

EXTENDING TIME FOR MAKING APPLICATION FOR PAYMENT UNDER SETTLEMENT OF WAR CLAIMS ACT OF 1928, AS AMENDED

APRIL 26 (calendar day, MAY 9), 1934.—Ordered to be printed

Mr. KING, from the Committee on Finance, submitted the following

REPORT

[To accompany H.J.Res. 325]

The Committee on Finance, to whom was referred the joint resolution (H.J.Res. 325) extending for 2 years the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and the Tripartite Claims Commission, and extending until March 10, 1936, the time within which Hungarian claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the War Claims Arbiter, having considered the same, report favorably thereon with amendment, and recommend that the resolution, as amended, do pass.

The necessity for the legislation is explained in the following letter from Hon. Henry Morgenthau, Jr., Secretary of the Treasury, to the President of the Senate:

UNITED STATES SENATE,
OFFICE OF THE LEGISLATIVE COUNSEL,
March 20, 1934.

THE PRESIDENT UNITED STATES SENATE.

SIR: I have the honor to transmit herewith for consideration by the Congress draft of a proposed joint resolution to amend the Settlement of War Claims Act of 1928 for the purpose of extending for 2 additional years the time within which American nationals who have obtained awards from the Mixed Claims Commission, United States and Germany, or the Tripartite Claims Commission, Austria and Hungary, and the Hungarian nationals who have obtained awards from the War Claims Arbiter, may make application to the Treasury for the payment of such awards. It is not necessary to include any reference to the Austrian nationals as these claimants have been paid in full.

The Settlement of War Claims Act of 1928 originally required that application for payment of awards entered by the Mixed Claims Commission, the Tripartite Claims Commission, and the War Claims Arbiter be made within a period of 2 years. However, in view of the fact that some of the awards were not entered by the Mixed Claims Commission in time to permit claimants to file applications within the period specified and that funds were not available as required to pay all of the awards entered by the Tripartite Claims Commission until late in 1933, the act has been amended from time to time so as to extend the time within which applications may be filed. The time within which these applications may be

filed expired on March 10, 1934. As to the awards entered by the War Claims Arbiter the act required applications to be filed within a period of 2 years from the date when the awards were finally certified by the Arbiter to the Treasury for payment. The time for filing applications on this account expired on December 15, 1933.

The Treasury holds 38 awards entered by the Mixed Claims Commission, which have been certified for payment, amounting to approximately \$50,000; 71 awards entered by the Tripartite Claims Commission in favor of American nationals against the Governments of Austria and Hungary in the amount of approximately \$32,000; and 4 awards entered by the War Claims Arbiter in favor of Hungarian nationals against the United States in the amount of approximately \$4,000 for which the Treasury has received no applications. I understand that there are at the present time pending before the Mixed Claims Commission 16 claims in the amount of approximately \$1,500,000 on account of which awards will in all probability be entered. In addition there are other claims pending which are known as the "sabotage claims," on account of which awards also may be entered. There is no authority for the Treasury to accept applications for payment on account of any awards which may be entered in these last-mentioned cases, as the time within which applications could be filed expired on March 10, 1934.

The claimants who have already received awards from the Mixed Claims Commission, the War Claims Arbiter, and the Tripartite Claims Commission, except possibly in the case of American claimants who received awards against Hungary, have had ample opportunity to file such applications, but for various reasons some of them have not done so. The claimants whose claims are still pending before the Mixed Claims Commission have not, of course, had an opportunity to file application within the time fixed by the act. Any awards which are entered in their behalf have been entered after the expiration of the time fixed by Congress. It will be necessary, therefore, to grant additional time to allow these claimants to file their applications for payment. In connection with the American nationals receiving awards against the Government of Hungary, that Government did not deposit the funds with which to pay such awards until September 15, 1933. The time limit, therefore, within which the applicants could file application was for only a period of approximately 6 months, namely from September 15, 1933, to March 10, 1934. In all fairness to these claimants they should be granted additional time within which to file applications. In view of the fact that the time for filing applications for these last two mentioned classes of claimants should be extended, it would appear that any provisions extending the time for filing application should also apply to the other classes.

Many of these claimants have not been located by the Treasury and apparently in some cases they do not even have knowledge that an award has been entered in their behalf. The amount of each individual award involved is relatively small, but no doubt the majority of them are in favor of persons who are greatly in need of funds. If the time is extended the Treasury will continue its efforts to locate these claimants in order that payment may be made to them.

I recommend, therefore, that the proposed legislation be given favorable consideration at this session of Congress in order that payment may be made promptly upon receipt of applications. If Congress does not take action at this session and additional awards are entered by the Mixed Claims Commission, the claimants will be deprived of their funds until Congress extends the time within which applications may be filed. I might add that these payments are all made out of trust funds and do not represent an expenditure from public funds and are not, therefore, a charge against the Budget.

Respectfully,

H. MORGENTHAU, JR.,
Secretary of the Treasury.

The committee has amended the resolution to limit the extension of time within which American claimants may make application for payment to 1 year, instead of 2 years as in the resolution as passed the House, and has limited the extension of time within which Hungarian claimants may make application for payment to March 10, 1935, instead of March 10, 1936, as in the resolution as passed the House. It is felt that the extensions thus provided in each case should give ample time to dispose of these matters.