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SENATE

{ REPORT
No. 735

IMMEDIATE APPROPRIATION FOR SETTLEMENT OF WAR CLAIMS ACT OF 1928

MAY 26 (calendar day, MAY 27), 1930.—Ordered to be printed

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

R E P O R T

[To accompany H. J. Res. 328]

The Committee on Finance, to whom was referred the joint resolution (H. J. Res. 328) authorizing the immediate appropriation of certain amounts authorized to be appropriated by the settlement of war claims act of 1928, having had the same under consideration report it back to the Senate without amendment, and recommend that the resolution do pass.

Following is a copy of the House report on the resolution:

House Report No. 1427, Seventy-first Congress, second session

The Committee on Ways and Means, to whom was referred the resolution (H. J. Res. 328) authorizing the immediate appropriation of certain amounts authorized to be appropriated by the settlement of war claims act of 1928, having had the same under consideration, report it back to the House without amendment, and recommend that the resolution do pass.

The purpose of the proposed legislation is to authorize the immediate appropriation of the balance of the funds necessary to pay the awards of the arbiter under section 3 of the settlement of war claims act of 1928 (such appropriation not to be available until the awards are certified to the Secretary of the Treasury), in order to save to the Government the interest which would accrue to the claimants should these funds be not available at the time the awards are certified.

Subsection (p) of section 3 of the settlement of war claims act of 1928 is as follows:

“(p) There is hereby authorized to be appropriated, to be immediately available and to remain available until expended, the sum of \$50,000,000, and, after the date on which the awards of the arbiter under this section are certified to the Secretary of the Treasury, such additional amounts, as when added to the amounts previously appropriated, will be equivalent to the aggregate amount of such awards plus the amounts necessary for the expenditures authorized by subsections (c) and (m) of this section (expenses of administration), except that the aggregate of such appropriations shall not exceed \$100,000,000.”

The \$50,000,000 above referred to in subsection (p) has already been appropriated, but a strict interpretation of the subsection indicates that the remaining amounts could not be appropriated until after the awards have been certified to the Secretary of the Treasury.

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No interest problem could arise if the total amount of the awards equaled or exceeded the \$100,000,000 limitation fixed by the act. It is probable, however, that the awards will be less than the maximum and will be certified by the arbiter to the Secretary of the Treasury by September or October of this year. Under these circumstances only a portion of the awards could be paid from the existing appropriation and the remainder would have to await action by Congress, drawing 5 per cent interest in the meantime.

Should these additional amounts total as much as \$40,000,000, interest would accrue thereon at the rate of approximately \$160,000 per month, and it is possible that \$1,000,000 or more in interest might accrue before Congress could act.

Your committee considers this resolution an emergency matter, effecting economy in government, and unanimously recommends its adoption.

