu of all protection heretofore extended or authorized to be extended by the War Damage Corporation with respect to property situated, at the time of loss or damage, in the Philippines, except to the extent provided in policies of insurance heretofore or hereafter issued by the War Damage Corporation. The War Damage Corporation is hereby prohibited from providing for or paying compensation for war damage in the Philippines except to the

extent provided in its policies of insurance heretofore or hereafter issued in consideration of a premium paid therefor.

SEC. 110. The classes of property enumerated in this section, whether situated in the Philippines or elsewhere, are hereby excluded from protection, compensation, or consideration under this title, and the Commission shall not make any payment, directly or indirectly, on account of loss of or damage to such classes of property:

(1) Accounts, bills, records, films, plans, drawings, formulas, currency, deeds, evidences of debt, securities, money, bullion, furs, jewelry, stamps, precious and semiprecious stones, works of art, antiques, stamp and coin collections, manuscripts, books and printed publications more than fifty years old, models, curiosities, objects of historical or scientific interest, and pleasure watercraft and pleasure aircraft; *Provided, however,* That such protection, compensation, or consideration shall extend to such of the foregoing items as may have constituted inventories, supplies or equipment for carrying on a trade or business within the Philippines;

(2) Vessels and watercraft, their cargoes and equipment, except (a) vessels used or intended to be used exclusively for storage, housing, manufacturing, or generating power, (b) vessels while under construction until delivery by the builder, or sailing on delivery or trial trip, whichever shall first occur, (c) watercraft and commercial vessels of Philippine registry and territorial or inland waters of the Philippines, and (d) cargoes and equipment on vessels and watercraft described in (a), (b) and (c) above: except as modified by and subject to clauses (1) and (5) of this section;

(3) Intangible property;

(4) Property diverted to the Philippine Islands, by authority of the United States Government or otherwise, as a result of war conditions; and

(5) Property in transit (a) which at the time of loss or damage was insured against war perils, or (b) with respect to which insurance against such perils was available, at the time of loss or damage either at reasonable commercial rates or from the United States Maritime Commission.

SEC. 111. All departments, commissions, offices, agencies, and instrumentalities of the United States Government, upon the written request of the Commission, are authorized to make delivery and conveyance to designated claimants, or to the Commission, of any surplus property of the United States in the Philippines deemed by the Commission to be similar to that for which compensation is requested, or to be suitable for the rebuilding or repair of the property damaged or destroyed. The transfer of such property to such claimants shall be at the fair value of the property as agreed by the Commission and the disposal agency. The Commission shall pay such fair value to the disposal agency.

SEC. 112. The War Damage Corporation is authorized and directed to consult with, and in every manner possible to assist and cooperate with, the Commission, to aid the Commission in its performance of its duties hereunder, and to make available to or deliver to the Commission all records, claims, files, and other documents in its possession pertaining to Philippine claims. The Commission is authorized to give such weight as it may deem proper to any reports, certificates, or recommendations of the War Damage Corporation, or its adjusters or claims service offices.

SEC. 113. The Commission shall notify all claimants of the approval or denial of their claims, and, if approved, shall notify such claimants of the amount for which such claims are approved. Any claimant whose claim is denied, or is approved for less than the full allowable amount of said claim, shall be entitled, under such regulations as the Commission may prescribe, to a hearing before the Commission or its representatives with respect to such claim. Upon such hearing, the Commission may affirm, modify, or reverse its former action with respect to such claim, including a denial or reduction in the amount of a claim heretofore approved. All findings of the Commission concerning the amount of loss or damage sustained, the cause of such loss or damage, the persons to whom compensation pursuant to this title is payable, and the value of the property lost or damaged, shall be conclusive and shall not be reviewable by any court.

TITLE II—DISPOSAL OF SURPLUS PROPERTY

SEC. 201. In order to expedite the disposition of surplus property of the United States in the Philippines and to aid in repairing and replacing buildings (including hospitals, educational, and charitable institutions furnishing essential health, educational, and welfare services), works, utilities, equipment, or other property, owned by the Commonwealth of the Philippines, provincial governments, chartered cities or municipalities, or other governmental units in the Philippines, in cases where such government-owned buildings, works, utilities, equipment, or other property have been damaged, lost, or destroyed in the war, and otherwise to aid in facilitating the normal operations of existing governmental units in the Philippines, the Department of State, the disposal agency for the Philippines designated under the Surplus Property Act of 1944, acting through the Foreign Liquidation Commissioner (hereinafter referred to as the "Commissioner"), is hereby authorized to transfer to the Commonwealth of the Philippines, provincial governments, chartered cities or municipalities, without reimbursement, property of the United States now or hereafter located in the Philippines and declared surplus under the Surplus Property Act of 1944, upon such terms and conditions, including the use or disposition of such property by the Commonwealth of the Philippines, as the Commissioner may deem appropriate to carry out the purposes of this title.

SEC. 202. At the time any such property is so transferred to the Commonwealth of the Philippines (Republic of the Philippines), the Commissioner shall make a record of (1) the items transferred, (2) the condition of such items, and (3) his estimate of the fair value of such items. The Commissioner shall make quarterly reports to the President and the Congress concerning the administration of this title.

SEC. 203. Surplus property now or hereafter located in the Philippines shall be disposed of only in accordance with the provisions of this Act and the Surplus Property Act of 1944 as heretofore or hereafter amended. Such disposals shall not be subject to the provisions of any law inconsistent herewith. The Commission shall, so far as practicable, dispose of surplus property in the Philippines in such a manner and in such quantities, within the provisions of the Surplus Property Act, as will prevent unnecessary distribution costs and excessive profits.

SEC. 204. No military weapons, munitions, or toxic gas shall be transferred or otherwise disposed of under section 201.

SEC. 205. The fair value of the property transferred to the Commonwealth of the Philippines (Republic of the Philippines) provincial governments, chartered cities or municipalities under section 201, as estimated by the Commissioner, shall not exceed \$100,000,000 in the aggregate.

SEC. 206. The Commissioner may prescribe such rules and regulations as may be necessary for the performance of his functions under this title, and may delegate and authorize successive delegations to any authority conferred upon him by this title to any officer or employee of his agency or of any other department or agency of the United States or of the Commonwealth of the Philippines (Republic of the Philippines).

TITLE III—RESTORATION AND IMPROVEMENT OF PUBLIC PROPERTY AND ESSENTIAL PUBLIC SERVICES

SEC. 301. As a manifestation of good will to the Filipino people, there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, (1) the sum of \$120,000,000, to be allocated from time to time, but not later than the fiscal year 1950, by the President of the United States among the various programs set forth in sections 302, 303, 304, and 305, and (2) such additional sums as may be necessary to carry out the purposes of sections 306 to 311, inclusive.

PUBLIC ROADS

SEC. 302. (a) As recommended in a report based upon an investigation made in the Philippines by the Public Roads Administration of the Federal Works Agency and to the extent that the findings in such report are approved by the President, the Public Roads Administration is authorized, after consultation with the Philippine Government, to plan, design, restore, and build, in accordance with its usual contract procedures, such roads, essential streets, and bridges as may be necessary from

the standpoint of the national defense and economic rehabilitation and development of the Philippines.

(3) The Commissioner of Public Roads is authorized, under such regulations as he may adopt, to provide training for not to exceed ten Filipino engineers, to be designated by the President of the Philippines from the regularly employed staff of the Philippine Public Works Department subject to the provisions of section 311 (c), in the construction, maintenance, and highway traffic engineering and control necessary for the continued maintenance and for the efficient and safe operation of highway transport facilities.

PORT AND HARBOR FACILITIES

SEC. 303. (a) As recommended in a report based upon an investigation made in the Philippines by the Corps of Engineers of the United States Army and to the extent that the findings in such report are approved by the President, the Corps of Engineers is authorized, after consultation with the Philippine Government, to carry out a program for the rehabilitation, improvement, and construction of port and harbor facilities in the Philippines, such work to be done by contract, insofar as practicable, under the direction of the Secretary of War and the supervision of the Chief of Engineers, and in accordance with established procedures applicable to river and harbor projects.

(b) The Chief of Engineers of the Army is authorized, under such regulations as he may adopt, to provide training for not to exceed ten Filipino engineers, to be designated by the President of the Philippines from among the engineer officers of the Philippine Army and the regularly employed staff of the Philippine Public Works Department subject to the provisions of section 311 (c), in the construction, improvement, and maintenance of port facilities and other works of improvements on rivers and harbors.

PUBLIC PROPERTY

SEC. 304. The Philippine War Damage Commission, within the limits of the appropriations allocated to it for carrying out the provisions of this section, is authorized to compensate the Commonwealth of the Philippines (or the Republic of the Philippines), the provincial governments, chartered cities, municipalities, and corporations wholly owned by the Commonwealth of the Philippines (or the Republic of the Philippines), in the Philippines, for physical loss of or damage to public property in the Philippines occurring after December 7, 1941 (Philippine time), and before October 1, 1945, as a result of the perils listed in section 102 (a) hereof, in any case in which compensation for such losses or the rebuilding, repair, or replacement of the lost or damaged property is not provided for by the transfer of surplus property under section 201 hereof, or provided for under the provisions of this title other than this section or otherwise provided for by the United States Government or any

department or agency thereof. To the fullest extent practicable, the Commission shall require that any lost or damaged property for which it decides to award compensation under this section shall be rebuilt, replaced, or repaired before payments of money are actually made to claimants under this section. The Commission in its discretion may request the Federal Works Agency or the Corps of Engineers of the United States Army to undertake, after consultation with the Philippine Government, the rebuilding, repair, or replacement of property for which the Commission awards compensation under this section, and, from the funds available for carrying out the provisions of this section, may transfer to such Agency or Corps of Engineers the funds necessary to pay for the work requested. The Federal Works Agency and the Corps of Engineers are authorized to rebuild, repair, or replace property in accordance with any such request of the Commission and to expend the funds so transferred to them for such purpose. The Commission shall have full power to select, and fix the priority of, cases in which compensation will be awarded or property rebuilt, repaired, or replaced under this section, and to determine the amount of such compensation and the extent to which such property will be rebuilt, repaired, or replaced, taking into account the relative importance of various projects to the reconstruction and rehabilitation of the economy of the Philippines and such other factors as the Commission deems relevant.

PUBLIC HEALTH

SEC. 305. (a) The Public Health Service of the Federal Security Agency is authorized to cooperate with the Government of the Philippines (Republic of the Philippines), and with other appropriate agencies or organizations, in the rehabilitation and development of public health services and facilities throughout the Philippines.

(b) To accomplish such purposes the Public Health Service shall at the earliest practicable time survey the health situation in the Philippines, and is authorized to replace, expand, or install such health services and facilities in the Philippines as are deemed essential to preservation of health, and may assist in the rehabilitation and development of a Philippine quarantine service for prevention of introduction of disease from abroad or from one island to another. The Public Health Service may set up demonstrations and establish training centers in the Philippines; may establish and maintain in the Philippines a school or schools for the purpose of providing practical instruction in public health; and may, at any time prior to January 1, 1948, provide one year of training in appropriate schools or colleges in the United States to not more than one hundred Filipinos, to be designated by the President of the Philippines subject to the provisions of section 311 (c), in public health methods and administration. It may replace equipment and supply reasonably necessary additional equipment, utilizing for this purpose, so far as possible, surplus property, and may

recommend to the Commission the repair or construction under the provisions of section 304, at any time prior to July 1, 1950, of buildings deemed essential to the rehabilitation of public health and quarantine functions.

INTER-ISLAND COMMERCE

SEC. 306. (a) In order to restore and improve inter-island commerce in the Philippines, notwithstanding the provisions of any existing law, the United States Maritime Commission is authorized to charter under such terms and conditions (including nominal rates of charter hire) vessels suitable for operation in the inter-island commerce of the Philippines to individuals, corporations, or cooperatives or other forms of business organizations in the Philippines if the Commission determines that they possess the ability, experience, financial resources, and other qualifications, necessary to enable them to operate and maintain the vessel in the inter-island commerce in the Philippines: *Provided*, That any charter entered into under the authority of this section shall contain a provision requiring that the vessel shall be operated only in the inter-island commerce in the Philippines.

(b) The Chairman, United States Maritime Commission, is hereby authorized to permit not exceeding fifty Filipinos each year prior to July 1, 1950, to be designated by the President of the Philippines subject to the provisions of section 311 (c), to receive instruction in the United States Merchant Marine Cadet Corps and at a United States Merchant Marine Academy. The persons receiving instruction under authority of this section shall receive the same pay, allowances, and emoluments, to be paid from the same appropriations, and, subject to such exceptions as may be determined by the Chairman, United States Maritime Commission, shall be subject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation, as cadet midshipmen at the Merchant Marine Academy appointed from the United States; but such persons shall not be entitled to appointment to any office or position in the United States merchant marine by reason of their graduation from the Merchant Marine Academy.

INTER-ISLAND AIR NAVIGATION

SEC. 307. (a) The Administrator of Civil Aeronautics of the Department of Commerce is authorized to acquire, establish, operate, and to maintain a system of air-navigation facilities and associated communications services in the Philippines for inter-island airways operation and to connect the Philippine airways with international and interoceanic routes.

(b) The Administrator of Civil Aeronautics is authorized, under such regulations as he may adopt, to train not exceeding fifty Filipinos each year prior to July 1, 1950, to be designated by the President of the Philippines subject to the provisions of section 311 (c), in air-traffic control, aircraft communications, maintenance of air-navigation facilities, and such other airman functions as are deemed necessary for the maintenance and

operation of aids to air navigation and other services essential to the orderly and safe operation of air traffic.

WEATHER INFORMATION

SEC. 308. (a) The Chief of the Weather Bureau of the Department of Commerce is authorized to establish meteorological facilities in the Philippines as may be required to provide weather information, warnings, and forecasts for general agricultural and commercial activities, including meteorological service for the air routes on which air-navigation facilities are operated by the Civil Aeronautics Administration, and to maintain such meteorological offices until the Philippine Weather Bureau is reestablished and in position to assume responsibility for the service.

(b) The Chief of the Weather Bureau of the Department of Commerce is authorized, under such regulations as he may adopt, to train not to exceed fifty Filipinos in the first year and not to exceed twenty-five Filipinos in each succeeding year prior to July 1, 1950, the trainees to be designated by the President of the Philippines subject to the provisions of section 311 (c), and the training to include meteorological observations, analyses, forecasting, briefing of pilots, and such other meteorological duties as are deemed necessary for maintenance of general weather information, including weather information required for air navigation and the safe operation of air traffic. The training of these employees shall be in addition to and not in lieu of Weather Bureau employees to be trained under current Weather Bureau appropriations.

PHILIPPINE FISHERIES

SEC. 309. (a) The Fish and Wildlife Service of the Department of the Interior is authorized to cooperate with the Government of the Philippines, and with other appropriate agencies or organizations, in the rehabilitation and development of the fishing industry, and in the investigation and conservation of the fishery resources of the Philippines and adjacent waters.

(b) To accomplish such purposes the Fish and Wildlife Service shall conduct oceanographic, biological, fish cultural, technological, engineering, statistical, economic, and market development studies and demonstrations and fishery explorations, and in conjunction therewith may establish and maintain a vocational school or schools of fisheries in the Philippines for the purpose of providing practical instruction and training in the fisheries; and may, at any time prior to July 1, 1950, provide one year of training to not more than one hundred and twenty-five Filipinos, to be designated by the President of the Philippines subject to the provisions of section 311 (c), in methods of deep-sea fishing and in other techniques necessary to the development of fisheries.

(c) The Fish and Wildlife Service is authorized to acquire, construct, maintain, equip, and operate such research and experimental stations, schools, research and exploratory fishing

vessels, or any other facilities in the Philippines that may be necessary to carry out the purposes of this section.

(c) The United States Maritime Commission is authorized, upon recommendation of the Fish and Wildlife Service of the Department of the Interior, to make arrangements for the transfer of small vessels, considered by the United States Maritime Commission to be satisfactory for the purpose, to be used in the establishment and continuance of a fishing industry to be operated in or near the Philippines. Such transfers may be made on such terms and conditions, including transfer for a nominal consideration, as the United States Maritime Commission may approve, but only if, in the opinion of the Fish and Wildlife Service, such small vessels so to be used for Philippine Island fishing are not needed by the fishing industry of the United States, its Territories, and possessions.

COAST AND GEODETIC SURVEYS

SEC. 310. The Coast and Geodetic Survey of the Department of Commerce is authorized to continue, until June 30, 1950, the survey work which was being conducted by it in the Philippines prior to December 7, 1941. The Director of the Coast and Geodetic Survey is authorized to train not exceeding twenty Filipinos each year prior to July 1, 1950, to be designated by the President of the Philippines subject to the provisions of section 311 (c), in order that they may become qualified to take over and continue said survey work on and after July 1, 1950, and to pay all expenses incident to their temporary employment and training.

GENERAL PROVISIONS

SEC. 311. (a) The Government of the Philippines shall provide all lands, easements, and rights-of-way necessary for the execution of the projects herein authorized.

(b) The several bureaus and agencies of the Government authorized by this title to undertake projects in the Philippines are hereby authorized, in the prosecution of such projects, to cooperate with the Government of the Philippines, and to accept contributions of labor, materials, and money from such government and its political subdivisions and to utilize such labor, materials, and money in the prosecution of such projects.

(c) Wherever in this title the training of Filipinos at the expense of the United States Government is authorized, the head of the bureau or agency under whose supervision or control the training is given may establish minimum requirements as to education and experience, provide for competitive examinations, or establish such other standards for qualification for such training as in his judgment may seem necessary and advisable, and under such regulations as may be adopted from time to time may provide for the payment of all expenses incidental to such training, including, but not limited to, actual transportation expenses to and from and in the United States, allowances for tuition, educational fees, and subsistence.

(d) Any Filipino who is designated for training or instruction as provided in this Act may be admitted to the United States for such training or instruction upon certification to the Immigration and Naturalization Service by the head of the bureau or agency under whose supervision the training or instruction is to be given that such entry is necessary in connection with the training or instruction, notwithstanding the provisions of section 8 of the Act of March 24, 1934 (48 Stat. 463; 48 U. S. C. 1238), and notwithstanding any provision of the laws of the United States relating to the immigration, exclusion, or expulsion, except registration and fingerprinting as provided in the Alien Registration Act of 1940 (8 U. S. C. 451, and the following): *Provided*, That such admissions shall be deemed pursuant to section 3 (2) of the Immigration Act of 1924 (43 Stat. 154; 47 Stat. 607; 54 Stat. 711; 8 U. S. C. 203): *Provided further*, That the privilege of entering or remaining in the United States for such purposes shall end within a reasonable time, to be fixed by regulation of the Commissioner of Immigration and Naturalization with the approval of the Attorney General, after termination of the training or instruction: *Provided further*, That the head of the bureau or agency concerned may at any time terminate the training or instruction of any person under this Act if in his judgment the best interests of either the United States or the Philippines makes such action advisable, and his decision shall be final and conclusive: *Provided further*, That any such Filipino who shall fail to depart from the United States within the reasonable time fixed by regulation, as herein prescribed, shall be subject to being taken into custody and deported, as provided by section 14 of the Immigration Act of 1924 (43 Stat. 162; 8 U. S. C. 214).

(e) Unless otherwise provided by law this title, except the last proviso to subsection (d) of this section, shall expire on June 30, 1950.

TITLE IV—THE UNITED STATES HIGH COMMISSIONER

SEC. 401. Until the Philippines attain their independence, the functions, powers, and duties exercised in the Philippines by any officer, employee, department, or agency of the United States in carrying out the provisions of this Act shall be exercised under the general supervision of the United States High Commissioner to the Philippines, and the officers, employees, offices, missions, and other agencies exercising such functions, powers, and duties shall be deemed to be attached to the office of the High Commissioner.

SEC. 402. On and after the date upon which the Philippines attain their independence the power, authority, duties, and functions authorized under this Act to be exercised by the High Commissioner to the Philippines shall vest in and be exercised by such representative or representatives of the United States as shall be appointed for that purpose by the President of the United States.

**TITLE V—RESTORATION AND IMPROVEMENT OF THE
PROPERTY OF THE UNITED STATES**

SEC. 501. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000,000 for the restoration, repair of damage to and improvement of lands and buildings referred to in paragraph (3) of subsection (c) of section 3 of Public Law Numbered 300, Seventy-sixth Congress, first session (53 Stat. 1226), and for the acquisition or construction of additional buildings to house the civil agencies, including the diplomatic and consular establishments of the United States operating in the Philippine Islands.

TITLE VI—GENERAL PROVISIONS

SEC. 601. No payments under Title I of this Act in excess of \$500 shall be made until an executive agreement shall have been entered into between the President of the United States and the President of the Philippines, and such agreement shall have become effective according to its terms, providing for trade relations between the United States and the Philippines, and which agreement shall also provide for the same offenses, and penalties upon conviction, thereof, as are set forth in section 107 and section 108 of Title I of this Act.

SEC. 602. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

Approved, April 30, 1946.

DECLASSIFIED
Authority: 50 USC 3025

HEADQUARTERS
CLAIMS SERVICE, AFWESPAC
OFFICE OF THE CHIEF OF CLAIMS

AFG 707
3 September 1945

Mr. Vernon E. Davis, Secretary
Philippine Rehabilitation Commission
111 Avenue of the Americas
New York 5, New York
Col. Ralph G. Boyd, JAGD
Chief of Claims Division
Office of The Judge Advocate General
Washington 25, D. C.

Dear Colonel Boyd: Reference is made to your letter of 2 August 1945 inquiring as to the provisions of W. S. 3811 (S. 936) which passed the House of Representatives on 20 July 1945 and 20 July 1945.

Your letter of 16 August 1945 subject "War Damage in the Philippines" has come to my attention. This will confirm the fact that the alphabetical index and other records maintained at Headquarters, Claims Service, AFWESPAC, show the names of all claimants filing claims, the date and place of the incident, the nature of the claim, the disposition thereof, and the amount paid. These records are available at all times.

Department and regulate the action and procedure of Army foreign claims commission under the Act approved Sincerely, 1942, as amended by the Act approved April 22, 1943, entitled "An Act to provide for the prompt settlement of claims for damages sustained by Army, Navy and Marine Corps forces in foreign countries", known as "The Foreign Claims Act". The Chief of Claims in Manila has been advised of the approval of the recent amendment relative to the J. A. HEATT, 1, effective 12 July 1945, and pending revision, Army Judge Advocate General, July 1943) were made applicable to claims of inhabitant Chief of Claims, since Islands arising in such islands.

From time to time this office has issued memoranda and instructions to foreign claims commissions evidencing our specific application of the War Department policies to particular types or classes of claims as they have been encountered. While it is believed that the character of such memoranda could not be of particular significance in your present study, a set of such memoranda as presently located in officers who are to serve as claimant officers or as claim commissions in foreign theaters is enclosed. Additional copies of any memoranda you deem of interest will be furnished on request.

The types of claims which will be paid (by the Army and Navy) in the Philippine Islands under the Foreign Claims Act, as amended by Public Law 475, 77th Congress, are:

SPJGB/D-17790

Noncombat claims of inhabitants of the Philippine Islands, arising in such islands, for -

Foreign Claims Act is applicable to claims, arising in the Philippine Islands, of inhabitants of the Philippine Islands:

- a. Damage to or loss or destruction of private property, real or personal, including damage to or loss or destruction of personal property bailed to the Government and damage incident to the use and occupancy of real property whether under a lease, express or implied, or otherwise; or

For purposes of this Act, a copy of an informal report prepared in this office, entitled "Claims Arising from Foreign Countries" and a copy of the July 1948 issue of the Federal Bar Journal in which at page 144 is an article entitled "Claims under the Foreign Claims Act (Public Law 47-412)"

- b. Personal injury or death;

Provided such damage, loss, destruction, injury, or death is -

1. Caused by Army, Navy or Marine Corps forces, or individual members thereof, including military personnel and civilian employees thereof; or

2. Otherwise incident to noncombat activities of such forces.

Claims of \$500 or less may be settled by a one man foreign claims commission. Claims of \$5000 or less may be settled by a three man foreign claims commission except that where a claim exceeds \$2500 but does not exceed \$5000 the approval of the Theater Commander or The Judge Advocate General is also required. Claims exceeding \$5000 may not be settled administratively under the statute but, if deemed meritorious by the War Department, are reported to Congress for consideration by including the claim as an item in a deficiency bill.

As to records, an alphabetical index of all claimants filing claims in a theater is kept in the Office of the Chief of Claims for the Theater, showing the date and place of the incident, the nature of the claim, the disposition thereof and the amount paid. This index should be useful in eliminating duplicate payments. Arrangements can readily be worked out in the theater between the Army Claims Service and any agency administering war damage claims for periodic exchange of lists of claims paid. Such periodic comparisons should, no doubt, be supplemented by informal contact between the two agencies as to individual claims whenever duplication appears as a possibility. At the Washington level, all pertinent information of the War Department with respect to such claims is correlated by the Philippine Branch of the Claims Division of this office.

At the present time revised regulations AR 25-90 are being prepared. These will include changes necessary to reflect the provisions of Public Law 170, 79th Congress, as well as other relatively minor changes. Copies will be furnished you when printed.

SPJGD/D-17790

So far as the Philippines are concerned these changes will simply record the fact that the Foreign Claims Act is applicable to claims, arising in the Philippine Islands, of inhabitants of the Philippine Islands (not including damage to or loss or destruction of public property) and to provide that such claims arising in time of war may be presented within one year after peace is established.

For your general information there is inclosed twenty mimeographed copies of an informal paper, prepared in this office, entitled "Claims Arising Against the United States in Foreign Countries" and a copy of the July 1945 issue of the Federal Bar Journal in which at page 434 is an article entitled "War Department Claims" setting out and briefly summarizing the relation of claims under the Foreign Claims Act (pages 439-441) to the over-all arrangement for the administrative settlement of War Department claims.

It should be emphasized, as important to your study, that the Foreign Claims Act specifically provides that "no claims resulting from action by the enemy or resulting directly or indirectly from any act by our armed forces engaged in combat, shall be allowed under this Act".

The desire, evidenced by your inquiry, so to correlate all claims activities in relation to the Philippines that there will be proper coordination without duplication of payments is shared by the War Department. I hope that you will feel free to call upon me or upon the facilities and personnel of the Claims Division of my office whenever we can be of any assistance.

Sincerely yours,

MYRON C. GRAMER,
Major General
The Judge Advocate General

- 4 Incl
1. AR 25-90 (20 copies)
 2. Set of Mem
 3. Clms vs U.S. in For. Countries (20 copies)
 4. Fed Bar Journal, July 1945

DECLASSIFIED

Authority: JAGP 8F3078

HEADQUARTERS
CLAIMS SERVICE, AFRES PAC
OFFICE OF THE CHIEF OF CLAIMS

AFG 707
31 August 1945

Col. J. A. Wyatt
Chief of Claims
Col. Guillermo Rustia
M. C. F. A. Trade & Commerce Bldg.
Malacanan, Manila

My dear Colonel Rustia:

This will acknowledge receipt of your letter of 30th instant.
War Damage Claims are not handled by this Service and we have
no forms available in this office for use in filing the same. The
publication in one of the local papers to the effect that War Dam-
age Claims might be filed with the Claims Service was in error and
all war damage claims which are received are returned to the claim-
ants.

I regret that I can not be of assistance to you in the matter.

Sincerely yours,

s/ Guillermo Rustia
/ GUILLERMO RUSTIA
Col., J. A. WYATT,
Colonel, JAGD,
Chief of Claims.

Malacanan, Manila
August 30, 1945

Col. James A. Hyatt
Chief of Claims
AFWPAC
7th Floor, Trade & Commerce Bldg.
Manila

My dear Colonel Hyatt:

I shall highly appreciate it if you will be kind enough to furnish us with the forms needed in connection with the filing of claims for war damages. There are at least ten (10) persons in our office who would like to submit their claims. This office has been receiving war damage claims in the Philippine Islands and attention is invited to the statement which

Reiterating my sincere appreciation for your kind attention, I am

Very sincerely yours,

s/ Guillermo Rustia
t/ GUILLERMO RUSTIA
Col., M.C.F.A.

HEADQUARTERS, ARMY SERVICE FORCES
OFFICE OF THE JUDGE ADVOCATE GENERAL
Washington 25, D. C.

7/28/44

File No. *SPJGD/D-17790* Subject: *War Damage Claims*
18 Aug 1945

SUBJECT: War Damage in the Philippine Islands - S - Sabagoes.

TO: Commanding General, AFRES PAC
The attached War Damage claims have been re-quested by the writer received from APO 707, c/o Postmaster on the effect that our Service would San Francisco, California claim applications, either verbal ATTENTION: Chief of Claims branch has been advising by that directive. If our Branch Office continue to read as War Damage claims, the administrative details surrounding the proper registration, care and the easy inquiries regarding Inclosed is a copy of S. 1280, pertaining to Philippine War Damage claims, recently introduced in the Senate. This office has been requested by the Filipino Rehabilitation Commission to advise as to the possible effect of Public Law 170 on war damage claims in the Philippine Islands. A copy of the reply of this office to such inquiry is also inclosed for your information. Attention is invited to the statement concerning the type of records of payment kept in your office which would be useful to an agency handling war damage claims in avoiding duplication of payment.

FOR THE JUDGE ADVOCATE GENERAL:

2 Incls
1. S. 1280
2. Copy ltr to F.R. Comm
Advise that this Service (also with Claims Officer) does not handle War Damage Claims and RALPH G. BOYD should communicate with War Damage Corporation, Colonel, JAG Department, Taft Ave. Manila (for such other mail Chief of Claims Division with- out contact Mr. Vincent) He should not do any work on such claims, but if a Branch officer receives them they may be forwarded to this office.

/s/ J. A. Moulis

INTER-OFFICE CHECK SHEET PWB/ed
 (An Agency of the U. S. Government)
 Do Not Remove From File

7. Note	File No.	Subject: War Damage Claims
No. From To		
1.	PWB : ALT	1. The attached War Damage claims have been received from our Branch Office Base R - Batangas.
	10/7/45:	2. The last instructions the writer received from Chief of Claims was to the effect that our Service would not accept War Damage claim applications, either verbal or written. Our Manila Branch has been abiding by that directive. If our Branch Offices continue to send us War Damage claims, the administrative details surrounding the proper registration, care and the many inquiries regarding the same is going to be an additional burden on our staff.
		3. Request clarification of above policy. Shall we or shall we not accept War Damage Claims?
		P. W. B.
2.	DIS : C/G	Request statement of policy concerning War Damage claims.
		(Initialed) A L T
3.	C/G : DIS	Advise that this Service (also unit Claims Officer) does not handle War Damage Claims and that claimant should communicate with War Damage Corporation, Boulevard Apartments, Taft Ave, Manila (or such other mailing address as it may have established - contact Mr. Vincent) We should not do any work on such claims, but if a Branch officer receives them they may be forwarded to this office.
		/s/ J. A. Myatt
		w/ P. E. Vincent Special Investigator
		If you can conveniently do so, we would appreciate it if you could furnish us with the names of claimants and the amount of each claim filed to date.
		w/ T. S. C. Decker

WAR DAMAGE CORPORATION
(An Agency of the U. S. Government)
Washington, D. C. War Damage Claims

F. E. Vincent
R. R. Moe
K. H. C. Dunbar
Special Investigators

Boulevard Apartment
1134 Decey Blvd.
Manila
Manila, P. I.

14 July 1945

July 26, 1945

Dear Col. Myett: Last night Colonel Myett, Colonel Egner, Colonel Martin, and the writer discussed War Damage Claims. Mr. Moe, and Mr. Dunbar, the War Damage Claims Committee sent here from the United States, advised that they were not accepting claims at this time; that their instructions were to make a survey of the situation and that later on a crew of investigators would probably be dispatched here to accept and process War Damage Claims. The War Damage Claims Committee claims forms to prospective claimants. Claimants are being encouraged to delay filing claims until the I understand that a number of claims against the War Damage Corp. have been lodge with your office, and that you would like to dispose of them as soon as possible. We would like very much for you to hold these claims, also to continue to receive new ones from claimants until we establish a regular office here. This may not be possible for several months, due to the difficulty of transportation, housing facilities, etc.

CLAIMS VS WAR DAMAGE CORPORATION

Our present office is an temporary one only, in our living quarters, and our mission is to make a preliminary survey, and not to deal with individual claims. The public were advised accordingly in an article which appeared in the July 4th issue of the "Free Philippines".

With many thanks for the valued assistance which your office has rendered to us since our arrival.

Change as of 21 July; (Written in left hand) Cordially yours,

Mr. Vincent told writer it should be:

War Damage Corp.
1134 Decey Blvd
Apartment 9.
Attention: Mr. Vincent

s/ F. E. Vincent
Special Investigator

P.S. If you can conveniently do so, we would appreciate it if you would furnish us with the names of claimants and the amount of each claim filed to date.

FEV/pal s/ R. R. Moe

s/ K. H. C. Dunbar

FW:jvt

War Damage Claims

FROM: DIS TO: All Branch Offices 14 July 1945

1. Last night Colonel Myatt, Colonel Egner, Colonel Martin, and the writer discussed War Damage Claims with Mr. Vincent, Mr. Mos, and Mr. Dumber, the War Damage Claims Committee sent here from the United States to make a survey on War Damage Claims.

2. Mr. Vincent stated that they were not accepting claims at this time; that their instructions were to make a survey of the situation and report back to Washington, and that later on a crew of investigators would probably be dispatched here to accept and process War Damage Claims. The War Damage Claims Committee is not distributing claims forms to prospective claimants. Claimants are being encouraged to delay filing claims until the machinery is set in motion to process them. Accordingly Claims Service should discourage claimants from filing War Damage Claims with this Service. Colonel Myatt made the following comments: "Advise that this Service (also unit claims officers) does not handle War Damage Claims and that claimant should communicate with War Damage Corporation, Boulevard Apartments, Taft Avenue, Manila (or such other mailing address as it may have established - contact Mr. Vincent). We should not do any work on such claims, but if a Branch Officer receives them they may be forwarded to this office. JAM"

... will be held in Manila as soon as possible...
... if possible...
... FRED WAGS,
Lt. Colonel, JAGD,
Assistant Director of Claims
Investigating Service.

Change as of 21 July; (written in long hand)

Mr. Vincent told writer it should be:

War Damage Corp.
1134 Dewey Blvd
Apartment 9.
Attention: Mr. Vincent

2
3
4
5
6

HEADQUARTERS
CLAIMS SERVICE, USAFFE
APO 923.

April 4, 1945

Under the provisions of the enabling Act approved March 27, 1942 (Section 5g of the Reconstruction Finance Corporation is given authority to make gratuitous compensation for loss of or damage to uninsured property in the Philippine Islands resulting from enemy attack before July 1, 1942, the effective date of this Corporation's premium insurance program.

Because of loss of control over the Philippine Islands by the United States, this Corporation, in accordance with the provisions of said Act, and with the approval of the Secretary of Commerce, did not extend its premium insurance program to property situated in the Philippine Islands. Free protection as provided under the Act automatically terminated on July 1, 1942, and no policies of insurance have been issued by War Damage Corporation covering property in the Philippine Islands, and extent thereof are determined by the Secretary of Commerce.

Pending a general survey of the war damage in the Philippines, an appraisal of the total values involved, and determination of the funds available for the purpose, it is impossible to state the extent to which compensation may be granted for loss and damage in that area. War Damage Corporation is presently making arrangements to send representatives to the islands to investigate matters affecting its duties there, and to establish an office in Manila. Appropriate announcement will be made in Manila as soon as available facilities permit. Proofs of claims of persons present in the islands may be filed in triplicate with War Damage Corporation's representative in Manila as soon as an office has been established for that purpose. Claims executed in the United States should be mailed in triplicate to War Damage Corporation, Washington 25, D.C., and will be forwarded to Manila for investigation as soon as the necessary facilities are available. This bill would extend to damage from enemy attack, and action taken by U. S. forces in resisting the same; action by enemy representatives, civilian or military; or action by U.S. or its allies in expelling the enemy. This bill also will determine the manner in which such claims are to be processed.

Apparently, all action as to war damage claims is being held up pending passage of this bill.

With the best of personal good wishes, I am,
sincerely,

J. A. HEATT,
Colonel, J.A.G.D.

HEADQUARTERS
CLAIMS SERVICE, USAFFE
APO 923.

27 December 1944.

Colonel Spencer B. Eddy,
G.P.A. (Philippines Section),
Advance Headquarters, USAFFE,
APO 501

Dear Colonel Eddy:

With further reference to my note to you dated 22 December 1944, I do not believe that any further action should be taken with reference to war damage claims until a full discussion can be had with the War Damage Corporation. As stated to you, such claims are not the responsibility of the War Department or of the Army, as the scope and extent thereof are determined by the Secretary of Commerce.

However, it is my purpose to confer with the War Damage Corporation in order to secure full information as to the manner in which they propose to handle such claims and the extent to which the Theater Commander may be called upon to render assistance.

Under the provisions of a bill introduced in Congress by Senator Taft under date of August 15, 1944 (S. 2062, 78th Cong.), the War Damage Corporation is required to make a study of damage done in the Philippine Islands, to both public and private property, arising out of the conquest and reconquest of the Islands, and to report its findings to Congress. This bill also provides that the protection provided by the War Damage Act shall extend to both real and personal property in the Philippines, with certain personality exceptions, irrespective of the lack of insurance or payment of premiums. The protection afforded by this bill would extend to damage from enemy attack, and action taken by U. S. forces in resisting the same; action by enemy representatives, civilian or military; or action by U.S. or its allies in expelling the enemy. This bill also will determine the manner in which such claims are to be processed.

Apparently, all action as to war damage claims is being held up pending passage of this bill.

With the best of personal good wishes, I am,

Sincerely,

J. A. MYATT,
Colonel, J.A.G.D.

WAR DAMAGE CORPORATION AND COVERAGE IN PHILIPPINES

1. The War Damage Corporation was created by Public Law 506, 77th Congress, on 3/27/42 and, as a subsidiary of the Reconstruction Finance Corporation, authorized to pay for loss or damage to real and personal property occasioned by enemy attack or action of the United States in "resisting" enemy attack, through insurance to provide "reasonable protection". The act provides, further, that loss and damage inflicted between 12/6/41 and a date to be determined by the Secretary of Commerce (which he later fixed as 7/1/42) could be compensated without an insurance contract or the payment of a premium or other charge just as if an insurance policy were in force during that time.
2. War Damage Corporation promulgated regulations pursuant to this act, effective 7/1/42, whereby the future right to apply for insurance was limited to the United States and its territories, excluding the Philippines, whose conquest had been completed by the Japanese prior to 7/1/42.
3. By interpretation, WDC regulations hold that "enemy attack" as used in the act means combat by armed forces of the enemy, excluding saboteurs, secret agents, civil employees or other agents of the enemy who were, of course, present in the Philippines and probably inflicted damage; "resistance to enemy attack" means resistance to an actual or immediately impending enemy attack, even if supposed, including land, sea and air patrol by U.S. forces, also acts properly taken to mitigate or prevent the spreading of damage from enemy attack, but excluding action by armed forces of other allied nations in resisting enemy attack.
4. Under these regulations the following procedure was established:
- Insurance issuance through ordinary carriers, called fiduciary agents, who conduct the business for WDC;
 - Coverage of property at fixed locations, including also vehicles, aircraft and water craft while laid up, ashore or afloat;
 - Coverage of property in transit;
 - Coverage of builders' risk on hulls;
 - Coverage of cargo stored afloat;
 - Coverage of hulls;

g. Coverage of growing crops and orchards.

h. Exclusion of coverage on accounts, currency, securities, money and other papers; and also on furs, jewelry, books and art works except where privately or commercially owned up to \$10,000 maximum;

i. Exclusion of coverage on standing timber or any real property not a part of a structure or building;

j. A policy period for a maximum of 12 months at one time.

5. War Damage Insurance by Rule 5 of these regulations covers "only direct physical loss or damage to the property insured. The policy does not provide consequential coverage, such as use and occupancy, rent and rental value, or coverage for other indirect losses".

6. WDC insurance is applicable to a loss only to the extent not covered by other insurance; if covered by other insurance, WDC insurance is excess and applicable over and above same, e.g., if property is worth \$10,000 and you have a WDC policy in that amount and a private policy for \$5,000, only \$5,000 may be recouped under the WDC policy.

7. PHILIPPINE COVERAGE. In view of paragraphs 1 and 2 above, coverage in the Philippines is limited to the period of 12/6/41 to 7/1/42, i.e., all the initial hostilities in which the Japanese conquered the islands. There is no coverage subsequent to July 1, 1942, and probably no basis for any recovery since "ensay attack" and U.S. resistance ceased prior to that date, within the meaning of the act as interpreted by WDC. Furthermore, U.S. action which began with the Leyte landings 10/20/44 is action to expel the ensay and probably not within the "resistance" category; nor is the action of damage resulting from present and past bombings of island installations by U.S. planes.

8. The WDC is required to make a study of Philippine damage to both public and private property occasioned by the conquest and reconquest of the islands, with a report to Congress on the findings, under S. 2082, 78th Congress, introduced 8/15/44 by Senator Taft. This bill also provides that the protection provided by the War Damage Act shall extend to both real and personal property in the Philippines, with certain personal property exceptions, irrespective of the lack of insurance or payment of premiums. Protection afforded by this bill would extend to damage from ensay attack, (action taken by U.S. forces in resisting same; action by ensay representatives, civilian or military; or action by U.S. or its allies in expelling the ensay) and regulations for the transaction of its business pertinent to the provisions of this Act.

(PUBLIC LAW 361 - 78TH CONGRESS)

(a) The Commission (Chapter 323 - 2d Session) the President of the United States and to the Congress, and (S. J. Res. 94) and the Congress of the Philippines, and save frequently if so desired, and make such recommendations from time to time as it deems necessary. JOINT RESOLUTION the purposes and intents of this Act.

To amend section 13 of Philippine Independence Act, as amended, establishing the Philippine Rehabilitation Commission, defining its powers and duties, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13 of the Act of March 24, 1934, as amended, is hereby further amended by striking out the proviso and inserting in lieu thereof the following:

There shall promptly be held a conference of representatives of the Government of the United States and the Government of the Commonwealth of the Philippines, such representatives on the part of the Government of the United States to consist of three United States Senators appointed by the President of the Senate, three Members of the House of Representatives appointed by the Speaker of the House, and three persons appointed by the President of the United States, and on the part of the Philippines to consist of nine representatives to be appointed by the President of the Commonwealth of the Philippines; each appointee shall serve at the pleasure of his appropriate appointing authority; the said Commission to be known as the Philippine Rehabilitation Commission, subject to the following conditions and with the following powers and duties:

(a) The members of the Commission shall be appointed not later than fifteen days after the passage of this Act. Within ten days thereafter the ranking member of the Senate appointees and the ranking member of the Philippine appointees shall jointly call a meeting of the Commission to be held in the Capitol of the United States for the purpose of organization. In case of death or resignation of a member, such vacancy shall be filled by the original appointing power.

(b) The Commission shall investigate all matters affecting post-war economy, trade, finance, economic stability, and rehabilitation of the Philippine Islands, including the matter of damages to public and private property and to persons occasioned by enemy attack and occupation.

(c) To formulate recommendations based upon such investigations and for future trade relations between the United States and the independent Philippine Republic when established and to consider the extension of the present or heretofore agreed upon trade relations or otherwise for a period of years to make adjustments for the period of occupancy by the Japanese in order to reestablish trade relations as provided for in the original Independence Act.

(d) The Commission is authorized to employ expert legal and clerical assistance, to establish offices in the Philippine Islands and in the United States, and to make rules and regulations for the transaction of its business pertinent to the provisions of this Act.

(e) The Commission shall make annual reports to the President of the United States and to the Congress, and to the President and the Congress of the Philippines, and more frequently if so desired, and make such recommendations from time to time as it deems necessary to carry out the purposes and intents of this Act.

(f) The Commission is authorized to fix the salary of all necessary expert and clerical assistance, to provide for travel and other expenses incident to its labor, and to do all other things pertinent to this Act. The annual compensation of the United States members of this Commission, other than those holding official positions under the United States Government, shall be on a per diem basis at the rate of \$10,000 per annum. The compensation of the Philippine members of the Commission shall be determined by the Government of the Philippine Commonwealth. The United States, as herein provided, shall compensate the members of the Commission who represent it, and the Commonwealth of the Philippines, or the Filipino Republic, as the case may be, shall compensate the members of the Commission appointed by it or them. Otherwise, the expenses of the Commission shall be equally borne by the United States and the Commonwealth of the Philippines, or the Filipino Republic, as the case may be.

Sec. 2. For the purpose of carrying on its duties, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary.

Approved June 29, 1944.

FRANKLIN D. ROOSEVELT

(Signature)

Secretary

Norman S. Moore (Room 113, Lower
Office Building, Washington, D.C.)
D.C.; Telephone, National 1160,
Branch 416)

REASON FOR THE COMMISSION.—The Philippine Substitution Commission was created by act of Congress approved June 29, 1944 (Public Law 483, 79th Congress) to carry out the Philippine Independence Act of 1934. The purpose of the Commission is to investigate and formulate recommendations on all matters affecting post-war economy, trade, finance, economic stability, and rehabilitation of the Philippine Islands, by taking the status of foreign investments and private property and the interests represented by every branch and occupation.

WILLIAM E. CULLEN
United States District

FILIPINO REHABILITATION COMMISSION

United States Members

Chairman----- Willard E. Tydings (United States Senator)
 Bennett Champ Clark (United States Senator)
 Arthur H. Vandenberg (United States Senator)
 C. Jasper Bell (United States Representative)
 Dan R. McGehee (United States Representative)
 Richard J. Welch (United States Representative)
 Lynn S. Edinger (Vice Chairman, U.S. Tariff Commission)
 E. P. Hester (Economic Adviser, Office of the U.S. High Commissioner to the Philippines, Department of the Interior)
 Wayne Coy (Assistant to Editor, Washington Post, and former Assistant Director, Bureau of the Budget)

The following are subgraphs of the Corporation established by the Corporation to be necessary or advantageous in the carrying out of any authority vested in any Corporation created by this section. The Corporation is also authorized to sell, lease, or otherwise dispose of any real and personal property owned by it, and to execute any instrument which may be necessary or appropriate in the carrying out of any such purpose.

Vice Chairman----- Jaime Hernandez

Col. Carlos F. Roa
 Col. Manuel Nieto
 Col. Alejandro Melchor
 Dr. Arturo B. Rotor
 Lt. Col. Mariano A. Erans
 Dr. Urbano Tefre
 Mrs. Vincents Lim (vacancy)

Secretary----- Vernon E. Moore (Room 113, House Office Building, Washington, 25, D.C.; Telephone, National 3120, Branch 416)

CREATION AND PURPOSE.--- The Filipino Rehabilitation Commission was created by act of Congress approved June 29, 1944 (Public Law 381, 78th Cong., 2d sess.), amending the Philippine Independence Act of 1934. The purpose of the Commission is to investigate and formulate recommendations on all matters affecting post-war economy, trade, finance, economic stability, and rehabilitation of the Philippine Islands, including the matter of damages to public and private property and to persons occasioned by enemy attack and occupation.

Approved: _____
 United States Chairman

DECLASSIFIED

Authority: W.D. 88-3078

"Sec. 5g. (b) (PUBLIC LAW 506 - 77th CONGRESS) tion is hereby directed to continue (Chapter 198 - 2d Session) Damage Corporation, a corporation created pursuant to section 5d of this act; and the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized to issue and to have outstanding at any one time under existing law hereby increased. To provide for for the financing of the War Damage Corporation, to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes. of Commerce, with the approval of the President, and the aggregate.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5d of the Reconstruction Finance Corporation Act, as amended, is hereby amended by inserting immediately before the fifth paragraph thereof the following new subparagraph:

"(5) To acquire real estate and any right or interest therein by purchase, lease, condemnation, or otherwise, determined by the Corporation to be necessary or advantageous to the carrying out of any authority vested in any corporation created or organized pursuant to this section. The Corporation is also authorized to sell, lease, or otherwise dispose of any such real estate. Proceedings for such condemnation shall be instituted in the name of the United States pursuant to the provisions of the Act approved August 1, 1888 (25 Stat. 357), as amended, and any real estate already devoted to public use which would be subject to condemnation in proceedings instituted upon application of any officer of the Government shall likewise be subject to condemnation in proceedings instituted upon application of the Corporation as herein provided. Sections 1, 2, and 4 of the Act approved February 26, 1931 (46 Stat. 1421), as amended, shall be applicable in any such proceeding. Any judgment rendered against the United States in any such proceeding shall promptly be paid by the Corporation. Immediately upon the vesting of title in the United States of America in any such proceeding, the Secretary of Commerce, by deed executed by him in the name of the United States of America, shall transfer the entire title or interest so acquired to the Corporation, and the Corporation shall thereupon have the same rights with respect to any real estate so acquired as it has with respect to real estate acquired by purchase. The power to institute proceedings for condemnation in pursuance of this section shall terminate on June 30, 1944, or upon such earlier date as the Congress by concurrent resolution, or the President by proclamation, may designate, but no such proceedings instituted prior to such termination shall abate by reason thereof."

"Sec. 2. The Reconstruction Finance Corporation Act, as amended, is hereby amended by inserting after section 5e thereof the following new sections:

"Sec. 3f. (a) Any department, agency, or independent establishment of the Government or any corporation all of the capital stock of which is owned or controlled, directly or indirectly, by the Government is hereby authorized, notwithstanding any other provision of law, to sell, transfer, or lease, with or without consideration, to the Corporation or to any corporation created or organized pursuant to section 5d of this act, any real estate and any right or interest therein. Damage to any such property sustained subsequent to December 8, 1941, and prior to the date determined by the Secretary of Commerce under subsection (a), may be compensated by the War Damage Corporation without requiring a contract of the Government.

"Sec. 5g. (a) The Reconstruction Finance Corporation is hereby directed to continue to supply funds to the War Damage Corporation, a corporation created pursuant to section 5d of this Act; and the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized to issue and to have outstanding at any one time under existing law hereby increased by an amount sufficient to carry out the provisions of this subsection. Such funds shall be supplied only upon the request of the Secretary of Commerce, with the approval of the President, and the aggregate amount of the funds so supplied shall not exceed \$1,000,000,000. The Reconstruction Finance Corporation is authorized to and shall empower the War Damage Corporation to use its funds to provide, through insurance, reinsurance, or otherwise, reasonable protection against loss of or damage to property, real and personal, which may result from enemy attack (including any action taken by the military, naval, or air forces of the United States in resisting enemy attack), with such general exceptions as the War Damage Corporation, with the approval of the Secretary of Commerce, may deem advisable. Such protection shall be made available through the War Damage Corporation on and after a date to be determined and published by the Secretary of Commerce which shall not be later than July 1, 1942, upon the payment of such premium or other charge, and subject to such terms and conditions, as the War Damage Corporation, with the approval of the Secretary of Commerce, may establish, but, in view of the national interest involved, the War Damage Corporation shall from time to time establish uniform rates for each type of property with respect to which such protection is made available, and, in order to establish a basis for such rates, such Corporation shall estimate the average risk of loss on all property of such type in the United States. Such protection shall be applicable only (1) to such property situated in the United States (including the several States and the District of Columbia), the Philippine Islands, the Canal Zone, the Territories and possessions of the United States, and in such other places as may be determined by the President to be under the dominion and control of the United States, (2) to such property in transit between any points located in any of the foregoing, and (3) to all bridges between the United States and Canada and between the United States and Mexico; Provided, That such protection shall not be applicable after the date determined by the Secretary of Commerce under this subsection to property in transit upon which the United States Maritime Commission is authorized to provide marine war-risk insurance. The War Damage Corporation, with the approval of the Secretary of Commerce, may suspend, restrict, or otherwise limit such protection in any area to the extent that it may determine to be necessary or advisable in consideration of the loss of control over such area by the United States making it impossible or impracticable to provide such protection in such area.

"(b) Subject to the authorizations and limitations prescribed in subsection (a), any loss or damage to any such property sustained subsequent to December 6, 1941, and prior to the date determined by the Secretary of Commerce under subsection (a), may be compensated by the War Damage Corporation without requiring a contract of the insurance

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Authority: MR 86-3078

(PUBLIC LAW 506 - 77th CONGRESS) (Cont'd)

or the payment of premium or other charges and such loss or damage may be adjusted as if a policy covering such property was in fact in force at the time of such loss or damage."

Sec. 3. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized to issue and have outstanding at any one time under existing law is hereby increased, in addition to the increase authorized in section 2 of this Act, by \$2,500,000,000.

Approved, March 27, 1942.