amended, presently provides for the deduction of 5% of any payment made on an award. Legislation enacted subsequent to Title I, i.e., Titles III and IV, provides instead for a direct deduction of 5% from each payment into the respective funds. This method lifts an extensive administrative burden from the Treasury Department.

Paragraph (2) of H.R. 9063 contains a provision comparable to section 302 of Title III and section 402(e) of Title IV, and provides for a direct 5 per cent deduction from any amounts covered, subsequent to the date of enactment of the proposed amendments, into any special fund created pursuant to section 8, including (1) the Polish Claims Fund; (2) the fund contemplated by the Yugoslav Claims Agreement of November 5, 1964, which calls for five annual payments of $700,000, to be completed in 1970, and (3) any other similar funds which may be established in the future.

Paragraph 3: Payments in Case of Legal Disability or Death

Paragraph (3) of the bill amends section 7(c)(1) of the Act which provides that the payment of awards may be made only to the persons entitled thereto, except in cases involving legal disability or death. Where the award does not exceed $500, requirements with respect to the appointment of a qualified executor or administrator may be waived and payment made to the person or persons found by the Comptroller General to be entitled thereto.

The proposed amendment would raise the limit in such cases from an award not in excess of $500 to one not in excess of $1,000. This change would make Title I conform to the present provisions of Title IV of the Act and will result in a more orderly and efficient disposal of claims.

Paragraph 4: Technical Amendments Relating to Claims Arising Under the Yugoslav Claims Agreement of 1948 and the Polish Claims Agreement of 1960

Paragraph (4) of the bill proposes technical changes in the language of subsection (c) of section 8 of the Act. These changes are made necessary by the proposed amendments to section 7(b). They are intended to assure retention, for historical purposes, of the basis for payments up to this time on awards under the Polish Claims Agreement of 1960, and under the Yugoslav Claims Agreement of 1948, on which further prorated payments are being made.

Paragraph 5: Payments Procedure

Paragraph (5) of the bill adds a new subsection (e) to section 8 of the Act to authorize the Secretary of the Treasury to make payments on awards certified by the Foreign Claims Settlement Commission with respect to claims included within the terms of the Polish Claims Agreement of 1960, the Yugoslav Claims Agreement of 1964, and any other similar agreement which may be concluded in the future.

The new subsection provides that payments are to be made in the following order of priority: (1) payment in the amount of $1,000 or in the principal amount of the award, whichever is less; (2) thereafter payments on a prorated basis on the unpaid principal balance of each remaining award; and (3) finally, payments on the unpaid balance of each award of interest on the same prorated basis.

The granting of authority to make periodic, prorated payments was recommended because the Polish and the Yugoslav Claims Agreements—and possibly some other agreements to be concluded in the future—do not call for a lump-sum settlement. In the case of Yugoslavia, payments into the claims fund will be made over a period of five years; in the case of Poland, 20 years. It should be noted, however, that the proposed amendment would make no change in the present 3rd round of Polish payments.

Paragraph 6: Reopening of Bulgarian and Rumanian Claims Programs

Paragraph (6) of the bill adds a new subsection (b) to section 302 of the Act to authorize the transfer into the Rumanian and Bulgarian claims funds of money received from those countries pursuant to the Claims Settlement Agreements of 1960 and 1963, respectively.

Inasmuch as the statute now provides that the Rumanian and Bulgarian Funds shall be comprised only of sums blocked, vested and transferred by the Attorney General under the Trading With the Enemy Act, the additional sums paid by Rumania and Bulgaria cannot be covered into the Funds. New subsection (b) provides the vehicle for accomplishing this purpose.

Paragraph 7: Technical Amendment

Paragraph (7) of the bill proposes a technical change in section 303 of the Act to permit the addition of a new paragraph (4), described below.

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