

Subject : Background Material 3months ADVANCE ON "ARREARS IN PAY"

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Authority NND 93078

FOLDER 2-3  
3 Months Advance Pay  
Backpay  
Arrears in Pay

Back ground Material  
3 months

SUBJECT: / ADVANCE ON "ARREARS IN PAY"

CONTENT:

CARRIER NOTES; Decisions re Philippine Scouts,  
Philippine Army and WD Civilian Employees; Notes  
of Colonel Kreuter, PA Section. (year 1945)

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H. NO. 3133

SECOND CONGRESS

OF THE

REPUBLIC OF THE PHILIPPINES

THIRD SESSION

Begun and held in the City of Manila on Monday, the twenty-eighth day of January, nineteen hundred and fifty-two

-----  
[REPUBLIC ACT NO. 8007]

AN ACT TO AMEND SECTIONS ONE, TWO AND EIGHT OF REPUBLIC ACT NUMBERED THREE HUNDRED AND FOUR SO AS TO INCLUDE ELECTIVE OFFICIALS WHO HELD OVER IN THEIR POSITIONS AS RECIPIENTS OF THE BENEFITS OF SAID ACT, AND TO AUTHORIZE THE ISSUANCE AND USE OF CERTIFICATES OF INDEBTEDNESS FOR THE PURCHASE OF PUBLIC LANDS, AND TO AUTHORIZE THE NEGOTIABILITY OF CERTIFICATE OF INDEBTEDNESS AND FOR OTHER PURPOSES.

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

SECTION 1. Sections one, two and eight of Republic Act Numbered Three hundred and four are hereby amended to read as follows:

"SECTION 1. Except as herein provided, the right of all officers, employees and persons under contract with the Government of the Commonwealth of the Philippines who, on the eighth day of December, nineteen hundred and forty-one, were serving in the classified or unclassified service of the national, provincial, city or municipal governments, including the University of the Philippines and the corporations owned or controlled by the Government, as well as elective provincial and municipal officials who heldover in their respective offices after the termination of the term of their office, to such of their respective salaries, emoluments, fees, per diems, compensations or wages as have not been received by them by reason of the war, and those of the free local civil governments, provincial and municipal, duly organized for purposes of resistance against the enemy, corresponding to the period from January first, nineteen hundred and forty-two, up to and including February twenty-sixth, nineteen hundred and forty-five, or any portion of such period or before and subsequent thereto, when they were in operation, as hereinbelow provided is, under the conditions provided in this Act, hereby recognized. The recognition herein provided shall not extend to the salaries and wages of: (a) Officers and enlisted personnel of the United States Army or Navy and commissioned officers of the United States Coast and Geodetic Survey and the United States Public Health and Quarantine Service on detail with the Government of the Commonwealth of the Philippines; (b) Officers and employees found guilty after due trial in such cases made and provided by law, of treason, espionage, or any act constituting disloyalty to the Government of the Philippines or of the United States committed at any time during the enemy or Japanese occupation of the Philippines unless pardoned or granted amnesty; and (c)

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*Back  
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*Don  
J. ...  
U.S. Congress  
140152*

Officers and employeas who received salaries from the Refugee Government of the Commonwealth of the Philippines in the United States of America or elsewhere. Officers or employeas who died on or before the date of the liberation of the province or city where assigned on the date of the occupation, but not later than February twenty-sixth, nineteen hundred and forty-five shall have right to such salaries or wages under the conditions referred to in this section, up to the time of their death, if determinable, or the day they were last seen alive. The right to salaries or wages herein authorized shall be computed from the day of the occupation of each province or city by the Japanese up to the date of the liberation thereof, the date of occupation or liberation, as the case may be, of the capital to be deemed as the date of the occupation or liberation of the province respectively.

"SEC. 2. The Treasurer of the Philippines shall, upon application, and within one year from the approval of this Act, and under such rules and regulations as may be promulgated by the Secretary of Finance, acknowledge and file requests for the recognition of the right to the salaries or wages as provided in section one hereof, and notice of such acknowledgment shall be issued to the applicant which shall state the total amount of such salaries or wages due the applicant, and certify that it shall be redeemed by the Government of the Philippines within ten years from the date of their issuance without interest; Provided, That upon application and subject to such rules and regulations as may be approved by the Secretary of Finance, a certificate of indebtedness may be issued by the Treasurer of the Philippines covering the whole or a part of the total salaries or wages the right to which has been duly acknowledged and recognized, provided that the face value of such certificate of indebtedness shall not exceed the amount that the applicant may need for the payment of (1) obligations subsisting at the time of the approval of this Act for which the applicant may directly be liable to the Government or to any of its branches or instrumentalities, or the corporations owned or controlled by the Government, or to any citizen of the Philippines, or to any association or corporation organized under the laws of the Philippines, who may be willing to accept the same for such settlement; (2) his taxes; (3) government hospital bills of the applicant; (4) land purchased by him from the public domain; and (5) any amount received by the applicant as gratuity or pension which he has to refund to the Government or to any of its branches or instrumentalities: Provided, further, That such settlement shall be effected by indorsement on the instrument: Provided, furthermore, That no certificate shall be transferred or ceded by indorsement more than once nor at a discount rate exceeding two per centum per annum: And provided, also, That any person who is not an alien, bank or other financial institution at least sixty per centum of whose capital is owned by Filipinos may, notwithstanding any provision of its charter, articles of incorporation, by-laws, or rules and regulations to the contrary, accept or discount at not more than three and one-half per centum per annum for ten years a negotiable certificate of indebtedness which shall be issued by the Treasurer of the Philippines upon application by a holder of a back pay acknowledgement: Provided, finally, That if certificates of indebtedness have been issued to an officer or employe, his back pay at the end of ten years from the date of the approval of this Act shall be equal to the amount due him under the provisions of this Act minus the full and total face value of the certificates of indebtedness issued to him in the interim. Failure to file the application within the time herein provided for will forfeit whatever right there may be to any back salary or wage which otherwise should have been due the applicant.

"SEC. 8. A sinking fund is hereby created for the settlement of the registered rights to back pay recognized under the provisions of this Act or the redemption of the certificate of indebtedness issued thereunder, in such manner that the annual installments thereto, plus interest at the rate of five per centum per annum, shall equal the total face value of the registered back pay rights, the latter including

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all outstanding certificates of indebtedness issued thereunder. Such sinking fund shall be under the custody of the National Treasurer who shall invest it to earn not less than five per centum with either the Philippine National Bank, the Rehabilitation Finance Corporation, Government Service Insurance System, or any other banking or investment institution under the control of the National Government: Provided, That beginning with the fiscal year nineteen hundred and fifty-two, the standing annual appropriation provided for in section nine shall be used to effect partial payment of back pay certificates of indebtedness in an amount equivalent to one-tenth (1/10) of the back pay rights originally acknowledged which in no case shall exceed one thousand pesos annually and said payment to continue until the total back pay shall have been fully satisfied: And provided, further, That certificates of indebtedness, which shall hereafter be issued and assigned for the payment of taxes and hospital bills pursuant to the provisions of This Act, are hereby authorized to be redeemed out of the appropriation provided for in section nine, any provision of this Act to the contrary notwithstanding."

SEC 2. Officers and enlisted men of the Armed Forces of the Philippines entitled to the benefits of Republic Act Numbered Three hundred and four, but who have not filed their application within the period set forth in section two thereof, shall do so within one year from the approval of this Act.

SEC. 3. This Act shall take effect upon its approval.

Approved, June 21, 1952.

President of the Senate

Speaker of the House  
of Representatives

Finally passed by the Senate on May 22, 1952.

Speaker of the Senate

This Act, which originated in the House of Representatives, was finally passed by the same on May 22, 1952.

Secretary of the House  
of Representatives

President of the Philippines

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Copy

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

H. No. 1953

(REPUBLIC ACT NO. 304)

AN ACT TO PROVIDE FOR THE REGISTRATION OF THE CLAIMS OF ALL OFFICERS AND EMPLOYEES OF THE GOVERNMENT OF THE COMMONWEALTH OF THE PHILIPPINES, ITS BRANCHES AND INSTRUMENTALITIES AND THE CORPORATIONS OWNED OR CONTROLLED BY THE GOVERNMENT AND THOSE OF THE FREE LOCAL CIVIL GOVERNMENTS, PROVINCIAL AND MUNICIPAL, DULY ORGANIZED FOR PURPOSES OF RESISTANCE AGAINST THE ENEMY, TO SALARIES AND WAGES DURING THE ENEMY OR JAPANESE OCCUPATION OF THE PHILIPPINES AND TO PROVIDE FOR THE MANNER OF THEIR SETTLEMENT.

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

SECTION 1. Except as herein provided, the right of all officers, employees and persons under contract with the Government of the Commonwealth of the Philippines who, on the eighth day of December, nineteen hundred and forty-one, were serving in the classified or unclassified service of the national, provincial, city or municipal governments, including the University of the Philippines and the corporations owned or controlled by the Government, to such of their respective salaries, emoluments, fees, per diems, compensations or wages as have not been received by them by reason of the war, and those of the free local civil governments, provincial and municipal, duly organized for purposes of resistance against the enemy, corresponding to the period from January first, nineteen hundred and forty-two, up and including February twenty-sixth, nineteen hundred and forty-five, or any portion of such period or before and subsequent thereto when they were in operation, as hereinbelow provided is, under the conditions provided in this Act, hereby recognized. The recognition herein provided shall not extend to the salaries and wages of: (a) officers and enlisted personnel of the United States Army or Navy and commissioned officers of the United States Coast and Geodetic Survey and the United States Public Health and Quarantine Service on detail with the Government of the Commonwealth of the Philippines; (b) officers and employees found guilty after due trial in such cases made and provided by law, of treason, espionage, or any act constituting disloyalty to the Government of the Philippines or of the United States committed at any time during the enemy or Japanese occupation of the Philippines unless pardoned or granted amnesty; and (c) officers and employees who received salaries from the Refugee Government of the Commonwealth of the Philippines in the United States of America or elsewhere. Officers or employees who died on or before the date of the liberation of the province or city where assigned on the date of the occupation, but not later than February twenty-sixth, nineteen hundred and forty-five, shall have right to such salaries or wages.

(201 - INTING, SERAPIO P. - HNDF Form LAST P)

See 201-Inting, Serapio P - HNDF Form LAST P

Authority NND 883078

under the conditions referred to in this section, up to the time of their death, if determinable, or the date they were last seen alive. The right to salaries or wages herein authorized shall be computed from the day of the occupation of each province or city by the Japanese up to the date of the liberation thereof, the date of occupation or liberation, as the case may be, of the capital to be deemed as the date of the occupation or liberation of the province respectively.

SEC. 2. The Treasurer of the Philippines shall, upon application, and within one year from the approval of this Act, and under such rules and regulations as may be promulgated by the Secretary of Finance, acknowledge and file requests for the recognition of the right to the salaries or wages as provided in section one hereof, and notice of such acknowledgment shall be issued to the applicant which shall state the total amount of such salaries or wages due the applicant, and certify that it shall be redeemed by the Government of the Philippines within ten years from the date of their issuance without interest: Provided, That upon application and subject to such rules and regulations as may be approved by the Secretary of Finance, a certificate of indebtedness may be issued by the Treasurer of the Philippines covering the whole or a part of the total salaries or wages the right to which has been duly acknowledged and recognized, provided that the face value of such certificate of indebtedness shall not exceed the amount that the applicant may need for the payment of (1) obligations subsisting at the time of the approval of this Act for which the applicant may directly be liable to the Government or to any of its branches or instrumentalities, or the corporations owned or controlled by the Government, or to any citizen of the Philippines, or to any association or corporation organized under the laws of the Philippines, who may be willing to accept the same for such settlement; (2) his taxes, and (3) government hospital bills of the applicant: Provided, further, That such settlement shall be effected by indorsement of said certificate, such indorsement to be annotated on the instrument: Provided, furthermore, That no certificate shall be transferred or ceded by indorsement more than once nor at a discount rate exceeding two per centum per annum: And provided, also, That investment funds or banks or other financial institutions owned or controlled by the Government shall, subject to availability of loanable funds, and any provision of their charters, articles of incorporations, by-laws, or rules and regulations to the contrary notwithstanding, accept or discount at not more than two per centum per annum for ten years such certificate for the following purposes only: (1) the acquisition of real property for use as the applicant's home or (2) the building or construction or reconstruction of the residential house of the payee of said certificate: Provided, finally, That if certificates of indebtedness have been issued to an officer or employee, his back pay at the end of ten years from the date of the approval of this Act shall be equal to the amount due him under the provisions of this Act minus the full and total face value of the certificates of indebtedness issued to him in the interim. Failure to file the application within the time herein provided for will forfeit whatever right there may be to any back salary or wage which otherwise should have been due the applicant.

SEC. 3. The total of the back pay the right to which may by application be established, shall be computed at the rate of salary, emolument, fee, per diem, compensation or wage subsisting on January first, nineteen hundred and forty-two in the case of offices located in the City of Manila, and on the date immediately preceding that on which the provincial capital or the city was occupied by the enemy

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in the case of offices located in the provinces, cities, and municipalities, and shall be an obligation of the branch, instrumentality, or unit of the Government that employed the officer or employee concerned on December eight, nineteen hundred forty-one; Provided, That if the office of employment on the latter date has been converted into, or merged with, another, or is no longer existing such as those of the resistance movement, the payment shall be borne by the governmental branch or entity wherein the applicant is employed on the date of the approval of this Act; or when not so employed in any governmental unit on the date of the approval of this Act, the corresponding obligation shall pertain to the National Government.

SEC. 4. At the end of each fiscal year, the National Government shall be reimbursed by the province, city, municipality, the University of the Philippines, or the corporation owned or controlled by the Government, whichever is concerned, for the amount of the annual contribution made by the former to the sinking fund created in this Act to meet the total of the back pay which shall accrue and be payable to their officers and employees at the end of ten years from the approval of this Act. Upon failure to make such reimbursement, the Treasurer of the Philippines is hereby directed to withhold from any amount due from the National Government to the province, city, municipality, the University of the Philippines or the corporation, owned or controlled by the Government such sums as will be sufficient to make the corresponding reimbursement above provided, ~~XXXXXXXXXXXXXXXXXXXX~~ ~~XXXXXXXXXXXXXXXXXXXX~~ unless otherwise exempted therefrom in accordance with law.

SEC. 5. The salaries or wages or certificates of indebtedness herein provided, shall be exempt from attachment or levy, except for the payment of taxes or obligations for which the particular officers or employees may be directly liable as provided in this Act. Any amount of back pay received by an officer or employee under the provisions of this Act, whether in cash or by means of the certificate of indebtedness, shall be exempt from all taxes of every kind and nature.

SEC. 6. In case of the death of an officer or employee entitled to the benefits of this Act, his legitimate heir or heirs or the legitimate assignee or indorsee of his certificate or certificates of indebtedness shall succeed to the rights of the said officer or employee thereto subsisting at the time of his death.

SEC. 7. The three-months advance salary given pursuant to Administrative Order Numbered One hundred sixty-seven, dated December twelve, nineteen hundred and forty-one and Commonwealth Act Numbered Six hundred seventy-six, and the two months gratuity paid under Administrative Order Numbered Twenty-seven, dated December seven, nineteen hundred forty-five, and Executive Order Numbered Eighty-three, dated December twenty-four, nineteen hundred and forty-five, and any back pay received or to be received from the United States Government shall be deducted from the payment of the back pay.

SEC. 8. A sinking fund is hereby created for the settlement of the registered rights to back pay recognized under the provisions of this Act or the redemption of the certificates of indebtedness issued thereunder, in such manner that the annual installment thereto, plus interest at the rate of five per centum per annum, shall equal the total face value of the registered back pay rights, the latter including all outstanding certificates of indebtedness issued thereunder. Such sinking fund shall be under the custody of the National Treasurer who shall invest it to

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to earn not less than five per centum per annum with either the Philippine National Bank, the Rehabilitation Finance Corporation, the Government Service Insurance System, or any other banking or investment institution under the control of the National Government.

SEC. 9. A standing annual appropriation is hereby made out of the general funds in the National Treasury not otherwise appropriated, of such sums as may be necessary to provide for the sinking fund mentioned in the last preceding section. Notwithstanding the provisions of sections one and eight of this Act, the obligation to be entered in the books of accounts of the Government by reason hereof shall be the fact value of all certificates of indebtedness issued and outstanding.

SEC. 10. There is hereby appropriated out of the general funds in the National Treasury not otherwise appropriated the sum of fifty thousand pesos for such administrative expenses as may be authorized by the President of the Philippines to carry out the provisions of this Act.

SEC. 11. This Act shall take effect upon its approval.

Approved, June 18, 1948.

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HEADQUARTERS  
UNITED STATES ARMY FORCES IN THE FAR EAST

APO 501  
21 APRIL 1945

FEGARP 241

SUBJECT: Partial Payments for Recovered U.S. Military Personnel (Including Philippine Scouts), Philippine Army Personnel and Civilian Employees of the War Department.

- |    |   |  |
|----|---|--|
| TO | : | Commanding General; Sixth Army, APO 442                            |
|    |   | Commanding General; Eighth Army, APO 343                           |
|    |   | Commanding General; Far East Air Forces, APO 925                   |
|    |   | Commanding General, United States Army Services of Supply, APO 707 |
|    |   | Commanding General; 14th Antiaircraft Command, APO 322             |
|    |   | Commanding Officer, Replacement Command, USAFFE, APO 295           |
|    |   | Commanding Officer; Fourth Replacement Depot, APO 703              |
|    |   | Commanding Officer; Fifth Replacement Depot, APO 711               |
|    |   | Commanding Officer, 12th Replacement Battalion, APO 70             |

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Letter, this headquarters, 19 March 1945, FEGARP 241, Subject Partial Payments for Recovered U.S. Military Personnel (Including Philippine Scouts), Philippine Army Personnel and Civilian Employees of the War Department, is amended to include the following:

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|----|---|-----|
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| d. |   |     |
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(5) Certifying officers will list proper appropriations and amount chargeable to each appropriation on the face of the roll, in the space provided therefor. The appropriation charged will be the currently available appropriation related to the appropriation chargeable with employees pay at the time of the Japanese Occupation.

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*file*

(6) Base and casual camp certifying officers will maintain necessary fiscal records as required by USAFFE Regulations 65-25.

\* \* \*

By command of General MacARTHUR:

*R. E. Fraile*  
R. E. FRAILE,  
Colonel, A.G.D.,  
Adjutant General

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CG, 8th Army, APO 343 (10)	CO, 4th Repl Dep APO 703 (75)
CG, FEAF, APO 925 (10)	CO, 5th Repl Dep APO 711 (75)
CG, USASOS, APO 707 (250)	CO, 12th Repl Bn, APO 70 (25)
CO, 14th AA Cmd, APO 322 (10)	G-1 (25) Staff Dist.

GSXGA 248

1st Ind.

HEADQUARTERS, UNITED STATES ARMY SERVICES OF SUPPLY, APO 707, 1 May 1945.

TO: Section and Base Commanders.

Commanding General, USASOS Engineer Construction Command, APO 75.

1. For compliance.

2. Letter, USAFFE, 19 March 1945, referred to in basic letter was forwarded by 1st indorsement, this headquarters, 20 April 1945.

BY COMMAND OF MAJOR GENERAL FRINK:

*L. W. Teter*  
L. W. TETER,  
Major, A.G.D.,  
Asst. Adj. Gen.

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HEADQUARTERS  
UNITED STATES ARMY FORCES IN THE FAR EAST

A. P. O. 501  
19 March 1945

FEGARP 241.

**SUBJECT:** Partial Payments for Recovered U. S. Military Personnel (Including Philippine Scouts), Philippine Army Personnel and Civilian Employees of the War Department.

**TO :** Commanding General, Sixth Army, APO 442  
Commanding General, Eighth Army, APO 343  
Commanding General, Far East Air Forces, APO 925  
Commanding General, United States Army Services of Supply, APO 707.  
Commanding General, 14th Antiaircraft Command, APO 322  
Commanding Officer, Replacement Command, USAFFE, APO 295  
Commanding Officer, Fourth Replacement Depot, APO 703  
Commanding Officer, Fifth Replacement Depot, APO 711  
Commanding Officer, 12th Replacement Battalion, APO 70

1. References:

- a. Letter, this Headquarters dated 28 January 45, file A-FEGA 321, subject: "Administration of Philippine Scouts Recovered from Enemy Occupied Territory".
- b. Letter, this Headquarters, dated 5 February 1945, file FEGA 321, subject: "Administration of Military Personnel, Other Than Philippine Scouts and Philippine Army, Recovered from Enemy Occupied Territory".
- c. Letter, this Headquarters, dated 16 February 1945, file FEGARP 322.093, subject: "Processing of Philippine Army Personnel". (addressed to The Adjutant General, Philippine Army only).
- d. Letter, this Headquarters, dated 4 March 1945, file FEGARP 704, subject: "Civilians Recovered from Enemy Occupied Territory".
- e. Letter, this Headquarters, dated 1 March 1945, file FEGARP 321, subject: "Partial Payments Against Arrears in Pay Due Recovered Personnel".

2. Recovered United States Army and Philippine Army personnel may, upon positive identification and if not disqualified under the provisions of Par 5 below, be paid a partial payment of an amount equal to three months pay of the grade or rating held by them at the time they entered a casualty status, providing the appropriate affidavit executed by the individual indicated that three months arrears pay is due him.

3. a. Recovered War Department civilian employees, exclusive of part time or intermittent employees or native labor casually hired on an hourly or per diem basis may, after positive identification, be likewise paid a partial payment equal to three months pay. The rate of pay will be that at which the individual was last paid prior to Japanese occupation.

b. The Commanding General, US.SOS, will direct the appointment, in each base or each casual camp receiving recovered civilians, of such number of personnel officers to act as Certifying Officers as may be necessary.

c. The Certifying Officer will determine the status of the individual applying for partial payment as follows:

(1) Identification as a War Department civilian employee, either American or Filipino, will be made by the Certifying Officer, whenever possible, from documentary evidence in possession of the individual.

(2) A determination as to whether or not the individual concerned is entitled to benefits under the provisions of the Missing Persons Act must be made, if possible, by the Certifying Officer. War Department Circular 305, 18 July 1944, will be used as a basis for such decision.

(3) In case identification as a War Department employee, or status under the Missing Persons Act, is doubtful the individual's affidavit and all information available concerning the individual will be forwarded to this headquarters, attention G-1 (RP). This headquarters will then make the necessary determinations of identity and status under the Missing Persons Act. Upon completion of identification and determination of status, all papers will be returned to the appropriate Certifying Officers for necessary action.

d. Payrolls will be prepared by Certifying Officers for War Department civilian employees who have been identified as such, and who have been determined to be entitled to benefits under the provisions of the Missing Persons Act either by the Certifying Officer or this headquarters. Payrolls will be prepared in the manner prescribed below.

(1) The Certifying Officer will prepare Standard Form 1013, Revised, (Payroll for Personal Services) in quadruplicate. The original voucher and three copies will be turned over to the Disbursing Officer making payment.

(2) The face of the payroll will be modified to delete the following:

(a) Beneath the title of the roll, the phrase, "Employees on Annual Salary Basis."

(b) So much of the printed section as reads: "that each has performed, under my supervision, the services indicated by the respective proper official designation, or occupation, during the period mentioned, except as otherwise indicated in the "Remarks column."

(c) The sentence reading: "that deductions have been made for the compensation of all employees against whom charges have accrued during the period of the payroll."

(d) The phrase, "that the determined reasonable value of allowances furnished in kind is stated in every case."

(3) The certificate on the payroll, as modified above, will be Certifying Officer.

expenses  
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stances furnished  
(3) The certifying officer

The following certificate signed by the certifying officer placed in the body of the voucher:

"The individuals listed hereon have been identified by me as civilian employees of the War Department, and it has been determined that they come within the provisions of the Missing Persons Act. Payment of the amount set opposite each individual's name is authorized by the War Department Plan for Casualty Administration upon Re-Occupation of the Philippines, and you are hereby authorized to pay the amount set beside each individual's name."

e. Each Certifying Officer will submit a properly executed War Department Signature Card, WD Form 35, to the Disbursing Officer making payment on the vouchers prepared by the Certifying Officer.

4. A statement will be placed on the face of each payroll or voucher by the appropriate personnel or Certifying Officer that "This payment is chargeable to arrears in pay, pending final settlement of such arrears."

5. Partial payments will be withheld in all cases where doubt exists as to loyalty to the United Nations Cause. Such cases will be referred to this Headquarters, attention G-1 (RP), for clarification of the individual's status.

6. Payments to United States Army (including Philippine Scouts) personnel, and civilian employees of the War Department, will be made by United States Army Finance Officers only. Payments to Philippine Army Personnel will be made by Finance Officers of the Philippine Army only.

7. Disbursing Officers making such partial payments to United States Army personnel and civilian employees at the close of each day's business, will forward to this Headquarters, (attention G-1 (RP)) one copy of each payroll or pay voucher, corrected to show payments actually made.

8. Disbursing officers making partial payments to Philippine Army Personnel will forward a copy of each payroll or voucher, prepared as in 6 above, to Headquarters Philippine Army, (attention Recovered Personnel Section).

9. So much of Par 2, letter referred to in Par 1 e above, as directs that partial payment be made prior to execution of affidavit by individual is hereby rescinded, together with any conflicting instructions previously issued by this Headquarters.

By command of General MacARTHUR:

*M. B. Kendrick*  
M. B. KENDRICK  
Major, A. G. D.  
Asst. Adj. General

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|----------------------------|----------------------------|------------------------|---------------------------|------------------------------|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------|

(Do not remove from classified sheets)

CARRIER NOTE  
File No:

Subject: Back Pay, Philippine Army.

From: AG. PA

To: COL. KREUTER, PA Section  
HQ USAFFE

Date: 29 January 1945

Fiscal Director, HQ USAFFE

1. Due to the many hardships of soldiers and especially lack of funds, it is believed some plan should be authorized to pay each officer and soldier part of his back pay.
2. In Leyte all officers and soldiers returned to military control have been or will be processed, and records established.
3. Although determination of the exact status of each USAFFE officer and soldier will take some time, it is believed that sufficient information will be available to provide enough data to make partial payment of back pay due.
4. It is requested that the above recommendation be considered and this headquarters authorized to act administratively to accomplish this problem.
5. It is also suggested that money paid out be entered in each officer's Pay Data Card and each soldier's Service Record and Pay Card to the effect that "Partial Payment (amount) for pay due during the period \_\_\_\_\_ to \_\_\_\_\_ was paid on \_\_\_\_\_ by \_\_\_\_\_."

/s/ A. J. R.  
A. J. R.

PA Section.

D C/S

31 Jan 45.

Thru: Fiscal Officer  
(Maj. Eddleman)

1. Reference Par 1 preceding carrier note, further reasons supporting the need for partial payment of back pay are:
  - a. Action will raise and maintain morale of soldiers. Information has reached P.A. troops to the effect that current pay is based on old pay scale. (Pvt P14.00 per mo) instead of the scale prescribed in Executive Order No. 22 by the President of the Philippines. This is reported to have lowered morale materially.
  - b. Inflationary prices make the old pay scale inadequate.

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HEADQUARTERS  
ADVANCED ECHELON  
UNITED STATES ARMY FORCES IN THE FAR EAST

C H E C K      S H E E T  
(Do not remove from attached sheets)

File No:                      Subject: Back Pay, Philippine Army (Continued)

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From: D C/S

To: Acting D C/S  
(Tacloban)

Date: 7 Feb 1945

(8)            1. The general idea of a reasonable partial payment to this personnel is approved. The question, however, is whether their exact status has been sufficiently determined to warrant a payment of as much as one third their probable accrued pay since last formal payment.

2. The determination of status of individuals, done largely at the 1st Replacement Battalion (PA) has necessarily been based primarily on the statements of the individuals concerned as to rank, etc. In most cases there is no supporting evidence. Whether a man who claims to have been a 1st Sergeant should be paid as such until some further impartial evidence of his status is obtained is problematical. In cases where men have been in recognized guerrilla units, with established rank, substantial partial payment for the period of such service would seem warranted.

3. This matter does not seem to have been passed upon by G-1, to see whether the proposed procedure is in accordance with the WD Plan. It should be referred to G-1 for comment.

/1/C. P. S.  
C. P. S.

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Note No. 1                      File No.                      Subject:

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A 1

FROM:	TO:	DATE:
Maj. Curry P. A. Sec.	Maj. Rouch P. A. Hq.	7 Feb. 1945

It is believed that emergency conditions existing among members of the Philippine Army justify the submission of the proposed Circular to the Chief of Staff, USAFFE. A large percentage of both officers and men now being processed into the Philippine Army have not received any pay during the Japanese occupation. Officers reporting for duty are in need of cash to purchase uniforms and equipment and the families of both officers and enlisted men, in many instances, are in need of cash for current expenses.

The PLAN for the reorganization of the Philippine Army issued by the War Department anticipates that emergency conditions and provided that emergency payments may be authorized by the Commanding General, USAFFE. It is recognized that any general policy covering emergency payments will in rare instances produce inequities, however, it is believed that the proposed Circular will reduce the percentage of such inequities to a minimum.

It will be noted that the enlisted man's cash payment has been stated as 3 months base pay, whereas the officers have been limited to one month's base pay. This variation is occasioned by the fact that the officers pay scale, relatively speaking, is such greater than the enlisted men and 3 months base pay for enlisted men was arbitrarily used to produce an amount comparable to the amount which an officer would receive.

It is believed that economic conditions justify the variation. Furthermore it is an accepted fact that a certain amount of dissatisfaction exists among enlisted men over the current pay scale. Payments authorized by the proposed circular would undoubtedly produce a desirable effect among Philippine Army personnel.

/s/ B.C.

(2) Hq. P.A.  
Maj. Rouch

Col. Kreuter  
P.A. Sec.

8 Feb. 1945

1. Concurr in principle and details, except it is recommended that a minimum of three months payment for officers and six months for enlisted men be prescribed.

(Over)

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7. Recommend that a strength of [unclear] be authorized  
in excess of that authorized by this [unclear] of  
COMMANDING GENERAL, USAF upon recommendation of  
Philippine Army

(c) [unclear]  
For the Chief of Staff.

/s/ A. J. ROUCH

A. J. ROUCH

Major, A.G.D., U.S. Army,  
Acting Adjutant General.

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Note No. 3 File No: FEPA 246. Subject: Advance on "Arrears in Pay"  
(12 Feb 45)

FROM: PA Section TO: D C/S DATE: 12 Feb 45  
Thru: C-1  
Fiscal Officer

1. It is believed that the "emergency conditions" mentioned in basic carrier note do not warrant partial back payments in excess of 1 month. A policy is understood to have been adopted permitting a partial payment equal to pay for 1 month for recovered American personnel, payment to be charged against arrears in pay.

2. If the same policy is adopted for Philippine Army personnel, officers will be able to purchase uniforms and immediate personal needs as well as contribute to family support. A greater partial payment chargeable to arrears in pay may result in the necessity for collection of over-payment. This action will be more damaging to morale and impose greater hardship than would the payment of a smaller amount.

3. Individuals must live on current pay eventually and initial payment of a large sum will make difficult a reduction of living standards to current rates. Since a moratorium on all debts has been declared for Philippine citizens, there should be no urgent need for cash to defray past expenses.

4. As soon as Philippine Army personnel are processed immediate action will be taken to determine back pay due, based on information collected by processing teams. This action should not require more than 30 days in most cases since determination is made in this theater and this delay should not cause great financial inconvenience.

5. It is recommended that the policy now adopted for recovered U. S. personnel also be applied to Philippine Army personnel.

/s/ R. H. K.  
R. H. K.

1 Incl: Hq USAFFE Cir, above  
Subj.

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Note No. File No. FEGARP Subject: Advance on "Arrears in Pay".  
FROM: G-1 (RP) TO: D C/S DATE: 13 Feb 45 EEG/miv  
Thru: CFO

(9) 1. Another series of c/ns, with proposed circular drafted by PA Hq. on the same subject, is attached hereto.

2. The WD plan reads:

"Upon return of persons to control, in a status entitling them to pay, current payments supplemented by essential partial payments from accrued pay shall be made to meet their demands."

3. We have directed partial payment of One (1) months pay to American and Philippine Scout personnel. We have not prescribed any amount for Philippine Army personnel.

4. It is the opinion of this office that we should authorize partial payment of one (1) months pay to members of the Philippine Army, this in view of the belief that many will not have sufficient arrears pay due to cover much more than that amount, because:

a. They have either been guerrillas, and more than likely received pay in redeemable emergency currency, or

b. They pursued their normal way of life without interference from the Japanese, and are not entitled to pay for such time. The WD plan reads:

"A mere termination or suspension of official military or employment status by enemy occupation which has not deprived a resident of reasonable freedom of action and opportunity of livelihood, and has not caused him or his dependents to suffer serious deprivations by reason of his former official status, is not an absence occasioned by enemy action with entitlement during same to full pay and allowances of former employment\*\*\*\*\*"

5. Under plans currently being proposed by this section, payments of all arrears pay to Philippine Army personnel should be made within a very short period of time after the individual is processed.

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(CONT'D)

Note No. File No. FEGARP Subject: Advance on "Arrears in Pay"  
FROM: G-1 (RP) TO: D C/S DATE: 13 Feb 45 EEG/miv

6. Recommend partial payment of not to exceed one (1) months pay, at time of processing.

7. Upon receipt of your decision, proposed circular will be revised accordingly.

Incls. - As indicated in Par 1 above.

/i/ EEG  
E. E. G.

-----  
From: CFO

To: G-1 (RP)

13 Feb. 45

(10)

1. It is the opinion of this office that these c/ns are not ready for submission to the D C/S. Thus, the PA section, on 31 January 1945 recommends initial partial payment be limited to 1/3 of accrued back pay and on 12 Feb. the same section recommends that the plan adopted for US personnel (1 month payment) be extended to the P.A.

2. It is considered that the matter is of sufficient importance to demand personal discussion between the sections involved in order that a mutually satisfactory recommendation may be presented to the D C/S. Recognized that each of the conflicting opinions have a sound basis.

3. The matter involved is for administrative determination, the Finance Department will pay as directed by your decision, when approved by the D C/S.

/i/ JBR  
J.B.R.

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EEG/miv

Note No. File No. FEGARP Subject: Advance on "Arrears in Pay"  
FROM: G-1 (RP) TO: D C/S DATE: 15 February 1945  
THRU: G-1 R.E.K. /i/

(11)

1. This office has had several personal conferences with Philippine Army Section (Colonel Kreuter) and Philippine Army Finance Representative (Major Curry). Colonel Kreuter concurs in the recommendation to pay one months pay. Major Curry is still in favor of three months pay.

2. It also might be pointed out that some 22,000 Philippine Army personnel were carrying Class N Insurance, and the premiums therefor for the past three years have been paid by the Government, and must be deducted from their arrears pay, and it is quite likely that in many instances such premiums will exceed the total amount of pay due.

3. Recommend not to exceed one month's partial payment.

/i/ EEG  
E.E.G.

(12)

FROM: DC/S

TO: C/S

21 February 1945

1. A major decision must be made as to the status with respect to pay of members of the Philippine Scouts, Philippine Army and Filipino civilian Employees of the War Department during periods when they were not confined or interned, or enroute to their homes from confinement, internment or having escaped ~~either~~, and were not serving against the enemy in any capacity. The question, briefly stated, is: "During a period when a person was at home, not seriously interfered with by the enemy, and working in some civilian capacity, is he entitled to pay?"

2. The War Department "Plan for Casualty Administration upon Reoccupation of the Philippines" contains two paragraphs which in my opinion are in conflict. They are as follows:

"IV. 1. b. Absence from controllable jurisdiction shall be presumed to be authorized and unavoidable unless there is reasonably conclusive evidence of intent to avoid or shirk combat or of abandonment of loyalty to the United States. When there is such evidence for any period regarding returnees other than those who are members of the Philippine Army, a determination, under the Missing Persons Act, of "absent from his post of duty without authority" for such period will be made only by the War Department. All pertinent evidence as to the above

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FROM: \_\_\_\_\_ TO: \_\_\_\_\_ DATE: \_\_\_\_\_  
contd.

will be gathered and appropriate recommendations thereon made by the Field Commander prior to reference to the War Department for its determination. As to members of the Philippine Army, the determination of "absent from his post of duty without authority" will be made as provided in Section VII, paragraph 4. Such a determination is conclusive as to entitlement of pay during a period of absence but in no way affects or limits any disciplinary or other administrative action in the case."

"IV. 1. e. Determination or redetermination of whether or not military personnel or civilian employees are to be officially carried as missing or missing in action for any period requires consideration of the effects of enemy action upon the individual as to restraint imposed, separation from residence or family, lack of employment or means of livelihood, and other direct effects of hazards of war. A mere termination or suspension of official military or employment status by enemy occupation which has not deprived a resident of reasonable freedom of action and opportunity of livelihood, and has not caused him or his dependents to suffer serious deprivation by reason of his former official status, is not an absence occasioned by enemy action with entitlement during same to full pay and allowances of former employment, and hence does not warrant an official determination or redetermination of missing or missing in action."

The reference to Section VII affects the foregoing only in that it provides that final determination in Philippine Army cases shall be made by the Commanding General, USAFFE; in other cases, final determination is made by the War Department.

3. a. My interpretation of IV. 1. b. above is that a man who is absent from military control because of enemy action is entitled to pay and allowances unless he is "absent from his post of duty without authority" under circumstances which show an "intent to avoid or shirk combat or an abandonment of loyalty to the United States". Such circumstances, in my opinion, would include the following:

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FROM: \_\_\_\_\_ TO: \_\_\_\_\_ DATE: \_\_\_\_\_

contd.

- (1) Leaving his command in combat or before it surrendered (except just before, to avoid capture);
- (2) Accepting employment as a Japanese or puppet official or in the Jap-sponsored "Bureau of Constabulary";
- (3) Active collaboration with the enemy in any way, such as assisting in operations against guerrilla forces, or giving information against guerrillas or loyal civilians.

b. Merely staying at home or in hiding would not, in my opinion, constitute such absence, unless he failed to report for duty when opportunity offered.

c. This provision re absence from post of duty is included in the "Missing Persons Act".

4. a. The provisions of IV. 1. e. are not included in the "Missing Persons Act".

b. This paragraph seems to indicate that an individual in the military service or a civilian employee should not be carried as missing or missing in action during periods when he is not actually imprisoned or interned and is able to be at home without material interference by the enemy "by reason of his former official status". It states that such a "suspension of official military or employment status" is "not an absence caused by enemy action" and does not entitle the person to "full pay and allowances of former employment" and "does not warrant an official determination..... of missing or missing in action".

c. This paragraph gives no indication as to what status the persons referred to are in. They are certainly not present for duty; if they are neither missing nor missing in action there seems to be no status at all, since they are not "absent from duty without authority" under IV. 1. b. Yet they have not been separated from the military service and must have some status.

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FROM: contd.		TO::	

5. Decisions as to the policy to be adopted will make a vast difference in the amount of back pay to which this personnel is entitled. Determination of the actual facts - as to whether an individual was at home and engaging more or less in normal civilian pursuits - will be extremely difficult, and determination of exact dates for pay purposes practically impossible. There is, of course, a reasonable and logical basis for not paying individuals who simply went home or settled down elsewhere when released or when they escaped, and made no effort to join guerrilla movements in the vicinity. There are many of these, including regular PA officers. Paying them for such periods on the same basis as members of guerrilla forces actually in the field against the enemy seems hardly equitable.

6. Until decision is made as to what basis is to be used, complete settlement of arrears of pay cannot be attempted. If they are not to be paid for these periods, the amounts of partial payments should be fairly closely limited, to prevent necessity of material refunds at a later date.

7. I believe the decision will have to be made by the Commander in Chief, as a matter of major policy, as to whether:

a. Individuals are considered as missing in action during the entire period of absence from military control and paid for such period, except when working for the enemy; or

b. Individuals are considered as missing in action only during periods when they were under physical restraint or were prevented from engaging in civilian pursuits, or those in which they were members of guerrilla forces, and paid only for such periods - not for periods during which they settled down at home or in some other community.

8. Request early indication of policy to be used.

/1/ CHS

.....C.P.S.....

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Note No. File No. Subject: Advance on "Arrears in Pay"

(13) From: D C/S

EEG /i/  
To: G-1 (Rec'd Pers) Date 7 March 1945  
(2) Finance Officer --JER /i/  
(3) Phil Army Sec

1. The matter covered in Carrier Note (12) has been presented to the C-in-C.

2. He desires the following interpretation to be put into effect with regard to pars. IV 1.b and IV 1e. of the War Department Plan for Casualty Administration:

a. Individuals to be considered as in a missing in action status for the entire period during which they were absent from full military control, except:

(1) Cases of actual desertion or AWOL in the face of the enemy prior to the surrender of their unit.

(2) Cases of acceptance of positions in Japanese or puppet agencies. This to include the Jap sponsored BC, municipal, provincial or "republic" offices, etc.

b. Payment for the period "missing in action" to be based on the foregoing; that is, for all periods, whether prisoners of war, with guerrilla forces, at home or elsewhere, except when positive disloyalty has been demonstrated.

3. In view of the foregoing, immediate payment of three months arrears of pay is authorized.

/s/ CHS  
C.P.S.

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Subject: Background Material 3 months ADVANCE ON "ARREARS IN PAY"

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