

Calendar No. 2031

74TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ No. 1940

EXTENDING PERIOD OF SUSPENSION OF LIMITATION GOVERNING FILING OF SUIT UNDER SECTION 19, WORLD WAR VETERANS' ACT, 1924, AS AMENDED

APRIL 24, 1936.—Ordered to be printed

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

REPORT

[To accompany S. J. Res. 200]

The Committee on Finance, to whom was referred the joint resolution (S. J. Res. 200) to extend the period of suspension of the limitation governing the filing of suit under section 19, World War Veterans' Act, 1924, as amended, having considered the same, report it back to the Senate with amendments and, as amended, recommend that the resolution do pass.

Under the provisions of section 19 of the World War Veterans' Act, 1924, as amended, a veteran having a contract of insurance with the Veterans' Administration may file suit on a claim under such contract only after the claim has been presented to and denied by the Veterans' Administration. Moreover, the section provides that suit must be filed within 6 years after the claim arises or before July 3, 1931, whichever is the later date, except that the running of the statute is suspended from the time of filing the claim in the Veterans' Administration until its denial by the Administrator. Thus it happens that the claimant has the same period of time for filing suit on the claim, after the denial thereof, as elapsed between the time of filing the claim and the date on which the statute of limitations would have run but for the suspension. For example, a veteran who filed a claim on July 1, 1931, is given by the statute only 2 days after the denial of the claim in which to file suit.

Your committee feels that this is a manifest injustice in many cases. The purpose of this resolution is to provide that all claimants shall have at least 90 days after denial of the claim in which suit may be filed.

To avoid questions as to what is the time of the denial, the resolution fixes it as the time of mailing notice thereof. Such notice is required to be sent by registered mail to the claimant.

The committee has amended the resolution to make sure that the term "denial of the claim" as used in section 19 of the World War Veterans' Act, 1924, as amended, will be construed to mean a denial only after consideration of the merits of the claim. This is necessary because one of the circuit courts of appeals has held that a letter from the Veterans' Administration refusing to consider a claim because of certain provisions in the Economy Act of March 20, 1933, which were subsequently held invalid by the Supreme Court in *Lynch v. The United States* (292 U. S. 571), constituted a denial within the meaning of section 19.

