

**FOREIGN CLAIMS SETTLEMENT COMMISSION OF
THE UNITED STATES**

U.S. DEPARTMENT OF JUSTICE

2008 ANNUAL REPORT

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES

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U.S. Department of Justice
Foreign Claims Settlement Commission
of the United States

Washington, D.C. 20579

LETTER OF TRANSMITTAL

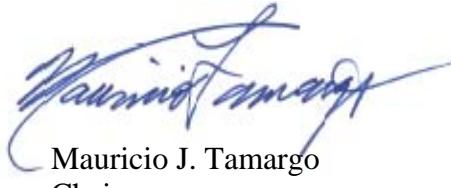
To the President of the Senate
and the Speaker of the House of Representatives
of the 111th Congress

The Foreign Claims Settlement Commission of the United States submits for your review its Annual Report for Calendar Year 2008.

The Commission is an independent agency within the United States Department of Justice. However, it is required under the War Claims Act of 1948 and the International Claims Settlement Act of 1949 to submit its own separate annual report to Congress.

The Foreign Claims Settlement Commission has a long and distinguished history, both as a source of advice and information within the United States Government on issues concerning the claims of U.S. nationals against foreign countries and, where appropriate, as a forum for the resolution of those claims. The Commission stands ready to serve the United States and its nationals, in protecting the rights of U.S. citizens abroad and promoting the international rule of law.

We appreciate the continued support of the Congress for the Commission's international claims programs.



Mauricio J. Tamargo
Chairman

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SECTION I: THE COMMISSION

A. Introduction

The Foreign Claims Settlement Commission of the United States is an independent quasi-judicial federal agency organized administratively as a component of the U.S. Department of Justice. The Commission's primary mission is to determine the validity and monetary value of claims of United States nationals for loss of property or for personal injury caused by foreign governments.

Generally there are three means by which the Commission may be authorized to administer a claims program. The most direct is following the Department of State's conclusion of a claims settlement agreement with a foreign government. In those cases, the Commission has permanent authority under 22 U.S.C. 1623(a)(1)(B) to receive and adjudicate the claims covered by the agreement. Alternatively, the Congress may authorize the Commission to adjudicate claims through legislation. Lastly, the Department of State may refer a category of claims to the Commission for adjudication per its discretionary authority under 22 U.S.C. 1623(a)(1)(C).

In most cases, the above losses have occurred either as a result of military operations during World War II, including damage to and loss of property therefrom, or as a result of nationalization of property by foreign governments. Some of those governments include the Federal Republic of Germany, Iran, Yugoslavia, Bulgaria, Romania, Hungary, the Soviet Union, Czechoslovakia, Poland, Cuba, China, Vietnam, Ethiopia, Egypt, Panama, and Albania. The Commission also has adjudicated claims of United States military personnel and civilians captured or interned during World War II and the Korean and Vietnam conflicts. In addition, between 1996 and 1998 the Commission adjudicated claims of U.S. citizens persecuted by Nazi Germany during World War II.

The Foreign Claims Settlement Commission was established on July 1, 1954, under Reorganization Plan No. 1 of 1954, which abolished the War Claims Commission and the International Claims Commission and transferred their functions to

the present Commission. In 1980, the Commission was transferred by Public Law 96-209 to the Department of Justice as a separate agency within the Department.

The Commission consists of a Chairman, who serves on a full-time basis, and two Commissioners, who serve on a part-time basis. They are appointed by the President for fixed terms of office, normally of three years' duration, and are confirmed by the Senate. On February 6, 2002, Mauricio J. Tamargo took his oath of office as Commission Chairman, having been nominated to the position by President Bush in May 2001. Chairman Tamargo was reappointed for a full three-year term in 2003 and then was nominated by President Bush for another three-year term in February 2006. His last nomination was confirmed by the Senate on March 16, 2006, thereby extending his term of office until September 30, 2009. On May 20, 2008, Commissioner Rafael E. Martinez was confirmed by the Senate and he took his oath of office on May 28, 2008. His term of office will expire on September 30, 2010. The term of office of Commissioner Stephen C. King expired on September 30, 2008, but he may continue in office until a successor to his position is confirmed by the Senate.

The Chairman and Commissioners are responsible for the review of claims and the issuance of decisions. The Chairman is vested with sole administrative authority within the Commission, while the Department of Justice is responsible for providing administrative support services to the agency. The Commission employs a small staff of legal and administrative personnel.

In most instances, authorizing statutes provide for the deduction of a certain percentage from the claims funds for deposit as miscellaneous receipts in the United States Treasury to defray the administrative expenses of the Commission and the Department of the Treasury in carrying out the programs. Over \$40 million has been recouped through the deductions from the various settlement funds that the United States has obtained from foreign governments during the years of the Commission's existence.

The jurisdiction of the Commission and its two predecessor commissions has encompassed the administration of 44 claims

programs in which more than 660,000 claims have been filed and awards granted in excess of \$3 billion.

The Commission also provides, upon request, technical assistance to the Department of State in conducting government-to-government claims settlement negotiations. In addition, the Commission furnishes information contained in the records pertaining to the international and war-related claims programs it has conducted in the past, as requested by claimants, their heirs, the Congress, attorneys, researchers, other members of the public, and the Departments of Treasury, State, Interior and Defense. Upon request, it also provides advice on policy determinations, preliminary planning, evaluation of proposed claims legislation, and liaison with other Federal agencies concerning claims-related issues.

B. Procedure and Administration of Claims Programs

By statute (22 U.S.C. §§1622g and 1623(h)), the decisions of the Commission are final and conclusive on all questions of fact and law and are not subject to review by any other official, department, or agency of the United States, or by any court by mandamus or otherwise. This prohibition against judicial or other review makes it imperative that the Commission adhere to appropriate administrative and legal procedures to assure claimants a full and fair opportunity to present their claims.

When a claims program is commenced, appropriate claim forms and detailed instructions, including the deadline for filing claims, are forwarded to anyone who requests them or has at any time indicated to the Commission an interest in filing a claim in that program. In addition, the Commission makes the claim forms and instructions available to potential claimants via the Internet (www.usdoj.gov/fcsc). The Commission also seeks to publicize the program through publication in the *Federal Register* and releases to the news media, and by notifying relevant organizations and congressional offices.

Once a completed claim form, along with related exhibits, documents or other evidence has been received, the staff of the

Commission undertakes a careful examination and, if necessary, seeks additional information or evidence from the claimant or other sources to enable the claimant to establish the requisite elements of a claim (i.e., United States nationality, ownership, value and the date and circumstances of the asserted loss). Although the claimant has the burden of proof, the adjudication of a claim is not considered to be an adversarial matter between the Commission and the claimant; the Commission's staff members endeavor to do all they reasonably can to assist each claimant in establishing a compensable claim. After a claim has been fully developed, it is presented to the Commission for adjudication.

Following a full review of the claim and all supporting material, the Commission issues a written "Proposed Decision." This Proposed Decision is forwarded to the claimant or claimant's counsel who is advised of the right to file an objection within a specified period of time, if the claimant is dissatisfied and believes there is ground for a more favorable decision. The claimant may submit, in writing, any additional evidence and argument in support of the objection and may also request an oral hearing before the Commission to present oral evidence and argument in support of the objection. Thereafter, the Commission reconsiders the entire record and renders its determination by the issuance of a "Final Decision."

If no timely objection is received on a claim, the Proposed Decision is automatically entered as the Commission's Final Decision. However, even after the issuance of a Final Decision, the regulations of the Commission permit the filing of a petition to reopen a claim for further consideration based upon newly discovered evidence. Additionally, if information comes to the attention of the Commission from sources other than the claimant, the Commission may reopen a claim that has already become final on its own motion.

In most claims programs, a time limit is set by statute within which the Commission must complete the adjudication of the claims. After the specified date, the Commission no longer has authority to accept additional claims for adjudication or to

reconsider any claim which has been determined in that particular program.

The decisions of the Commission set forth the reasons for the action taken and include specific findings of fact and conclusions of law determining each aspect of the claim, to fully apprise claimants of the basis of the Commission's decisions. In most programs, the amount of funds available to pay the Commission's awards is limited, often resulting in *pro rata* payment of awards. The Commission therefore must ensure that the award entered in each claim is fully supported, and based upon the same criteria as all other awards.

The Commission's responsibility is discharged upon entry of the Final Decision and certification of the claimant's award to the Secretary of the Treasury, who has sole jurisdiction, under specific statutory authority, to make payments out of the funds established for that purpose.

In some instances, Congress authorizes the adjudication of claims before there are funds available to pay awards. In such cases, the Commission adjudicates the claims and certifies its decisions to the Secretary of State or Secretary of the Treasury, or both, as a "pre-settlement adjudication" of the claims. The Department of State then can use the Commission's decisions as the basis for negotiating a claims settlement agreement with the responsible foreign government at some future date.

SECTION II: CURRENT YEAR'S ACTIVITIES

A. Claims Against Albania

During 2008 the Commission continued to have jurisdiction to receive and adjudicate claims under its Albanian Claims Program. The Commission began administering this program in 1995, following the conclusion of an agreement between the United States and Albania providing for settlement of United States nationals' property claims against Albania in exchange for a lump-sum payment by Albania to the United States of \$2 million. *Agreement Between the Government of the United States of America and the Government of the Republic of Albania on the Settlement of Certain Outstanding Claims.* The agreement was approved by the Albanian Parliament and took effect on April 18, 1995. These claims arose following the establishment of the Albanian Communist regime of Enver Hoxha at the end of World War II.

As a result of the various efforts to generate publicity about the claims program, the Commission continued to receive American claims against Albania in 2008, and has now received a total of 340 claims. The Commission adjudicated 16 claims in 2008 of which eight were found compensable. The Commission made awards of approximately \$36,000 in 2008 and about \$1.32 million over the course of the program. However, there remains in the Albanian Claims Settlement Fund in the U.S. Treasury a balance of approximately \$1 million, which is available to any additional eligible claimants who file claims. In addition, in April 2006 an amendment to the 1995 settlement agreement eliminated the residency requirement which had previously left the Commission with no choice but to deny the claims of several American claimants that otherwise were compensable. As a result, the Commission was able to reopen those claims on its own motion for further adjudication.

B. Claims Against Libya

As part of the process toward normalization of diplomatic relations, the United States and Libyan Governments concluded an

agreement on August 14, 2008, which included a provision for the settlement of U.S. nationals' claims against Libya arising out of terrorist incidents occurring prior to June 30, 2006. The Agreement provides for a lump-sum payment \$1.5 billion in settlement of all claims. By letter dated December 11, 2008, Legal Advisor John B. Bellinger, III requested the Commission to adjudicate the claims of U.S. nationals against Libya for physical injury. This letter is reprinted as Exhibit 1 below. The Commission is preparing for the initiation of the program and will publish notice in the Federal Register when all necessary administrative requirements are completed.

EXHIBIT 1

**THE LEGAL ADVISER
DEPARTMENT OF STATE
WASHINGTON**

DECEMBER 11, 2008

The Honorable Mauricio J. Tamargo, Chairman,
Foreign Claims Settlement Commission of the U.S.
Department of Justice
Washington, DC 20579

Dear Mr. Tamargo:

On August 14, 2008, the United States entered into the Claims Settlement Agreement Between the United States of America and the Great Socialist People's Libyan Arab Jamahiriya ("Claims Settlement Agreement"). On October 31, the Secretary of State certified, pursuant to the Libyan Claims Resolution Act ("LCRA"), that the United States Government "has received funds pursuant to the claims agreement that are sufficient to ensure ... payment of the settlements referred to in section 654(b) of division J of the Consolidated Appropriations Act, 2008 (Public Law 110-161; 121 Stat. 2342); and ... fair compensation of claims of nationals of the United States for wrongful death or physical injury in cases pending on the date of enactment of this Act against Libya...". Also on October 31, 2008, in Executive Order 13477, the President ordered that claims of

United States nationals coming within the terms of the Claims Settlement Agreement "are espoused by the United States." Executive Order 13477 directed the Secretary of State to establish procedures governing applications by United States nationals with claims coming within the terms of the Claims Settlement Agreement, and it prohibited United States nationals from asserting or maintaining such claims "except under the procedures provided for by the Secretary of State." Following receipt of the settlement amount provided for in the Claims Settlement Agreement, the Department of State has undertaken to distribute payments for certain claims within the scope of Article I of the Agreement: the Pan Am 103 and LaBelle Discotheque settlement claims, as well as death claims set forth by named parties in cases pending in U.S. courts on the date of enactment of the LCRA.

Pursuant to the discretionary authority under 22 U.S.C. § 1623(a)(1)(C) delegated to me by the Secretary of State, I am referring another category of claims within the scope of Article I of the Agreement to the Foreign Claims Settlement Commission of the United States ("Commission") for adjudication and certification. We believe the Commission is particularly well-suited to undertake this task. The Commission is requested to make determinations with respect to the claims described below, in accordance with the provisions of 22 U.S.C. § 1621 et seq., the Claims Settlement Agreement and the LCRA. I have enclosed at Attachment 1 a list of cases pending in U.S. courts on the date of enactment of the LCRA in which plaintiffs allege an injury that may fall into this category ("Pending Litigation").

Category of Referred Claims: This category shall consist of claims of U.S. nationals for physical injury, provided that (1) the claim meets the standard for physical injury adopted by the Commission; (2) the claim is set forth as a claim for injury other than emotional distress alone by a named party in the Pending Litigation; and (3) the Pending Litigation against Libya and its agencies or instrumentalities; officials, employees, and agents of Libya or Libya's agencies or instrumentalities; and any Libyan national (including natural and juridical persons) has been dismissed before the claim is submitted to the Commission.

As contemplated in the LCRA, claimants with "physical injury" claims in Pending Litigation are to receive "fair compensation." For such claims, the Administration assured Congress that "fair compensation" would include amounts comparable to what was provided for physical injuries in the Labelle Discotheque settlement - a fixed amount of \$3 million per physical injury claimant. We recommend that the Commission award this fixed amount for a claim that meets the criteria described above for this category.

Please direct any inquiries you may have to the Department of State's Office of International Claims and Investment Disputes, Suite 203, South Building, 2430 E Street, NW, Washington, DC, 20037-2800.

Sincerely,

/s/ John B. Bellinger, III

Attachment 1

Baker v. Socialist People's Libyan Arab Jamahiriya (D.D.C.) 03-cv-749; *Pflug v. Socialist People's Libyan Arab Jamahiriya* (D.D.C.) 08-505.

Clay v. Socialist People's Libyan Arab Jamahiriya (D.D.C.) 06-cv-707.

Estate of John Buonocore III v. Socialist Libyan Arab Jamahiriya (D.D.C.) 06-cv-727; *Simpson v. Socialist People's Libyan Arab Jamahiriya* (D.D.C.) 08-529.

Franqui v. Socialist People's Libyan Arab Jamahiriya (D.D.C.) 06-cv-734.

Harris v. Socialist People's Libyan Arab Jamahiriya (D.D.C.) 06-cv-732.

Knowland v. Socialist People's Libyan Arab Jamahiriya (D.D.C.) 08-cv-1309.

McDonald v. Socialist People's Arab Jamahiriya (D.D.C.) 06-cv-729.

Patel v. Socialist People's Libyan Arab Jamahiriya (D.D.C.) 06-cv-626.

Simpson v. Socialist People's Libyan Arab Jamahiriya (D.D.C.) 00-cv-1722.

C. Helms-Burton Act/Claims Against Cuba

The Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (also known as the Helms-Burton Act) includes as Title III a provision authorizing U.S. nationals whose property in Cuba was confiscated by the Castro regime to bring federal court actions against foreign entities "trafficking" in those properties. The legislation contemplates that, with limited exceptions, the courts hearing these cases will adopt the valuations determined in awards issued by the Commission in its Cuban Claims Program, conducted from 1965 to 1972. (See Section III, subsection A.5(b), below.) In cases where a plaintiff was not eligible to file a claim in the Commission's Cuban Claims Program (i.e., was not a U.S. national at the time of confiscation), the legislation authorized the United States District Courts, beginning in March 1998, to appoint the Commission as Special Master to make determinations on issues such as ownership and valuation of property, for use in court actions.

In January and July 2008, President Bush continued to invoke his authority under the statute to suspend the right to file Title III actions, citing the continuing need to seek agreement with U.S. trading partners on policy toward Cuba. Nevertheless, during 2008 the Commission continued to receive requests to examine files from its First Cuban Claims Program. Some of these requests were from attorneys advising foreign investors wishing to avoid involvement with any property in Cuba that is the subject of a certified claim in the First or Second Cuban Claims Program. In addition, representatives from the Department of State continued to examine files in connection with the Department's responsibility under Title IV of the Helms-Burton Act, which requires the exclusion from the United States of foreign individuals associated with corporations or other entities "trafficking" in property that is the subject of a certified claim in the Cuban Claims Programs.

D. Registry of Claims Against Iraq

In 2008 the Commission continued to receive requests to be added to its Iraq Claims Registry and inquiries from members of

the public as to whether it was going to begin a program for formal adjudication of the classes of claims against Iraq that fell outside the jurisdiction of the United Nations Compensation Commission (“UNCC”). The UNCC, located in Geneva, Switzerland, had jurisdiction over most claims of U.S. nationals against Iraq. The UNCC’s work is now completed. The non-UNCC claims primarily consist of a variety of claims pre-dating Iraq’s August 1990 invasion of Kuwait.

E. Prisoner-Of-War and Civilian Internee Claims

During 2008 the Commission continued to have jurisdiction under Public Law 91-289 (50 U.S.C. App. 2004 and 2005) to receive and adjudicate claims by United States Armed Forces personnel and civilians, or their survivors, for compensation based on inadequate food rations and inhumane treatment received while held as prisoners of war or internees during the Vietnam conflict. However, no new claims were received during the year. The Commission also continued to serve as a repository of records on United States military veterans and civilians captured or interned during World War II, the Korean conflict, the U.S.S. Pueblo incident, and the Vietnam conflict.

F. Modernization of Claims Records

In 2008 the Commission continued its on-going effort to improve its service to the public and other federal agencies, by scanning all current and pending past decisions into its database of past programs in a readable format. When completed, this new process will improve the Commission’s efficiency in processing research requests. This process will include all decisions of the certified Cuban claims. This will be especially helpful in any Title IV Helms-Burton inquiries where the only piece of information known is an address or a location and the certified claimant’s name is not known.

SECTION III: SUMMARY OF PAST PROGRAMS

A. Claims Under the International Claims Settlement Act of 1949

The jurisdiction of the Commission and its predecessor, the International Claims Commission, has encompassed the administration of 21 claims programs under the authority of the seven titles of the International Claims Settlement Act of 1949, as amended. Pub. L. 455, 81st Congress, approved March 10, 1950, 64 Stat. 12 (22 U.S.C. 1621 et seq.) ("the Act"). These programs have involved claims of U.S. nationals for losses in specific foreign countries as a result of the nationalization or other taking of property during specific periods of time by the governments of those countries. These 21 claims programs are briefly summarized below. Statistics and other relevant information on the programs appear in Sections V and VI of this report.

1. Title I

(a) Yugoslavia - First Program

The provisions of Title I of the Act authorized the International Claims Commission to administer a program to determine claims of nationals of the United States for the nationalization or other taking of property included within the terms of the U.S.-Yugoslav Claims Settlement Agreement of July 19, 1948. That agreement resulted in a fund of \$17 million from which payments were made on the awards granted in the claims. The first Yugoslavia Claims Program was completed on December 31, 1954.

(b) Panama

Under section 4(a) of Title I of the Act, the International Claims Commission was authorized to adjudicate claims of nationals of the United States for the nationalization or other taking of property included within the terms of any claims settlement agreement thereafter concluded between the United States and a foreign government (exclusive of governments against which the United States declared the existence of a state of war during World

War II). Pursuant to this authorization, the International Claims Commission administered a program to determine U.S. nationals' property claims against the Government of Panama upon the conclusion of a claims settlement agreement between the Governments of the United States and Panama on October 11, 1950. This agreement resulted in a fund of \$400,000 for payments on the awards granted in the claims. The Panamanian Claims Program was completed on December 31, 1954.

(c) Poland

On July 16, 1960, the Governments of the United States and Poland entered into a claims settlement agreement under which the Government of Poland agreed to pay the sum of \$40 million to the United States over a period of twenty years in full settlement and discharge of claims of nationals of the United States arising between May 8, 1945, and the date the agreement was concluded. The Commission was authorized to adjudicate the claims covered by this agreement under the original provisions of section 4(a) of Title I of the Act. The Polish Claims Program was completed on March 31, 1966.

(d) Yugoslavia - Second Program

A second claims agreement was concluded between the Governments of the United States and Yugoslavia on November 5, 1964, covering claims against the Government of Yugoslavia which arose subsequent to the 1948 agreement (see subsection 1(a), above) and providing a fund of \$3.5 million for payments on awards. The Second Yugoslav Claims Program was administered by the Commission under authority of section 4(a) of Title I of the Act, adjudicating the claims filed pursuant to the agreement. The program was completed on July 15, 1969.

(e) China - Second Program

In 1972 the Commission completed the first China Claims Program, in which it adjudicated claims of United States nationals which arose between October 1, 1949 and November 6, 1966. (See subsection 5(a), below.) On May 11, 1979, an agreement was

entered into with the People's Republic of China settling claims of nationals of the United States arising through the date of that agreement. The Commission thereafter proceeded under section 4(a) of Title I of the Act to adjudicate claims by United States nationals which arose between November 6, 1966 and May 11, 1979. The Commission completed the second China Claims Program on July 31, 1981.

(f) Ethiopia

On December 19, 1985, the United States Government concluded a compensation agreement with the Provisional Military Government of Socialist Ethiopia for the settlement of claims against that government arising as a result of the nationalization, expropriation, or other taking of, or restrictive measures directed against, property rights or interests of United States nationals. The agreement provided for payment to the United States of a total of \$7 million as compensation for the claimants, the last installment of which was paid in January 1991.

Exercising its authority under section 4(a) of Title I of the Act, the Commission began adjudication of claims covered by the settlement agreement on March 31, 1986, and set a program completion date of September 30, 1987. During the course of the program, the Commission issued decisions on a total of 45 claims. It found 27 of those claims to be compensable, and made awards amounting to \$14,387,510.96 in principal and \$10,024,589.00 in interest. Following completion of the program on September 30, 1987, the Commission certified the awards to the Secretary of the Treasury for payment, in accordance with section 5 of the Act.

(g) Egypt

On June 29, 1990, the Commission completed the adjudication of claims against the Government of Egypt, pursuant to its authority under section 4(a) of Title I of the Act. The claims were based on uncompensated "nationalization, expropriation, confiscation and other restrictive measures of or against" U.S. nationals' property between January 1, 1952 and October 27, 1976. Initial decisions on most of the claims had been issued by the

Office of the Legal Adviser in the Department of State, following entry into force of the U.S.-Egyptian Claims Settlement Agreement of 1976. (TIAS 8446, entered into force October 27, 1976.) However, to expedite distribution of the amounts remaining from the original \$10 million paid to the United States under the agreement, the Legal Adviser requested, by letter dated May 11, 1989, that the Commission take jurisdiction over the claims and determine the claimants' entitlement to share proportionately in those remaining funds. In most of the claims, this was accomplished by issuance of awards of interest, which had not been included in the awards made by the Department of State.

During the course of the program, the Commission issued decisions on a total of 85 claims, out of which 83 were found to be compensable. In these, it made awards, including principal and interest, in the total amount of \$5,189,236.64.

(h) Cuba - Second Program

By letter dated July 15, 2005, Secretary of State Condoleezza Rice requested the Commission to conduct a Second Cuban Claims Program. This letter is reprinted on page 16 of the Commission's Annual Report to Congress for 2005 (2005 FCSC Ann. Rep. 16). As specified in the Secretary's letter, the purpose of the program was to effect the adjudication and certification by the Commission of claims for uncompensated taking of United States nationals' property by the Cuban government that arose after May 1, 1967, and were not adjudicated in the Commission's original Cuban Claims Program, conducted between 1965 and 1972. (See Section III, subsection A.5(b), below.) The Commission published notice of the commencement of the claims program in the *Federal Register* on August 11, 2005 (70 F.R. 46890), in accordance with its usual procedures, and set a filing period of six months and a program length of twelve months, as specified in the Secretary's letter. The notice announced that the filing deadline was February 13, 2006, and that the program would end on August 11, 2006.

During the six-month filing period, the Commission received a total of five claims, and denied three of them because they failed to meet the criteria set out in the Secretary of State's

referral letter. The other two claims did meet those criteria, and after careful review the Commission issued Proposed Decisions certifying the two claims as valid in the total principal amounts of \$51,128,926.95 and \$16,000.00, respectively. Neither of the claimants objected to these Proposed Decisions, and they were accordingly entered as final. As the program ended in August, the Commission then certified these two claims to the Secretary of State, for use eventually in negotiation of a lump-sum claims settlement agreement with the Cuban government.

2. Title II

Vesting of Assets of Bulgaria, Hungary, and Romania

Title II of the Act provided for the vesting and liquidation of enemy assets which had been blocked by the United States during World War II, and for the deposit of the proceeds into separate special funds, according to the respective government ownership of those assets prior to blocking. Pub. L. 285, 84th Congress, approved August 9, 1955, Title II, 69 Stat. 562 (22 U.S.C. 1631). The proceeds were deposited into funds by the Department of the Treasury which were designated the Bulgarian Claims Fund, the Hungarian Claims Fund, and the Romanian Claims Fund, for payments on awards granted by the Commission in claims against those governments under Title III of the Act. (See subsection 3, below.)

3. Title III

(a) Bulgaria, Hungary, and Romania - First Programs

Title III of the Act authorized the Commission to consider claims of nationals of the United States for losses arising out of war damages, nationalization, compulsory liquidation, or other taking of property prior to August 9, 1955, by the Governments of Bulgaria, Hungary, and Romania. Pub. L. 285, 84th Congress, Title III, approved August 9, 1955, 69 Stat. 570 (22 U.S.C. 1641). The Commission was also authorized to consider claims of nationals of the United States for losses based on the failure of those governments to meet certain debt obligations expressed in the

currency of the United States. Payments on the awards granted in these claims were made from the appropriate claims funds created under Title II of the Act. (See subsection 2, above.) The amounts available from these funds for payments were: Bulgarian Claims Fund - \$2,676,234.49; Hungarian Claims Fund - \$2,235,750.65; and Romanian Claims Fund - \$20,164,212.68. The Bulgarian, Hungarian, and Romanian Claims Programs were completed on August 9, 1959.

(b) Bulgaria and Romania - Second Programs

On July 2, 1963, the United States concluded a formal claims settlement agreement with the Government of Bulgaria. Under that agreement, the Government of Bulgaria paid the sum of \$400,000 in settlement of claims of nationals of the United States. This amount was deposited into the Bulgarian Claims Fund to supplement the amount derived from the prior liquidation of Bulgarian assets for payments on awards granted by the Commission in both Bulgarian claims programs. (See subsections 2 and 3(a), above.)

On March 30, 1960, the United States concluded a formal claims settlement agreement with the Government of Romania. That agreement provided for the payment of the sum of \$2.5 million in settlement of claims of nationals of the United States. This \$2.5 million was deposited into the Romanian Claims Fund to supplement the amount derived from the prior liquidation of Romanian assets for payments on awards granted by the Commission in both Romanian claims programs. (See subsections 2 and 3(a), above.)

An amendment to Title III of the Act authorized the Commission to consider claims against Bulgaria and Romania which arose after the first programs were authorized (see subsection 3(a), above) but prior to the conclusion of the claims settlement agreements with the governments of those countries. Pub. L. 90-421, approved July 24, 1968, 82 Stat. 420 (22 U.S.C. 1641). Those programs could not be administered under the authority of section 4(a) of Title I of the Act, for the United States had declared the existence of a state of war during World War II against those

countries. The second Bulgarian and Romanian Claims Programs were completed on December 24, 1971, as required by the statute.

(c) Hungary - Second Program

On March 6, 1973, the United States concluded a formal claims settlement agreement with the Government of Hungary under which that government agreed to pay the sum of \$18.9 million, to be paid in installments, in settlement of claims of nationals of the United States. These payments were deposited into the Hungarian Claims Fund to supplement the amount derived from the prior liquidation of Hungarian assets for payments on awards granted by the Commission in both Hungarian claims programs. (See subsections 2 and 3(a), above.) The final installment payment was made on June 9, 1980.

As in the second programs for Bulgaria and Romania, the Commission did not have the statutory authority to implement this claims agreement by administering a claims program under section 4(a) of Title I of the Act, for the United States had declared the existence of a state of war against the Government of Hungary during World War II. Under an amendment to Title III of the Act, Congress authorized the Commission to determine claims of nationals of the United States against the Government of Hungary based on nationalization or other taking of property between August 9, 1955, the date on which the first Hungarian Claims Program was approved, and March 6, 1973, the date of the agreement with Hungary. Pub. L. 93-460, approved October 20, 1974, 88 Stat. 1386 (22 U.S.C. 1641). The Commission was also authorized to adjudicate certain claims which should have been filed in the first Hungarian Claims Program, but were not, due to an administrative error which caused notices of that program to be mailed to non-existent addresses. The second Hungarian Claims Program was completed on May 16, 1977.

(d) Italy - First Program

Title III of the Act also authorized the Commission to consider claims of nationals of the United States against Italy for losses resulting from war damages during World War II sustained

in areas outside of Italy and outside of the territories ceded by Italy under the Treaty of Peace concluded on September 15, 1947. (Claims for losses arising from war damages sustained within Italy and within the territories ceded by Italy were compensated by Italy under the Treaty of Peace.) By an amendment to Title III, the Commission was authorized to reconsider claims filed by persons who were nationals of the United States on the date of authorization of the claims program, although not nationals of the United States on the date of the losses upon which their claims were based. Pub. L. 85-604, approved August 8, 1958, 72 Stat. 531 (22 U.S.C. 1641). Awards in these claims by the Commission were paid out of the Italian Claims Fund. That fund was established with the sum of \$5 million paid to the United States by the Government of Italy, pursuant to a Memorandum of Understanding concluded by the two governments which became effective on August 14, 1947. The Italian Claims Program was completed on August 9, 1959, as required by the statute. Reconsideration of the Italian claims was completed on May 31, 1960.

(e) Italy - Second Program

The second Italian Claims Program was administered pursuant to an amendment to Title III of the Act as, in effect, an extension of the first Italian Claims Program (see subsection 3(d), above). Pub. L. 90-421, approved July 24, 1968, 82 Stat. 420 (22 U.S.C. 1641). The Commission was authorized to consider claims of United States nationals who were eligible to file in the first Italian Claims Program, but who failed to file, as well as claims of United States nationals against Italy which arose in certain areas ceded by Italy under the Treaty of Peace, including the Dodecanese Islands. Excluded from consideration were claims of persons who had previously received compensation in the first Italian Claims Program or under the Treaty of Peace with Italy. Payments on awards granted by the Commission in this program were made from the balance remaining in the Italian Claims Fund following payment of the awards granted in the first Italian Claims Program. This second program was completed on December 24, 1971.

(f) Soviet Union

Between 1956 and 1959, the Commission also administered a Soviet Claims Program pursuant to provisions of Title III of the Act. Those provisions authorized the Commission to consider claims of nationals of the United States arising prior to November 16, 1933, against the Soviet Government, and claims of United States nationals based on liens held on property in the United States assigned to the United States Government by the Government of the Union of Soviet Socialist Republics under the Litvinov Assignment of November 16, 1933. This program was completed on August 9, 1959.

Partial payments on awards in these claims were made out of the proceeds derived from liquidation of the assets acquired by the United States under the Litvinov Assignment. The funds so derived totaled \$8,658,722.43. The balance of the awards, however, remains unpaid and outstanding, pending conclusion of a final claims settlement agreement between the United States and what are now the republics of the former Soviet Union.

4. Title IV

Czechoslovakia - First Program

Upon enactment of Title IV of the Act, the Commission commenced a program to determine claims of nationals of the United States against the Government of Czechoslovakia based upon losses resulting from the nationalization or other taking of property by that government. Pub. L. 85-604, approved August 8, 1958, 72 Stat. 527 (22 U.S.C. 1642). The funds for payment of awards granted by the Commission in these claims were derived initially in 1952 from the sale of certain Czechoslovakian assets in the United States which amounted to \$8,540,768.41. Subsequently, an additional claims fund in the amount of \$74,550,000 was obtained through conclusion of a claims settlement agreement with Czechoslovakia in 1982. (For information concerning the Commission's Second Czechoslovakian Claims Program, see subsection C.3, below.)

5. Title V

(a) China - First Program

The first China Claims Program was administered pursuant to an amendment to Title V of the Act. Pub. L. 89-780, approved November 6, 1966, 80 Stat. 1365 (22 U.S.C. 1643). That amendment authorized the Commission to determine claims of nationals of the United States against the Government of the People's Republic of China (PRC) based on: (1) losses resulting from the nationalization, expropriation, intervention, or other taking of, or special measures directed against, property by that government; and (2) the disability or death of nationals of the United States resulting from actions taken by or under the authority of that government. The program covered claims for losses which occurred between October 1, 1949, when the PRC government ascended to power, and November 6, 1966, the date the program was authorized.

When the program was authorized, no funds were available with which to make payment on the claims. The statute provided only for the determination of the validity and amounts of such claims, and the certification of the Commission's findings to the Secretary of State for use in the future negotiation of a claims settlement agreement with the Government of the People's Republic of China. The first China Claims Program was completed on July 6, 1972.

Subsequently, on May 11, 1979, the Governments of the United States and the People's Republic of China concluded a formal claims agreement settling claims of nationals of the United States which arose between October 1, 1949, and the date of the agreement. Pursuant to the provisions of this agreement, the Government of the People's Republic of China agreed to pay \$80.5 million to the United States for deposit in a China Claims Fund established by the Department of the Treasury. Under the agreement, the schedule of payments to the Department of the Treasury provided for an initial payment of \$30 million on October 1, 1979 and five annual payments of \$10.1 million on October 1 of

each year thereafter, beginning in 1980 and ending in 1984. Pursuant to the statutory payment provisions in section 8 of Title I of the Act, payments were made from the China Claims Fund by the Department of the Treasury on the losses certified in this program, and also on the awards certified in the second China Claims Program. (See subsection 1(e) above.)

(b) Cuba - First Program

Title V of the Act also authorized the Commission to consider claims of nationals of the United States against the Government of Cuba, based upon: (1) losses resulting from the nationalization, expropriation, intervention, or other taking of, or special measures directed against, property by that government; and (2) the disability or death of nationals of the United States resulting from actions taken by or under the authority of that government. Pub. L. 88-666, approved October 16, 1964, 73 Stat. 1110 (22 U.S.C. 1643). The program covered claims for losses which occurred between January 1, 1959, when the Castro regime took power, and October 16, 1964, the date the program was authorized.

When the program was authorized, there were no funds available with which to make payment on the claims, and the statute precluded Congress' appropriation of funds for such payments. In this case as well, the statute provided only for the determination of the validity and amounts of such claims, and for the certification of the Commission's findings to the Secretary of State for use in the future negotiation of a claims settlement agreement with the Government of Cuba. The Cuban Claims Program was completed on July 6, 1972. The Commission adjudicated a total of 8,816 claims in the program, of which it found 5,911 to be compensable. The adjudicated total principal value of those claims was \$1,851,057,358.00.

6. Title VI

German Democratic Republic (East Germany)

Title VI of the Act authorized the Commission to receive and determine claims against the German Democratic Republic

(GDR) for losses which arose from the nationalization, expropriation or other taking by that government of property interests of nationals of the United States. Pub. L. 94-542, approved October 18, 1976, 90 Stat. 2509 (22 U.S.C. 1644). When the program was authorized, no funds were available for payment of the awards issued by the Commission. The program was completed on May 16, 1981.

The Department of State subsequently conducted negotiations with the GDR -- and, after unification, with the Federal Republic of Germany -- to obtain a claims settlement providing funds for payment of the Commission's awards. Those negotiations culminated in the signing of a settlement agreement on May 13, 1992, in which Germany assented to payment of up to \$190 million to settle and discharge the claims against it. Its initial payment was \$160 million, with up to an additional \$30 million to be paid if needed. The agreement allowed claimants to elect either to accept payment of their Commission awards or to waive their right to payment in order to pursue claims for their properties under German law. See 1992 FCSC Ann. Rep. 87.

In April 1997, the United States and Germany exchanged diplomatic notes reflecting the resolution of all but five of the subject claims, and fixing the "final transfer amount" at \$102,010,961.47. The balance of the \$160 million initial payment was returned to Germany, with the remaining five cases to be "resolved by mutual agreement."

7. Title VII

Vietnam

On February 25, 1986, the Commission completed a program to determine the validity and amount of claims of United States nationals against the Socialist Republic of Vietnam arising from the nationalization or other taking of property on or after April 29, 1975, when the Government of the Republic of Vietnam (South Vietnam) was overthrown. The program was authorized under Title VII of the Act. Pub. L. 96-606, approved December 28, 1980, 94 Stat. 3534 (22 U.S.C. 1645). The Commission made

determinations on 534 claims, granting awards to 192 claimants in the total principal amount of \$99,471,983.51. A claims settlement agreement was concluded with the Socialist Republic of Vietnam on January 28, 1995, which provided funds in the total amount of \$203,504,248.00 for payment of the principal amount of the awards plus interest at the effective rate of approximately 4.8 percent simple interest per annum running from the dates the respective claims arose to the date of the agreement.

B. Claims Under The War Claims Act of 1948

1. Title I

Pursuant to Title I of the War Claims Act of 1948 (Pub. L. 896, 80th Congress, approved July 3, 1948, 62 Stat. 1240 (50 U.S.C. App. 2001)), and amendments thereto, the Commission and its predecessor, the War Claims Commission, were authorized to administer ten prisoner-of-war and civilian internee compensation programs and four war damage and loss compensation programs:

- (1) Claims of American citizens who were interned or in hiding in specified areas in the Pacific during World War II (Sec. 5(a) of the Act (50 U.S.C. App. 2004(a)));
- (2) Claims of members of the Armed Forces of the United States who were imprisoned by the enemy during World War II and who were not fed in accordance with the standards prescribed by the Geneva Convention of July 27, 1929 (Sec. 6(b) of the Act (50 U.S.C. App. 2005(b)));
- (3) Claims of religious organizations in the Philippines or their personnel for goods and services furnished to civilian American internees and members of the Armed Forces of the United States who were held as prisoners of war during World War II (Sec. 7(a) of the Act (50 U.S.C. App. 2006(a)));
- (4) Claims of members of the Armed Forces of the United States who were mistreated while imprisoned by the enemy during World War II (Sec. 6(d) of the Act (50 U.S.C. App. 2005(d)));

(5) Claims of United States-affiliated religious organizations in the Philippines for damage or destruction of educational, medical and welfare institutions and other connected non-religious facilities during World War II (Sec. 7(b-c) of the Act (50 U.S.C. App. 2006(b-c)));

(6) Claims of civilian American employees of contractors interned by the Japanese forces during World War II (Sec. 5(f) of the Act (50 U.S.C. App. 2004(f)));

(7) Claims of civilian American internees in Korea during the Korean conflict (Sec. 5(g) of the Act (50 U.S.C. App. 2004(g)));

(8) Claims of members of the Armed Forces of the United States captured during the Korean conflict (Sec. 6(e) of the Act (50 U.S.C. App. 2005(e)));

(9) Claims of Americans who were captured and held as prisoners of war while serving in the Allied Forces during World War II (Sec. 15 of the Act (50 U.S.C. App. 2014));

(10) Claims of American merchant seamen interned during World War II (Sec. 16 of the Act (50 U.S.C. App. 2015));

(11) Claims of American citizens and business entities for losses as a result of the sequestration of accounts, deposits and other credits in the Philippines by the Imperial Japanese Government (Sec. 17 of the Act (50 U.S.C. App. 2016));

(12) Claims of non-United States affiliated religious organizations in the Philippines of the same denomination of religious organizations functioning in the United States or their personnel for the value of relief furnished American civilians and prisoners of war and for damage or loss of educational institutions and other connected non-religious facilities during World War II (Sec. 7(h) of the Act (50 U.S.C. App. 2006(h)));

(13) Claims based upon the death or imprisonment of Guamanians by the Japanese forces on Wake Island during World War II (Sec. 5(h) of the Act (50 U.S.C. App. 2004(h)); and

(14) Claims of military and civilian personnel assigned to duty on board the U.S.S. Pueblo who were captured by the military forces of North Korea on January 23, 1968, and thereafter imprisoned by the Government of North Korea (Sec. 6(e) of the Act (50 U.S.C. App. 2005(e))).

2. Title II

Under the authority of Title II of the Act (Pub. L. 87-846, approved October 22, 1962, 76 Stat. 1107 (50 U.S.C. App. 2017)), the Commission administered the General War Claims Program. In this program, the Commission determined claims of nationals of the United States for loss or destruction of, or physical damage to, property located in certain specified areas of Europe and the Pacific and for certain deaths and personal injuries resulting from military operations during World War II. Section 615 of Public Law 94-542, approved October 18, 1976, allowed consideration of protests relating to awards in decisions on these claims issued during the last ten calendar days of the program (May 7-17, 1967).

* * * * *

All of the above programs were completed by the dates specified by Congress in the authorizing statutes. Citations to reports and statistics on the programs are included in Sections V and VI of this Annual Report.

Funds for the payment of claims and administrative expenses in all but three of the programs conducted under the War Claims Act were derived from the liquidation of Japanese and German assets under the control of the Attorney General of the United States (which had been blocked and vested in the United States during World War II under the Trading With the Enemy Act), rather than from monies appropriated from the general revenues of the United States. These funds were deposited in the War Claims Fund, a special fund established in the Department of the Treasury for this purpose. The three exceptions mentioned above were the programs for compensation of prisoner-of-war and civilian internee claims arising from the Korean conflict and from

the U.S.S. Pueblo incident. Funds for payment of claims and expenses of these programs were appropriated by the Congress.

C. Claims Under Other Statutory Authority

1. Philippines

The Commission was authorized to administer a Philippine Claims Program pursuant to Public Law 87-616, approved August 30, 1962, 72 Stat. 411 (50 U.S.C. App. 1751-1785 note). This statute provided for the recertification of the unpaid balances of awards previously granted by the United States-Philippine War Damage Commission under the Philippine Rehabilitation Act of 1946. This program was completed on December 23, 1964.

2. Lake Ontario

Public Law 87-587, approved August 15, 1962 (76 Stat. 387), gave the Commission the unique assignment of conducting a program to determine the validity and amounts of claims of citizens of the United States for damages caused during 1951 and 1952 by the Government of Canada's construction and maintenance of the Gut Dam in the Saint Lawrence River. The Commission's responsibility was to adjudicate the claims and report its findings and conclusions to the President of the United States for such action as he might deem appropriate. The statute further provided that, if an agreement was concluded between the Governments of the United States and Canada for arbitration or adjudication of these claims, the Commission would discontinue its activities and transfer its records to the Secretary of State.

The program was commenced in November 1962 and extensive research and development of claims was conducted. However, an agreement with Canada was concluded in March 1965 and, as directed by the statute, the Commission immediately discontinued the program and transferred its records to the Department of State.

3. Czechoslovakia - Second Program

In 1962, the Commission completed the first Czechoslovakian Claims Program, in which it adjudicated claims by United States nationals arising between January 1, 1945, and August 8, 1958. (See subsection A.4, above.) On December 29, 1981, Congress enacted the Czechoslovakian Claims Settlement Act of 1981 (Public Law 97-127, 95 Stat. 1675 (22 U.S.C. note prec. 1642)), approving a claims settlement agreement which had been reached between the United States and Czechoslovakia. Under that agreement, the Government of Czechoslovakia paid to the United States a total of \$81.5 million in settlement of all claims which had arisen up to the date of the agreement.

The claims statute directed that three funds be created out of the total settlement amount. The first fund, amounting to \$74.55 million, was set aside to make further payments on the unpaid balance of awards made in the previous program. A second fund of \$5.4 million was set aside to make *ex gratia* payments to certain claimants whose claims had previously been denied due to their lack of United States citizenship on the date of loss. The Commission was directed to redetermine the claims of those claimants and to find them valid if the owner of the confiscated property had become a United States citizen by February 26, 1948. This was referred to informally as the "Beneš" claims program, because the claims at issue in it had originally arisen during the term of the socialist Czech president Edouard Beneš. A third fund in the amount of \$1.5 million was set aside to pay claimants who had suffered losses subsequent to August 8, 1958, and the Commission was directed to conduct a program to determine such claims. This program was completed on February 24, 1985.

4. Iran

On May 13, 1990, the United States concluded an agreement with the Government of Iran providing for the lump-sum settlement of claims of United States nationals against Iran of under \$250,000 per claim (the "small claims"), which had been pending against Iran at the Iran-U.S. Claims Tribunal ("the Tribunal") at

The Hague, Netherlands. *Settlement Agreement in Claims of Less Than \$250,000, Case No. 86 and Case No. B38* (the "Settlement Agreement"). The claimants had filed these claims through the Department of State following the signing of the Algiers Accords by the United States and Iran on January 19, 1981.

To ensure that the Commission would be able to implement an agreement settling the small claims, Congress had enacted legislation in 1985 giving the Commission standby jurisdiction to adjudicate the claims once an agreement was reached. Pub.L. 99-93, approved August 16, 1985, 99 Stat. 437 (50 U.S.C. 1701 note). That jurisdiction became effective once the Settlement Agreement was approved by the Tribunal, which took place on June 22, 1990. Iran-U.S. Claims Tribunal Award No. 483.

In addition to the unresolved small claims, the agreement covered a block of small claims that the claimants had withdrawn from the Tribunal, a second block that the Tribunal had dismissed for lack of jurisdiction, and a third block that had been filed with the Department of State too late to meet the January 19, 1982, filing deadline at The Hague. Also included were certain claims of the United States based on loans from the U.S. Agency for International Development (AID) to the Imperial Government of Iran. Under the terms of the agreement, Iran assented to the transfer of \$105 million to the United States in en bloc settlement of all of these categories of claims.

On June 28, 1990, the Department of State formally transferred responsibility for the small claims to the Commission, as provided in the Settlement Agreement, and began transferring the files pertaining to the claims from The Hague to Washington. In addition, the Department issued a formal determination dividing the settlement fund between the small claims and the AID loan claims, allocating \$50 million to the former and \$55 million to the latter.

By the close of the Iran Claims Program in February 1995, the Commission had issued 1,066 awards totaling \$41,570,936.31 in principal and \$44,984,859.31 in interest. A total of 578 claims were dismissed, either at the request of claimants or because,

despite the Commission's best efforts, the claimants could not be located. The remaining 1,422 claims were denied.

Through investment in Treasury securities, the compensation fund (initially \$50 million) had grown to \$57,822,758.78 by the end of the claims program. However, since the aggregate total of the principal and interest awards amounted to over \$86 million, the interest awards were paid on a pro rata basis, amounting to 34.9602595 percent of each claimant's interest award. By May 1995, the payment process had been substantially completed. The Commission published its final report on the claims program in its 1995 Yearbook. 1995 FCSC Yearbook 5-9.

5. Holocaust Survivors Claims Program

The Commission conducted the Holocaust Survivors Claims Program pursuant to a September 1995 agreement between the United States and the Federal Republic of Germany settling the claims of certain individuals who, as United States nationals, suffered "loss of liberty or damage to body or health" through persecution by the German Nazi regime. *Agreement Between the Government of the United States of America and the Government of the Federal Republic of Germany Concerning Final Benefits to Certain United States Nationals Who Were Victims of National Socialist Measures of Persecution*, September 19, 1995. The Commission was granted authority to implement the agreement and conduct the program on January 26, 1996, upon enactment of Public Law 105-99 (22 U.S.C. 1644 note).

The Commission began receiving claims in the spring of 1996 and in 1997 it issued a Proposed Decision and a Final Decision setting forth its findings and conclusions on the scope of the program; these are reprinted in its 1997 Yearbook. By September 19, 1997, the Commission had issued individual Proposed Decisions on all of the claims received in the program, and by the end of February 1998 it had issued Final Decisions on all of the objections to those Proposed Decisions. In March 1998, the Commission then certified the decisions issued in the program to the Secretaries of State and Treasury, in accordance with the claims statute. Following this certification, the Department of State

began negotiations with the Government of the Federal Republic of Germany to obtain a lump-sum settlement of the claims found compensable in the Commission's program. In December 1998 the United States and Germany succeeded in concluding an agreement in principle on a settlement. The agreement was subsequently implemented via an exchange of diplomatic notes and made public on January 25, 1999. These notes were reprinted in the Commission's 1999 Annual Report (1999 FCSC Ann. Rep. 8).

The agreement provided for a lump-sum payment by Germany to the United States of 34.5 million Deutsche Marks (approximately \$18.5 million), to be made as soon as funds in that amount were appropriated by the German Parliament. The actual transfer of the funds subsequently took place on June 7, 1999, and the Department of the Treasury immediately began the process of disbursing award payments to the eligible claimants.

Under both the terms of the Commission's jurisdictional statute and the terms of the U.S.-German diplomatic exchanges, the identities of individual claimants, the number of claims received and awarded, and the amounts of the individual awards may not be publicly disclosed. Accordingly, this program is not included in the index and tables that appear in Sections V and VI of this report.

SECTION IV: POSSIBLE FUTURE PROGRAMS

A. Claims Against Iraq

As reported above, no appreciable progress was made during 2008 to authorize the Commission to adjudicate claims of U.S. nationals against Iraq. Thus, as the year ended, there was still no forum for the resolution of claims against Iraq which fell outside the jurisdiction of the United Nations Compensation Commission. The Commission continues to maintain a database containing the names and addresses of individuals and corporations with potential claims against Iraq which it initiated in 1996, named the Registration of Potential Claims Against Iraq. The Commission remains prepared to conduct an Iraq claims adjudication program immediately upon its receipt of authority to do so.

B. Advisory Program

Under the Foreign Assistance Act of 1961, as amended by Pub. L. 88-205, approved December 16, 1963, 77 Stat. 386 (22 U.S.C. 2370), (the "Hickenlooper Amendment"), the President is authorized to suspend assistance to the government of any country which on or after January 1, 1962, has nationalized or expropriated the property of United States nationals, taken steps to repudiate or annul contracts with United States nationals, or imposed discriminatory taxation or restrictive conditions having the effect of seizing ownership or control of property of United States nationals, and has failed to take appropriate steps to discharge its obligations under international law.

The Hickenlooper Amendment extends the jurisdiction of the Commission from determination and adjudication of claims to an advisory capacity in the area of foreign expropriations and other seizures of American-owned property. Under the amendment, the Commission is authorized, upon the request of the President, to evaluate expropriated property, determine the full value of any property nationalized, expropriated, seized, or subjected to discriminatory actions, and to render an advisory report to the President within ninety days after such request. Unless authorized

by the President, the Commission may not publish its advisory report except to the citizen or entity owning the property at issue.

C. Guam War Claims

The Foreign Claims Settlement Commission's (FCSC's) participation in the work of the Advisory Committee set up by the Department of the Interior under the Federal Advisory Committee Act, known as the Guam War Claims Review Commission, is described and discussed at length in the FCSC's Annual Reports to Congress for 2003 and 2004 (2003 FCSC Ann. Rep. 7 and 2004 FCSC Ann. Rep. 7).

In 2005, a bill (H.R. 1595) was introduced in the House of Representatives to authorize the FCSC to conduct a supplemental war claims compensation program on Guam, and hearings on the bill were held by the House Committee on Resources. In addition, the House Committee on the Judiciary held a markup session on it in June 2006. Both committees eventually reported the bill to the House floor, and it was passed by the House of Representatives in October 2007. However, no action was taken on it in the Senate for the remainder of the 110th Congress.

The Guam War Claims Review Commission's report can be accessed on the Internet at the following URL: www.doi.gov/oa/Stories/warclaim/finalwarclaimrpt/Gumwarclaimsum.htm. The FCSC was pleased to have the opportunity to lend its expertise, experience, and resources to assist the Department of the Interior in carrying out this important project.

SECTION V: COMPLETED PROGRAMS INDEX

A. International Claims Settlement Act of 1949

Claims Against	Title of Act	Statutory Authority	
		Public Law	Title 22, U.S. Code
Bulgaria			
- First Program	III	285, 84th Cong.	1641b
- Second Program	III	90-421	1641b
China			
- First Program	V	89-780	1643
- Second Program	I	455, 81st Cong.	1623(a)
Cuba	V	88-666	1643
Czechoslovakia*	IV	85-604	1642
Egypt	I	455, 81st Cong.	1623(a)
Ethiopia	I	455, 81st Cong.	1623(a)
German Democratic Republic	VI	94-542	1644
Hungary			
- First Program	III	285, 84th Cong.	1641b
- Second Program	III	93-460	1641b
Italy			
- First Program	III	285, 84th Cong.	1641c
- Second Program	III	90-421	1641c
Panama	I	455, 81st Cong.	1623(a)
Poland	I	455, 81st Cong.	1623(a)
Romania			
- First Program	III	285, 84th Cong.	1641b
- Second Program	III	90-421	1641b
Soviet Union	III	285, 84th Cong.	1641d
Vietnam	VII	96-606	1645
Yugoslavia			
- First Program	I	455, 81st Cong.	1623(a)
- Second Program	I	455, 81st Cong.	1623(a)

*The Second Czechoslovakian Claims Program was authorized by the Czechoslovakian Claims Settlement Act of 1981. See C. Under Other Statutory Authority, below.

B. War Claims Act of 1948

Type of Claim	Section of Act	Statutory Authority	
		Public Law	Title 50, U.S. Code App.
A. CIVILIAN INTERNEE			
Korean Conflict	5(g)	615, 83rd Cong.	2004(g)
U.S.S. Pueblo Incident	6(e)	91-289	2005(e)
Vietnam Conflict	5(i)	91-289	2004(i)
World War II (Pacific area)			
- Guamanians (Wake I.)	5(h)	87-617	2004(h)
- U.S. Citizens	5(a)	896, 80th Cong.	2004(a)
- Employees of Contractors	5(f)	744, 83rd Cong.	2004(f)
World War II (Worldwide)			
- Merchant Seamen	16	744, 83rd Cong.	2015
B. DAMAGE OR LOSS OF PROPERTY			
World War II (Philippines)			
- Bank Accounts	17	744, 83rd Cong.	2016
- Religious Organizations			
- Non-U.S. Affiliated	7(h)	997, 84th Cong.	2006(h)
- U.S. Affiliated Aid to U.S. Armed Forces	7(a)	896, 80th Cong.	2006(a)
- Educational & Other non-Religious Facilities	7(b-c)	303, 82nd Cong.	2006(b-c)
World War II General	202	87-846 *(94-542)	2017(a) *(2017i,j, note)
C. PRISONER OF WAR			
Korean Conflict	6(e)	615, 83rd Cong.	2005(e)
U.S.S. Pueblo Incident	6(e)	91-289	2005(e)
Vietnam Conflict	6(f)	91-289	2005(f)
World War II U.S. Armed Forces			
- Inadequate food rations	6(b)	896, 80th Cong.	2005(b)
- Inhumane treatment	6(d)	303, 82nd Cong.	2005(d)
U.S. Citizens Allied Armed Forces	15	744, 83rd Cong.	2014

*Authorized protest period for claims decisions issued during last ten days of General War Claims Program.

C. Under Other Statutory Authority

Title of Claims Program	Statutory Authority	
	Public Law	U.S. Code
Iran	99-93	50 U.S.C. 1701 note
Lake Ontario	87-587	
Philippine	87-616	50 U.S.C. App. 1751-1763 note
Second Czechoslovakian	97-127	22 U.S.C. note prec. 1642
Holocaust Survivors	105-99	22 U.S.C. 1644 note

SECTION VI: COMPLETED PROGRAM'S TABLE

A. International Claims Settlement Act of 1949 (Program Details)

Title/Country	Program Dates		No. of Awards	No. of Denials
	Filing Deadline	Completion		
Title I				
Yugoslavia-First	6/30/51	12/31/54	876	671
Yugoslavia-Second	1/15/68	7/15/69	519	1,354
Panama	8/4/52	12/31/54	62	5
Poland	3/31/62	3/31/66	5,022	5,147
China-Second	8/31/79	7/31/81	3	78
Ethiopia	9/30/86	9/30/87	27	18
Egypt	11/30/89	6/29/90	83	2
Title III				
Bulgaria-First	9/30/56	8/9/59	217	174
Bulgaria-Second	6/30/70	12/24/71	13	49
Hungary-First	9/30/56	8/9/59	1,153	1,572
Hungary-Second	5/15/75	5/16/77	365	1,159
Romania-First	9/30/56	8/9/59	498	575
Romania-Second	6/30/70	12/24/71	85	300
Italy-First	9/30/56	8/9/59	482	1,764
Italy-Second	6/30/77	12/24/71	90	324
Soviet Union	4/02/56	8/9/59	1,925	2,205
Title IV				
Czechoslovakia	9/15/59	9/15/62	2,630	1,346
¹ Czechoslovakia-Second				
- "Beneš" Claims	None	2/24/85	128	
- Post-1958 Claims	2/24/83	2/24/85	327	1,292
Title V				
Cuba	5/1/67	7/6/72	5,911	2,905
China-First	7/6/69	7/6/72	378	198
Title VI				
German Democratic Republic	5/16/78	5/16/81	1,899	1,999
Title VII				
Vietnam	2/25/83	2/25/86	192	342
Iran Claims Act				
Iran	6/22/90	2/24/95	1,066	² 2,000

¹Under an agreement signed on January 29, 1982, the Czechoslovakian Government paid \$81.5 million for settlement of all claims of U.S. nationals between January 1, 1945 and February 2, 1982. Under the Czechoslovakian Claims Settlement Act of 1981 (P.L. 97-127) Congress established a \$74.55 million fund for further payment of awards under Title IV and authorized the Commission to redetermine certain claims for losses of property owned by persons who became U.S. nationals on or before February 26, 1948, and to adjudicate claims for losses arising after August 8, 1958, the end of the period covered by the First Czechoslovakian Claims Program. Funds of \$5.4 million and \$1.5 million, respectively, were set aside by Congress for payment of these awards.

²Includes 578 claims that were ordered dismissed.

B. International Claims Settlement Act of 1949 (Awards and Payments)

Title/Country	Principal Amt. of Awards	Funds for Payment	Approx. % of Awards Paid
Title I			
Yugoslavia-First	\$18,417,113	\$17,000,000	91%
Yugoslavia-Second	\$9,685,093	\$3,500,000	36.1%
Panama	\$441,892	\$400,000	90%
Poland	\$100,737,682	\$40,000,000	33%
China-Second	\$176,455	¹ \$80,500,000	\$1,000 plus 39.03%
Ethiopia	\$14,387,511	\$7,000,000	\$1,000 plus 48.55%
Egypt	² \$5,885,369	\$10,000,000	100% of principal plus 81.13% of Interest
Title III			
Bulgaria-First	\$4,684,186	\$2,676,234	\$1,000 plus 69.71%
Bulgaria-Second	\$141,400	\$400,000	\$1,000 plus 69.71%
Hungary-First	\$58,277,458	\$2,235,751	³ \$1,000 plus 37%
Hungary-Second	\$3,729,228	\$18,900,000	³ \$1,000 plus 37%
Romania-First	\$60,011,348	\$20,164,213	\$1,000 plus 37.84%
Romania-Second	\$1,091,102	\$2,500,000	\$1,000 plus 37.84%
Italy-First	\$2,239,413	\$5,000,000	100% plus Interest (\$762,294)
Italy-Second	\$348,934	\$1,086,520	100% plus Interest (\$110,652)
Soviet Union	\$70,466,019	\$8,658,722	\$1,000 plus 9.717%
Title IV			
Czechoslovakia	⁴ \$113,645,205	\$8,540,768	\$1,000 plus 5.30%
		\$74,550,000	70.93%
Czechoslovakia- Second			
- "Benes" Claims	\$43,906,382	\$5,400,000	12.30%
- Post-1958 Claims	\$5,120,928	\$1,500,000	29.29%
Title V			
Cuba	\$1,851,057,358	(None)	
China-First	\$196,681,841	\$80,500,000	\$1,000 plus 39.03%
Title VI			
German Democratic Republic	\$77,880,353	\$102,010,961	100% of principal plus approx. 50% of Interest
Title VII			
Vietnam	\$99,471,984	\$203,504,248	100% of principal plus 80.30% of Interest
Iran Claims Act			
Iran	\$41,570,936	\$57,822,759	100% of principal plus 34.96% of Interest

¹Also covers awards issued in the First China Claims Program under Title V of the Act.

²Includes awards in the principal amount of \$5,767,610.34 issued by the Department of State before transfer of the claims to the Commission in 1989.

³\$1,000 plus 40% paid on war damage claims in which awards were granted in this program (38.5% from War Claims Fund).

⁴Includes both principal and interest, since payment priorities and limitations under this Title were based on the total amount of awards whereas such priorities and limitations under Titles I and III were based on prorated payments on principal amount of awards, prior to making payments on awards of interest. Breakdown of Czechoslovakia awards amount is: principal – \$72,614,634; interest – \$41,030,571.

C. War Claims Act of 1948 (Program Details)

Authority	Type of Claim	Filing Period
Title I §		
6(b)	Members of U.S. Armed Forces held as prisoners of war during World War II-\$1 per day for inadequate food rations.	1/30/50-3/31/52
5(a)	U.S. civilians interned by Japanese or in hiding in U.S. territories and possessions during World War II-\$60 per month	1/30/50-3/31/52
7(a)	U.S. affiliated religious organizations and personnel for reimbursement for aid furnished to U.S. Armed Forces and civilians during World War II in Philippines.	1/30/50-3/31/52
6(d)	Members of U.S. Armed Forces held as prisoners of war during World War II-\$1.50 per day for forced labor and inhumane treatment.	4/9/52-8/1/54
7(b-c)	U.S. affiliated religious organizations for damage or loss of educational and other non-religious facilities in Philippines during World War II.	4/9/52-8/1/54
6(e)	Members of U.S. Armed Forces held as prisoners of war during the Korean Conflict-\$2.50 per day.	8/21/54-8/21/55
5(g)	U.S. civilians interned or in hiding during Korean Conflict \$60 per month	8/21/54-8/21/55
5(f)	U.S. civilian employees of contractors interned by Japanese in U.S. Territories and possessions during World War II-\$60 per month.	8/31/54-8/31/55
15	U.S. citizens serving in Armed Forces of U.S. Allies held as prisoners of war during World War II-\$2.50 per day.	8/31/54-8/31/55
16	U.S. merchant seamen interned during World War II (not covered under Sec. 5(a))-\$60 per month	8/31/54-8/31/55
17	Sequestration of bank accounts of U.S. civilians, members of U.S. Armed Forces, U.S. business firms, and bank institutions in Philippines during World War II.	8/31/54-8/31/55
7(h)	Non-U.S. affiliated religious organizations in Philippines of same denomination of religious organizations functioning in U.S. for reimbursement for aid and damages as covered under Sec. 7(a-c).	8/6/56-2/6/57
5(h)	Detention benefits to Guamanians captured by Japanese on Wake Island during World War II-\$60 per month	8/31/62-2/28/63
6(e)	Civilians and members of U.S. Armed Forces assigned to U.S.S. Pueblo who were held as prisoners by North Korea-\$2.50 per day.	9/16/70-6/24/71
Title II §		
202	War damage or loss of property in certain Eastern European countries, and in territories occupied or attacked by Japanese forces during World War II; damage to ships; losses to insurers, and by passengers on ships	7/15/63-1/15/65 ¹ (11/8/76-2/7/77)

¹These dates represent protests and additional awards granted pursuant to Section 615 of Public Law 94-542, approved October 18, 1976.

D. War Claims Act of 1948 (Awards and Payments)

Authority	Number of Claims	No. of Denials	No. of Awards	Amount of Awards	Program Completed
Title I §					
6(b)	286,315	¹ 106,590	179,725	\$49,935,899	3/31/55
5(a)	23,000	13,740	9,260	\$13,679,329	3/31/55
7(a)	10,194	10,159	35	\$2,858,560	3/31/55
6(d)	254,228	75,328	178,900	\$73,492,926	3/31/55
7(b-c)	89	41	48	\$17,238,597	3/31/55
6(e)	9,877	427	9,450	\$8,874,458	8/21/56
5(g)	10	0	10	\$16,774	8/21/56
5(f)	2,968	746	2,222	\$4,082,086	8/31/56
15	266	59	206	\$335,836	8/31/56
16	385	214	171	\$333,594	8/31/56
17	3,626	459	3,167	\$10,570,917	8/31/56
7(h)	109	67	42	\$8,711,482	2/6/58
5(h)	35	0	35	\$91,782	12/31/63
6(e)	82	0	82	\$68,256	6/24/71
Title II §					
202	22,605	15,566	7,039	\$334,783,630	5/17/67
	² (4)	² (1)	² (3)	² (\$1,026,548)	² (3/4/77)
Totals, All Programs	613,789	223,396	390,392	\$526,100,674	

¹Many thousands of claims for prisoner-of-war compensation were filed by residents in U.S. possessions and territories occupied by enemy forces during World War II who were not officially listed as members of duly recognized units of the Armed Forces of the U.S. during World War II. Those claimants were ineligible to receive prisoner of war compensation, which accounts for the high number of disallowances.

²These dates, numbers, and amounts represent protests and additional awards granted pursuant to Section 615 of Public Law 94-542, approved October 18, 1976.

SECTION VII: LIST OF CHAIRMEN AND COMMISSIONERS

WHITNEY GILLILLAND, Chairman, August 6, 1954, to November 15, 1959

HENRY J. CLAY, August 6, 1954, to August 15, 1958

PEARL CARTER PACE, August 6, 1954, to November 30, 1959; **Chair**, December 1, 1959, to March 28, 1961

ROBERT L. KUNZIG, August 21, 1958, to January 19, 1961

THOMAS W.S. DAVIS, December 2, 1959, to March 28, 1961

EDWARD D. RE, Chairman, March 29, 1961, to February 27, 1968

LAVERN R. DILWEG, April 14, 1961, to January 2, 1968

THEODORE JAFFE, March 29, 1961, to October 21, 1971

LEONARD v. B. SUTTON, Chairman, March 28, 1968, to October 21, 1969

SIDNEY FREIDBERG, June 24, 1968, to August 24, 1970

LYLE S. GARLOCK, Chairman, February 25, 1970, to October 31, 1973; continued as Commissioner until July 30, 1975

KIERAN O'DOHERTY, June 22, 1972, to October 21, 1973

J. RAYMOND BELL, Chairman, November 1, 1973, to October 21, 1977

WILFRED J. SMITH, August 28, 1974, to October 21, 1979

ROBERT E. LEE, April 7, 1976, to October 21, 1978

RICHARD W. YARBOROUGH, Chairman, December 8, 1978, to October 21, 1981

FRANCIS L. JUNG, June 28, 1980, to December 6, 1981

RALPH W. EMERSON, December 31, 1980, to August 28, 1981

FRANK H. CONWAY, August 31, 1981, to November 2, 1994

J. RAYMOND BELL, Chairman, October 22, 1981, to September 6, 1983

JOSEPH W. BROWN, December 7, 1981, to March 15, 1988

BOHDAN A. FUTEY, Chairman, May 3, 1984, to May 27, 1987

ROBERT J. KABEL, March 15, 1988, to February 1, 1991

STANLEY J. GLOD, Chairman, August 12, 1988, to September 8, 1992

BENJAMIN F. MARSH, February 1, 1991, to November 3, 1994

JAMES H. GROSSMAN, Chairman, September 8, 1992, to November 26, 1993

DELISSA A. RIDGWAY, Chair, October 13, 1994, to May 28, 1998

JOHN R. LACEY, November 4, 1994, to December 31, 2000; **Chairman**, February 15, 2001, to December 20, 2001

LARAMIE F. MCNAMARA, January 12, 2001, to December 20, 2001

MAURICIO J. TAMARGO, Chairman, February 6, 2002, to present

RICHARD T. WHITE, November 3, 1994, to September 21, 2002

JEREMY H. GONZALEZ IBRAHIM, March 20, 2003, to March 2, 2006

STEPHEN C. KING, March 2, 2006, to present

RAFAEL E. MARTINEZ, May 28, 2008, to present