

(4) After "carrying out its functions" insert "with respect to each respective claims program authorized,".

Sec. 4. Section 505(a) of such Act (22 U.S.C. 1643d) is amended by inserting before the period at the end thereof a comma and the following: "or the Chinese Communist regime".

Sec. 5. Section 510 of such Act (22 U.S.C. 1643i) is amended by inserting "with respect to each respective claims program authorized" after "carrying out its functions".

Passed the Senate September 6, 1966.

Attest:

EMERY L. FRAZIER,

Secretary.

STATEMENT OF MR. FRED B. SMITH, GENERAL COUNSEL, TREASURY DEPARTMENT

S. 3675 would amend title V of the International Claims Settlement Act of 1949 (22 U.S.C. 1643 *et seq.*), as amended by P.L. 89-262, to authorize the Foreign Claims Settlement Commission to initiate a claims adjudication program for American claimants against Communist China on the same basis as the Cuban claims program authorized in title V. Specifically, the bill would empower the Foreign Claims Settlement Commission to determine the amount and validity of claims against the "Chinese Communist regime", arising since October 1, 1949, for losses resulting from the nationalization or other taking of property of nationals of the United States in violation of international law and claims for disability or death also arising out of violations of international law by the Chinese Communist regime. The bill does not provide for the payment of any claim awards.

The Treasury Department supports the enactment of S. 3675. We favored the enactment of the Cuban claims title (except for the provision authorizing the vesting of Cuban Government assets) and the recent amendments thereto (P.L. 89-262) in the belief that it would be desirable to determine the amount and validity of American claims against Cuba arising out of the Castro nationalizations while the facts and witnesses necessary to support these claims are still available and the necessary records intact. The Treasury favors the enactment of S. 3675 for these same reasons. The nationalizations of American property in mainland China took place 15 years ago. This is reason enough to begin a claims program so that American claimants against Communist China can submit their claims to a formal adjudication process. We defer to the State Department on any aspects of this bill that may involve foreign relations or foreign policy.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the Administration's program to the submission of this statement to your Committee.

NATIONAL FOREIGN TRADE COUNCIL, INC.,
New York, N.Y., September 29, 1966.

Hon. THOMAS E. MORGAN,
Chairman, Committee on Foreign Affairs,
House of Representatives, Washington, D.C.

DEAR SIR: The National Foreign Trade Council, Inc. is in support of the purposes of S. 3675, passed by the Senate on September 6, 1966, amending title V of the International Claims Settlement Act of 1949. As you know, the Act establishes a procedure for adjudicating claims of American nationals against the Government of Cuba looking toward the time when a settlement can be made with Cuba to provide compensation for such claims. This bill would add claims against the Communist Chinese regime to those to be so adjudicated.

The Council believes that in any future negotiations relating to the settlement of the private claims of U.S. nationals against the Communist Chinese regime the Department of State should be in a position to take into account compensation awards in definite amounts which will have been adjudicated by the Foreign Claims Settlement Commission.

The timely adjudication of claims by an independent agency, while records and witnesses are available, is further reason for the proposed legislation. Even in the case of losses in Communist China, now some seventeen years old, the evidence can undoubtedly be presented better now than at some indefinite time in the future.