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GUERRILLA CLAIMS -- AWARDS-RECOGNITION

GRLA- 17

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Legal Research Division  
 Policy File No. 2

SUBJECT: Jurisdiction - Guerrilla Claims

Item No. :	Date of Paper :	D E S C R I P T I O N
1.	28 Oct 1944	Executive Order No. 21
2.	2 Apr 1945	Request for Authority to Pay Past Receipts
3.	27 Apr 1945	Receipts must be Processed as Claims
4.	2 Apr 1945	Request to Pay Back Pay ( Labor - Civilian )
5.	27 Apr 1945	Back Pay must be Settled as Claims (Civ. Labor)
6.	22 Apr 1945	Labor Rendered by Civilians for USAFIP, NL _ Considered Voluntary
7.	2 May 1945	Claims Certified to Claims Service by Units
8.	2 May 1945	Claims for Services should be Discouraged
9.	8 Sep 1945	Redemption of Past Receipts by Claims Service
10.	6 Aug 1945	Directive, General MacArthur, Payment of Guerrilla Claims
11.	30 Aug 1945	Obligation assumed only for period of Recognition
12.	2 Oct 1945	Intrepretation of Directive of General MacArthur
13.	11 Oct 1945	Request immediate action on Guerrilla Recognition
14.		Military Status of Philippine Scouts, Philippine Army, and Guerrillas
15.	1 Nov 1945	Authority for CG, AFWESPAC to act on all Philippine Army Matters
16.	8 Nov 1945	Request of a Claimant for Payment
17.		Office Procedure
18.	12 Nov 1945	Claims Service not Responsible for Recognizing Guerrilla Units
19.	23 Nov 1945	Request for Payment of Emergency Currency seized by the Japanese

- 20. : 29 Nov 1945 : Policy used in the Recognition of Guerrilla Unit
- 21. : 8 Jan 1946 : Personal Services for Individuals not Payable  
: by Claims Service
- 22. : 6 Dec 1945 : Procedure in Processing Guerrilla Claims
- 23. : 13 Dec 1945 : Recommendation that Claims Against the Commonwealth  
: Government and Agencies thereof be Barred from  
: Payment
- 24. : 30 Jan 1946 : Opinion of Fiscal Director Concerning Payment of  
: Currency Loan
- 25. : : Claims Arising from Activities Prior to Recognition  
: Not Accepted
- 26. : 18 Feb 1946 : Public Law 301 - Payment of Philippine Army Veterans
- 27. : 1 Mar 1946 : Radio Intrepretation of Public Law 301
- 28. : 14 Mar 1946 : Claims Involving Guerrilla Units
- 29. : 27 Apr 1946 : Guerrilla Claims Payable from Appropriation  
: "Expenses, Army of the Philippines"
- 30. : 25 May 1946 : Currency Requisition by USAFIP, NL
- 31. : 30 Jun 1946 : Authority of Guerrilla Units to Accept Loans -  
: Col. Volckmann
- 32. : 4 Aug 1946 : Authority for CG, AFWESPAC to Apply Provisions of  
: Contract Settlement Act of 1944 and Renegotiation  
: Act of 1942 and 1943
- 33. : 20 Aug 1946 : Request by Ambassador Paul V. McNutt that Claims  
: Arising from Activities of Guerrilla Units Prior  
: to Recognition be Paid
- 34. : 26 Aug 1946 : Limitations on Payment of Guerrilla Claims
- 35. : 27 Aug 1946 : Limitations on Payment of Guerrilla Claims
- 36. : 23 Oct 1946 : Activities of and Liaison with Philippine War  
: Damage Commission
- 37/ : 12 Nov 1946 : Payment for Loans of Currency to Guerrilla Units  
: not Authorized
- 38. : 12 Nov 1946 : Claims Arising Out of Guerrilla Activities

39. : 3 Jan 1947 : Authority for Payment of Guerrilla Claims and  
: : Limitations
40. : 14 Jan 1947 : Authority for Payment of Guerrilla Claims
41. : 2 Jun 1947 : Directive General MacArthur - Authority for Pay-  
: : ment of Loan of Currency to Guerrilla Units
42. : 17 Jun 1947 : Memorandum No. 6 - Definition of Authority to Pay  
: : Currency Claims and Ballantyne Scale
43. : 4 Aug 1947 : Amendment to Letter 2 June 1947 (Item 47)
44. : 5 Aug 1947 : Memorandum No. 7 - Must be an agreement for  
: : Repayment
45. : 22 Aug 1947 : Memorandum No. 8 - Procedure of Claims Service  
: : in Processing Claims
46. : 30 Jun 1948 : Advance of Funds to Philippine Army Finance from  
: : Appropriation "Expenses Army of the Philippines"
47. : 30 Jun 1949 : Department of the Army Closing to Acceptance of  
: : Philippine Army and Guerrilla Claims
48. : 18 Jul 1950 : General Claims Policies
49. : : Cross-Reference Sheet

CROSS REFERENCE SHEET

To Other Policy Files

1. Jurisdiction - Procurement Claims - Policy File No. 1



C O P Y

18 Jul 50

Colonel George W. Hickman, Jr.  
Staff Judge Advocate  
Far East Command  
APO 500, c/o Postmaster  
San Francisco, California

Dear Colonel Hickman:

Receipt is acknowledged of your letter dated 10 June 1950, in which you request that serious consideration be given to the probable results of continued direction to reconsider claims in the Philippines; advices as to whether your conclusion regarding the authority of overseas commanders to determine and settle contract claims is correct; and also, the comments, suggestions or recommendations of this office as to whether the claims in question may be considered de novo, reconsidered or determined by a Contract Claims Commission.

Letters, basically regarding this same subject, have been directed by the Adjutant General's Records Depository in the Philippines to the St. Louis Finance Office, Army Finance Center in that city, to The Adjutant General, Department of the Army and to The Judge Advocate General. Reply to your letter has necessarily been delayed pending the coordination required by reason of the mentioned communications.

I wish to state, at the outset, that this office wholeheartedly agrees with your comments and suggestions, as expressed on page three of your letter. It is the desire of this office to terminate activity on claims arising out of past incidents in the Philippines at the earliest date possible. Claims which would have been payable out of the appropriation "Expenses Army of the Philippines 1942-1946" are no longer being processed for the reason that the appropriation has lapsed. Types d and g, below, are in this category. In a recent case, the Court of Claims held that a claim for cattle furnished to Hunters ROTC Guerrillas was a claim against the Philippine Government and not against the United States (Isidro Victorio v. U. S., No. 49541, 10 July 1950). Unfortunately, however, certain other categories of those claims do not land themselves to simple or expeditious disposition. The following discussion of the problem is made in the hope that all interested offices will approach the matter along similar lines. It must be borne in mind that many inquiries, appeals, requests, etc., are made to this office, whereas the files and other information relating thereto are, for the most part, in the Philippines. Claims arising in the Philippines include the following general types:

Claims out of which to pay irregular procurement claims. When a procurement claim is presented, the file is obtained from the Philippines. It is returned if further investigation is required. If the claim is deemed meritorious, it is transmitted, through channels, to the General Accounting Office for settlement.

- a. Those under the Foreign Claims Act, or appropriation act of which to pay, claims falling within category d. When a claim is determined to be payable, claimant is so notified.
- b. Those under the act of 3 July 1943.
- c. Claims for procurement against the United States Army.
- d. Claims falling within category e are referred to the Casualty Section, but against the Army of the Philippines. for consideration. (Guerrillas).

- e. Those under the Missing Persons Act, referred to the Pay Branch, Receipts and Disbursements Division, Office, Chief of Finance.
- f. Claims for pay and/or pay and allowance against the United States Army. (category g), are as indicated in c above.
- g. The same type, but against the Army of the Philippines. are referred to the respective Commissions for attention.
- h. Claims cognizable by the War Claims Commission.

- i. Claims arising from activities of the Enemy Property Custodian.
- j. Claims arising from combat, (category j), are referred to the Philippine War Damage Commission, allowed, depending on the facts as disclosed by the file.

k. Claims which may be or might have been settled by the Philippine War Damage Commission. It is the policy of all matters possible within further reference. Therefore, inquiries and investigations are referred to this office from a wide variety of sources. A large percentage do not contain sufficient information from which to determine the category in which they may be placed, whether or not they have previously been presented to Army authorities in the Philippines, or the action taken thereon. Lacking such information, the Department of the Army has no recourse but to refer the matter to the appropriate authority for information or proper action, which accounts for the directives mentioned in your letter. It is anticipated, in such cases, that the office concerned will take any action necessary or authorized, or, in the event no action can appropriately be taken, will forward such papers as are available to the Department of the Army for its consideration. for their request for reference to such a Commission, mentioned in sub-paragraph d of the second paragraph of your letter.

The following comments are made regarding the individual categories: ing any changes in the mentioned procedures.

- a. It is understood that Foreign Claims Commissions still operate in the Philippines. They have jurisdiction and can properly handle categories a and b. (mainly dependents), upon their arrival in the United States provided, among other things, that they be given claim forms and appropriate instructions.
- b. Category c claims: There is now no authority by which the theater commander can appoint Contract Claims Commissions, or appropriations out of which to pay irregular procurement claims. When a procurement claim is presented, the file is obtained from the Philippines. It is returned if further investigation is required. If the claim is deemed meritorious, it is transmitted, through channels, to the General Accounting Office for settlement.

I would be pleased to hear from you to the effect of the Korean matter on the claims situation over there. You may find some changes may become advisable such as, for example, in the processing of AR 25-100 claims. Upon advice from your headquarters that any such changes are necessary or advisable, this Division will cooperate fully.

Sincerely yours,

IRVIN SCHINDLER  
Colonel, JAGC  
Chief, Claims Division

DEPARTMENT OF THE ARMY  
Office of the Judge Advocate General  
Washington 25, D. C.

Official Business

REVERSE SIDE OF CARD

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Your claim against the Government of the United States for services and/or supplies furnished the Army of the Philippines during the recent war has been received.

The Department of the Army has administratively determined to limit consideration of claims of this nature to those received prior to June 30, 1949, since (1) previous deadlines for filing of such claims, established and publicized by Philippine Ryukyus Command, have passed and (2) more than 4 years have elapsed during which these claims could have been presented. It is considered that this period of time was adequate for filing.

This decision is final and further correspondence in connection with the claim will serve no useful purpose. It is regretted that a more favorable action cannot be taken.

OFFICE OF THE JUDGE ADVOCATE GENERAL.

A 20538

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4. It is understood that the Philippine Army will furnish to the proper authorities of the United States of America all records pertaining to the settlement of all claims or obligations included hereunder for the period of five years following 30 June 1948.

**HEADQUARTERS  
PHILIPPINES-RYUKYUS COMMAND  
OFFICE OF THE COMMANDING GENERAL**

APO 707  
30 June 1948

**SUBJECT:** Advance of Funds from the Appropriation of "Expenses Army of the Philippines" for Fiscal Years 1942-1946.

**TO:** Chief of Staff  
Armed Forces of the Philippines  
Camp Murphy, Quezon City

1. Under the provisions of Executive Order 9011 of the President of the United States, dated January 3, 1942, the Commanding General, PHILRYCOM, has from time to time authorized the advance of funds of the United States Government to the Philippine Army out of the appropriation "Expenses, Army of the Philippines", for the fiscal years 1942 to 1946 inclusive, for the express purpose of paying certain claims adjudicated and approved by the Recovered Personnel Division and the Claims Service of PHILRYCOM which have been submitted for payment to the Finance Service, Philippine Army.

2. In accordance with the written request dated 30 June 1948 of the Philippine Army, the authorized representative of the Government of the Philippines, a check is attached in the amount of ₱93,778,000.00. ₱42,000.000.00 of the attached check for ₱93,778,000.00, together with balance of sums previously advanced to the Philippine Army, is considered sufficient to pay all claims duly adjudicated and approved by the Recovered Personnel Division and the Claims Service, PHILRYCOM, and forwarded to your headquarters on or before 30 June 1948. The remainder of this check amounting to ₱51,778,000.00 is advanced for the sole purpose, except as provided in paragraph 3 of this letter, of paying additional amounts due on redeterminations approved by the Recovered Personnel Division and the Claims Service, PHILRYCOM, as a result of reconsideration of claims filed before administrative deadlines of 15 January 1948 and 29 February 1948 for claims for arrears in pay pertaining to living and deceased veterans respectively, and 31 March 1948 for all other claims.

3. Procedures in effect prior to 30 June 1948 have allowed your headquarters to make payments for current pay, terminal date guerrilla pay, and other liberation pay without approval of this headquarters. Subsequent to 30 June 1948 it is understood that your headquarters will make no payments on these specified types of claims without specific approval in each case by the Recovered Personnel Division, PHILRYCOM. You are authorized to continue payments for claims for current pay, terminal date guerrilla pay, and other liberation pay claims now on hand provided vouchers were filed and approved by your headquarters on or before 30 June 1948.

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4. It is understood and agreed that the Philippine Army will furnish to the proper authorities of the Government of the United States of America abstracts of all claims paid under this Agreement, and to make available for inspection by representatives of the Government of the United States of America all records pertaining to the settlement of all claims or obligations included herein for the period of five years following 30 June 1948.

5. It is understood and agreed that all sums which have been, or herein advanced, to the Philippine Army from the above-mentioned appropriations, in excess of the total amount of the claims approved by the Recovered Personnel Division and Claims Service and paid by the Philippine Army as outlined above, will be returned to the Treasurer of the United States upon written request of the appropriate agency of the United States Government, but in no event later than 30 June 1949.

6. Acknowledgment of receipt of the check and concurrence in this communication is requested by indorsement hereon.

/s/ Geo. F. Moore  
/t/ GEO. F. MOORE  
Major General, U. S. Army  
Commanding

1st Ind

HEADQUARTERS, NATIONAL DEFENSE FORCES, REPUBLIC OF THE PHILIPPINES,  
CAMP MURPHY, QUEZON CITY

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

1. The receipt of United States Treasury check No. 502972 for ₱93,778,000.00 is hereby acknowledged.

2. Headquarters National Defense Forces, the authorized representative of the Government of the Republic of the Philippines, in accepting this check agrees to all the provisions and conditions as set out in basic communication.

/s/ R. Jalandoni  
/t/ R. JALANDONI  
Major General  
Chief of Staff

A CERTIFIED TRUE COPY

/s/ James W. Hill  
James W. Hill  
Lt Col, AGD  
Adjutant General

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

APC 707  
22 August 1947

GSCLA

MEMORANDUM No. 8

SUBJECT: Civilian and Military Claims Arising Out of Activities of the Philippine Army, Including Recognized Guerrilla Units Serving with the Armed Forces of the United States.

TO: All Claims Service Personnel

1. References:

- a. AB 25-90, 31 July 1946.
- b. Information Bulletin Number 11, Headquarters, Claims Service, AFWISPAAC, Office of the Chief of Claims, 3 April 1946.
- c. Letter from Director, Investigation Division, Headquarters, Philippines-Ryukyus Command, Office of the Chief of Claims Service, to the Director, Camp Spencer Branch Office, Claims Service, dated 26 February 1947, subject: Current Wage Claims and Claims of Military Government Employees.
- d. Check Sheet from Chief of Claims Service to Commanding General, Philippines-Ryukyus Command, dated 24 June 1947, subject: Claims for Pay of Provincial Officials--Ilocos Sur.
- e. Letter from Commanding General, Philippines-Ryukyus Command, to Commander-in-Chief, Far East, dated 27 June 1947, subject: Claims for Pay of Provincial Officials--Macario T. Passo.
- f. Executive Order No. 19-W, President of the Philippines, 21 September 1944.
- g. Memorandum of Understanding, subject: Pay of Officials and Employees of City of Manila and Temporary Officials and Employees Outside Greater Manila, undated, signed by Tomas Confesor and Edgar G. Crossman.

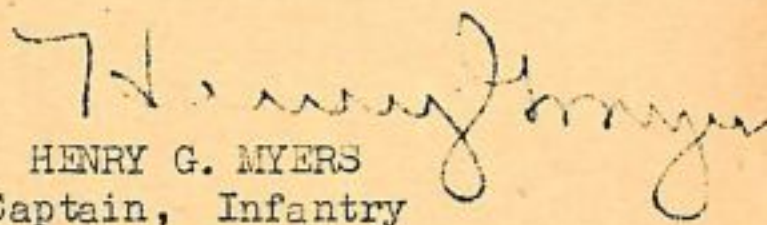
2. Regulations superseded:

a. Letter from Director, Investigation Division, Headquarters, Philippines-Ryukyus Command, Office of the Chief of Claims Service, to the Director, Camp Spencer Branch Office, Claims Service, dated 26 February 1947, subject: Current Wage Claims and Claims of Military Government Employees.

3. Claims otherwise within the purview of AR 25-90 arising out of acts or omissions of personnel of the Philippine Army units, including the Guerrilla units recognized as having the status of Philippine Army units, called into the service of the Armed Forces of the United States, will be accepted and docketed, and forwarded directly to the Chief of Claims Service without investigation.

4. Claims for services rendered by persons in their capacity as Provincial or Municipal officials appointed by the United States Army or by the Philippine Army, including Guerrilla units recognized as having the status of Philippine Army units, called into the services of the Armed Forces of the United States, will be accepted and docketed, and forwarded directly to the Chief of Claims Service without investigation.

BY ORDER OF COLONEL ELEY:

  
HENRY G. MYERS  
Captain, Infantry  
Director  
Administration Division

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

APO 707  
5 August 1947

GSCLL

MEMORANDUM NO. 7

SUBJECT: Claims Arising out of Guerrilla Activities.

TO : All Claims Service Personnel.

1. References:

a. Memorandum No. 6, Claims Service, PHILRYCOM, 17 June 1947.

b. Letter, GHQ, FEC, 2 June 1947, File AG 370.64 (2 June 47) JA, Subject: Claims Arising out of Guerrilla Activities.

c. Radio FEC, Cite Z-16672, 4 August 1947.

2. Regulations superseded:

a. Paragraph 3b, Letter, GHQ, FEC, 2 June 1947, File AG 370.64 (2 June 47) JA, Subject: Claims Arising out of Guerrilla Activities.

b. Paragraph 3 (3b), Memorandum No. 6, Claims Service, PHILRYCOM, 17 June 1947.

3. Effective 4 August 1947, paragraph 3b of Letter, GHQ, FEC, 2 June 1947, File AG 370.64 (2 June 47) JA, Subject: Claim Arising out of Guerrilla Activities, and paragraph 3 (3b) of Memorandum No. 6, Claims Service, PHILRYCOM, 17 June 1947, is amended to read as follows:

"3b. Where proof establishes that the equipment, supplies, services of civilians, use and occupation of land not in connection with actual combat operations and/or funds furnished were not intended as a donation to the common cause against the enemy but were furnished with an agreement for repayment."

FOR THE CHIEF OF CLAIMS SERVICE:

*Boynton Kamb*

BOYNTON KAMB  
Director

Legal Research Division

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OUT  
6 AUG 1947  
CLAWD SEHVL  
AFWESPRG  
APO 707

R/C 6325 VCM/PCM  
TOO 040303Z PHILRYCOM DIST  
RECD 4 AUG 47 1130 ACTION CLAIMS  
FILE  
FROM CINCFE (JA)  
TO CG PHILRYCOM (CLAIMS SERVICE)

CITE Z 16672

REURAD G 20365 GSCL REOURLET 18 JUL 47 FILE AG 370.64 AND  
URAD G 17799 GSCL 10 JUL 47. REVISION OF PARAGRAPH 3 B OUR LETTER 2  
JUN 47 5 AG 370.64 IS AMENDED TO READ AS FOLLOWS EFFECTIVE THIS DATE  
"WHERE PROOF ESTABLISHES THAT THE EQUIPMENT, SUPPLIES, SERVICES OF CIVILIANS,  
USE AND OCCUPATION OF LAND NOT IN CONNECTION WITH ACTUAL COMBAT  
OPERATIONS AND/OR FUNDS FURNISHED WERE NOT INTENDED AS A DONATION TO  
THE COMMON CAUSE AGAINST THE ENEMY BUT WERE FURNISHED WITH AN AGREEMENT  
FOR REPAYMENT.

ROUTINE CLEAR

INCOMING

PAGE 1 OF 1 PAGE

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

AGO 707  
17 June 1947

GSCL

MEMORANDUM NO. 6

SUBJECT: Claims Arising out of Guerrilla Activities.

TO : All Claims Service Personnel.

1. References:

a. Letter, GHQ, FEC, 2 June 47, File AG 370.64 (2 June 47) JA, Subject: Claims Arising out of Guerrilla Activities.

2. Regulations superseded:

a. Memorandum No. 1, Claims Service, PHILRYCOM, 14 January 1947.

b. Paragraph 4, Memorandum No. 2, Claims Service, PHILRYCOM, 24 March 1947.

3. The following excerpts from the letter, 2 June 47, Subject: Claims Arising out of Guerrilla Activities, GHQ, FEC, File AG 370.64 (2 June 47) JA are quoted for compliance by Claims Service personnel:

"2. By authority of the 1st War Powers Act of 1941 and Executive Order 9001, and under the provisions of Circular 53, WD 1946, the payment of certain claims arising out of the activities of recognized guerrilla units in the Philippines is authorized. Payments will be limited to claims for the value of:

- a. Equipment
- b. Supplies
- c. Services of civilians
- d. Use and occupation of land not in connection with actual combat operations.
- e. Loans of United States Currency, pre-war Philippine Treasury Currency, Philippine emergency

currency, guerrilla currency and Japanese invasion currency, made to guerrilla units to be paid upon the bases of valuations hereinafter indicated. Claims arising from "loans" as used herein may be interpreted to include claims arising from the acquisition of the above enumerated currencies by requisition, force or subterfuge (unless such claims be cognizable under the provisions of AR 25-90, in which case they will be processed thereunder), where it appears that the currencies so acquired were subsequently used for authorized purposes and to the extent so used, and to include all cases in which if currencies had been furnished voluntarily by the claimant a claim would be cognizable under the provisions of this letter.

- (1) Claims based on loans of United States currency and pre-war Philippine currency, may be determined, approved for payment, and paid without resort to a conversion factor.
- (2) For the determination and settlement of claims based on loans of Philippine emergency currency and guerrilla currency, the Commanding General PHILRYCOM, whenever in his opinion the circumstances in different periods and different localities warrant, may request the Philippine Government to establish conversion factors to assist, but not to bind, the claims service in determining an equitable settlement of claims for loans arising during such periods and in such localities and may inform the Philippine Government that no final action will be taken to pay such claims until such factors shall have been established. Pending the establishment of the requisite conversion factors, such claims may be received and processed in every respect except a determination of the United States dollar value thereof.
- (3) Claims for loans of Japanese invasion currency made to guerrilla units, if meritorious and arising during the periods and in localities to which may be found applicable the scale of value for the Japanese invasion peso in terms of the Commonwealth peso provided by the memorandum of D. L.

Ballantyne to the Commonwealth of the Philippines dated 16 June 1945, hereinafter set forth, will be approved for payment and paid according to such scale. In cases of claims arising in area or under such circumstances to which the Ballantyne scale may be found inapt or inappropriate, request for the establishment of appropriate conversion factors may be addressed to the Philippine Government as provided in sub-paragraph (2) above.

- (4) In the case of any claim within the scope of this sub-paragraph 2 "e", the claimant, in addition to fulfilling the requirements set out in paragraph 3 below, will be required to substantiate the claim by production of a written receipt signed by an officer of the guerrilla unit to which it is claimed that the loan of currency was made or, in lieu of such receipt, by production of comparable supporting evidence.

BALLANTYNE SCALE

OF PHILIPPINE PESO IN TERMS OF JAPANESE INVASION NOTES

<u>DATE</u>	<u>PESO</u>	<u>DATE</u>	<u>PESO</u>
<u>1941</u> DECEMBER	1.00	<u>1944</u> January	4.00
<u>1942</u>	1.00	February	5.00
<u>1943</u> January	1.05	March	6.00
February	1.10	April	9.00
March	1.15	May	12.00
April	1.20	June	15.00
May	1.25	July	20.00
June	1.30	August	25.00
July	1.40	September	30.00
August	1.50	October	40.00
September	1.60	November	60.00
October	1.70	December	90.00
November	1.80	<u>1945</u> January	120.00
December	2.50	February and subsequent months	None

3. Such claims will be paid only when all of the following circumstances are shown:

- a. Where the claim accrued between the initial date of recognition of the guerrilla unit and the date of termination of such recognition of the date or deactivation of such unit.
- b. Where proof establishes that the funds furnished were not intended as a donation to the common cause against the enemy, but were furnished with an agreement for repayment.
- c. Where the obligation incurred was necessary for the conduct of operations against the enemy.

4. Such claims will be paid from available and previously unobligated funds of the appropriation, "Expenses, Army of the Philippines".

5. The dates of the beginning of the recognition of guerrilla forces and units, and the dates of the termination of the recognition, or the deactivation of the guerrilla forces and units, will be established by the Commanding General PHILRYCOM.

6. No claim for unpaid advances, loans, credits and overdrafts by the Philippine National Bank, the Commonwealth of the Philippines, or any corporation, political subdivision or agent thereof will be paid (see Article 5 b2 Agreement No. W-ANL (PA-1) 4530).

7. This letter is not to be considered as a rescission or revocation of the authority granted by letter 5 January 1947 (AG 370.64 JA), but is an extension of the authority granted therein."

4. Claims falling under the provisions of the above regulation will be processed and forwarded to Contract Claims Commission or to Foreign Claims Commission, whichever may be appropriate, for determination and payment.

*William S. Eley*  
WILLIAM S. ELEY  
Colonel, Infantry  
Chief of Claims Service

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GENERAL HEADQUARTERS  
FAR EAST COMMAND

AG 370.64 (2 June 47) JA

APO 500  
2 June 1947

SUBJECT: Claims Arising out of Guerrilla Activities.

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

1. The instructions for the payment of claims arising out of guerrilla activities contained in the basic letter, AG 370.64 (5 Jan 47) JA, subject: "Claims Arising out of Guerrilla Activities", this Headquarters to the Commanding General, PHILRYCOM, are superseded as set forth below.

2. By authority of the 1st War Powers Act of 1941 and Executive Order 9001, and under the provisions of Circular 53, WD 1946, the payment of certain claims arising out of the activities of recognized guerrilla units in the Philippines is authorized. Payments will be limited to claims for the value of:

- a. Equipment
- b. Supplies
- c. Services of civilians
- d. Use and occupation of land not in connection with actual combat operations.
- e. Loans of United States Currency, pre-war Philippine Treasury Currency, Philippine emergency currency, guerrilla currency and Japanese invasion currency, made to guerrilla units to be paid upon the bases of valuations hereinafter indicated. Claims arising from "loans" as used herein may be interpreted to include claims arising from the acquisition of the above enumerated currencies by requisition, force or subterfuge (unless such claims be cognizable under the provisions of AR 25-90, in which case they will be processed thereunder), where it appears that the currencies so acquired were subsequently used for authorized purposes and to the extent so used, and to include all cases in which if currencies had been furnished voluntarily by the claimant a claim would be cognizable under the provisions of this letter.

- (1) Claims based on loans of United States currency and pre-war Philippine Currency, may be determined, approved for payment, and paid without resort to a conversion factor.



AG 370.64 (2 June 47) JA

- (2) For the determination and settlement of claims based on loans of Philippine emergency currency and guerrilla currency, the Commanding General, PHILRYCOM, whenever in his opinion the circumstances in different periods and different localities warrant, may request the Philippine Government to establish conversion factors to assist, but not to bind, the claims service in determining an equitable settlement of claims for loans arising during such periods and in such localities and may inform the Philippine Government that no final action will be taken to pay such claims until such factors shall have been established. Pending the establishment of the requisite conversion factors, such claims may be received and processed in every respect except a determination of the United States dollar value thereof.
- (3) Claims for loans of Japanese invasion currency made to guerrilla units, if meritorious and arising during periods and in localities to which may be found applicable the scale of value for the Japanese invasion peso in terms of the Commonwealth peso provided by the memorandum of D. L. Ballantyne to the Commonwealth of the Philippines dated 16 June 1945, hereinafter set forth, will be approved for payment and paid according to such scale. In cases of claims arising in areas or under circumstances to which the Ballantyne scale may be found inapt or inappropriate, request for the establishment of appropriate conversion factors may be addressed to the Philippine Government as provided in sub-paragraph (2) above.
- (4) In the case of any claim within the scope of this subparagraph 2 "e", the claimant, in addition to fulfilling the requirements set out in paragraph 3 below, will be required to substantiate the claim by production of a written receipt signed by an officer of the guerrilla unit to which it is claimed that the loan of currency was made or, in lieu of such receipt, by production of comparable supporting evidence.

AG 370.64 (2 June 47) JA

BALLANTYNE SCALE  
OF PHILIPPINE PESO IN TERMS OF JAPANESE INVASION NOTES

<u>DATE</u>	<u>PESO</u>	<u>DATE</u>	<u>PESO</u>
<u>1941</u>		<u>1944</u>	
DECEMBER	1.00	January	4.00
		February	5.00
<u>1942</u>	1.00	March	6.00
		April	9.00
<u>1943</u>		May	12.00
January	1.05	June	15.00
February	1.10	July	20.00
March	1.15	August	25.00
April	1.20	September	30.00
May	1.25	October	40.00
June	1.30	November	60.00
July	1.40	December	90.00
August	1.50		
September	1.60	<u>1945</u>	
October	1.70	January	120.00
November	1.80	February and	
December	2.50	subsequent months	None

3. Such claims will be paid only when all of the following circumstances are shown:

a. Where the claim accrued between the initial date of recognition of the guerrilla unit and the date of termination of such recognition of the date or deactivation of such unit.

b. Where proof establishes that the funds furnished were not intended as a donation to the common cause against the enemy, but were furnished with an agreement for repayment.

c. Where the obligation incurred was necessary for the conduct of operations against the enemy.

4. Such claims will be paid from available and previously unobligated funds of the appropriation, "Expenses, Army of the Philippines".

5. The dates of the beginning of the recognition of guerrilla forces and units, and the dates of the termination of the recognition, or the deactivation of the guerrilla forces and units, will be established by the Commanding General, PHILRYCOM.

AG 370.64 (2 June 47) JA

6. No claim for unpaid advances, loans, credits and overdraft by the Philippine National Bank, the Commonwealth of the Philippines, or any corporation, political subdivision or agent thereof will be paid (see Article 5 b2 Agreement No. W-ANL (PA-I) 4530).

7. This letter is not to be considered as a rescission or revocation of the authority granted by letter 5 January 1947 (AG 370.64 JA). but is an extension of the authority granted therein.

BY COMMAND OF GENERAL MacARTHUR:

/s/ R. M. Levy  
/t/ R. M. LEVY  
Colonel, AGD  
Adjutant General

CERTIFIED TRUE COPY:

*Clark Sanland*  
CLARK SANLAND  
Captain, OMC

STAMPED: "Mailed 1150 Jun 3, 47, AG-GHQ"

RECEIVED  
16 JUN 1947  
CLAIMS SERVICE  
AFMESPAC  
APO 707

HEADQUARTERS  
CLAIMS SERVICE  
PHILIPPINES REVENUE COMMAND

MEMORANDUM No. 1

AFPO 707  
14 January 1947

SUBJECT: Claims Arising Out of Guerrilla Activities.

TO : All Claims Service Personnel.

1. Memorandum 15, Chief of Claims, AFWESPAC, 15 November 1946, is hereby superseded by these instructions.

2. By authority of the 1st War Power Act of 1941 and Executive Order 9701, and under the provisions of circular 53, W.D. 1946, the payment of certain claims arising out of the activities of recognized guerrilla units in the Philippines is authorized. Payments will be limited to claims for the value of:

- a. equipment
- b. supplies
- c. services of civilians
- d. use and occupation of land not in connection with actual combat operations.

3. Such claims will be paid;

a. Where the claim arose between the original date of recognition of the guerrilla unit and the date of the termination of the recognition, or the deactivation thereof;

b. Where definite proof establishes that the obligation was not intended as a patriotic donation to the common cause against the enemy, but was furnished with the agreement that payment would be made therefor;

c. Where the obligation incurred was necessary for the conduct of operations against the enemy.

4. Such claims will be paid from the appropriation, "expenses, Army of the Philippines."

5. The dates of the beginning of the recognition of guerrilla

forces and units, and the dates of the termination of the recognition, or the deactivation of the guerrilla forces and units, will be established by the Commanding General, PHILCOM.

*Basil A. Wood*

BASIL A. WOOD  
Lieutenant Colonel, JAGD  
Chief of Claims

Authority:

Letter CINCPAC, File: AG 370.6h  
(3 Jan 47) JA, Subj: Claims Pending Out  
of Guerrilla Activities.

DISTRIBUTION: H

39

GENERAL HEADQUARTERS  
FAR EAST COMMAND

APO 500  
3 January 1947

AG 370.64 (3 Jan 47)JA

SUBJECT: Claims Arising Out of Guerrilla Activities.

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

1. The instructions for the payment of claims arising out of guerrilla activities contained in the basic letter, 23 October 1946, AG 370.74 (23 October 46)JA, subject: "Claims Arising Out of Guerrilla Activities", this headquarters to the Commanding General, AFESPAC, are superseded by the following:

2. By authority of the 1st War Power Act of 1941 and Executive Order 9001, and under the provisions of circular 53, W. D. 1946, the payment of certain claims arising out of the activities of recognized guerrilla units in the Philippines is authorized. Payments will be limited to claims for the value of:

- a. equipment
- b. supplies
- c. services of civilians
- d. use and occupation of land not in connection with actual combat operations

3. Such claims will be paid:

a. Where the claim arose between the original date of recognition of the guerrilla unit and the date of the termination of the recognition, or the deactivation thereof;

b. Where definite proof establishes that the obligation was not intended as a patriotic donation to the common cause against the enemy, but was furnished with the agreement that payment would be made therefor;

c. Where the obligation incurred was necessary for the conduct of operations against the enemy.

4. Such claims will be paid from the appropriation, "expenses, Army of the Philippines."

AG 370.64 (3 Jan 47)JA

5. The dates of the beginning of the recognition of guerrilla forces and units, and the dates of the termination of the recognition, or the deactivation of the guerrilla forces and units, will be established by the Commanding General PHILRYCOM.

By COMMAND OF GENERAL L MacARTHUR:

S/ J. M. EBBITT  
Captain, AGD  
Asst Adj Gen

OFFICE OF THE CHIEF OF CLAIMS

AGO 707

12 November 1946

MEMORANDUM NO. 15

SUBJECT: Claims Arising Out of Guerrilla Activities.

TO : All Claims Service Personnel.

1. Reference is made to the memorandum of the Chief of the Claims Service, AFWESPAC, dated 17 July 1945, dealing with claims arising out of guerrilla activities and the first indorsement thereto, AFPAC, dated 6 August 1945. The instructions contained in that indorsement are superseded by those hereinafter set forth.

2. The United States Army assumes the responsibility for paying certain claims arising out of the activities of recognized guerrilla forces in the Philippines. That responsibility will be limited to claims for the value of equipment, supplies and services furnished for carrying on operations against the enemy and for the use and occupancy of land incident to such operations provided that such claims arose subsequent to the effective date of recognition of the guerrilla unit.

3. The War Damages Commission, provided for in in Public Law 307, 79th Congress (Philippine Rehabilitation Act, is empowered to pay certain types of claims, i. e., those arising on account of physical loss or destruction of, or damage to, property in the Philippines occurring after 7 December 1941 and before 1 October 1945 as a result of one or more of the following perils.

- a. Enemy attack;
- b. 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;
- c. Action taken by enemy representatives, civil or military or by the representatives of any government cooperating with the enemy;
- d. Action by the Armed Forces of the United States in opposing, resisting or expelling the enemy from the Philippines;
- e. 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.

1. The War Damages Commission cannot make payment on any such claims unless payment has been declined by the War Department.

2. 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 guerrilla forces and claims for services, equipment and supplies furnished to the guerrilla 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 guerrilla forces, the Claims Service will require compelling evidence:

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;

c. Contemporary evidence of transactions, such as a 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.

Authority:

Ltr APPAC, File: AG 370.64  
(23 Oct 46) JA, Subj: Claims Arising  
Out of Guerrilla Activities, 23 Oct 46.

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

DISTRIBUTION: H

TELEGRAM

WAR DEPARTMENT, AFWESPAC  
BUREAU: GSCL DAW/ARR  
12 NOVEMBER 1946  
PRIORITY CLEAR

FROM: CG AFWESPAC SGD CHRISTIANSEN  
TO : CINCPAC (PRIORITY)

G.....GSCL

PAREN FROM CHIEF OF CLAIMS PASS TO JA END PAREN SUBJECT YOUR LETTER  
TWO THREE OCTOBER FOUR SIX FILE AG THREE SEVEN ZERO POINT SIX FOUR  
PAREN TWO THREE OCTOBER FOUR SIX PAREN JA SUBJECT CLAIMS ARISING OUT  
OF GUERRILLA ACTIVITIES PD MANY CLAIMS FILED FOR PRE WAR PHILIPPINE  
CURRENCY CMA PHILIPPINE EMERGENCY CURRENCY CMA GUERRILLA CURRENCY  
AND SCRIPT CMA JAPANESE INVASION CURRENCY AND US CURRENCY LOANED TO  
RECOGNIZED GUERRILLA UNITS PD AS PAYMENT OF THESE CLAIMS IS NOT  
AUTHORIZED BY THE ABOVE CITED LETTER CMA THEY WILL BE DENIED PD  
RE BEST CONFIRMATION

OFFICIAL:

REFERENCE: ORIGINAL

\* STAMPED \*  
OUT  
16 Nov 1946

AG 370.64 (23 Oct 46) JA

APO 500  
23 October 1946

SUBJECT: Claims Arising out of Guerrilla Activities.

TO : Commanding General, United States Army Forces, Western Pacific, APO 707.

1. Reference is made to the memorandum of the Chief of the Claims Service, AFMESPAC, dated 17 July 1945, dealing with claims arising out of guerrilla activities and the first endorsement thereto, this headquarters, dated 5 August 1945. The instructions contained in that indorsement are superseded by these hereinafter set forth.

2. The United States Army assumes the responsibility for paying certain claims arising out of the activities of recognized guerrilla forces in the Philippines. That responsibility will be limited to claims for the value of equipment, supplies and services furnished for carrying on operations against the enemy and for the use and occupancy of land incident to such operations, provided that such claims arose subsequent to the effective date of recognition of the guerrilla unit.

3. The War Damages Commission, provided for in Public Law 307, 79th Congress (Philippine Rehabilitation Act), is empowered to pay certain types of claims, i. e., those arising on account of physical loss or destruction of, or damage to, property in the Philippines occurring after 7 December 1941 and before 1 October 1945 as a result of one or more of the following perils:

- a. Enemy attack;
- b. 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;
- c. Action taken by enemy representatives, civil or military or by the representatives of any government cooperating with the enemy;
- d. Action by the Armed Forces of the United States in opposing, resisting or expelling the enemy from the Philippines;
- e. 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.

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 AFMESPAC 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 guerrilla forces and claims for services, equipment and supplies furnished to the guerrilla forces under a clearly expressed or implied agreement to pay their fair or stated value. Such claims, if meritorious, can be paid by the AFMESPAC 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 guerrilla forces, the Claims Service will require compelling evidence: (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 a 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 AFMESPAC 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  
t/ J. M. EBBITT,  
Captain, AGD,  
Asst Adj Gen.

1 Incl: as noted above.

27 August 1946

091 PI  
The Honorable  
Paul V. McNutt  
The American Ambassador  
Manila, Philippines

My dear Mr. Ambassador:

Receipt is acknowledged of your 20 August 1946 letter, referring to the limitation on the payment of claims prior to the dates that guerrilla units were recognized as being part of the Armed Forces.

This matter is receiving careful study. From the information presently available, there were many instances in which unauthorized personnel committed acts or commandeered property for which claims have been presented. In all instances where the activities of the parties can be recognized as being part of the Armed Forces of the United States, payment is made for the value of the supplies or material or services received.

When the activities involved in the taking or the commandeering occurred prior to the unit or parties having performed any services that can be recognized, and the evidence is overwhelmingly in favor of a conclusion that the unit or parties were acting for their own betterment, then, those activities cannot be recognized and the claims incurred should not be paid by the United States.

It is recognized by this Headquarters that the settlement of claims, if done unwisely, can be a source of damage to the good name of the United States. It is our constant endeavor to administer this activity with fairness to all concerned and in accordance with the legal basis.

Sincerely,

J. G. CHRISTIANSEN  
Major General, United States Army  
Commanding

35

Payment of Claims Based on Cash Loans of Pre-War Philippine  
Currency to Recognized Guerrilla Units.

Legal Research

TO: DCG

26 August 1946

1. The basic authority of Claims Service for the payment of guerrilla claims is found in the 1st Indorsement, GHQ, AFPAC, APO 500, file AG 370.64 (17 July 1945) DSC, dated August 1945, to Commanding General, AFWESPAC, a copy of which is attached.

2. The authority for payment is limited in paragraph 1a of the 1st Indorsement, GHQ, AFPAC, dated 6 August 1945 to

"claims for the value of goods or services essential for carrying on operation against the enemy".

and in paragraph 1e to

"supplies and equipment or services".

3. In view of the fact that the type of claims which may be paid is specifically limited by the authority granted and does not include cash loans of pre-war Philippine currency. Claims Service, AFWESPAC, does not have authority to pay claims based upon cash loans of pre-war Philippine currency made to recognized guerrilla units.

1 Incl:

B. K.

1 - Copy of 1st Ind., GHQ, AFPAC, 6 Aug 45

34

American Embassy  
August 20, 1946

Dear General Christiansen:

During the recent operation of the Office of the High Commissioner and continuing into the present administration of governmental affairs by the Embassy, my attention has, on numerous occasions, been drawn to a considerable body of claims by our own and Filipino citizens for supplies and services furnished guerrilla forces during the period between the surrender in May, 1942 and the landing in Leyte in 1944.

In the instances brought to my attention, the claimants were refused settlement by Army Claims Service officials on the grounds that "the supplies or services were rendered prior to the official date of recognition of the guerrilla unit in question." In one recent case, a Filipino had furnished the guerrilla unit commanded by Colonel Peralta in Panay with upwards of four thousand pesos worth of medical supplies in October, 1942 for which his claim was disallowed in the face of evidence from the commander and other responsible guerrilla officials that the supplies had been commandeered for military purposes and actually received.

Provided the legal basis exists permitting such action, it is my opinion that irreparable damage will be done the good name of the United States unless a vigorous and equitable effort is made by the Army Claims Service to process and settle such claims.

Sincerely yours,

s/ Paul V. McNutt

Major General J. G. Christiansen, USA  
Commanding General, AFWESPAC  
APO 707

ROUTINE CLEAR

TOO 031131/Z RJT/WSA  
RECD 4 AUG 46 0630 AFWESPAC DIST  
ACTION G-4  
FROM CINCAFPAC FILE  
TO CG AFWESPAC  
INFO WARCOS  
CITE ZX-11719

SUBJECT IS CLARIFICATION OF AUTHORITY TO TERMINATE, SETTLE, AND RENEGOTIATE CONTRACTS REURAD G 22248 GSIRP DATED 24 JULY 1946 (NOT TO WARCOS OR NEEDED). PARA IN ACCORDANCE WITH THE PROVISIONS OF WAR DEPARTMENT CIRCULAR 53 DATED 21 FEBRUARY 1946 AND SUBJECT TO AVAILABILITY OF ALLOTTED FUNDS AUTHORITY FOR CONTRACT TERMINATION, SETTLEMENT, AND RENEGOTIATION INCLUDING DISCRETIONARY AUTHORITY TO APPLY PROVISIONS OF CONTRACT SETTLEMENT ACT OF 1944 AND RENEGOTIATION ACTS OF 1942 AND 1943 IS HEREBY DELEGATED COMMANDING GENERAL AFWESPAC, AUTHORITY IS ALSO GRANTED TO COMMUNICATE DIRECTLY WITH SERVREAD AND WAR DEPARTMENT PRICE ADJUSTMENT BOARD.

Rubber Stamp  
RECEIVED  
7 Aug 1946  
Claims Service  
AFWESPAC  
APO 707

ROUTINE CLEAR



HEADQUARTERS  
FAR EAST COMMAND  
30 June 1946

CERTIFICATE OF COLONEL R. W. VOLCKMANN AS THE AUTHORITY  
TO MAKE LOANS OF CURRENCIES TO HIS GUERRILLA UNITS FROM  
CIVILIANS  
R.W. VOLCKMANN, O-19537, Colonel, Inf, AUS hereby certifies:

1. THAT he was Commanding Officer of the Guerrilla Units located in Northern Luzon, Philippine that were finally designated "USAFIP AREA COMMAND" with Headquarters in Northern Luzon, from June 1943 till 1 June 1946 that prior to June, 1943, he was a member of the same Guerrilla units, having escaped from Bataan and having served under Colonel Noble and Moses, his predecessors in command.

2. THAT no financial support for his organization was received from the U.S. Army until the fall of 1944 when \$200,000 was received and that his units supported themselves prior to that time by contributions and loans from loyal Filipino civilians; that the financial support received in the form of loans of Japanese invasion pesos from these loyal Filipinos was a material factor in the continued existence of the USAFIP Area Command.

3. THAT a radio message was received from General MacArthur early in 1943 assigning the USAFIP Guerrillas the mission of reconnaissance and intelligence reports on Japanese troop movements and dispositions and these missions were carried out by the USAFIP Command.

4. THAT the Japanese Government issued paper money commonly referred to as "War Notes" or "Invasion Pesos" throughout its occupation of the Islands and outlawed the use of any other currency in the Islands; that the Japanese Peso was used in most business transactions and had a definite purchasing power of varying value at various times in the Islands from the time of the Japanese landings until February 1945; that the comparative scale of values of the Jap war note in terms of the legal Philippine peso, as set out in Paragraph 7 of the Report submitted by USAFIP on May 1946, is the scale of values generally used in the Philippines in determining obligations involving Jap war notes.

5. THAT receipts were given to the lenders of Jap war notes in all cases and those receipts provided that the loan was to be "redeemed" at a

"fair and just rate" to be "determined after the war"; that the great majority of such receipts showed the loans to be in Jap war notes and when the receipt failed to show such designation, USAFIP regarded the loan as having been made in Jap war notes.

6. THAT records were kept whenever possible of such transactions but conditions made it impossible to keep accurate records on every case; that the money so borrowed was used for the purchase of food, supplies, equipment, radio and signal sets etc., that considerable sums were also spent for "Intelligence purposes", in sending messages to and from Manila and other points.

7. THAT the obligations thus incurred were necessary to raise funds for the conduct of operations against the enemy.

8. THAT this certificate is made for the purpose of supplementing the report submitted by Headquarters USAFIP of 25 May 1946 and of supporting the request contained herein that claims based on loans of Japanese war notes to USAFIP units be paid.

s/ R. W. Volckmann  
t/ R. W. VOLCKMANN  
Colonel, Inf, AUS

HEADQUARTERS  
USAFIP AREA COMMAND  
Camp Spencer

25 May 1946

SUBJECT: Jap War Notes Borrowed

TO : C.O. USAFIPAC

1. Pursuant to instructions the undersigned undertook an inquiry into the extent of Japanese War Notes borrowed from different individuals by members of USAFIP, NL, and hereby submit the following report:

2. At the outset it might be mentioned that no exact amount can be given definitely as to the total amount of Jap War Notes borrowed by the different units of this command. This is due to the fact that although some records were kept of the money borrowed, somehow or other, not all money borrowed were recorded.

3. Aside, therefore, from a compilation of whatever records can be found of such Jap War Notes borrowed, and the direct inquiries made to the G-2 and S-4 Officers and Finance Officers of the different units, wide publicity was resorted to invite individuals concerned to file their claims for whatever Jap War Notes, borrowed from them.

4. A summation of these records and individual receipts presented reveal the sum of ₱1,650,442.80 in Jap War Notes and ₱5,754.70 in Philippine Currency borrowed during the period from December 1941 to January 1945. Needless to say, this amount is probably short of the total sum actually borrowed by members of USAFIP, NL.

5. A resume of these Jap money borrowed is as follows:

<u>UNIT</u>	<u>AMOUNT</u>	<u>PERIOD</u>
HEADQUARTERS-----	355,922.70	Dec. 1941 - Dec. 1944
121st INFANTRY-----	313,751.50	Apr. 1944 - Jan. 1945
66th INFANTRY-----	872,536.10	Jan. 1943 - Jan. 1945
11th INFANTRY-----	52,526.00	Jun. 1944 - Dec. 1944
14th INFANTRY-----	55,706.50	Apr. 1944 - Dec. 1944
15th INFANTRY-----	-	-

₱ 1,650,442.80

It will be noted that there is no amount indicated opposite the 15th Inf. because of the unavailability of records.

GSTFA  
400.12(p)

Funds Necessary for Payment of Claim for Guerrillas  
Supplies and Services payable from the Appropriation,  
"Expenses, Army of the Philippines."

FROM: Fiscal Director TO: Chief, Claims Service 27 April 1946

1. This office is presently in the process of reconciliation of the status of the appropriation, "Expenses, Army of the Philippines" and is consequently in need of information as to the obligations incurred for the purpose of payment of claims for Guerrillas' Supplies and Services and obligations to be incurred to include 30 June 1946.

2. It is of the utmost importance that the rendition of the requested information be expedited in that a reconciliation has been requested by the Budget Officer for the War Department in order that necessity for a deficient appropriation may be determined.

C. B. LENOW  
Colonel, F.D.  
Fiscal Director

---

Note No. 2

FROM: Chief of Claims TO: Fiscal Director 30 April 46

Submitted herewith is a schedule of estimated expenditures and obligations for Philippine Army procurement claims.

FOR THE CHIEF OF CLAIMS:

ROBERT J. BENSON  
Major, Infantry  
Executive Officer

Incl:  
Schedule

BRANCH OFFICE  
CLAIMS SERVICE, AFWESPAC  
BASE K, APO 72

14 March 46

SUBJECT: Claims Involving Guerrilla Units

TO : ALL OFFICERS AND EM

1. Recognition. From time to time lists of guerrilla units to whom recognition has been extended are published by GHQ, AFPAC. These lists give the name of the unit, its overall Commanding Officer, and the recognition date. As a result of such recognition the unit, in effect, acquires status as part of the Philippine Army from the date specified. Claims against recognized guerrilla units arising from the procurement of supplies, equipment or services subsequent to the date of recognition are within the jurisdiction of Claims Service and, if approved, are payable from funds of the Philippine Army. In processing guerrilla claim the Investigating Officer's Report will state that the unit involved appears in the list of recognized units and that the procurement which is the basis of the claim took place on or after the recognition date. Claims involving guerrilla units which do not appear in the lists, or which are based on procurement antedating the recognition date, will not be accepted or processed by Claims Service.

2. Criteria. Payment of claims involving recognized guerrilla forces will not be authorized unless the evidence shows, in addition to the usual requirements, that -

a. The supplies, equipment or services were essential for carrying on operations of the guerrilla unit against the enemy;

b. There was a clear understanding between the guerrilla commander and the claimant (or their authorized agents) at the time of the procurement, that an obligation was being created and that payment would eventually be made;

c. The furnishing of such supplies, equipment or services was not intended as a patriotic donation to the common cause against the enemy.

3. Claims for Money Loaned. Claims arising from the loan of legal tender, i.e., U.S. currency or pre-war Philippine currency (see par. 4, Chief of Claims Memorandum No. 4, 12 Feb 46 to recognized guerrilla units are subject to the above criteria and will not be paid unless the evidence shows, in addition to the usual requirements, that -

- a. Supplies, equipment or services were procured from the funds loaned;
- b. The supplies, equipment or services so procured were essential for carrying on operations of the guerrilla unit against the enemy;
- c. The advance was a loan rather than a patriotic donation to the common cause, that is, the claimant expected and the parties contemplated that repayment would eventually be made.

4. Investigating Officers should carefully develop the facts establishing that the claim is or is not within the foregoing criteria. The existence of a receipt signed by an authorized agent of a recognized guerrilla unit which states that the property was requisitioned for use of the unit does not, in itself, fulfill the requirements. It must also appear that the items procured were essential for the conduct of operations against the enemy.

5. For your information there is attached hereto copy of a GHQ 1st Ind. to Hq. AFWESPAC letter dated 17 July 45, Subject: "Claims arising out of guerrilla activities."

s/ Robert E. Mitchell  
t/ ROBERT E. MITCHELL  
Lt. Col., JAGD  
Officer-in-Charge

Bureau WING 1-111 TEMPORARY BLDG E

T E L E G R A M

Chg. Approp. Salaries & Expenses 1946

March 1 1946 Washington D C

GOVT VETS ADM

ROUTINE

MANAGER

VETERANS ADMINISTRATION

217 DASMARINAS STREET

MANILA PHILIPPINE ISLANDS

RE RADIO DATED FEBRUARY 28 1946 PUBLIC 301 79th CONGRESS PROVIDES THAT SERVICE IN THE ORGANIZED MILITARY FORCES OF THE GOVERNMENT OF THE COMMONWEALTH OF THE PHILIPPINES WHILE SUCH FORCES WERE IN THE SERVICE OF THE ARMED FORCES OF THE UNITED STATES PURSUANT TO THE MILITARY ORDER OF THE PRESIDENT OF THE UNITED STATES DATED JULY 26 1941 SHALL NOT BE DEEMED TO BE OR TO HAVE BEEN SERVICE IN THE MILITARY OR NAVAL FORCES OF THE UNITED STATES OR ANY COMPONENT THEREOF FOR THE PURPOSES OF ANY LAW OF THE UNITED STATES CONFERRING RIGHTS PRIVILEGES OR BENEFITS UPON ANY PERSON BY REASON OF THE SERVICE OF SUCH PERSON OR THE SERVICE OF ANY OTHER PERSON IN THE MILITARY OR NAVAL FORCES OF THE UNITED STATES OR ANY COMPONENT THEREOF EXCEPT BENEFITS UNDER (1) THE NATIONAL SERVICE LIFE INSURANCE ACT OF 1940 AS AMENDED UNDER CONTRACTS HERETOFORE ENTERED INTO AND (2) LAWS ADMINISTERED BY THE VETERANS' ADMINISTRATION PROVIDING FOR THE PAYMENT OF PENSIONS ON ACCOUNT OF SERVICE CONNECTED DISABILITY OR DEATH COLON PROVIDED FURTHER THAT SUCH PENSIONS SHALL BE PAID AT THE RATE OF ONE PHILIPPINE PESO FOR EACH DOLLAR AUTHORIZED TO BE PAID UNDER THE LAWS PROVIDING FOR SUCH PENSIONS COLON PROVIDED FURTHER THAT ANY PAYMENTS HERETOFORE MADE UNDER ANY SUCH LAW TO OR WITH RESPECT TO ANY MEMBER OF THE MILITARY FORCE OF THE GOVERNMENT OF THE COMMONWEALTH OF THE PHILIPPINES WHO SERVED IN THE SERVICE OF THE ARMED FORCES OF THE UNITED STATES SHALL NOT BE DEEMED TO INVALID BY REASON OF THE CIRCUMSTANCES THAT HIS SERVICE WAS NOT SERVICE IN THE MILITARY OR NAVAL FORCES OF THE UNITED STATES OR ANY COMPONENT THEREOF WITHIN THE MEANING OF SUCH LAW STOP PROCESS PENSION CLAIMS ON ACCOUNT OF SERVICE CONNECTED DISABILITY FILED BY VETERANS OF THE ORGANIZED MILITARY FORCES OF THE GOVERNMENT OF THE COMMONWEALTH OF THE PHILIPPINES WHO WERE IN THE SERVICE OF THE ARMED FORCES OF THE UNITED STATES PURSUANT TO THE MILITARY ORDER OF THE PRESIDENT OF THE UNITED STATES DATED JULY 26 1941 THROUGH DISALLOWANCE IF ENTITLEMENT IS NOW SHOWN OR TO THE POINT OF AWARD ACTION IF ENTITLEMENT TO PENSION IS ESTABLISHED STOP FURTHER INSTRUCTIONS AS TO THE MANNER OF AWARDED AND MAKING PAYMENTS IN PHILIPPINE PESO WILL BE FORWARDED AS SOON AS PROCEDURE IS APPROVED STOP PHILIPPINE SCOUTS ARE NOT WITHIN THE PURVIEW OF FOREGOING ACT AND CLAIMS MAY BE ADJUDICATED AS FORMERLY AND PAID IN DOLLARS IF ENTITLEMENT TO PENSION IS ESTABLISHED RSP(R) 1001 (C) FIRST SENTENCE AND PENULTIMATE PARAGRAPH OF ADMINISTRATORS LETTER JANUARY 31 1946

O. W. CLARK

COPY

Public Law 301, 79th Congress, signed by the President of the United States, February 18, 1946, contains, among other things, the following:

"Army of the Philippines, \$200,000,000: Provided, That service in the organized military forces of the Government of the Commonwealth of the Philippines, while such forces were in the service of the armed forces of the United States pursuant to the military order of the President of the United States dated July 26, 1941, shall not be deemed to be or to have been service in the military or naval forces of the United States or any component thereof for the purposes of any law of the United States conferring rights, privileges, or benefits upon any person in the military or naval forces of the United States or any component thereof, except benefits under (1) the National Service Life Insurance Act of 1940, as amended, under contracts heretofore entered into, and (2) laws administered by the Veteran's Administration providing for the payment of pensions on account of service-connected disability or death; Provided further, That such pensions shall be paid at the rate of one Philippine peso for each dollar authorized to be paid under the laws providing for such pensions: Provided further, That any payments heretofore made under any such law to or with respect to any member of the military forces of the Government of the Commonwealth of the Philippines who served in the service of the armed forces of the United States shall not be deemed to be invalid by reason of the circumstances that his service was not service in the military or naval forces of the United States or any component thereof within the meaning of such law."

It is evident from the above-quoted law that the veterans of the Philippine Army, including recognized guerrilla forces, who actually served in the armed forces of the United States are entitled to:

- (1) Benefits under the National Service Life Insurance Act of 1940, as amended, under contracts entered into prior to February 18, 1940; and
- (2) Pensions on account of service-connected disability or death but that such pensions shall be paid on a peso basis.

May 24, 1946



GSCF 091 PI  
HEADQUARTERS, UNITED STATES ARMY FORCES, WESTERN PACIFIC, APO 707

TO: Commanding Officer, 6th Infantry Division, PA

THRU: Chief of Staff, Philippine Army, APO 718

1. In reference to the recommendation appearing in paragraph 4, basic letter, you are informed that claims arising out of guerrilla activities prior to recognition of the unit cannot be accepted under current regulations. Claims for obligations incurred subsequent to 17 April 1945, the date of the 10th Military district came under Military control, should be handled as matters of Philippine Army procurement. Claims of this character will not be processed through the Claims Service, United States Army Forces, Western Pacific.

2. In reference to claims arising prior to 13 February 1943, the present date of recognition of the 10th military district, you are informed that a request from Colonel Wendell W. Fertig, former commander of the 6th Infantry Division, Philippine Army, is now under consideration in this headquarters. Colonel Fertig has recommended that the above recognition date be adjusted to include service rendered by the 10th military district prior to the present date of recognition as warranted. Information as to action taken on this request will be communicated to you at the earliest practicable date.

BY COMMAND OF LIEUTENANT GENERAL STYER:

M/R: Claims arising out of guerrilla activities subsequent to 17 Apr 45 to be handled as PA procurement matters, Claims prior to 13 Feb 43 have been requested by Col W W Fertig to include service rendered by the 10th military district prior to the date of recognition as warranted. 2d Ind 14 Jan 46 states action being taken and will be communicated at earliest practicable date.

W.F. MOORE  
Colonel AGD  
Ass't Adj Gen

HEADQUARTERS AFWESPAC

CHECK SHEET

Do Not Remove From Attached Sheets

Note No.2

GSTFL  
File No.150 PA

Subject:

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CFA/mvt  
4-84-58  
30 January 1946

FROM: Fiscal Director

1. Reference is made to 1st Indorsement, GHQ, AFPAC, APO 500, file AG 370.64 (17 July 45) DFC, dated 6 August 1945, to Commanding General, AFWESPAC.

2. It is indicated in paragraph 1 of above cited indorsement that "Payment will be made only on claims where there was a clear understanding at the time the supplies and equipment or services were purchased or contracted for that payment would eventually be made. There must have been a clear intention on the part of the guerrilla commander and of the vendor or employee that an obligation was being created. It must be definitely shown that the provision of such supplies, equipment or services was not intended as a patriotic donation to the common cause against the enemy. It must also be definitely shown that the supplies equipment or services were essential for the operation of the guerrilla forces."

3. Accordingly, it is the opinion of this office that claims arising from loans of legal tender to recognized guerrilla units may properly be approved if otherwise correct provided the following conditions are met:

a. It must be definitely shown that supplies, equipment or services were procured from funds advanced as loans.

b. It must be clearly shown that such an advance was a loan rather procured from funds advanced by such loan were essential for the operation of the guerrilla forces.

/s/ C. B. Lenow  
/t/ C. B. LENOW  
Colonel, FD  
Fiscal Director

HEADQUARTER AFWESPAC

CHECK SHEET

Do Not Remove From Attached Sheets

Note No. 1 File No.

Subject: Claims for Money Loaned to  
Philippines

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FROM: Chief of Claims

TO: Fiscal Director 28 Jan 46

1. There have been presented to this Service numerous claims involving loans of American money, or American backed peso, to recognized guerrilla units, it appearing that the funds in most instances were used to procure necessary supplies.

2. Assuming that an award of a Contract Claims Commission is correct in all other respects, is there any prohibition against the Finance Office, Philippine Army paying such approved claims solely because such claims are based upon money loaned rather than goods furnished?

s/ J. A. Myatt  
t/ J. A. MYATT  
Colonel, JAGD  
Chief of Claims

Claim of Department of Agriculture  
of Commonwealth (Chinchons Plantation).

Chief of Claims TO: Chief of Staff 13 December 1945

1. Attention is invited to attached claim of the Department of Agriculture (Chinchons Plantation). Commonwealth of the Philippines, in which payment is sought from funds provided by the United States, for Chinchons bark furnished guerrilla forces in Mindanao from November 8, 1942 to October 5, 1945. Any payment authorized by this Service would have to be made by the Commonwealth from the appropriation "Expenses, Army of the Philippines."

2. A number of claims have recently been filed by government bureaus of the Commonwealth and by barrios, municipalities and provinces seeking payment for supplies or services furnished by them to United States Army or guerrilla forces. These claims are being investigated but none have as yet been paid.

3. It is recommended that a policy be adopted denying payments to the Commonwealth or its bureaus or political subdivision (barrios, municipalities, provinces) on claims for goods or services furnished the United States Army, Philippine Army, or guerrilla, as it is believed that such matters can properly be disposed of under the general rehabilitation program affecting the Commonwealth.

4. Request that Claims Service be furnished appropriate directives as to paying mentioned claims.

J. A. WYATT,  
Colonel, JAGD  
Chief of Claims.

1 Incl: File-Chinchons  
Plantation Claim.

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Recognition of dates of Guerrilla  
Units.

(8)

1. There were a large number of claims originating from the  
Chief of Claims TO: Director of Plans 6 Dec '45  
a Claims Commission and a Finance Officer to go to the

1. What General Leavey requested as a recommendation  
as to a formula for establishing recognition dates of guer-  
rilla units. This recommendation was furnished to the extent it  
was possible for this Service to do so.

2. Claims arising out of guerilla activities are  
processed as procurement claims under the provisions of par. 9,  
Sec III, par. 7 Sec. IV, and par. 9 Sec. V, of USAFFE Claims  
Manual, 15 March 1945, copy attached.

3. A great many guerrilla claims have been filed, and a  
considerable number have already been processed and paid.  
The procedure followed is substantially as follows:

a. Claims Service officer, as available, pro-  
ceed to the headquarters or area of a guerrilla force. Se-  
ction of Philippine Officers to assist are then made and  
claimants are contacted.

b. Claimants are furnished Claims Service Form  
No. 200, prescribed for procurement claims, which they  
are assisted in executing.

c. Claims are then investigated and available  
supporting or corroborating evidence is secured. This is  
usually in the form of written requisitions given by the  
force when securing the property or services, affidavits  
of person with knowledge of the facts, and an affidavit,  
accompanied by approval, of the commanding officer in the  
force.

d. Completed reports of investigations are then  
forwarded to Claims Service where they are adjudicated by  
a Contract Claims Commission.

e. Upon a determination by a Contract Claims  
Commission that payment should be made, a certificate of award and  
accompanying voucher is forwarded by Claims Service to the Finance  
Officer, Philippine Army for settlement. By direction of C-in-C,  
AFPAC payments of such claims are made from the appropriation  
"Expenses, Army of the Philippines."

f. Were a large number of claims originate in one  
are this Service has to the extent possible, arranged for  
a Claims Commission and a Finance Officer to go to the  
area and effect adjudication and settlement on the scene.

J. A. WYATT  
Colonel, JAGD  
Chief of Claims

4 Incls:

3-n/c

1-USAPFE Claims Manual att.

BASIC: Ltr fr Castora Espinosa dtd 8 November 45, subj: Requesting aid for the recovery of Money indebted by the Guerrillas.

201-Espinosa, C. (Civ) (AG-M) 1st Ind

HEADQUARTERS Philippine Army, APO 501  
29 November 1945

TO: Commanding General, United States Army Forces, Western Pacific, APO 707  
(Attention: Chief, Claims Service Section)

1. Forwarded as a matter pertaining to your command.
2. Unit mentioned in basic communication is a duly recognized guerrilla unit as per records of this Headquarters.

For the Chief of Staff:

LUIS RAMOS  
Colonel, A.G.S.,  
The Adjutant General.

HEADQUARTERS, CLAIMS SERVICE, AFWESPAC, APO 707, 8 January 1946.

TO: Headquarters, Philippine Army, APO 501.

1. It appear from the attached correspondence that the debts incurred by the individuals named are personal in character, and not debts of a particular organization.
2. Assuming the foregoing to be the facts, this matter would be one for settlement by the individuals, therefore the Contract Claims Commission of this Service would not have jurisdiction to determine the merits of the claim, or whether such claim can be paid from funds appropriated for "Expenses of the Army of the Philippines."
3. Accordingly, the matter is forwarded to you for appropriate action to arrange for settlement by the individuals involved and for such other procedure as may be deemed proper.

FOR THE CHIEF OF CLAIMS:

ROBERT J. BENSON  
Captain, Inf.  
Adjutant

GSCP 091 PI

Guerrilla Affairs

DC and C/S

Col Kreuter 46153  
29 November 1945

1. Prior to the transfer to AFWESPAC of the Guerrilla Affairs Section, consideration for recognition of guerrilla units was given under the policy set forth below:

"Requirements for recognition of a guerrilla unit, not attached to a United States Army unit, were as follows:

"(1) The unit must actually have been maintained in the field in opposition to the enemy, during the enemy occupation and its activities during its existence must have contributed materially to the eventual defeat of the enemy.

"(2) The unit must have had a definite organization and maintained adequate records of its members, (names, dates of enlistment or joining, dates of promotions, etc.) Rank of members must not be excessive for the actual size of the command maintained in the field; in general, it must be proportionate to United States Army or to pre-war Philippine Army Tables of Organization. No officers will be recognized in the rank of general officers.

"(3) Action of the unit must have been such as to indicate adequate control of its leaders. Dispersal of personnel to other units, preying on the civil population, attacks on other guerrilla units, indicate lack of such control. The sphere of operations and unit strength claimed by the unit must be commensurate with the nature of terrain, limitations of communications facilities, and degree of anti-resistance activity of the Japanese in the area during the period concerned.

"(4) The unit must be able to show continuity of activity of its organization since the date of formation without materially changing its geographic location. Units which dissolved due to pressure by the Japanese military cannot be considered to have been true military units.

"(5) Members of a unit must have devoted their entire efforts, while in the unit, to military activity in the field, to the exclusion of normal civilian pursuits and family obligations. Persons who lived at home, supporting their families by means of farming or other civilian pursuits, and who assisted guerrilla units on a part-time basis are not considered as guerrilla



//////  
No. Units Strength  
//////  
(5) cont'd 25,00

Guerrilla Affairs Section  
Action Taken

Have been recognized.

entitled to recognition and pay.

Have been recommended for recognition. (waiting

2. The policy set forth in the preceding paragraph was never announced or officially confirmed by GHQ. However, it served as a guide to the Guerrilla Affairs Section in formulating recommendations for recognition that were approved and issued from GHQ. currently being investigated by Section. (30 October,

3. "The plan followed in recognizing guerrilla units not under United States Army control, consisted of four (4) steps, as follows:

Have been recommended for

(1) Research Period. During this period, time was devoted to gathering all possible information on guerrilla units, leaders, past activities, political or military affiliations, formation, and location. This information was obtained from sources other than the guerrilla units concerned.

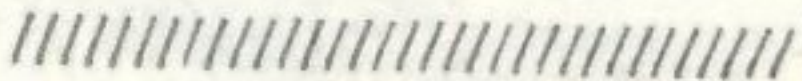
(2) Contact Period. During this period contact was made between teams of the section and guerrilla unit commanders. An initial questionnaire was filled out by guerrilla unit commanders as a basis for the investigation by USATG contact teams. (Incl #3 and Incl #4)

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(3) Screening Period. During this period, units which the section decided were worthy of recognition, were instructed to screen and reorganized their respective units. Guerrilla units were then formed into a semblance of standard T/C & E Units, particularly as to grades and number of officers. It was intended that the guerrilla commanders make these alterations, but it was found that guidance was needed to USATG contact teams. The reorganized and his roster completed, a letter requesting recognition was written by guerrilla commander to Commanding General, USAFFE.

(4) Processing Period. After written orders of recognition had been published by Commanding General, USAFFE, guerrilla unit was moved to a designated garrison area for processing and quipping. Processing was accomplished by personnel from the nearest Replacement Battalion (PA). These civilian volunteers desiring to return to civil life when processed, were directed to comply with procedure of relief from active duty or discharge of guerrilla personnel. These not so discharged remained on active service with Philippine Army."

E. J. McMAN  
Brig Gen, USA  
Acting G-3



<u>No. Units</u>	<u>Strength</u>	<u>Action Taken</u>
20	25,00	Have been recognized.
10	11,900	Have been recommended for recognition. (awaiting final action by higher authority).
29	87,000	Are currently being investigated by Section. (30 October, 1945)
30	126,000	Have been recommended unfavorably. (awaiting final action by higher authority)
<u>103</u>	<u>302,500</u>	

\* Includes 36,000 screened from units recognized.\*

6. Prior to 20 October 1945, all dates of recognition assigned to guerrilla units in Luzon were tentative. Histories of units on Luzon recognized prior to that date are now under study and within a few days corrected dates of recognition will be assigned to this units. The new dates will credit recognized guerrillas with all services warranting our consideration. No claims relating to guerrilla affairs originating prior to the corrected dates of recognition, will be allowed.

7. Many unrecognized units have suffered casualties during the Japanese occupation, resulting from bona fide guerrilla operations. While the history of these unrecognized units does not warrant recognition, of more than a few individuals, it is believed that all guerrillas killed by enemy action should be recognized individually, and this policy is being followed. Other deserving individuals, belonging to unrecognized units may apply for individual recognition under the present plan until 31 Jan 46. This date will be announced at once at the deadline for submission of applications for recognition and will be given wide publicity. After that date it is proposed to received no further application unless due cause can be shown for the delay.

8. Approval of the policy set forth above is requested.

E. J. McGAN  
 Brig Gen, USA  
 Acting G-3

HEADQUARTERS  
FIRST REPLACEMENT BATTALION (PA)  
APO 72

23 November 1945

Subject: Inquiry

THRU: The C.O., 1st Repl. Bn., (PA), APO 72

To: The Adjutant General, HPA, Manila, APO 501

1. On May 20, 1942, when I surrendered to the Japanese Imperial Army at Camp Luna, Cotabato with the 2nd Infantry, 1st Regular Division, PA, the Japanese authorities to whom the unit surrendered, upon searching me, found and destroyed all my emergency circulating notes of Cebu, amounting to Eight Hundred (P800.00) pesos. Those emergency notes were not allowed to be used by the Japanese, even after the unit surrendered both in the Concentration Camp or Camp Luna and nearby civilian barrios.

2. Information is requested if I can be refunded of the said amount.

s/ PD  
t/ PACIFICO DIVA O-3181  
Captain, Infantry

201-Diva, P. (C)                      1st Ind                      FOD/abb

HEADQUARTERS FIRST REPL. BN (PA) APO 72                      27 Nov 45

TO: The Adjutant General, HPA, APO 501.

FOD

201-Diva, P. (C)                      2nd Ind                      MA/jmd

HEADQUARTERS PHILIPPINE ARMY, APO 501.  
11 Dec 45

To: The Commanding General, AFWESPAC APO 707  
(Attn: Procurement & Contract Claims Commission)

Forwarded for determination whether within claims can be paid from the funds appropriated for expenses of the Philippine Army.

For the Chief of Claims:

LUIS BANOS  
Colonel AGD

19

Recognition Dates of Guerrilla Units.

Chief of Claims      THRU: G-3      12 November 1945  
                         TO : Chief of Staff

1. There were hundreds of guerrilla units, some worthy and some most unworthy. It is understood that some were scattered and others merged into larger units.

2. This Service has no information and is not in a position to determine whether the work done by a particular unit against the enemy would justify recognition or the date such organized operations began.

3. It is recommended that only worthy units be recognized and that the date of recognition for the purpose of paying for supplies and services be established as of the date such units began organized operations. It is believed that this should be a matter for G-2 and G-3 to determine.

J. A. WYATT,  
Colonel, GSC,  
Chief of Claims

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CLAIMS SERVICE, AFWESPAC

INTER-OFFICE CHECK SHEET

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Note No.	From	To	File No.	Subjects	Comments on Par. 2a and 2b on Check Sheet Hq AFWESPAC "Recognition Dates of Guerrilla Units."
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8.	DIS	Ex Off ;	1.	Claims on Par 2a - "The form in which claims should be prepared for acceptance"; A Guerrilla Claims is an ordinary Procurement Claim, and our Form 200 is satisfactory. In fact, Guerrilla Claims are being processed every day. Over a hundred a week are being completed in one office alone.	
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2. Claims on Par 2b - "The mechanics of processing and approval"; The mechanics of handling Guerrilla Claims are no different from handling any other Procurement Claims. Where possible, we work out mimeographed standard form affidavits that can be used in many claims whereby the same information is required from the same method in Labor Claims where there are several thousand employees. The Guerrilla Claim is processed by getting the form 200, the necessary supporting documents, and forwarding to a One Man or Three Man Commission, depending on the size of the claim. Many Guerrilla Claims have been paid and the claimants have actually received their money. Where there are several thousand Guerrilla Claims in one community, in order to expedite the claim, a Finance Officer and a Commission should locate temporarily in the Community.

3. As a further recommendation to expedite Guerrilla Claims as well as any other claims, it is recommended that all One Man Commissions and all Three Man Commissions be appointed Class A Finance Officers, and that One Man Commissions be stationed in each community where there is enough business to justify his presence. This system was used in Europe and it worked very effectively. By doing this, the Commission is able to finish the job, that is, pass on the case, pay the claimant and close the file.

4. As stated above, the machinery has already been set up, and the method has been established as to how the cases will be received and processed.

s/ F. W.  
t/ F. W.

Col Egner has file for Note

(Caggay) Tuguegarao, Cagayan  
November 8, 1945

To the Chief of Staff  
Philippine Army  
Manila

Sir:

We, the undersigned, wish to beg your aid and kindness as to help us recover our money from the Officers and enlisted men of "A" Co. Squadron #401 (Guerrilla) who are indebted to us when they were in our barrio of Caggay, Tuguegarao, Cagayan.

These men left our place without paying us a single centavo of what they are in our little store and of what they owed us for laundry work we have done for them. These left our place without notice. They did not even bid goodbye to us and tell us when and how will they pay their debts to us.

We are poor, very poor, sir, and we depend on what little we can earn in our little store in this barrio. So we most earnestly hope for your help in recovering our money from these men whose names appear in the attached list with their respective debts.

Thanking you, sir, for your kindness, we beg to remain,

Very respectfully yours,

(Sgd.) Castora Espinosa  
" Stoera Calagui

BASIC: Ltr to CG  
Army, 26 Nov 45

GENERAL HEADQUARTERS  
UNITED STATES ARMY FORCES, PACIFIC

AG 323.361 (1 Nov 45) DCSO

APO 500  
1 November 1945

SUBJECT: Matters Pertaining to the Philippine Army.

TO : Commanding General, United States Army Forces,  
Western Pacific, APO 707

1. Effective 5 November 1945 you are charge with the responsibility for, and authorized to act on, all United States Army matters pertaining to the Philippine Army and the Philippine Commonwealth Government. The following tasks are included among these matters:

1 - Revised Plan for Demobilization of Philippine Army, attached.  
a. Execution of Philippine Army demobilization plans are set forth in the revised Plan for Demobilization of Philippine Army, attached.

2 - Revised Plan for Post-War Philippine Army, attached.  
b. Preparation and conclusion of arrangements for the releases of units to be turned over to the Philippine Government on 30 June 1946. In this connection you will be guided by policies set forth in the revised Plan for Post-War Philippine Army, attached.

c. Arrangements of details in connection with the enlistment of Philippine Army personnel in the Philippine Scouts under the 50,000 Scout project now being developed by the War Department.

d. Recognition of additional guerrilla units or individuals for the purpose of entitling them to benefits for services rendered.

e. Handling of finance matters pertaining to the Philippine Army. In this connection, authority is being delegated to you by separate communication to approve the allocation of funds from United States appropriations for used by the Philippine Army.

2. In order to assist you in the accomplishment of the above tasks, orders will be issued without delay to transfer to your command such personnel of the Philippine Army Section, United States Army Forces, Pacific as you may desire, and the United States Army Training Group.

3. Action is also being initiated to transfer to you authority to make final determinations under the Missing Persons Act, in case involving personnel of the Philippine Army. When this action is completed, it is contemplated that the Recovered Personnel.

BASIC: Ltr to CG AFWESPAC subj: "Matter pertaining to the Philippine Army." dtd 1 November 1945, file AG 323.361 (1 Nov. 45) DCSO.

Division, Adjutant General Section this headquarters and the Recovered Personnel Detachment, United States Army Forces, Pacific will be transferred to your command.

By command of General MacARTHUR:

B. M. FITCH,  
Brigadier General, U.S. Army,  
Adjutant General

2 Incls:

- 1 - Revised Plan for Demobilization of Philippine Army
- 2 - Revised Plan for Post-War Philippine Army.

cc:

Chief of Staff,  
Philippine Army Section.

G - 1  
G - 3  
PA Section  
Fiscal Director  
AG-P  
C/S PA Section  
AG Recruiting  
OCSO - Tokyo



SUBJECT: Military Status of Philippine Scouts, Philippine Army  
Philippine Guerrillas.

CAUTION: Military Affairs Division, JAGO, suggests that no overall claims policy be effected concerning the following query without coordination with G-1 (Colonel McConnell). G-1 is studying the report of the Ad Hoc Committee. That Committee was formed to advise G-1 as to the overall Philippine situation.

QUERY: Do the provisions of the act of 4 November 1921 (AR 25-100) and the proposed "Military Personnel Claims Act of 1945" apply to (a) Philippine Scouts (b) Philippine Army (c) Philippine Guerrillas?

Statutory language of act of March 4, 1921, "officers, enlisted man, and members of the Nurse Corps (female of the Army"

Statutory language of "Military Personnel Claims Act of 1945", "Military personnel and civilian employees of the War Department or of the Army"

#### Philippine Scouts

1. Organization - The Philippine Scouts were originally organized under the act of 2 February 1901 (31 Stat. 737) (JAG 220.85, 15 Feb 1932). Philippine Scouts take the same oath of enlistment and wear the same uniform as other soldiers in the Army of the United States (JAG 220.85, 15 Feb 1932).

2. Status - It has been consistently held that the Philippine Scouts are part of the Army of the United States (JAG 322.092, 11 Feb. 1229 (secret) 1d 220.85, 15 Feb 1932; id 242.1, 15 Feb 1938, SPJGA 1942/2682, 24 June 1942. See also Meguel v McCare, 291US442 and JAG 250.414, 10 Mar. 1924.

3. Answer - The answer to part a of the query is "yes".

#### Philippine Army

1. Organization - The Philippine Army was organized under the Philippine National Defense Act.

2. Status - Prior to the time that the Philippine Army was called into the service of the armed forces of the United States, the Philippine Army was plainly separate and distinct from, and independent of, the Army of the United States (JAG 291.2, 17 Jan 1936; id 093, 11 Sept 1941). For the statutes of the Philippine Army called into the service of the armed forces of the United States, see discussion infra.

3. Discussion - Under date of 26 July 1941, the President of the United States issued a Military order calling the organized military forces of the Philippines into the service of the armed forces of the United States (6 F. R. 3825; Bull 26, WD, 25 Aug 1941). The mentioned presidential order

14

did not stantaneously take effect with relation to all units and personnel of the organized military forces of the Philippines. Rather it was to become effective from the dates indicated in order to be issued from time to time by the General Officer, United States Army, designated by the Secretary of War (SPJGA 1944/13110, 20 Nov 1944; id 1944/12258, 19 Dec 1944 (confidential); SPJGW 1944/12058, 4 Nov 1944; (secret). Thus, the mentioned military order remains in effect, and General MacArthur, the General Officer designated by the Secretary of War, still possess the power to call and order units and personnel of the organized military forces of the Philippines into the service of the armed forces of the United States (SPJGA) 1944/13110, 20 Nov 1944). However, members of the organized military forces of the Philippines who have been called and ordered into the service of the armed forces of the United States are not in the Army of the United States. (SPJAG 1943/2059, 3 Feb 1943; id 1943/4627, 0 April 1943; id 1943/4643, 10 Apr 1943; id 1943/15518, 11 Oct 1943; id 1943/16467; 18 Nov 1943). There is no legal objection during the war to the appointment of Philippine Army officers as officers in the Army of the United States or the enlistment of Philippine Army personnel in the Army of the United States but unless and until personnel of the Philippine Army are appointed or enlisted in the Army of the United States, the effect of the mentioned military order is merely to place them in the service of the armed forces of the United States.

The question of whether members of the Philippine Army who are in the service of the armed forces of the United States come within the purview of any particular statute must be determined in the light of the principle that the legal interpretation of words in any legislation is dependent upon their context, the definition or limitations in the act, and the intent of Congress in enacting the legislation (SPJGA 1942/570, 18 Feb 1942; id 1942/2682, 24 June 1942; id 1942/3134, 18 Jul 1942; id 1943/10547, 28 Jul 1943). According, general statements concerning the precise technical status of the Philippine Army with respect to whether they are included within broad phrases such as "all persons in the active military or naval forces of the United States" should be avoided. (of. SPJGA 1942/570, 18 Feb 1942).

Some specific examples of statutory construction follows:

a. Members of the organized military forces of the Philippines who have been called and ordered into the service of the armed forces of the U. S. are to be regarded as having been in "active service in the land or naval forces (including the Coast Guard) of the U.S." withing the meaning of those words as used in sec. 601 of the National Service Life Insurance Act of 1940, as amended (SPJGA 1942/1403).

b. Members of organized military forces of the Philippines in the service of the armed forces of the United States may avail themselves of the liberal naturalization provisions of the Nationality Act of 1940, as amended, because they are considered to be "in the military forces of the United States" as those words are used in sec. 701 of the mentioned act (SPJGA 1942/3134, 18 July 1942, conf; id 1944/13110, 20 Nov 1944).

c. Members of the Philippine Army called and ordered into the service of the armed forces of the United States and subject to court martial under the U. S. Article of War because they are regarded as persons lawfully called, drafted or ordered into the military service of the United States, as those words are used in A. W. 2 (JAG 250,401, 1 Dec 1941; SPJGA 1942/1403, 14 Apr 1942; id 1942/2682, 24 June 1942; id 1943/10547, 28 Jul 1943). Officers of the Philippine Army called and ordered into the service of the armed forces of the United States are legally eligible for detail as members of courts martial appointed under the U. S. Articles of war, as they are in the military service of the United States (JAG 250.401, 1 Dec 1941).

d. The Attorney General has ruled that members of the Army of the Philippines who were ordered into the service of the armed forces of the United States are entitled to the benefits of the act of 7 March 1942, relating to persons officially reported missing, missing in action etc. because they are "persons in active service in the Army---of the United States" within the meaning of sec 2 thereof. (unpublished opinion of Atty Gen dated 5 Aug 43, attached to SPJGA 1943/12973, 8 Sept 1943; See APJGA 1943/15518, 11 Oct 1943).

e. The opinion was expressed that members of the Philippine Army and Philippine Constabulary called into the service of the armed forces of the United States are "personnel of the Army---of the United States" within the meaning of E.O. No. 8808, 28 June 1941, and would be entitled to the American Defense Medal for service during the unlimited emergency, upon amendment to the then existing circular upon the subject (SPJGA 1943/18216, 5 Jan 1944, secret).

f. The terms "member of the armed forces" which is defined in sec 6 of Public Law 225, 78th Cong. (Mustering-out pay) as "any member of the Army of the United States", was construed as not including members of the Philippine Army called and ordered into the service of the armed forces of the United States (SPJGA 1944/7153, 11 Jul 1944).

Answer: Members of the Philippine Army called into the service of the United States are not within the purview of the act of 4 March 1921 and AR 25-100, 3 July 1943 for the reason that they are not "officers, enlisted men, and members of the Nurse Corps (female) of the Army". It is believed the phrase "military personnel", used in the Military Personnel Claims Act of 1945" is broader than the phrase "officers, enlisted men etc" used in the act of 4 March 1921 and after consideration of the decisions set forth above, it is also believed that members of the Philippine Army called into the service of the United States could be declared by Army Regulations to fall within the purview of the "Military Personnel Claims Act of 1945". Such a declaration, while involving some "legal straining" would appear to rest at least upon sound a legal basis as some of the decisions above set forth.

Guerrillas

Answer: It is considered that Philippine Guerrillas, so long as they occupy no greater status than guerrillas, are not within the provisions of the act of 4 March 1921, and are not within the provisions of the "Military Personnel Claims Act of 1945". Unofficially and informally the Military Affairs Division, JAGO, holds the same opinion concerning guerrillas.

Addenda

The Philippine Constabulary of the Philippine Islands is a force of peace officers maintained by the Government of the Philippine Islands as distinguished from the Government of the United States, and in charged with duties relating chiefly to the maintenance of public order in and the enforcement of the laws of, the Islands (JAGO 14.32, 21 May 1936; id 210.5, 28 Jan 1935). See also Commonwealth Act No. 343, enacted by the Philippine National Assembly on 23 June 1938.

Captain Herris, Military Affairs, Division, is familiar with legal decisions pertaining to the Philippines.

-----60o-----

Note: WD Cir 330 (1944) states that delegation of authority may be given to military or civilian personnel "under his command". Fact Philippine Army not in Army of United States immaterial for procurement purposes.

HEADQUARTERS

UNITED STATES ARMY FORCES WESTERN PACIFIC  
OFFICE OF THE COMMANDING GENERAL  
APO 707  
11 October 1945

SUBJECT: Claims arising out of guerrilla activities.

TO: Commander-in-Chief, AFPAC, APO 500

1. By directive of General MacArthur, dated 6 August 1945, Claims Service, AFWESPAC, was charged with the responsibility of processing and paying claims arising out of the activities of guerrilla forces in the Philippines. A copy of the directive is attached as Incl. 1.  
Attention

a. As a result of the activities of recognized guerrilla units,  
and

b. On or subsequent to the effective dates of recognition of the various guerrilla units.

2. Attention is further invited to Par. 3 of the directive which provides:

"The identity of those guerrilla forces which have been recognized by this headquarters and the effective date of such recognition will be advised from time to time in letters from this headquarters."

3. To date four letters have been received by Claims Service from the Guerrilla Affairs Section, AFPAC, listing recognized guerrilla unit and giving effective dates of recognition. Copies of these letters are attached as Incls. 2, 3, 4 and 5. It will be noted from Incl. 2 that the respective date of recognition assigned to recognized guerrilla units operating on the Island of Luzon vary between 9 January 1945 and 30 June 1945. Through various conferences between Claims Service and the Philippines Army Section, it is understood that ultimately these various units would be given recognition as of the date of their organization. However, it has been stated by the guerrilla Affairs Section that it "will be a matter of months" before these final determined dates of recognition will be promulgated.

4. It is generally conceded that many meritorious claims exist arising as a result of the activities of recognized guerrilla units.

Throughout 1942, 1943 and 1944. As to the guerrilla units listed in Incls. 2, 3, 4 and 5, Claims Service has no authority to process any claims within such units which arose prior to the announced date of recognition. It thus appears that duplication of effort will result when new dates of recognition are established, as Claims Service will thereupon be faced with the responsibility of processing and paying claims arising between the revised established dates and presently established dates of recognition.

5. It is accordingly recommended that immediate action be taken to establish final dates of recognition of various guerrilla units, in order that prompt settlement may be made of all existing meritorious claims.

W. D. STYER

- 5 Incls: Lieutenant General, USA  
Commanding
1. 1st Ind Ltr Hq AFWESPAC  
dtd 6 Aug 45, subj: Claims  
arising out of guerrilla  
activities (dup)
  2. List of recognized guerrilla  
unit dtd 12 Aug 45 (dup)
  3. List of recognized guerrilla  
units dtd 23 Aug 45 (dup)
  4. Additional listing recognized  
guerrilla units dtd 26 Aug 45 (dup)
  5. Additional listing recognized  
guerrilla units dtd 12 Sept 45 (dup)

HEADQUARTERS AFWESPAC

CHECK SHEET

Do Not Remove From Attached Sheets

Note No. 2      File No.      Subject:

FROM: Chief of Claims      TO: G-5      2 October 1945

1. By directive of General MacArthur, bearing date of 6 August 1945, responsibilities for processing and paying claims "xxx arising out of activities of guerrilla forces in the Philippines x x x" was placed upon Claims Service. The directive, copy of which is attached, limits such claims to those which;

- a. Are for the value of goods or services essential for carrying on operations against the enemy;
- b. Arise as a result of the activities of recognized guerrilla units;
- c. Arise on or subsequent to the effective date of recognition of the unit in question;
- d. Are supported by a " x x x clear understanding at the time the supplies and equipment or services were purchased or contracted for the payment would eventually be made x x x".

2. The Philippine Army Section, AFPAC, has heretofore issued a list of recognized guerrilla units on Luzon. This list gives the "effective date of recognition" of each recognized unit. Copy of this list is attached.

3. From this list it is to be noted that the guerrilla units under the command of Colonel Volckmann have generally been given recognition as of 9 January 1945. Through various conferences with the Philippine Army Section it has been made to appear that it is within the contemplation of that command that ultimately the units under the command of Colonel Volckmann will be given recognition as of the date of the organization of each such unit. These dates will doubtless vary between the summer months of 1942, and the spring of 1943. Every effort has been made by Claims Service to obtain from the Philippine Army Section the finally determined date of recognition of the Colonel Volckmann units. It is estimated by the Guerrilla Section of that command that it "will be a matter of months" before these dates of recognition will be promulgated.

4. It is well recognized guerrilla by this office that many meritorious claims, arising as a result of the activities of recognized guerrilla units throughout 1942, 1943 and 1944, exist and should be

processed and paid. It is further recognized that great duplicate of effort will result at such times as the Colonel Volckmann units are granted new dates of recognition and Claims Service is thereupon faced with the responsibility of processing and paying claims arising on or subsequent to the newly established date of recognition. The early establishment of such finally determined dates of recognition is considered imperative if this office is to efficiently and fully discharge its obligation and responsibility under the directive of General MacArthur.

FOR THE CHIEF OF CLAIMS:

JOHN D. MERRIAM  
Major, JAGD,  
Adjutant

- 2 Incls:  
1 - Cy 1st ind, AFPAC,  
dtd Aug 45  
2 - Cy of list of recognized guerrilla  
units



HEADQUARTERS AFWESPAC

CHECK SHEET

Do Not Remove From Attached Sheets

Note No. 1                      File No.                      Subject: Guerrilla Claims.

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FROM: Claims Service,  
AFWESPAC, APO 707

TO: Major P. W. Becker  
Chief, Manila Branch,  
CIS, Claims Service,  
AFWESPAC

30 August 1945

1. As previously instructed, claims based on the activities of guerrilla units should not be accepted or processed by Claims Service unless the guerrilla unit appears on the list of recognized guerrilla units and the incident upon which the claim is based arose on or after the effective date of recognition of that unit.

2. In the processing of guerrilla, claim, a showing of recognition of the guerrilla unit involved and the date of such recognition are essential items of evidence. Accordingly, it should be made to appear in the investigating officer's report form that the guerrilla unit involved appears on the list of recognized units and that the date of the incident is subsequent to the effective date of recognition of such unit.

FOR THE DIRECTOR, CLAIMS INVESTIGATING SERVICE:

ROBERT B. HARBISON,  
Major, J. A. G. D.,  
Assistant Director,  
Claims Investigating Service.

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S E C R E T

AG 370.64 (17 Jul 45) DCS 1st Ind.  
GENERAL HEADQUARTERS, UNITED STATES ARMY FORCES, PACIFIC, APO 500  
6 August 1945.

TO: Commanding General, United States Army Forces, Western Pacific,  
APO 707.

1. The answers to the several questions propounded by the memorandum of the Chief of Claims, dated 17 July 1945, are as follows:

a. Yes. The United States Army will assume the responsibility for paying certain claims arising out of activities of guerrilla forces in the Philippines. That responsibility will be limited to claims for the value of goods or services essential for carrying on operations against the enemy.

b. Yes. No payments will be made on claims arising out of activities of other than recognized guerrilla forces.

c. The effective date of such claims will be the same as those for the pay of the personnel of the guerrilla forces, i.e., the effective date of recognition, not the date upon which the decision to recognize is made.

d. Such claims will be paid from the appropriation, "Expenses, Army of the Philippines".

e. Payment will be made only on claims where there was a clear understanding at the time the supplies and equipment or services were purchased or contracted for that payment would eventually be made. There must have been a clear intention on the part of the guerrilla commander and of the vendor or employee that an obligation was being created. It must be definitely shown that the provision of such supplies, equipment or services was not intended as a patriotic donation to the common cause against the enemy. It must also be definitely shown that the supplies, equipment or services were essential for the operation of the guerrilla forces.

2. It is desired that immediate steps be taken to commence the processing of all such pending claims.

3. The identity of those guerrilla forces which have been recognized by this headquarters and the effective date of such recognition will be advised from time to time in letters from this headquarters.

By command of General MacARTHUR:

B. M. FITCH,  
Brigadier General, US Army,  
Adjutant General.

~~S E C R E T~~

10

HEADQUARTERS  
CLAIMS SERVICE, AFMESPAC  
OFFICE OF THE CHIEF OF CLAIMS

APO 707  
17 July 1945

GSCL

SUBJECT : Claims Arising out of guerrilla activities.

MEMORANDUM TO: COMMANDING GENERAL, AFMESPAC.

1. This Memorandum covers an analysis of studies made as to claims arising out of guerrilla activities (see attached exhibits), and request that if such claims are to be settled policies be established with respect to processing and paying them by Claims Service, AFMESPAC, through its Commissions.

2. Guerrilla activities in the Philippines commenced soon after the surrender in 1942. Some of the units were led by U.S. Army personnel, some by Philippine Army personnel, and others by native leaders out of patriotic, or in some instances purely selfish, motives. The units became established throughout many areas in the Islands. Certain leaders, like Col. Fertig, Col. Cushing and Col. Volckmann, who were trained army officers, developed competent military organizations, while other leaders operated indifferently. A comprehensive report entitled "Guerrilla Resistance Movements in the Philippines" was published by G-2 GHQ, S.W.P.A., on 21 March 1945, and covers the general nature, scope and history of guerrilla activity as completely as any other source of information.

3. Many problems were encountered by these organizations. There was no command authority, no common policies, no safe area for training or garrison purposes, leaders were without funds to meet payroll or purchase necessities, and there was no adequate supply of implements of war. Many members, as well as civilian employees, were captured or killed.

4. Various units employed different methods in the field. Some borrowed money, some issued their own. A number purchased their supplies, others merely gave receipts or commandeered what they required. Some of the soldiers and civilians were paid wages, but most of them served as volunteers. Private property was utilized when needed and a considerable amount of it was destroyed.

5. It now becomes necessary to solve the claims problems arising as the result of these activities. Two of the better known commanders have made requests which require a determination and establishment of basic policies for general application throughout the Archipelago.

6. Under the leadership of Lt. Col. James M. Cushing, the guerrilla movement in Cebu was centralized 3 September 42 (Ex. 8). Unit commanders in that area called all former members of the National Volunteers Association to active duty as labor personnel (Ex. 8), while other able-bodied

men volunteered their service. None has been paid. The various units claim they maintained records showing dates and names of civilians employed without specifying the rate of pay (Ex. 3). General MacArthur on 22 January 44, by radiogram, recognized Col. Cushing as the commander of the Cebu area, stating "I shall endeavor to finance your operation" (Ex. 4(A)). This was confirmed by letter on 12 February 44 (Ex. (B)). Col. Cushing's command comprises 8,762 enlisted men and 624 officers (Ex. 5, par. 8), together with approximately 122,000 "loyal male civilian laborers" employed from time to time (Ex. 1). He did not issue guerrilla currency but spent ₱455,390.22 during the occupation, of which ₱276,620.00 was expended for partial payments to his officers and enlisted men, leaving outstanding indebtedness for subsistence in the amount of ₱954,659.02, and an undetermined amount due for labor (Ex. 5, par. 8). He has not requested "authority to obligate current funds for the payment of this labor through the American Disbursing Officer" (Ex. 1), and the authority "to pay all outstanding obligations incurred by this command since September 1942" (Ex. 3). Finance has set up methods and procedures to meet current payrolls (Ex. 5, par. 13(a)).

7. In the Northern Luzon area, Col. Moses and Col. Noble, escaped U.S. officers, established a guerrilla command. Colonel (then Major) Russell W. Volckmann, escaped from Bataan and reported to Col. Noble on 1 September 42. When Moses and Noble were captured by the Japanese on 1 June 43, Col. Volckmann, as senior officer, assumed command and since that time has directed the activities of the main guerrilla forces in Northern Luzon (Ex. 15(a), (B) and (C)). This organization later became known as USAFIP. The details of his policies and procedure concerning finance and supply are set forth in the letter of Col. Volckmann, dated 16 October 44 to CG, S.P.A. (Ex. 15(a)) and statement of 7 June 45 (Ex. 15(B)). His organization extended through nine provinces (Ex. 15 (D)). On 7 June 45 the organization comprised 958 officers and 19,016 enlisted men (Ex. 15 (K)), beside numerous civilians sometimes designated as "bolo men" (Ex. 15 (G)). All units of the command were formally recognized as elements of USAFFE as of 9 January 45 (Ex. 15(J)).

8. In Col. Volckmann's organization, receipts were ordinarily given when purchases and requisitions were made. Sometimes prices were mentioned, but often the question of price was left to be fixed at a future date (Ex. 5, par. 2). Civilians were employed as cargadores, messengers, intelligence agents, etc. (Ex. 5, par. 2). Some services were rendered gratuitously without expectation of compensation; whereas, in other instances, there was a general understanding that payment would be made at a later date at the rate of ₱1.00 per day for common labor and an undetermined higher scale for certain special services (Ex. 15). There is no authoritative estimate of the number or amount of these outstanding obligations. On 2 April 45 Col. Volckmann requested authority to pay back-pay of these civilian laborers and past receipts for supply (Ex. 12 and 14).

9. Opinions have been expressed that because the resistance movement in the Philippines was basically a spontaneous patriotic uprising by a large portion of the populace, that to reimburse all who rendered service might reduce future patriotism to mercenary level (Ex. 13, par. 4).

The guerrilla leaders themselves are not in agreement as to compensation for civilian personnel. Col. Cushing and Col. Volckmann favor it, Col. Fertig is opposed to it, and Col. Peralta favors it only if other units receive pay (Ex. 5, par. 14d). There is a serious legal question as to propriety of paying some of these claims (Ex. 7). Some of the leaders issued guerrilla currency, while others refused to do so, and a considerable amount of unredemmed currency is still held by persons who received it in payment for supplies furnished.

10. According to estimates based upon information secured by Claims Service, AFMESPAC, the number of claims which may be expected to arise out of the activities of the forces under Colonels Fertig, Cushing, Peralta and Volckmann, will be in excess of three quarters of a million, totalling possibly two hundred million dollars. In addition, if employer-employee relationship is established, U.S. Employees' Compensation benefits would extend to the tens of thousands killed or wounded in performance of duty, unless the theater commander should order otherwise. No estimate of the number or amount is possible at this time.

11. There is serious doubt that payment of expenses incurred by guerrilla organizations, even those recognized, can be paid out of presently appropriated funds.

12. In order for Claims Service to meet the above situation, it is necessary, and requested, that a definite policy be established as to the extent the United States will assume payment of the Claims arising out of guerrilla activities, and that specific instructions be issued to this Service with respect to the following basic questions:

- a. Will the United States assume responsibility of paying any claims arising out of activities of guerrilla forces?
- b. If so, will payment be limited to those arising out of the activities of recognized forces only?
- c. If limited to recognized forces, will be the period covered extend from the date of the forces' organization, or from the date of recognition?
- d. From what funds will such claims be paid?
- e. To what extent will be the general policy as to payment of the following types of claims?:

- (1) Labor service rendered.
- (2) Property and supplies contracted for.
- (3) Property and supplies requisitioned or commandeered.
- (4) Money borrowed to finance units.
- (5) Guerrilla currency paid for supplies and services.
- (6) Use and occupancy of property.
- (7) Damages caused by noncombat activities.
- (8) Compensation benefits to civilians injured or killed on duty.

DECLASSIFIED

Authority 883078

13. Should it be determined that any of the foregoing claims will be paid by the United States, this Service is in a position to immediately begin processing them upon receipt of instructions. Due to the fact that several guerrilla commanders and their subordinates are contemplating an early return to the States, the urgency of immediate action on this matter cannot be overemphasized.

/s/ J. A. Myatt  
/t/ J. A. MYATT  
Colonel, JAGD  
Chief of Claims

DECLASSIFIED  
Authority 883078

GSTFB 101.2

Redemption of Receipts

5. This correspondence is being forwarded through the Claims Service, AFWESPAC, for its comments and recommendation as to such additional information as should be included in the proposed indorsement to USAFIP.

1 Incl:

Ltr fm Hq. USAFIP North Luzon,  
dtd 21 Aug 45, w/1 ind and 2 incls.

STONEFIELD

FROM: Chief of Claims,  
AFWESPAC

TO: Fiscal Officer,  
AFWESPAC

8 Sept 45

Concur in proposed indorsement contained in Par. 4 with recommendation that an additional paragraph be added as follows:

"3. Upon a certification to Claims Service that by reason of the absence of the requisitioning units, or for other stated cause, such claims cannot be paid through normal finance procedure, they will be investigated and paid by Claims Service as irregular procurements.

J. A. MYATT,  
Colonel, JAGD,  
Chief of Claims.

1 Incl: n/c

Filed under:  
Claims General

REH/  
Jky 454

GSTFB 101.2

Redemption of Receipts.

FROM: Fiscal Officer  
(Jockey 515)

TO: 1. Claims Service 4 Sept 45  
2. G-4

1. In the attached correspondence Headquarters, USAFIP, Northern Luzon, has requested instructions for affecting payment for receipts issued by units of that command for various supplies obtained during the period that the organization was attached to the 6th Army for operations and supplies. The organization states that the method of redemption of the receipts seems to be a very slow and laborious process and states that informal information was received that payment for supplies commandeered and receipted by American units were later redeemed by an agent finance officer acting under some sort of blanket authority.

2. This office knows of no procedure whereby an agent finance officer may redeem receipts issued by American units.

3. Further, it is the opinion of this office that payment for supplies taken by USAFIP units may be effected only through established claims procedure since the following questions must be resolved and cannot be resolved under normal procurement procedure.

a. The authority of the individual issuing the receipt for supplies to commandeer such supplies.

b. Whether the armed forces received the benefit of supplies for which receipts are given.

c. A fair value of the supplies so received.

4. In view of the above comment it is the recommendation of this office that the attached correspondence be returned to USAFIP by an indorsement substantially as follows:

"1. This headquarters knows of no authority which would permit payments of the type referred to in the basic communication to be paid through normal procurement procedure.

"2. Such payments must be effected through normal claims procedure in order that the required facts to substantiate payment may be resolved."



CHECK SHEET

Do Not Remove From Attached Sheets.

Note No. CS-1 File No. Subject: JAM/dot

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FROM: Chief of Claims TO: Major Leon D. Latham 2 May 1945.

1. I agree with Civil Affairs that under no circumstances can we extend an invitation to all persons having performed a service for the Philippine Army, Guerrilla or United States forces, over the past three years, to file a claim. In fact, such should be discouraged in every manner possible.

2. Where supplies or services were procured under a definite contract and understanding that they would be paid for at a definite rate or price, the same is a procurement matter and ordinarily should be disposed of as such. Those which can not be so disposed of may then be handled as claims.

3. I agree with you that the initial investigation should be made by a unit claims officer. I might mention here that USAFFE Claims Manual sets forth the entire procedure, and it should be referred to instead of Army Regulations. Please call this to the attention of all concerned.

(Initials are those of Col. Myatt,  
Chief of Claims)

s/ W.A.M.  
t/ J.A.M.

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CHECK SHEET

Do Not Remove From Attached Sheets

Note No. CS-2 File No. Subject: JAM/dot

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FROM: Chief of Claims. TO: Major Leon D. Latham, Jr. 2 May 1945.

1. The situation as to Philippine Army matters does not yet appear to be settled, as indicated by their buck slip to the Judge Advocate concerning claims. For this reason I would have them submit their suggestions in writing and would not commit myself until the same had been studied.

2. Any procurement matter arising in the Philippine Army while a part of the United States forces, remains a unit responsibility insofar as it is concerned. This is provided for in USAFFE Claims Manual. In the event the bills cannot be disposed of through procurement payments, they should then be certified to Claims Service, USAFFE, with all information obtainable attached and with appropriate recommendation of the commander concerned.

3. I see no reason why the foregoing cannot be accomplished by a unit claims officer without the necessity of the Philippine Army establishing a Claims Service. In appropriate cases, claims presented to us would be forwarded to them for investigation anyway, the same as it would be to a United States army unit.

(Initial) J.A.M.  
t/J.A.M.

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LDL/jcg

FROM: CLAIMS SERVICE, USAFFE, APO 501. TO: CHIEF OF CLAIMS. 25 April 1945

1. Yesterday Colonel Bunker called up and asked Captain Becker to discuss the investigation of certain types of claims.
2. Colonel Bunker turned over to Captain Becker the attached file, requesting this office to state its position in regard to claims for unpaid labor services.
3. Captain Becker and I prepared a check sheet, copy of which is attached. We then discussed the matter with Colonel Bunker.
4. His opinion was that any claim which we recognize should be shown by definite facts substantiated by an affidavit of some one with proper authority. Colonel Bunker was particularly interested in maintaining friendly relations with all Filipino natives, and desired that all meritorious claims should be fairly considered so as to facilitate this goal; and that he did not want anyone to be able to claim that the United States Government had avoided any express or implied promise to pay for services rendered.
5. Colonel Bunker also expressed the opinion that as soon as conditions warrant, one or two of our officers should be sent to the base or area concerned and supervise the investigation and processing of these unpaid labor claims. We personally agreed to this yesterday and indicated that as soon as his request is received, two qualified officers would be dispatched.
6. It is suggested that one of our trained officers and one of the group due to arrive soon be selected; would appreciate your advice.

LEON D. LATHAM, JR.,  
Major, J. A. G. D.

2 Incls:

1. Attached file.
2. Copy of check sheet.

CHECK SHEET

Do Not Remove From Attached Sheets

Note No.                      File No.                      Subject:

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FROM: Civil Affairs                      TO: AG-M                      DATE: 22 April 1945  
  Thru: C/S

1. I consider that it would be a great mistake to authorize the payments requested in basic communication at this time.

2. The services rendered by civilians in North Luzon in the construction of airfields, unloading and moving of supplies shipped in by submarine and the supply of troops in the field were services similarly rendered throughout the entire Philippine archipelago -- services in all other areas contributed by the people in patriotic support of the cause, without promise or thought of remuneration.

3. Civilian intelligence agents by the hundreds of thousands have similarly been engaged in the acquisition of military intelligence throughout all parts of the Philippines. To pay for such services in one area and not in all other areas would be manifestly unjust.

4. The resistance movement in the Philippines has been basically a spontaneous patriotic movement by the whole people. The attempt to reimburse all who have thus dedicated themselves to the cause of resistance would reduce the movement founded and nurtured in patriotism to a mercenary level and should be avoided.

5. It is recommended that the attached papers be returned by indorsement as follows:

- "1. Action recommended is not favorably considered at this time.
2. In all other areas the services indicated have been contributed by the people without promise or hope of remuneration.
3. If in your area promise of remuneration has been held out to the people rendering such services it is desired that full report thereon be submitted for the further consideration of this headquarters."

C. W.

(This initial is that of Gen. Courtney Whitney)

FROM: Claims Service, USAFFE TO: C/S 24 April 1945.

1. USAFFE Circular No. 33, dated 7 April 1945, delegates the responsibility for the adjustment and settlement of outstanding obligations arising out of agreements, whether express or implied, where procedural irregularities exist, or where determination, or investigation of facts may be required, to Contract Claims Commission, Claims Service, USAFFE. Par. 9 of USAFFE Claims Manual, dated 7 April 1945, in particular sets forth the scope of procurement claims and includes "claims arising out of the procurement of labor, or the purchase, rental, requisition, or use of real estates, personal property, services, or facilities and equipment". It is the opinion of this office that any claim of a nature outlined in the letter of Colonel Volckmann would be the responsibility of Claims Service, USAFFE. The initial investigation should be made by a Claims Officer appointed in accordance with par. 7d of AR 25-20, thru the Base or Command in the area in which a claimant presents his claim.

2. In cases where there appears to be duly signed receipts or other positive evidence for supplies and foodstuffs obtained by proper authority, these should be presented in the form of procurement claims which would be processed by the unit claims officer, thru normal channels to a Contract Claims Commission.

3. This office is of the opinion that the check sheet of the Civil Affairs adequately sets forth the situation, in so far as the policy of the Command is concerned. Claims for labor when presented by individual claimants, would normally be for small amounts and the payment of any of them would have a tendency to promote what might well become a "racket", with claims pouring in by the thousands.

4. It would seem that all claims for labor services should be discouraged, unless the facts are very clear and convincing, and such claims were contracted for by properly authorized representatives of the Government.

L.D.L.

SUBJECT: Request to Pay Back Pay Civilian Laborers USAFIP

AG 242 - T  
(2 Apr 45) 1st Ind  
HEADQUARTERS SIXTH ARMY, APO 422, 7 April 1945.

TO: Commanding General, USAFFE, APO 501.

FEXM 158 2d Ind.  
Hq USAFFE, APO 501, 27 April 1945.

To: Commanding General, Sixth Army, APO 442.

1. Current appropriations are not available for the purposes requested and such account must be settled as claims against the U. S.

2. Accordingly it is proposed, when the military situation permits, to arrange for representatives of the Claims Service USAFFE to proceed to Northern Luzon for the purpose of processing such claims.

By command of General MacARTHUR:

LEONARD S. CARROLL,  
Lt Colonel, A.G.D.,  
Asst. Adj. General.

GENERAL HEADQUARTERS  
USAFIP NORTH LUZON

In Reply Refer to:  
167

Camp Spencer  
2 April 1945

Subject: Request to Pay Back Pay

TO: The Commander-in-Chief, SWPA  
(Thru the Commanding General  
Sixth Army

1. Authority is hereby requested to obligate current funds for the payment of labor utilized by units of this Command during the past three years.

2. Civilian labor has been utilized by this Command during its past operations in the following work:

a. Construction of Airfields. Each of the five (5) Regiments of this Command has at least one (1) airstrip that has been constructed under Regimental supervision using civilian labor.

b. Unloading and moving of supplies shipped by submarine. Supplies were shipped to this Command by submarines in the later part of 1944. Thousands of boatmen and cargadors had to be employed at one time to unload the supplies in order to get them away from the coastal area into safe territory, in the least possible time.

c. Food and Supply Movement. Civilians were employed to cargador food and other supplies to the troops in the field. Many areas, where our troops were operating, were devoid of food and because of this food supplies had to be cargadored over long distances.

d. Intelligence Agents. Much of the intelligence information secured by this Command has been secured by trained civilian personnel "planted in" or living near or in the vicinity of enemy installations.

3. Partial Records have been compiled by units of this Command of the civilian labor employed, and these civilians are the laborers that it is proposed to pay. However, there are thousands more who have labored voluntarily but irregularly who will not be paid.

4. If the above requested authority is granted, it will justly expedite the payment of thousands of loyal civilians who stuck with us when the going was roughest. It will also put into the hands of deserving civilians much needed money and in this manner will help the economic conditions in North Luzon.

copy/mc

R. W. VOLCKMANN  
Col., Inf, AUS  
Commanding

BASIC: Ltr, General Headquarters USAFIP North Luzon, file 163, 2 Apr 45.  
Subject: Request for authority to Pay Past Receipts.

AG 242 - T  
(2 Apr 45) 1st Ind  
HEADQUARTERS SIXTH ARMY, APO 442, 7 April 1945.

TO: Commanding General, USAFFE, APO 501.

FEXM 158 2d Ind  
Hq USAFFE, APO 501, 27 April 1945.

TO: Commanding General, Sixth Army, APO 442.

1. Current appropriations are not available for the purposes requested and such account must be settled as claims against the U. S.

2. Accordingly it is proposed, when the military situation permits, to arrange for representatives of the Claims Service USAFFE to proceed to Norther Luzon for the purpose of processing such claims.

By command of General MacARTHUR:

LEONARD S. CARROLL  
Lt Colonel, A.G.D.,  
Asst. Adj. General.



GENERAL HEADQUARTERS  
USAFIP NORTH LUZON

In reply refer to:  
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Camp Spencer  
2 April 1945

SUBJECT: Request for Authority to Pay Past Receipts

TO : The Commander-in-Chief, SWPA  
Thru the Commanding General, Sixth Army

1. Authority is hereby requested to pay out of current funds receipts for supplies and foodstuffs contracted by units of this Command for the past three years.

2. Our troops have been maintained and fed during these past three years by supplies and foodstuffs tendered by loyal civilians in the various provinces of North Luzon where our men are operating or have operated in exchange for duly signed receipts.

3. These receipts are many and widespread. Hence, it may take time for the holders to submit them for redemption.

4. Hence, if this authority is granted and payment can be handled presently under the direction and supervision of this Headquarters, it will mean a great saving in time and money to the United States Government.

R. W. VOLCKMANN  
Colonel, Infantry, AUS  
Commanding

\* OFFICE OF THE PRESIDENT OF THE PHILIPPINES \*

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 21

DECLARING TO BE ON ACTIVE SERVICE IN THE PHILIPPINE ARMY ALL PERSONS NOW ACTIVELY SERVING IN RECOGNIZED MILITARY FORCES IN THE PHILIPPINES

WHEREAS, many civilians residing in the Philippines of Filipino, American and other foreign citizenships, and officers and enlisted men of the Philippine Army, of the armed forces of the United States and of Allied nations, have continued armed resistance against the Imperial Japanese Government since the sixth of May, 1942;

WHEREAS, this action has written in blood an epic of courage, devotion and loyalty to the Government and the people of the Philippines;

WHEREAS, these military forces have contributed in a large measure to the Allied military effort and to the liberation of the Filipino people from the yoke of the Japanese invader;

WHEREAS, it is the desire of the Government of the Philippines to recognize this allegiance;

NOW, THEREFORE, I, SERGIO OSMEÑA, President of the Philippines, by virtue of the authority vested in me by the Emergency Powers Law, Section 22 and Section 27 of Commonwealth Act Numbered One notwithstanding, do hereby ordain and promulgate the following:

1. All persons, of any nationality or citizenship, who are actively serving in recognized military forces in the Philippines, are hereby considered to be on active service in the Philippine Army.
2. The temporary grades of enlisted men, enlisted or promoted in the field by Commanders of recognized military forces or by their delegated authority, are hereby confirmed.
3. The temporary ranks of all officers, appointed or promoted in the field prior to this date by Commanders of recognized military forces, are hereby confirmed.

E. O. No. 21

4. The date of entry into active service in the Philippine Army will be that of joining a recognized military force.

5. The effective date of rank for commissioned officers and enlisted men will be the date on which they were appointed or promoted to such rank by the Commanders of recognized military forces.

6. A recognized military force, as used herein, is defined as a force under a commander who has been appointed, designated or recognized by the Commander-in-Chief Southwest Pacific Area.

Done at the seat of Government in the Field, this 28th day of October, in the year of our Lord, nineteen hundred and forty-four, and of the Commonwealth of the Philippines, the ninth.

(Sgd.) SERGIO OSMEÑA  
President of the Philippines

By the President:

(Sgd.) ARTURO B. ROTOR  
Secretary to the President

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Authority 883078

GUERRILLA CLAIMS

AWARDS - RECOGNITION

GRLA-17

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