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**APPROVED**  
JAN 2-1975

THE WHITE HOUSE  
WASHINGTON  
December 31, 1974

ACTION

Last Day: January 4

*Parted  
1/3  
To Archive  
1/3*

MEMORANDUM FOR THE PRESIDENT  
FROM: KEN COLE  
SUBJECT: Enrolled Bill H.R. 15229 - Tort Claims  
Involving Canal Zone Government in  
Republic of Panama

Attached for your consideration is H.R. 15229, sponsored by Representative Sullivan and six others, which would authorize the Canal Zone Government to settle and pay personal injury and death claims that arise in the Republic of Panama.

OMB recommends approval and provides additional background information in its enrolled bill report (Tab A).

Max Friedersdorf (Loen) and Phil Areeda both recommend approval.

RECOMMENDATION

That you sign H.R. 15229 (Tab B).





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DEC 27 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 15229 - Tort Claims Involving  
Canal Zone Government in Republic of Panama  
Sponsors - Rep. Sullivan (D) Missouri and 6 others

Last Day for Action

January 4, 1975 - Saturday

Purpose

Expands the authority of the Canal Zone Government to settle and pay claims for personal injury or death resulting from the actions of an employee of the Panama Canal Zone Government.

Agency Recommendations

Office of Management and Budget	Approval
Panama Canal Company	Approval
Department of the Army	Approval (Informally)
Department of Justice	No objection
Department of State	No objection

Discussion

The Canal Zone Government (Government) as an independent agency of the United States has the authority, under the Federal Tort Claims Act, to settle and pay claims for damage to or loss of property or personal injury or death as the



result of negligence or a wrongful act of an employee of the Government acting within the scope of his employment within the Canal Zone.

The Canal Zone Government has no authority under the Federal Tort Claims Act to settle claims arising in any foreign country, including the Republic of Panama. The Canal Zone Code was amended by Public Law 81-223 to grant authority to the Canal Zone Government to settle and pay claims arising in the Republic of Panama for property damage, but not for claims arising from personal injury or death. Currently such personal injury or death claims may be settled only by an Act of Congress or under a claims convention between the U.S. and Panama.

This bill would authorize the Canal Zone Government to settle and pay personal injury and death claims that arise in the Republic of Panama.

Acceptance of any such payment by a claimant would be final and would constitute a complete release by him of his claim against the U.S. or any employee involved in the matter. This bill, unlike the Tort Claims Act, would not give a claimant the right to resort to court adjudication of his claim or entitle him as a matter of right to an administrative settlement. It would merely give the Canal Zone Government the authority to pay claims if it determined the payment to be appropriate.

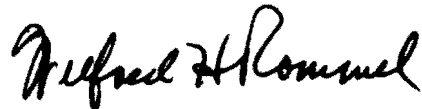
The bill would also authorize the Canal Zone Government to make an interim partial payment of up to \$1,000 for humanitarian purposes to an individual who is a claimant under this section of the Canal Zone Code.

The Department of Justice commented in July 1974 to the House Committee on Merchant Marine and Fisheries that it would have preferred general legislation covering all such U.S. liabilities overseas but it considered it desirable to resolve the Canal Zone problem with this enrolled bill because it would become enrolled more quickly than general legislation would. The Department of the Army in a report to the same Committee at the same time strongly recommended approval of the bill.



The enrolled bill is identical to a legislative proposal transmitted to the Congress by the Canal Zone Government, with the approval of OMB.

The Committee report on the enrolled bill estimated costs of the legislation at "...several hundred to perhaps a few thousand dollars over a five year period..." Any payments would be payable out of funds made available to the Government.



Assistant Director for  
Legislative Reference

Enclosures





DEPARTMENT OF THE ARMY  
WASHINGTON, D.C. 20310

27 DEC 1974

Honorable Roy L. Ash  
Director, Office of Management and Budget

Dear Mr. Ash:

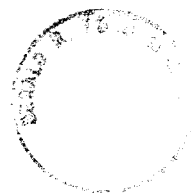
The Secretary of Defense has delegated responsibility to the Department of the Army for reporting the views of the Department of Defense on enrolled enactment H.R. 15229, 93rd Congress, "To expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act."

The Department of the Army on behalf of the Department of Defense recommends approval of the enrolled enactment.

This act provides authority for the Canal Zone Government to settle claims not cognizable under the Tort Claims Act.

The enactment of this measure is recommended because, under 28 U.S.C. Section 2672, a section of the Tort Claims Act, the Canal Zone Government has the authority to settle and pay claims "for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the agency while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to claimant in accordance with the law of the place where the act or omission occurred..." However, the Tort Claims Act does not apply to a claim arising in a foreign country (28 U.S.C. Section 2680(K)), and hence, the Canal Zone Government has no authority under the Tort Claims Act to settle claims arising in the Republic of Panama.

This act, unlike the Tort Claims Act, would not give a right to a claimant to resort to the courts for adjudication of a claim against the Canal Zone Government; nor would any person be entitled as a matter of right to the administrative settlement of a claim against the Canal Zone Government. This act would give the Canal Zone Government the authority to pay such a claim if, in the discretion of the Canal Zone Government, such payment appeared to be appropriate. However, in order to protect the interests of the United States, the act provides that acceptance by the claimant of an award shall be final and conclusive on the claimant, and shall constitute a complete release by him of his claim, with the exception that the Governor may make an interim partial settlement for



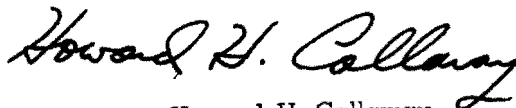
Honorable Roy L. Ash

humanitarian or compassionate reasons in a sum not to exceed \$1,000.

Approval of the enactment will cause no apparent increase in budgetary requirements of the Department of Defense

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

Sincerely,



Howard H. Callaway  
Secretary of the Army



PANAMA CANAL COMPANY

312 PENNSYLVANIA BUILDING

WASHINGTON, D.C. 20004

OFFICE OF  
THE SECRETARY

December 23, 1974

Honorable Roy L. Ash  
Director, Office of Management  
and Budget  
Washington, D.C. 20503

Dear Mr. Ash:

This is in response to your request for comment on H.R. 15229 which would expand the authority of the Canal Zone Government to settle personal injury or death claims arising in the Republic of Panama which are not cognizable under 28 U.S.C. § 2672, a section of the Tort Claims Act.

This legislation was proposed by the Governor of the Canal Zone with the full support of the Panama Canal Company. The Panama Canal Company is not prohibited from paying such claims and the enactment of this bill would fill a serious gap by placing the Canal Zone Government on the same footing with its companion agency the Panama Canal Company.

It is not anticipated that there will be any appreciable increase in the expenditures of the Canal Zone Government as a result of the enactment of the subject bill. Consequently, the Panama Canal Company and the Canal Zone Government both recommend signature of this bill.

Sincerely yours,



Thomas M. Constant  
Secretary, Panama Canal Company  
Assistant to the Governor of the  
Canal Zone







DEPARTMENT OF THE ARMY  
WASHINGTON, D.C. 20310

Honorable Roy L. Ash

Director, Office of Management and Budget

Dear Mr. Ash:

The Secretary of Defense has delegated responsibility to the Department of the Army for reporting the views of the Department of Defense on enrolled enactment H.R. 15229, 93rd Congress, "To expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act."

The Department of the Army on behalf of the Department of Defense recommends approval of the enrolled enactment.

This act provides authority for the Canal Zone Government to settle claims not cognizable under the Tort Claims Act.

The enactment of this measure is recommended because, under 28 U.S.C. Section 2672, a section of the Tort Claims Act, the Canal Zone Government has the authority to settle and pay claims "for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the agency while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to claimant in accordance with the law of the place where the act or omission occurred..." However, the Tort Claims Act does not apply to a claim arising in a foreign country (28 U.S.C. Section 2680(K)), and hence, the Canal Zone Government has no authority under the Tort Claims Act to settle claims arising in the Republic of Panama.

This act, unlike the Tort Claims Act, would not give a right to a claimant to resort to the courts for adjudication of a claim against the Canal Zone Government; nor would any person be entitled as a matter of right to the administrative settlement of a claim against the Canal Zone Government. This act would give the Canal Zone Government the authority to pay such a claim if, in the discretion of the Canal Zone Government, such payment appeared to be appropriate. However, in order to protect the interests of the United States, the act provides that acceptance by the claimant of an award shall be final and conclusive on the claimant, and shall constitute a complete release by him of his claim, with the exception that the Governor may make an interim partial settlement for

*Advance copy*



Honorable Roy L. Ash

humanitarian or compassionate reasons in a sum not to exceed \$1,000.

Approval of the enactment will cause no apparent increase in budgetary requirements of the Department of Defense

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

Sincerely,



Department of Justice  
Washington, D.C. 20530

DEC 24 1974

Honorable Roy L. Ash  
Director, Office of Management  
and Budget  
Washington, D. C. 20503

Dear Mr. Ash:

In compliance with your request, I have examined a facsimile of an Enrolled Bill (H.R. 15229), "To expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act".

The Enrolled Bill amends §271 of Title 2, Canal Zone Code (76 A Stat. 22) to increase the authority of the Governor of the Canal Zone "to adjust and pay claims for injury to, or loss of, property or personal injury or death arising from the activities of the Canal Zone Government". Under the present §271, the Governor's authority is restricted to settlement of property damage claims not cognizable under the Federal Tort Claims Act. The expanded authority thus will facilitate the settlement and adjustment of personal injury and death claims. It will also permit the adjustment of claims which occur in the Republic of Panama, presently excluded from consideration by reason of 28 U.S.C. §2680(k) which excludes consideration of claims "arising in a foreign country".

The Department of Justice has no objection to Executive approval of this bill.

Sincerely,



W. VINCENT RAKESTRAW  
Assistant Attorney General





DEPARTMENT OF STATE

Washington, D.C. 20520

December 20, 1974

Honorable Roy L. Ash  
Director, Office of  
Management and Budget  
Executive Office of the President  
Washington, D. C. 20503

Dear Mr. Ash:

This is in reply to Mr. Rommel's communication requesting comments on enrolled bill H. R. 15229, to expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act.

The Department of State has no objection to the approval of this enactment.

Cordially,

A handwritten signature in cursive script that reads "Linwood Holton".

Linwood Holton  
Assistant Secretary for  
Congressional Relations



THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: WARREN HENDRIKS  
FROM: *Max L. Friedersdorf* MAX L. FRIEDERSDORF  
SUBJECT: Action Memorandum - Log No. 880  
Enrolled Bill H.R. 15229

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

To  
Mr. Andrews  
12-27-74

DEC 27 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 15229 - Tort Claims Involving  
Canal Zone Government in Republic of Panama  
Sponsors - Rep. Sullivan (D) Missouri and 6 others

Last Day for Action

January 4, 1975 - Saturday

Purpose

Expands the authority of the Canal Zone Government to settle and pay claims for personal injury or death resulting from the actions of an employee of the Panama Canal Zone Government.

Agency Recommendations

Office of Management and Budget

Approval

Panama Canal Company  
Department of the Army  
Department of Justice  
Department of State

Approval  
Approval (Informally)  
No objection  
No objection

Discussion

The Canal Zone Government (Government) as an independent agency of the United States has the authority, under the Federal Tort Claims Act, to settle and pay claims for damage to or loss of property or personal injury or death as the



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 880

Date: December 28, 1974

Time: 9:00 a.m.

FOR ACTION: Geoff Shepard *JS*  
Max Friedersdorf *JS*  
Phil Areeda *no obj*

cc (for information): Warren Hendriks  
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: 1:00 p.m.

SUBJECT:

Enrolled Bill H.R. 15229 - Tort Claims involving  
Canal Zone Government in Republic of Panama

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a  
delay in submitting the required material, please  
telephone the Staff Secretary immediately.

\_\_\_\_\_  
K. R. COLE, JR.  
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 880

Date: December 28, 1974

Time: 9:00 a.m.

FOR ACTION: Geoff Shepard  
Max Friedersdorf  
Phil Areeda

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Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: 1:00 p.m.

SUBJECT:

Enrolled Bill H.R. 15229 - Tort Claims involving  
Canal Zone Government in Republic of Panama

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*Approval  
JCS*



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a  
delay in submitting the required material, please  
telephone the Staff Secretary immediately.

\_\_\_\_\_  
K. R. COLE, JR.  
For the President



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

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Date: December 28, 1974

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SUBJECT:

Enrolled Bill H.R. 15229 - Tort Claims involving  
Canal Zone Government in Republic of Panama

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*No objection  
P. Areeda OK*



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a  
delay in submitting the required material, please  
telephone the Staff Secretary immediately.

\_\_\_\_\_  
K. R. COLE, JR.  
For the President

## CLAIMS FOR TORTS COMMITTED BY EMPLOYEES OF THE CANAL ZONE GOVERNMENT IN THE REPUBLIC OF PANAMA

DECEMBER 17, 1974.—Ordered to be printed

Mr. MAGNUSON, from the Committee on Commerce,  
submitted the following

### REPORT

[To accompany H.R. 15229]

The Committee on Commerce, to which was referred the bill (H.R. 15229) having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

The Committee on Commerce, to which was referred the bill H.R. 15229, to expand the authority of the Canal Zone government to settle claims not cognizable under the Tort Claims Act having considered the same, reports favorably thereon without amendment and recommends that the bill be passed.

#### SUMMARY OF PROPOSED LEGISLATION

H.R. 15229 would grant jurisdiction to the Governor of the Canal Zone to adjust and pay claims not cognizable under the Tort Claims Act and arising from personal injury or wrongful death in the Republic of Panama as a result of activities of the Canal Zone Government.

#### BACKGROUND

The introduction of this legislation in the House of Representatives resulted from an Executive Communication from the Governor of the Canal Zone. The Panama Canal Company and the Canal Zone Government are allied United States Government agencies operating in the Canal Zone. The main function of the Company is to operate the Canal, whereas the mission of the Canal Zone Government is to provide governmental services for residents of the Zone.

Under present law, the Panama Canal Company has the authority to settle personal property and personal injury claims arising out of actions of Company employees committed in the Republic of Panama. However, the law provides authority to the Canal Zone Government to settle only property damages arising out of the tortious actions of government employees committed in the Republic of Panama.

This bill would extend authority to the Canal Zone Government to pay tort claims for personal injury or death arising from actions of a government employee in the Republic of Panama.

By authority of the Tort Claims Act (28 U.S.C. 2672), the Canal Zone Government has authority to settle and pay claims in the Canal Zone.

However, the Tort Claims Act is not applicable in the Republic of Panama since it does not apply to territories outside of United States jurisdiction.

Although the Canal Zone Government has no authority at the present time to pay tort claims for personal injury or death in the Republic of Panama and although the United States Government cannot be sued in Panamanian courts for the actions of its employees acting within the scope of their employment, there is nevertheless the potential for the occurrence of an incident in which the authority provided in this bill would be needed.

The Canal Zone Government advises that almost every day of the year some five or six vehicles of the Canal Zone Government travel in areas under Panamanian jurisdiction. Last year alone there were twenty vehicular accidents involving the Panama Canal Company employees (18) and the Canal Zone Government (2). In none of the incidents were employees of the Canal Zone Government found guilty of negligence which would have made them liable for personal injury or death in Panama.

However, should a Canal Zone Government employee be guilty of such negligence, under the present law, redress could be obtained only by legislation in the Congress of the United States.

H.R. 15229 does not give the claimant the right to resort to the courts for further settlement of the claim since acceptance of any award made by the Governor as specified by the legislation would constitute a complete release by the claimant of his claim against the United States and against any employee of the United States acting in the course of his employment who is involved in the matter giving rise to the claim.

H.R. 15229 contains a provision which would allow the Governor to use some authority with regard to tort claims in the Republic of Panama on an emergency basis. It would allow the Governor, when he deems it necessary, to make an interim partial award to a claimant of up to \$1,000 for humanitarian or compassionate reasons for tort claims in the Republic of Panama against the Canal Zone Government.

The enactment of H.R. 15229 completes the authority of the Canal Zone Government to pay tort claims in the Republic of Panama. The committee believes that investing the Governor of the Canal Zone with

such authority will make the United States Government more responsive in the administration of claim settlement authority.

#### COST

Incidents to which the authority in this legislation is applicable would arise so infrequently that the cost to the government of H.R. 15229 will be minimal and probably will amount to less than a few thousand dollars over a five year period.

#### AGENCY COMMENTS

This committee did not receive a response from the agencies and departments queried on the bill. However, the House Committee on Merchant Marines and Fisheries received favorable comments on the bill in Executive Communication #1084 from the Canal Zone Government, which is printed hereafter, and from the Department of Defense (Army) and the Department of Justice.

CANAL ZONE GOVERNMENT,  
BALBOA HEIGHTS, CANAL ZONE.

HON. CARL ALBERT,  
*Speaker of the House of Representatives,*  
*Washington, D.C.*

DEAR MR. SPEAKER: Enclosed for consideration by the Congress is a draft of a proposed bill to amend section 271 of Title 2, Canal Zone Code.

The effect of the bill would be to expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act.

Under 28 U.S.C. § 2672, a section of the Tort Claims Act, the Canal Zone Government has the authority to settle and pay claims "for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the agency while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to claimant in accordance with the law of the place where the act or omission occurred. . . ." However, the Tort Claims Act does not apply to a claim arising in a foreign country (28 U.S.C. § 2680 (k)), and hence, the Canal Zone Government has no authority under the Tort Claims Act to settle claims arising in the Republic of Panama.

The Canal Zone Government does have special authority under section 271 of Title 2, Canal Zone Code (76A Stat. 22) to settle and pay claims which are not cognizable under the Tort Claims Act for losses of, or damages to, property. This special authority, set forth for many years in annual Canal Zone Government appropriation bills, first became permanent legislation by virtue of Public Law 223 of August 12, 1949, 63 Stat. 600, which amended the former Canal Zone Code (48 Stat. 1122) to add a new section 17. The Secretary of the

Army, in a letter dated January 14, 1948 (set forth in the transcript of the Senate hearing on S. 2003 and S. 2829 of the 80th Congress), explained the need for this special authority, in part, as follows:

"The Federal Tort Claims Act covers all claims for property loss or damage (or personal injury or death) caused by the negligent or wrongful act or omission of any employee while in the scope of his employment under circumstances where the United States if a private person would be liable, except that it does not apply to claims arising in a foreign country. Added section 17 will thus serve to cover tort claims arising in the Republic of Panama and the section is essential for that purpose, among others. Various operations are conducted by the Panama Canal in the Republic of Panama, particularly in the cities of Panama and Colon. Motor vehicles of the Transportation Division operate freely and necessarily in the Republic of Panama, and such operation would constitute the bulk of claims arising in the Republic of Panama. It is thought essential that authority be had locally to settle such claims, and to achieve that end proposed section 17 is deemed far more appropriate than an extension of the Tort Claims Act with its provisions for resort to the United States district court.

\* \* \* \* \*

"If proposed section 17 is not enacted and if existing authority is excluded from the appropriate language, the claims above discussed, where not covered by the Tort Claims Act, will have to be submitted to Congress. The amount of such claims would not ordinarily warrant such a course, and, in any event, such a course would not be appropriate from the standpoint of maintaining proper relations with the Republic of Panama and its nationals and residents."

The special authority of the Canal Zone Government to settle claims now set forth in 2 Canal Zone Code § 271 is, however, limited strictly to loss of, or damage to, property. It does not include authority to settle claims arising from personal injury or death. Thus, the Canal Zone Government has no authority to settle claims arising from personal injury or wrongful death in the Republic of Panama. The only way such a claimant could be compensated would be by special act of Congress or under a claims convention between the United States and Panama. At one time such claims were considered by a Claims Commission established by the Claims Convention of July 28, 1926, 47 Stat. 484, as amended on December 17, 1932, 48 Stat. 1040. However, the Claims Commission established by that convention was limited to consideration of claims pending at that time inasmuch as Article I of the Convention provides in part that "All Claims against the Republic of Panama arising since November 3, 1903 . . . and all claims against the United States of America arising since November 3, 1903 . . . as well as any other such claims which may be filed by either Government within the time hereinafter specified, shall be submitted to a Commission. . . ." The Convention further provided, as amended in 1932, that all claims heard by the Commission should be decided before July 1, 1933. Thus no such commission is in existence today, and the only practical existing way for an injury or death claim to be allowed

would be by an enactment of Congress of a private bill for the benefit of the individual claimant. It is true that the Canal Zone Government employee causing the injury or death would be liable for his own negligence, but there would be no way to administratively settle such a claim against the Canal Zone Government.

The purpose of the subject bill is to fill this gap in the authority of the Canal Zone Government to settle claims by amending 2 C.Z.C. § 271 (authorizing the settlement of property claims) so as to include the authority to settle personal injury or death claims not cognizable under the Tort Claims Act. It is submitted that the same reasons which caused Congress to enact the present provision relating to property claims are also applicable to claims for personal injury or death. Ambulances and police vehicles of the Canal Zone Government travel over the Boyd-Roosevelt Highway through the Republic of Panama in going from one side of the Isthmus to the other. Occasionally, it is necessary for firefighting and other vehicles of the Canal Zone Government to enter the Republic of Panama. It could be extremely embarrassing to the Canal Zone Government and detrimental to good relations between the United States and Panama if one of these vehicles were involved in an accident causing serious financial hardship to the injured person or his family. Inasmuch as the Canal Zone Government has no present authority to pay compensation for personal injury or death claims which might arise out of such accidents, there would be an embarrassing delay before relief could be granted. Our records indicate that since 1930 on a few occasions claims have been asserted against the Canal Zone Government arising out of a personal injury or death in the Republic of Panama. Unquestionably, similar claims will arise in the future, and the only way to provide authority to settle such potential claims is by appropriate legislation.

It should be noted that the subject bill, unlike the Tort Claims Act, would not give a right to a claimant to resort to the courts for adjudication of a claim against the Canal Zone Government; nor would any person be entitled as a matter of right to the administrative settlement of a claim against the Canal Zone Government. The proposed legislation would merely give the Canal Zone Government the authority to pay such a claim if, in the discretion of the Canal Zone Government, such payment appeared to be appropriate. However, in order to protect the interests of the United States, the bill provides that acceptance by the claimant of an award shall be final and conclusive on the claimant, and shall constitute a complete release by him of his claim, with the exception that the Governor may make an interim partial settlement for humanitarian or compassionate reasons in a sum not to exceed \$1,000. The latter provision is included so that the Governor may make a prompt settlement to cover hospital, funeral or other such expenses before a complete settlement of a claim. Such a provision is important in regard to personal injury or death claims arising in Panama because it is not unlikely that the person injured or killed would be of impecunious circumstances, thus making a prompt partial settlement particularly desirable.

It is not anticipated that there will be any appreciable increase in the expenditures of the Canal Zone Government as a result of the

enactment of the subject bill. This belief is based on the fact that personal injury or death claims arising out of the operation of the Canal Zone Government in the Republic of Panama since 1930 have occurred rarely. Indeed, only a small number of property claims have been paid under the present provision since its enactment in 1949. Nevertheless, the legislation is urgently needed to provide authority to pay the occasional claim which may arise in the future.

The Office of Management and Budget advises that there is no objection to submission of this proposal to Congress.

Sincerely yours,

DAVID S. PARKER,  
*Governor.*

○

## TORT CLAIMS INVOLVING CANAL ZONE GOVERNMENT IN REPUBLIC OF PANAMA

SEPTEMBER 11, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mrs. SULLIVAN, from the Committee on Merchant Marine and Fisheries, submitted the following

### REPORT

[To accompany H.R. 15229]

The Committee on Merchant Marine and Fisheries, to whom was referred the bill (H.R. 15229), to expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE OF THE LEGISLATION

The purpose of H.R. 15229 is to bestow on the Governor of the Canal Zone the authority to adjust and pay claims not cognizable under the Tort Claims Act and arising from personal injury or wrongful death in the Republic of Panama as a result of activities of the Canal Zone Government.

#### LEGISLATIVE HISTORY

H.R. 15229 was introduced on June 5, 1974, by Mrs. Sullivan, for herself, Mr. Leggett, Mr. Clark, Mr. Metcalfe, Mr. Mosher, Mr. Forsythe, and Mr. Lagomarsino. The legislation's introduction resulted from an Executive Communication from the Governor of the Canal Zone. The text of the proposed legislation in the Executive Communication and the text of this bill are substantially the same as bills which passed the House of Representatives in the 88th and 89th Congresses.

After its introduction, H.R. 15229 was referred to the Subcommittee on the Panama Canal, which held hearings on the bill on July 12. During hearings the Governor of the Canal Zone and the Department of Justice testified favorably on the legislation. Additionally, reports submitted by the Department of Justice and the Department of De-

fense are favorable to H.R. 15229. This bill was order reported unan-  
 imously from the Subcommittee on the Panama Canal on August 20,  
 1974, and the Full Committee on Merchant Marine and Fisheries on  
 August 21. The legislation has no known opposition.

#### NEED FOR THE LEGISLATION

The Panama Canal Company and the Canal Zone Government are  
 sister organizations which operate in the Canal Zone. The mission of  
 the Canal Zone Government is to provide the governmental services  
 for the residents of the Zone while the Panama Canal Company has  
 as its main function the operation of the Panama Canal. The Governor  
 of the Canal Zone is also the President of the Panama Canal Company.

Since the Canal Zone is adjacent to territory which is under the  
 jurisdiction of the Republic of Panama there is always a clear possibil-  
 ity that employees of the Panama Canal Company or the Canal Zone  
 Government acting within the scope of their employment in the Re-  
 public of Panama may commit an act or be guilty of an omission which  
 will involve them in a legal dispute in the Republic of Panama.

Since the possibility of a tortious claim by a foreign national involv-  
 ing United States agencies may occur wherever there are employees of  
 the United States overseas, there are a variety of methods which have  
 been legislated by which these agencies of the Federal Government  
 may pay claims arising from property damage or personal injury or  
 death resulting from the negligence or wrongful act or omission of an  
 employee of a Federal agency acting within the scope of his office or  
 employment. There are varying statutes including the Military Claims  
 Act and the Foreign Claims Act which govern these methods of paying  
 claims in a foreign country.

The Panama Canal Company has authority to pay tort claims  
 arising out of the activities of its employees in the Canal Zone and the  
 Republic of Panama by authority of the powers conferred upon it as  
 a corporation under Title 2, Chapter 5, Section 65 of the Canal Zone  
 Code. Additionally, the Panama Canal Company, since it is a corporate  
 entity, can be sued in the courts of the Republic of Panama as well as  
 the United States courts and thus, would allow an injured Panamanian  
 national, for example, redress under the law.

By authority of the Tort Claims Act (28 U.S.C. 2672), the Canal  
 Zone Government has authority to settle and pay claims in the Canal  
 Zone

for injury or loss of property or personal injury or death  
 caused by the negligent or wrongful act or omission of any  
 employee of the agency while acting within the scope of his  
 office or employment, under circumstances where the United  
 States, if a private person, would be liable to claimant in  
 accordance with the law of the place where the act or omission  
 occurred.

The Tort Claims Act is not applicable in the Republic of Panama  
 since it does not apply in territory outside of United States  
 jurisdiction.

Due to the inapplicability of the Tort Claims Act for tort claims  
 against the Canal Zone Government outside the Canal Zone Congress

amended the Canal Zone Code in Public Law 81-223 to allow the  
 Governor, or his designee, to settle and pay claims which are not  
 cognizable under the Tort Claims Act for losses of, or damages to,  
 property (Title 2, Chapter 11, Section 271, Canal Zone Code). H.R.  
 15229 is designed to grant to the Governor, or his designee, the au-  
 thority to settle personal injury or death claims in the same fashion  
 as the present Section 271 grants that authority for payment of  
 property damages.

Though no authority for the Canal Zone Government presently  
 exists to pay tort claims for personal injury or death in the Republic  
 of Panama, and though the United States cannot be sued in Pana-  
 manian courts for the acts of its employees acting within the scope  
 of their employment, nevertheless the potential for the occurrence of  
 an incident in which authority provided in this bill would be needed  
 is still present. According to information provided by the Canal Zone  
 Government, nearly every day some five or six vehicles of the Canal  
 Zone Government travel in areas under Panamanian jurisdiction. In  
 the last year alone there have been 20 vehicular accidents involving  
 the Panama Canal Company employees (18) and the Canal Zone  
 Government (2). Fortunately, in none of the incidents were employees  
 of the Canal Zone Government guilty of any negligence or at fault  
 which would have made them liable for damages for personal injury  
 or death in Panama. In fact, only two incidents are known to have  
 occurred in the last 40 years in which the authority provided by this  
 legislation would have been needed. But, presently, any settlement of  
 a claim against the Canal Zone Government for personal injury or  
 death in the Republic of Panama would have to be resolved by legis-  
 lation in the Congress of the United States.

H.R. 15229, unlike several of the statutes which now deal with tort  
 claims in general, does not give the claimant the right to resort to  
 the courts for further settlement of the claim since acceptance of any  
 award made by the Governor or his designee as specified by the legisla-  
 tion would constitute a complete release by the claimant of his claim  
 against the United States and against any employee of the United  
 States acting in the course of his employment who is involved in the  
 matter giving rise to the claim. The wise use of his settlement power  
 by the Governor of the Canal Zone would leave little reasonable  
 chance for misuse of whatever funds might be needed to implement  
 the legislation in incidents involving Canal Zone Government em-  
 ployees. If a case, for example, might arise in which an employee  
 of the Canal Zone Government is being sued in a court in the Republic  
 of Panama and in which the employee was supposed to be carrying  
 out his duties and there was some question as to whether that indi-  
 vidual was in fact acting within the scope of his employment, then  
 presumably the Governor would not make any award to a claimant  
 until the matter was first settled in court in Panama.

H.R. 15229 does contain a provision which would allow the Governor  
 to use some authority with regard to tort claims in the Republic of  
 Panama on an emergency basis. It would allow the Governor, when  
 he deems it necessary, to make an interim partial award to a claimant  
 of up to \$1,000 for humanitarian or compassionate reasons for tort  
 claims in the Republic of Panama against the Canal Zone Government.  
 This provision is incorporated into the legislation because: (a) allow-

ance of the partial award will allow hospital bills or funeral expenses or other expenses incidental to an incident involving personal injury or death in Panama to be paid promptly, an action that is often difficult for claimants or their relatives in view of the impecunious circumstances of many nationals of a nation such as the Republic of Panama; (b) also, a partial award by the Governor may serve to avert an international incident's harmful effects and consequent damage to United States-Panamanian relations.

The enactment of H.R. 15229 will fill a gap in the authority of the Canal Zone Government to pay tort claims in the Republic of Panama which heretofore would have been unresolved except by legislative Act of Congress. Your Committee feels that investing the Governor of the Canal Zone with authority to settle personal injury and wrongful death claims in the Republic of Panama arising out of activities of the Canal Zone Government would make the United States more responsive, more exact, and more judicious in its administration of claim settlement authority.

#### COST OF THE LEGISLATION

The infrequency with which incidents to which the authority in this legislation is applicable indicates that the cost to the Government of H.R. 15229 will be minimal ranging from perhaps several hundred to perhaps a few thousand dollars over a five-year period or even a period much longer in duration.

#### DEPARTMENTAL REPORTS

H.R. 15229 was the subject of Executive Communication No. 1084 from the Canal Zone Government. In addition, departmental reports were received from the Department of Defense (Army) and the Department of Justice. The executive communication and the reports follow herewith:

[Exec. Comm. No. 1084]

#### CANAL ZONE GOVERNMENT, BALBOA HEIGHTS, CANAL ZONE.

HON. CARL ALBERT,  
*Speaker of the House of Representatives,*  
*Washington, D.C.*

DEAR MR. SPEAKER: Enclosed for consideration by the Congress is a draft of a proposed bill to amend section 271 of Title 2, Canal Zone Code.

The effect of the bill would be to expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act.

Under 28 U.S.C. § 2672, a section of the Tort Claims Act, the Canal Zone Government has the authority to settle and pay claims "for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the agency while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be

liable to claimant in accordance with the law of the place where the act or omission occurred. . . ." However, the Tort Claims Act does not apply to a claim arising in a foreign country (28 U.S.C. § 2680 (k)), and hence, the Canal Zone Government has no authority under the Tort Claims Act to settle claims arising in the Republic of Panama.

The Canal Zone Government does have special authority under section 271 of Title 2, Canal Zone Code (76A Stat. 22) to settle and pay claims which are not cognizable under the Tort Claims Act for losses of, or damages to, property. This special authority, set forth for many years in annual Canal Zone Government appropriation bills, first became permanent legislation by virtue of Public Law 223 of August 12, 1949, 63 Stat. 600, which amended the former Canal Zone Code (48 Stat. 1122) to add a new section 17. The Secretary of the Army, in a letter dated January 14, 1948 (set forth in the transcript of the Senate hearing on S. 2003 and S. 2829 of the 80th Congress), explained the need for this special authority, in part, as follows:

"The Federal Tort Claims Act covers all claims for property loss or damage (or personal injury or death) caused by the negligent or wrongful act or omission of any employee while in the scope of his employment under circumstances where the United States if a private person would be liable, except that it does not apply to claims arising in a foreign country. Added section 17 will thus serve to cover tort claims arising in the Republic of Panama and the section is essential for that purpose, among others. Various operations are conducted by the Panama Canal in the Republic of Panama, particularly in the cities of Panama and Colon. Motor vehicles of the Transportation Division operate freely and necessarily in the Republic of Panama, and such operation would constitute the bulk of claims arising in the Republic of Panama. It is thought essential that authority be had locally to settle such claims, and to achieve that end proposed section 17 is deemed far more appropriate than an extension of the Tort Claims Act with its provisions for resort to the United States district court.

\* \* \* \* \*

"If proposed section 17 is not enacted and if existing authority is excluded from the appropriate language, the claims above discussed, where not covered by the Tort Claims Act, will have to be submitted to Congress. The amount of such claims would not ordinarily warrant such a course, and, in any event, such a course would not be appropriate from the standpoint of maintaining proper relations with the Republic of Panama and its nationals and residents."

The special authority of the Canal Zone Government to settle claims now set forth in 2 Canal Zone Code § 271 is, however, limited strictly to loss of, or damage to, property. It does not include authority to settle claims arising from personal injury or death. Thus, the Canal Zone Government has no authority to settle claims arising from personal injury or wrongful death in the Republic of Panama. The only way such a claimant could be compensated would be by special act of Congress or under a claims convention between the United States and Panama. At one time such claims were considered by a Claims Commission established by the Claims Convention of July 28, 1926, 47 Stat.



484, as amended on December 17, 1932, 48 Stat. 1040. However, the Claims Commission established by that convention was limited to consideration of claims pending at that time inasmuch as Article I of the Convention provides in part that "All Claims against the Republic of Panama arising since November 3, 1903 . . . and all claims against the United States of America arising since November 3, 1903 . . . as well as any other such claims which may be filed by either Government within the time hereinafter specified, shall be submitted to a Commission. . . ." The Convention further provided, as amended in 1932, that all claims heard by the Commission should be decided before July 1, 1933. Thus no such commission is in existence today, and the only practical existing way for an injury or death claim to be allowed would be by an enactment of Congress of a private bill for the benefit of the individual claimant. It is true that the Canal Zone Government employee causing the injury or death would be liable for his own negligence, but there would be no way to administratively settle such a claim against the Canal Zone Government.

The purpose of the subject bill is to fill this gap in the authority of the Canal Zone Government to settle claims by amending 2 C.Z.C. § 271 (authorizing the settlement of property claims) so as to include the authority to settle personal injury or death claims not cognizable under the Tort Claims Act. It is submitted that the same reasons which caused Congress to enact the present provision relating to property claims are also applicable to claims for personal injury or death. Ambulances and police vehicles of the Canal Zone Government travel over the Boyd-Roosevelt Highway through the Republic of Panama in going from one side of the Isthmus to the other. Occasionally, it is necessary for firefighting and other vehicles of the Canal Zone Government to enter the Republic of Panama. It could be extremely embarrassing to the Canal Zone Government and detrimental to good relations between the United States and Panama if one of these vehicles were involved in an accident causing serious financial hardship to the injured person or his family. Inasmuch as the Canal Zone Government has no present authority to pay compensation for personal injury or death claims which might arise out of such accidents, there would be an embarrassing delay before relief could be granted. Our records indicate that since 1930 on a few occasions claims have been asserted against the Canal Zone Government arising out of a personal injury or death in the Republic of Panama. Unquestionably, similar claims will arise in the future, and the only way to provide authority to settle such potential claims is by appropriate legislation.

It should be noted that the subject bill, unlike the Tort Claims Act, would not give a right to a claimant to resort to the courts for adjudication of a claim against the Canal Zone Government; nor would any person be entitled as a matter of right to the administrative settlement of a claim against the Canal Zone Government. The proposed legislation would merely give the Canal Zone Government the authority to pay such a claim if, in the discretion of the Canal Zone Government, such payment appeared to be appropriate. However, in order to protect the interests of the United States, the bill provides that acceptance by the claimant of an award shall be final and con-

clusive on the claimant, and shall constitute a complete release by him of his claim, with the exception that the Governor may make an interim partial settlement for humanitarian or compassionate reasons in a sum not to exceed \$1,000. The latter provision is included so that the Governor may make a prompt settlement to cover hospital, funeral or other such expenses before a complete settlement of a claim. Such a provision is important in regard to personal injury or death claims arising in Panama because it is not unlikely that the person injured or killed would be of impecunious circumstances, thus making a prompt partial settlement particularly desirable.

It is not anticipated that there will be any appreciable increase in the expenditures of the Canal Zone Government as a result of the enactment of the subject bill. This belief is based on the fact that personal injury or death claims arising out of the operation of the Canal Zone Government in the Republic of Panama since 1930 have occurred rarely. Indeed, only a small number of property claims have been paid under the present provision since its enactment in 1949. Nevertheless, the legislation is urgently needed to provide authority to pay the occasional claim which may arise in the future.

The Office of Management and Budget advises that there is no objection to submission of this proposal to Congress.

Sincerely yours,

DAVID S. PARKER,  
*Governor.*

A BILL To expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the title of section 271 in the list of sections of Chapter 11, Title 2, Canal Zone Code, is amended to read as follows:*

"271. Claims arising from civil government."

Sec. 2. Section 271 of Title 2, Canal Zone Code (76A Stat. 22), is amended to read as follows:

"§ 271. Claims arising from civil government.

"(a) The Governor, or his designee, may adjust and pay claims for injury to, or loss of, property or personal injury or death arising from the activities of the Canal Zone Government.

"(b) An award made to a claimant pursuant to this section shall be payable out of any moneys appropriated for or made available to the Canal Zone Government. The acceptance by the claimant of the award shall be final and conclusive on the claimant, and shall constitute a complete release by him of his claim against the United States and against any employee of the United States acting in the course of his employment who is involved in the matter giving rise to the claim, except that the Governor may make an interim partial award for humanitarian or compassionate reasons in a sum not exceeding \$1,000.

"(c) This section does not apply to tort claims cognizable under section 1346(b) or 2672 of Title 28, United States Code."

DEPARTMENT OF THE ARMY,  
Washington, D.C., July 11, 1974.

HON. LEONOR K. SULLIVAN,  
Chairman, Committee on Merchant Marine and Fisheries, House of  
Representatives, Washington, D.C.

Dear MADAM CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense on H. R. 15229, 93d Congress, a bill "To expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act." The Department of the Army has been assigned responsibility for expressing the views of the Department of Defense on this bill.

The title of the bill states its purpose.

The Department of the Army favors the bill.

Under 28 U.S.C. Section 2672, a section of the Tort Claims Act, the Canal Zone Government has the authority to settle and pay claims "for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the agency while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to claimant in accordance with the law of the place where the act or omission occurred . . ." However, the Tort Claims Act does not apply to a claim arising in a foreign country (28 U.S.C. Section 2680(k)), and hence, the Canal Zone Government has no authority under the Tort Claims Act to settle claims arising in the Republic of Panama.

This bill, unlike the Tort Claims Act, would not give a right to a claimant to resort to the courts for adjudication of a claim against the Canal Zone Government; nor would any person be entitled as a matter of right to the administrative settlement of a claim against the Canal Zone Government; nor would any person be entitled as a matter of right to the administrative settlement of a claim against the Canal Zone Government. The proposed legislation would give the Canal Zone Government the authority to pay such a claim if, in the discretion of the Canal Zone Government, such payment appeared to be appropriate. However, in order to protect the interests of the United States, the bill provides that acceptance by the claimant of an award shall be final and conclusive on the claimant, and shall constitute a complete release by him of his claim, with the exception that the Governor may make an interim partial settlement for humanitarian or compassionate reasons in a sum not to exceed \$1,000.

For the foregoing reasons, the Department of the Army strongly recommends that the bill be favorably considered.

The enactment of this bill will cause no apparent increase in budgetary requirements of the Department of Defense.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

HOWARD H. CALLAWAY,  
Secretary of the Army.

DEPARTMENT OF JUSTICE,  
Washington, D.C., July 12, 1974.

HON. LEONOR K. SULLIVAN,  
Chairman, Committee on Merchant Marine, and Fishing, House of  
Representatives, Washington, D.C.

Dear MADAM CHAIRMAN: This is in response to your request for the views of the Department of Justice on H.R. 15229, a bill "To expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act."

Because the Canal Zone Government is an independent agency of the United States (76A Stat. 7), it has the authority under the Federal Tort Claims Act (28 U.S.C. §2672) to settle and pay claims for injury or loss of property or personal injury or death caused by the negligence or wrongful act or omission of an employee of the agency while acting within the scope of his office or employment. However, the Tort Act does not apply to a claim arising in a foreign country (28 U.S.C. § 2680(k)), and hence, the Canal Zone Government has no authority under the Act to settle claims arising in the Republic of Panama.

Section 271 of Title 2, Canal Zone Code, (76A Stat. 22) confers authority upon the Canal Zone Government to settle and pay claims which are not cognizable under the Tort Claims Act for damages to property. It does not include authority to settle claims arising from personal injury or death. Thus, the Canal Zone Government has no statutory authority to settle personal injury claims arising in the Republic of Panama.

The objective of the proposed legislation is to provide a remedy for tort damage where none now exists. A few Government agencies already have special statutory authority to pay administratively for damage or injury inflicted by Federal employees in the course of their employment while in foreign countries. This agency authority varies widely as to the dollar amount, eligibility of claimant, and the procedures to be followed.

We believe that tortious conduct by Federal employees in foreign countries is a Government-wide problem that should be resolved by general legislation which would avoid the present piecemeal approach lacking in uniformity. A claimant injured in a foreign country by a Federal employee should not be dependent for compensation upon the statutory authority or lack of such authority of the agency whose employee committed the tort.

However, the Governor's report points out that the day to day business of the Canal Zone Government involves the presence on the highways of the Republic of Panama of Canal Zone employees in Government vehicles. This circumstance would seem to make it desirable that authority to settle tort claims for personal injury and death be available to the Canal Zone Government as soon as possible, without awaiting the effort to secure more general legislation covering this subject.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

W. VINCENT RAKESTRAW,  
Assistant Attorney General.

## CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman) :

## SECTION 271 OF TITLE 2, CANAL ZONE CODE (76A STAT. 22)

## CHAPTER 11. CLAIMS FOR INJURIES TO PERSONS OR PROPERTY

## SUBCHAPTER I—CLAIMS ARISING FROM CIVIL GOVERNMENT

Sec.

**[271. Claims for losses of, or damages to, property.]**

*271. Claims arising from civil government.*

\* \* \* \* \*

**[§ 271. Claims for losses of, or damages to, property]**

**[The Governor, or his designee, may adjust and pay claims for losses of, or damages to, property arising from the civil government, including health, sanitation and protection, of the Canal Zone.]**

**[An award made to a claimant pursuant to this section shall be payable out of any moneys appropriated or made available for the civil government, including health, sanitation and protection of the Canal Zone; and the acceptance by the claimant of the award shall be final and conclusive on the claimant, and shall constitute a complete release by him of his claim against the United States.]**

**[This section does not apply to tort claims cognizable under section 1346(b) of Title 28, United States Code. 76A Stat. 22.]**

**§ 271. Claims arising from civil government**

(a) *The Governor, or his designee, may adjust and pay claims for injury to, or loss of, property or personal injury or death arising from the activities of the Canal Zone Government.*

(b) *An award made to a claimant pursuant to this section shall be payable out of any moneys appropriated for or made available to the Canal Zone Government. The acceptance by the claimant of the award shall be final and conclusive on the claimant, and shall constitute a complete release by him of his claim against the United States and against any employee of the United States acting in the course of his employment who is involved in the matter giving rise to the claim, except that the Governor may make an interim partial award for humanitarian or compassionate reasons in a sum not exceeding \$1,000.*

(c) *This section does not apply to tort claims cognizable under section 1346(b) or 2672 of title 28, United States Code.*

○

# Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,  
one thousand nine hundred and seventy-four*

## An Act

To expand the authority of the Canal Zone Government to settle claims not cognizable under the Tort Claims Act.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the title of section 271 in the list of sections of chapter 11, title 2, Canal Zone Code, is amended to read as follows:*

*"271. Claims arising from civil government."*

SEC. 2. Section 271 of title 2, Canal Zone Code (76A Stat. 22), is amended to read as follows:

**"§ 271. Claims arising from civil government**

"(a) The Governor, or his designee, may adjust and pay claims for injury to, or loss of, property or personal injury or death arising from the activities of the Canal Zone Government.

"(b) An award made to a claimant pursuant to this section shall be payable out of any moneys appropriated for or made available to the Canal Zone Government. The acceptance by the claimant of the award shall be final and conclusive on the claimant, and shall constitute a complete release by him of his claim against the United States and against any employee of the United States acting in the course of his employment who is involved in the matter giving rise to the claim, except that the Governor may make an interim partial award for humanitarian or compassionate reasons in a sum not exceeding \$1,000.

"(c) This section does not apply to tort claims cognizable under section 1346(b) or 2672 of title 28, United States Code."

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*

December 24, 1974

Dear Mr. Director:

The following bills were received at the White House on December 24th:

S.J. Res. 40	✓ S. 3481 ✓	H.R. 8958 ✓	✓ H.R. 14600 ✓
S.J. Res. 133	✓ S. 3548 ✓	H.R. 8981 ✓	H.R. 14689 ✓
S.J. Res. 262	✓ S. 3934 ✓	H.R. 9182 ✓	✓ H.R. 14718 ✓
✓ S. 251 ✓	✓ S. 3943 ✓	H.R. 9199 ✓	✓ H.R. 15173 ✓
S. 356 ✓	S. 3976 ✓	H.R. 9588 ✓	✓ H.R. 15223 ✓
S. 521 ✓	S. 4073 ✓	H.R. 9654 ✓	✓ H.R. 15229 ✓
S. 544 ✓	✓ S. 4206 ✓	H.R. 10212 ✓	✓ H.R. 15322 ✓
S. 663 ✓	H.J. Res. 1178 ✓	✓ H.R. 10701 ✓	H.R. 15977 ✓
✓ S. 754 ✓	✓ H.J. Res. 1180 ✓	✓ H.R. 10710 ✓	✓ H.R. 16045 ✓
S. 1017 ✓	✓ H.R. 421 ✓	H.R. 10827 ✓	✓ H.R. 16215 ✓
S. 1083 ✓	H.R. 1715 ✓	✓ H.R. 11144 ✓	H.R. 16596 ✓
✓ S. 1296 ✓	H.R. 1820 ✓	✓ H.R. 11273 ✓	✓ H.R. 16925 ✓
S. 1418 ✓	H.R. 2208 ✓	✓ H.R. 11796 ✓	✓ H.R. 17010 ✓
S. 2149 ✓	✓ H.R. 2933 ✓	✓ H.R. 11802 ✓	H.R. 17045 ✓
S. 2446 ✓	H.R. 3203 ✓	✓ H.R. 11847 ✓	✓ H.R. 17085 ✓
S. 2807 ✓	H.R. 3339 ✓	✓ H.R. 11897 ✓	✓ H.R. 17468 ✓
S. 2854 ✓	H.R. 5264 ✓	✓ H.R. 12044 ✓	✓ H.R. 17558 ✓
S. 2888 ✓	H.R. 5463 ✓	✓ H.R. 12113 ✓	H.R. 17597 ✓
S. 2994 ✓	✓ H.R. 5773 ✓	✓ H.R. 12427 ✓	✓ H.R. 17628 ✓
✓ S. 3022 ✓	H.R. 7599 ✓	✓ H.R. 12884 ✓	✓ H.R. 17655 ✓
S. 3289 ✓	H.R. 7684 ✓	✓ H.R. 13022 ✓	
S. 3358 ✓	H.R. 7767 ✓	✓ H.R. 13296 ✓	
S. 3359 ✓	H.R. 8214 ✓	✓ H.R. 13869 ✓	
S. 3394 ✓	H.R. 8322 ✓	H.R. 14449 ✓	
✓ S. 3433 ✓	H.R. 8591 ✓	✓ H.R. 14461 ✓	

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder  
Chief Executive Clerk

The Honorable Roy L. Ash  
Director  
Office of Management and Budget  
Washington, D. C.