

The portion of the bill concerning Yugoslavia is therefore designed to create an appropriate Yugoslav fund in the Treasury against which awards by the Commission may be certified.

Another portion of the bill relates to the payment of attorneys' fees by claimants before the Commission. Under most of the statutes administered by the Commission, attorneys' fees are limited to payments not in excess of 10 percent of the payments on the awards.

However, under title I of the International Claims Settlement Act the Commission has the authority to designate the amount of attorneys' fees within the 10 percent perimeter. For the sake of uniformity, and because the Commission prefers to leave such matters between attorney and client, the bill proposes to modify the provisions of title I to be consistent with all other programs.

Most of the programs administered by the Commission provide for a 5-percent deduction to the general fund of the Treasury from the respective funds. This sum is designed to compensate the United States for the administrative costs incurred by the Commission and the Treasury Department.

However, title I provides that the 5 percent be deducted from each payment on each award certified to the Treasury by the Commission. The straight 5-percent deduction from the overall fund simplifies this procedure substantially and eliminates an extensive burden for the Treasury Department. It is therefore recommended that this change be adopted.

A further change in the present statute would permit payments on awards to be made to a legal representative of an awardee where the latter is deceased or under a legal disability.

The present requirement is that the award in such cases may not exceed \$500. The new proposal would increase this amount to \$1,000, eliminating the necessity for a probate of the estate.

Finally, the bill provides for an extension of the Italian claims program. This program was provided for under an agreement between the Italian Government and the U.S. Government negotiated in 1947.

This agreement, Madam Chairman, is referred to as the Lombardo Agreement. Under it the Italian Government paid to the United States a lump sum of \$5 million in settlement of all U.S. claims against it which were not provided for under the treaty of peace.

This program commenced on September 30, 1955. In 1958, the statute was amended to cover claims of persons who, though not U.S. citizens on the date of loss, had become so by August 9, 1955, the date of enactment of the statute. However, no provision was made for extending the filing period.

Therefore, the Commission could only consider claims in that category which had been timely filed but denied because the claimants failed to fulfill the nationality requirements.

The Italian program was completed on May 31, 1960, and there remains in the Italian claims fund a balance of \$1,088,000. There was no provision in the agreement for the return of the unexpended balance to Italy.

This portion of the bill proposes the disposition of the balance in the fund to persons whose claims were denied for late filing, late nationality, that is, persons not U.S. nationals at the time of loss but who had become so by August 9, 1955, and persons whose claims had been denied under local Italian legislation, the treaty of peace, and the program administered by the Commission.