

Mr. CAMERON. I am sorry the State Department has left, Mr. Chairman.

I note the footnote on this—this committee report that you referred to dated 1963—footnote 39 says the information was provided by the Department of State indicating the total claims were \$56 million. Have you discussed this with State as to where they came up with this figure?

Mr. SPRAGUE. Yes; we did. We didn't get the answer. We couldn't find out what the answer was.

Mr. CAMERON. I think it would be interesting, Mr. Chairman, for the committee—this is rather embarrassing it seems to me—I am a signatory to this report—if the State Department is giving us such obviously erroneous information.

Mr. ZABLOCKI. We will obtain that information for the record.

(The information is as follows:)

STATEMENT OF EXPLANATION FROM THE DEPARTMENT OF STATE ON FIGURES USED
TO ESTIMATE VALUE OF AMERICAN INVESTMENTS IN MAINLAND CHINA

While the Department has not been able to identify the official who provided the information to the Legislative Reference Service that the Department estimated the value of American business investments in Mainland China in 1949 at \$56 million, the figure corresponds to an estimate prepared by the Department of State as part of a study in an interagency intelligence program in May 1954. Other parts of that study are still classified.

The figure represented the Department's best estimate, based on information available to it in 1954, of the value of American business investments in Mainland China in 1949.

Mr. SPRAGUE. I hope the State Department doesn't think we are trying to embarrass them. We are just trying to make a point.

Mr. CAMERON. I am sure that they don't. I find it an embarrassment though to find I have my name signed to something which says \$56 million which obviously is in error. It would be very simple for anybody to realize that that would be too small a figure.

Mr. SPRAGUE. You made a point with a previous witness about making the public understand the cost of administering this claim ahead of other things. I would like to refer you to the report of this committee at the time they were considering the claims against Cuba.

On page 6, it says:

When after negotiations a total sum is determined for all losses of American property in Cuba and a settlement is agreed upon and paid, additional legislation will be required for authorization to pay such adjudicated claims and to deduct a percentage from the amount collected sufficient to fully reimburse the United States for administrative expenses on the adjudication of these claims.

Mr. CAMERON. I would like to suggest, Mr. Chairman, that the staff be directed to include such a comment in the committee report on this bill if it is reported.

Mr. ZABLOCKI. Without objection.

Mr. CAMERON. Mr. Sprague, I noticed when I was talking about some IRS agent agreeing with some claim that you may have taken or any claimant may have taken on his current tax returns with respect to expropriated property, you were shaking your head and saying I was wrong. Would you clarify that?

Mr. SPRAGUE. I shouldn't be doing such things.

Mr. CAMERON. Not at all. That is what we are here for, an exchange.