

TO AMEND THE TRADING WITH THE ENEMY ACT

JANUARY 28, 1929.—Ordered to be printed

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

REPORT

[To accompany S. 5452]

The Committee on Finance, to whom was referred the bill (S. 5452) to amend the trading with the enemy act so as to extend the time within which claims may be filed with the Alien Property Custodian, having had the same under consideration, report it back to the Senate without amendment and recommend that the bill do pass.

Following is a letter from Hon. Howard Sutherland, Alien Property Custodian, regarding the bill, also certain tables and memoranda:

ALIEN PROPERTY CUSTODIAN,
Washington, January 21, 1929.

HON. REED SMOOT,
Chairman Finance Committee,
United States Senate, Washington, D. C.

MY DEAR SENATOR SMOOT: I am inclosing an amendment to the settlement of war claims act, which, in fairness to all concerned, should be passed at the present session of Congress. Under the terms of the present law claims for return of alien property must be filed by March 10 in order to secure its return. Failing to do this, this property is treated as belonging to the German Imperial Government. On account of the many changes that have taken place since the war and the difficulty of reaching all the various owners of property, most of them living in Germany, probably not more than half of the applications for return of property have been made that should be made. I recommended when this bill was before your committee that the time limit be placed at two years. It still seems to me that the year which will have elapsed by March 10 does not give sufficient time within which, in fairness to these property owners, to file their claims for property seized by our Government now held by the Alien Property Custodian.

I, therefore, very strongly recommend the passage of this amendment. In order that this may receive due consideration, will you introduce a bill in the Senate or have somebody do so.

Very truly yours,

HOWARD SUTHERLAND,
Alien Property Custodian.

MEMORANDUM

The various ledgers show a total of 4,776 open trusts—that is, trusts against which, in so far as we can find, no claims have as yet been filed. The total property

held under these trusts amounts to \$3,145,454.93. Included in the 4,776 trusts against which no claims have been filed there are 898 in which the property held is listed at \$1. This class of trusts includes those in which we have demanded interests in trust funds and estates, both remaindermen and contingent, where as yet no property has been reduced to possession. There is no possible way in which we can tell the actual value represented by these 898 trusts. We can say, however, that in a great many of them the property demanded is of considerable value. We have been going through this particular class of cases and where the estate was insolvent, or if delivered to us would be of small amount or at least under \$10,000, the amount returnable under the Winslow Act, the demand of the custodian, under the discretion vested in him by section 29 of the "Settlement of war claims act," has been withdrawn. It might be interesting to know that the 3,878 trusts in which we hold tangible assets of \$3,144,556.93 show an average value per trust of \$810.87.

The total number of trusts in which more than \$12,000 is held have also been checked. Trusts in this class, as you know, will require the filing of war claims; that is, claims under the "Settlement of war claims act of 1928." The number of claims in this class is 42.

In addition to the above there are approximately 2,700 trusts open on the ledgers in which are entered certain patents at a nominal valuation, which patents were sold to the Chemical Foundation and the proceeds at the present time, totaling \$229,107.40, have not as yet been disposed of.

To summarize, I list these various claims below in tabulation form:

Class of trust	Number of trusts	Value of trusts
Trusts with tangible assets.....	3,878	\$3,144,556.93
Trusts with intangible assets.....	898	898.00
Patent trusts.....	2,700	229,107.40
Total.....	7,476	3,374,562.33

Revenues and disbursements, Alien Property Custodian, for the period January 1 1928, to December 31, 1928

	Average per month	12 months
Revenues:		
Commissions taken on—		
Receipt of trust funds.....	\$17,627.18	\$211,528.17
Property returned under sec. 9.....	8,125.89	97,510.73
Income returned under sec. 23.....	21,653.44	259,841.31
Settlements of war claims.....	74,680.51	896,166.08
Claims paid by Department of Justice.....	1,745.02	20,940.18
Payments under Henkels decision.....	2,389.26	28,671.17
Miscellaneous income.....	2,479.83	29,757.99
Total operating revenues.....	128,701.13	1,544,413.63
Operating expenses:		
Personal services.....	34,969.36	419,632.26
Communication services.....	187.20	2,246.44
Travel.....	11.24	134.84
Supplies and materials.....	454.03	5,448.33
Printing and binding.....	16.86	202.80
Storage and care of motor cars.....	51.94	623.27
Premiums on surety bonds of employees.....	42.70	512.50
Federal reserve bank expense.....	372.95	4,475.47
Federal reserve bank safekeeping fee.....	1,000.00	12,000.00
Miscellaneous expenses.....	111.43	1,337.22
Total operating expenses.....	37,217.71	446,612.63
Capital charges: Equipment.....	242.26	2,907.11
Total operating expenses and capital charges.....	37,459.97	449,519.74
Net result of operations excluding appropriated revenue: Surplus.....	91,241.16	1,094,893.89
Expenditures from appropriations.....	69.70	836.44
Net result of operations including appropriated revenue: Surplus.....	91,310.86	1,095,730.33