

**The original documents are located in Box 10, folder “10/20/74 HR13261 Hungarian Claims” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.**

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**APPROVED**

**OCT 20 1974**

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

**OCT 17 1974**

**MEMORANDUM FOR THE PRESIDENT**

**Subject: Enrolled Bill H.R. 13261 - Hungarian Claims  
Sponsor - Rep. Rosenthal (D) New York**

Last Day for Action

October 23, 1974 - Wednesday

Purpose

Implements the Hungarian - United States Claims Agreement of March 6, 1973, by providing that payments made by Hungary under that agreement may be used to satisfy certain claims of U.S. nationals, and for other purposes.

Agency Recommendations

Office of Management and Budget

Approval

Foreign Claims Settlement Commission

Approval

Department of State

Approval

Department of the Treasury

No objection (Informally)

Department of Justice

Defers to Foreign  
Claims Settlement  
Commission

Discussion

On March 6, 1973, the United States and Hungary signed an agreement which provided for an en bloc settlement of claims by nationals of the United States against the Government of Hungary. The claims covered included those arising from the failure of the Hungarian Government to pay compensation for certain war damage losses, to pay compensation for the

*Posted (with home)  
10/22  
Jo Archibald  
10/21*



expropriation of property belonging to U.S. nationals and to meet certain other obligations. Under the terms of the settlement, Hungary agreed to pay the United States a total of \$18.9 million.

Pursuant to a law enacted in 1955, which originally authorized a program to settle claims of U.S. nationals against Hungary, the Foreign Claims Settlement Commission has adjudicated and granted awards on many of the claims covered by the 1973 agreement. Partial payments on these awards were made from amounts available in the Hungarian Claims Fund which, as established by the 1955 law, consisted only of the proceeds from Hungarian assets blocked and vested in the United States during World War II.

The enrolled bill would amend the original Hungarian claims statutes to authorize the transfer of sums derived from the recent agreement to the Hungarian Claims Fund, thus making available \$18.9 million for additional payments on certain of the awards previously granted. It would also establish a new program to adjudicate claims based upon the nationalization or other taking of property of U.S. nationals which arose too late to be considered under the 1955 program but on or before March 6, 1973, the effective date of the agreement. The bill would further provide for a maximum period of 6 months for the filing of these new claims and for a 2-year settlement period subsequent to the filing deadline.

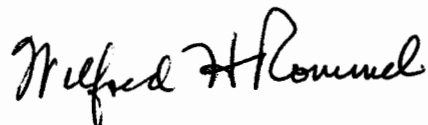
H.R. 13261 also contains a number of provisions to ensure that the payments it would provide will be distributed fairly among all successful claimants and to prevent double payments to certain groups of claimants who have made or may make separate settlements with the Hungarian Government.

Another provision in the bill authorizes payments from the Fund to the U.S. Government in settlement of a \$125,000 claim arising out of an aerial accident in 1951 involving a United States Air Force plane.

While the enrolled bill is similar to an Administration proposal in almost all respects, it does contain one section that was not requested. This amendment would permit the Foreign Claims Settlement Commission to consider a small number of claims, possibly only one, by any U.S. national

who did not receive notice of the original Hungarian Claims program authorized in 1955 due to administrative error on the part of the Commission which resulted in such notice being mailed to a non-existent address. In its enrolled bill letter the Commission states that it "envisions that this amendment would have minimal impact on the claims program."

Finally, it should be noted that enactment of the enrolled bill would not result in any additional cost to the Government since the related administrative expenses would be deducted from the total amount of the U.S. - Hungarian settlement.

A handwritten signature in cursive script, appearing to read "Wilfred H. Rommel".

Assistant Director for  
Legislative Reference

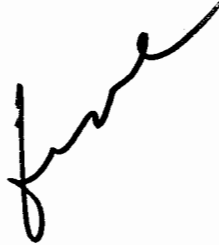
Enclosures

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

ACTION

Last Day - October 23



MEMORANDUM FOR: THE PRESIDENT  
FROM: KEN COLE  
SUBJECT: Enrolled Bill H.R. 13261  
Hungarian Claims

Attached for your consideration is House bill, H.R. 13261, sponsored by Representative Rosenthal, which implements the Hungarian-United States Claims Agreement of March 6, 1973, by providing that payments made by Hungary under that agreement may be used to satisfy certain claims of U.S. nationals, and for other purposes.

Roy Ash recommends approval and provides you with additional background information in his enrolled bill report (Tab A).

We have checked with the NSC, the Counsel's office (Chapman), and Bill Timmons who also concur.

RECOMMENDATION

That you sign House bill H.R. 13261 (Tab B).

THE WHITE HOUSE

ACTION

WASHINGTON

Last Day - October 23

October 18, 1974

MEMORANDUM FOR:

THE PRESIDENT

FROM:

KEN COLE

SUBJECT:

Enrolled Bill H.R. 13261  
Hungarian Claims

Attached for your consideration is House bill, H.R. 13261, sponsored by Representative Rosenthal, which implements the Hungarian - United States Claims Agreement of March 6, 1973, by providing that payments made by Hungary under that agreement may be used to satisfy certain claims of U.S. nationals, and for other purposes.

Roy Ash recommends approval and provides you with additional background information in his enrolled bill report (Tab A).

We have checked with the NSC, the Counsel's office (Chapman), and Bill Timmons who also recommend approval.

RECOMMENDATION

That you sign House bill H.R. 13261 (Tab B).



FOREIGN CLAIMS SETTLEMENT COMMISSION  
OF THE UNITED STATES

WASHINGTON, D.C. 20579

October 11, 1974

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

Dear Mr. Ash:

In compliance with the request of Mr. Wilfred H. Rommel, Assistant Director for Legislative Reference and in accordance with OMB Circular A-19, the Foreign Claims Settlement Commission has examined the facsimile of the enrolled bill, H.R. 13261, Ninety-third Congress, Second Session, entitled, "An Act To amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes."

H.R. 13261 represents the legislative proposal transmitted by this Commission to the House of Representatives and the United States Senate on October 31, 1973, in behalf of the Executive Branch. The purpose of this proposal is to provide for the implementation by the Commission of the terms of an en bloc settlement of certain claims by nationals of the United States against the Government of Hungary under an agreement concluded between the Governments of the United States and the Hungarian People's Republic on March 6, 1973.

The claims referred to in the agreement are those arising out of the failure by the Government of Hungary to (1) pay compensation for certain war damage losses; (2) pay compensation for the nationalization of property; and (3) meet certain contractual obligations expressed in United States dollars acquired by United States nationals prior to September 1, 1939, and which became payable prior to September 15, 1947.

A majority of the claims have already been adjudicated by the Commission under Section 303 of Title III of the International Claims Settlement Act of 1949, as amended (Public Law 84-285, approved August 9, 1955). In that program, a total of 2,725 claims were filed and awards were granted on 1,153 of those claims in which the principal amounts totalled approxi-

mately \$58,277,457. The remaining 1,572 claims were denied for various reasons. The claims program was completed on August 9, 1959, as specifically provided under the terms of the enabling statute.

The funds that were used to make payments on those awards were derived from the liquidation of certain Hungarian assets in the United States that had been blocked and vested in the United States during World War II under the provisions of the Trading With the Enemy Act.

Title II of the International Claims Settlement Act of 1949 (Public Law 84-285) specifically authorized and directed the liquidation of those Hungarian assets and the deposit of the proceeds in the Hungarian Claims Fund, a special fund set up in the Treasury Department. After deducting an amount equivalent to 5% of the proceeds for reimbursement to the United States for expenditures incurred by the Commission and other agencies in carrying out its functions with respect to these claims, a net amount of \$2,237,737.96 was available to make payments on the awards granted. Thus, the Secretary of the Treasury, who was responsible for making payments under specific provisions of Title III of the Act, was only able to authorize payments of up to \$1,000 plus approximately 1.5% of the principal amounts of awards in excess of \$1,000. Under those provisions, the principal amounts of awards under \$1,000 were paid in full.

The Hungarian Claims Agreement of March 6, 1973, will make available the sum of \$18.9 million for additional payments to be made on certain awards granted in the claims program authorized in 1955 under Public Law 84-285. The agreement also makes provision for certain claims which were not covered by Public Law 84-285, which only covered claims that arose prior to the date of its enactment, i.e., August 9, 1955.

H.R. 13261 will amend Title III of the International Claims Settlement Act of 1949 so that the terms of the March 6, 1973, claims settlement agreement can be implemented.

The first amendment adds a new subsection (6) to Section 302 which will allow the transfer into the Hungarian Claims Fund the money derived from that agreement. The statute now provides that the Hungarian Claims Fund shall be comprised only of sums blocked, vested, and transferred by the Attorney General of the United States. The new funds cannot be covered into the Hungarian Claims Fund unless H.R. 13261 is enacted into law.



The Government of Hungary has already made the first two payments as provided under the agreement.

Certain technical changes in Section 303 are also included to permit the determination of a number of claims of nationals of the United States against the Government of Hungary included within the March 6, 1973, agreement. These claims are based upon the nationalization or other taking of property of nationals of the United States between August 9, 1955, the date of enactment of Title III of the Act, and March 6, 1973, the effective date of the agreement.

The bill provides for a 6 month period for the filing of new claims that arose between August 9, 1955, and March 6, 1973, and a settlement period of 2 years subsequent to the expiration of the filing period.

This proposed legislation also provides for the revamping of the award payment provisions of the statute to assure that new awardees will not obtain an advantage over previous awardees. The amendment relating to this issue provides that new awardees will initially be limited to the percentage paid to the old awardees and then permit the residual balance to be distributed proportionally among all eligible awardees.

The payment amendments also would prohibit any further payments to be made on war damage awards made under Section 303(1) of the Act until all other awards have been paid in equal proportions to such awards. The war damage awards have been paid in amounts of up to 40% out of another fund, the War Claims Fund, under the provisions of Public Law 87-846, approved October 22, 1962 (Title II of the War Claims Act of 1948, as amended.)

H.R. 13261 also contains an amendment to preclude any further payments on awards granted under Section 303(3) of the Act based on Kingdom of Hungary bonds expressed in United States dollars and the awards granted to the Standstill Creditors of Hungary. In the case of the Kingdom of Hungary dollar bonds, there was an exchange of letters between the Secretary of State of the United States and the Deputy Prime Minister of Hungary confirming that it was the intention of the Government of Hungary to settle such claims by direct talks with the bondholders or their representatives. The claims by the Standstill Creditors were the subject matter of an agreement concluded on December 5, 1969, between the Government of Hungary and the American Committee for Standstill Creditors of Hungary which provided funds for

payments to the American creditors. Thus, the amendment is designed to prevent double payment.

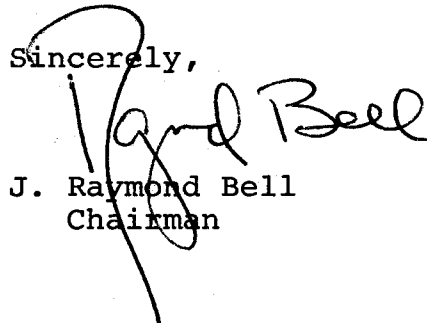
Finally, there is an amendment which provides for payments to be made to the United States Government in settlement of a \$125,000 claim arising out of an aerial incident in 1951 involving a United States plane.

This bill as finally passed by the House and Senate contains one section that was not included in the legislative proposal as originally submitted by the Commission. Section 306(d) was added by the Senate and agreed to by the House of Representatives. This section permits the consideration by the Commission of a small number of claims, perhaps only one, by any national of the United States who failed to receive notice regarding the original claims program authorized in 1955 as a result of an administrative error on the part of the Commission which resulted in a notice having been sent to a non-existent address. The Commission envisions that this amendment would have minimal impact on the claims program.

It should be noted that the costs of administering this proposal will be borne by the funds derived from the settlement and not by the United States Government. There is a provision of the statute that authorizes and directs a deduction of 5% of the funds to reimburse the United States for expenditures incurred in the administration of the program.

Accordingly, the Foreign Claims Settlement Commission favors the purpose of H.R. 13261 and recommends its early approval by the President.

Sincerely,



J. Raymond Bell  
Chairman



DEPARTMENT OF STATE

Washington, D.C. 20520

OCT 15 1974

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

Dear Mr. Ash:

This is in response to Mr. Rommel's communication of October 10 requesting the views of the Department of State on enrolled bill H.R. 13261, "To amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes."

In essence H.R. 13261 is the legislative proposal prepared by the Department of State and the Foreign Claims Settlement Commission of the United States and transmitted to the House of Representatives and the Senate on October 31, 1973, on behalf of the Executive Branch. The purpose of the enrolled bill is to implement the provisions of the lump-sum claims settlement agreement of March 6, 1973, between the Governments of the United States and the Hungarian People's Republic.

Under the agreement the Government of the Hungarian People's Republic will pay the Government of the United States \$18,900,000 in full and final settlement and discharge of certain claims which arose prior to March 6, 1973. Such amount is in addition to amounts vested by the Government of the United States under the provisions of Title II of the International Claims Settlement Act of 1949, as amended.

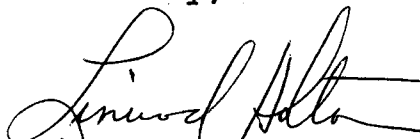
The claims settled by the agreement are those arising out of the failure of the Government of Hungary to (1) pay compensation for certain war damage losses in accordance with its obligations under Articles 26 and 27 of the Treaty of Peace between the United States and Hungary dated February 10, 1947; (2) pay compensation for the nationalization, compulsory liquidation, expropriation, or other taking of property on or prior to

March 6, 1973; (3) meet certain obligations expressed in currency of the United States arising out of contractual or other rights acquired by nationals of the United States prior to September 1, 1939, and which became payable prior to September 15, 1947; and (4) pay compensation for losses sustained by the Government of the United States as a result of an aerial incident on November 19, 1951, involving a C-47 aircraft owned by the United States Air Force.

The Department of State has carefully studied the report of the Foreign Claims Settlement Commission of the United States on enrolled bill H.R. 13261 and concurs in its comments and views regarding the matter.

In the circumstances, the Department of State favors enrolled bill H.R. 13261 and recommends its early enactment by the President.

Cordially,



Linwood Holton  
Assistant Secretary  
for Congressional Relations



THE GENERAL COUNSEL OF THE TREASURY  
WASHINGTON, D.C. 20220

In reply please refer to  
RL 74-262

OCT 16 1974

Director, Office of Management and Budget  
Executive Office of the President  
Washington, D. C. 20503

Attention: Assistant Director for Legislative  
Reference

Sir:

Your office has asked for the views of this Department on the enrolled enactment of H.R. 13261 "To amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States - Hungarian Claims Agreement of March 6, 1973, and for other purposes."

The enrolled enactment provides the necessary legislative authority, now lacking, to implement the March 6, 1973, Agreement between the Government of the United States and the Government of the Hungarian People's Republic which settled claims of United States nationals against Hungary due to war damage losses, nationalizations of property and defaults on obligations expressed in United States dollars. The Agreement provides the funds to pay awards based on such claims, either by way of further payments on awards already made under the existing Title II of the International Claims Settlement Act of 1949 or by way of initial payments on awards based on claims recognized for the first time under the proposed amendments to Title III, provided by the enrolled enactment. New awards would receive payments in percentages equal to payments already made on existing awards. Thereafter, all awards would share equally in funds available for payments.

The Department will interpose no objection to a recommendation that the enrolled enactment be approved by the President.

Sincerely yours,



Richard R. Albrecht

Department of Justice  
Washington, D. C. 20530

OCT 16 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 the enrolled bill (H.R. 13261), "To amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes."

The bill would amend the International Claims Settlement Act of 1949 (1) by directing the Secretary of the Treasury to cover into the Hungarian Claims Fund such sums as may be received from the Hungarian Government pursuant to the claims agreement of March 6, 1973, with that government; (1) by making provision for the disposition of new claims against the Government of Hungary which have arisen since August 9, 1955; (3) by requiring the normal publication of claims filing period in the Federal Register; (4) by extending the time for filing claims in cases of administrative error; (5) by providing limits on payments of new awards; (6) by prohibiting further payments on awards based on Kingdom of Hungary bonds expressed in United States dollars and awards to Standstill creditors of Hungary; (7) by providing for payment to the United States of specific claim in the amount of \$125,000; and (8) by requiring the Foreign Claims Settlement Commission to complete the Hungarian Claims Program within two years.

The Department of Justice defers to the Foreign Claims Settlement Commission as to whether this bill should receive Executive approval.

Sincerely,



W. Vincent Rakestraw  
Assistant Attorney General

THE WHITE HOUSE  
WASHINGTON

10/17/74

TO: WARREN HENDRIKS

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Robert D. Linder

To Warren Bendorich  
10-17-74

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

OCT 17 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 13261 - Hungarian Claims  
Sponsor - Rep. Rosenthal (D) New York

Last Day for Action

October 23, 1974 - Wednesday

Purpose

Implements the Hungarian - United States Claims Agreement of March 6, 1973, by providing that payments made by Hungary under that agreement may be used to satisfy certain claims of U.S. nationals, and for other purposes.

Agency Recommendations

Office of Management and Budget	Approval
Foreign Claims Settlement Commission	Approval
Department of State	Approval
Department of the Treasury	No objection (Informally)
Department of Justice	Defers to Foreign Claims Settlement Commission

Discussion

On March 6, 1973, the United States and Hungary signed an agreement which provided for an en bloc settlement of claims by nationals of the United States against the Government of Hungary. The claims covered included those arising from the failure of the Hungarian Government to pay compensation for certain war damage losses, to pay compensation for the





expropriation of property belonging to U.S. nationals and to meet certain other obligations. Under the terms of the settlement, Hungary agreed to pay the United States a total of \$18.9 million.

Pursuant to a law enacted in 1955, which originally authorized a program to settle claims of U.S. nationals against Hungary, the Foreign Claims Settlement Commission has adjudicated and granted awards on many of the claims covered by the 1973 agreement. Partial payments on these awards were made from amounts available in the Hungarian Claims Fund which, as established by the 1955 law, consisted only of the proceeds from Hungarian assets blocked and vested in the United States during World War II.

The enrolled bill would amend the original Hungarian claims statutes to authorize the transfer of sums derived from the recent agreement to the Hungarian Claims Fund, thus making available \$18.9 million for additional payments on certain of the awards previously granted. It would also establish a new program to adjudicate claims based upon the nationalization or other taking of property of U.S. nationals which arose too late to be considered under the 1955 program but on or before March 6, 1973, the effective date of the agreement. The bill would further provide for a maximum period of 6 months for the filing of these new claims and for a 2-year settlement period subsequent to the filing deadline.

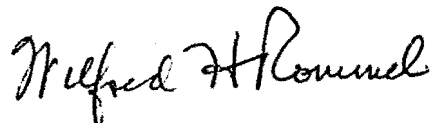
H.R. 13261 also contains a number of provisions to ensure that the payments it would provide will be distributed fairly among all successful claimants and to prevent double payments to certain groups of claimants who have made or may make separate settlements with the Hungarian Government.

Another provision in the bill authorizes payments from the Fund to the U.S. Government in settlement of a \$125,000 claim arising out of an aerial accident in 1951 involving a United States Air Force plane.

While the enrolled bill is similar to an Administration proposal in almost all respects, it does contain one section that was not requested. This amendment would permit the Foreign Claims Settlement Commission to consider a small number of claims, possibly only one, by any U.S. national

who did not receive notice of the original Hungarian Claims program authorized in 1955 due to administrative error on the part of the Commission which resulted in such notice being mailed to a non-existent address. In its enrolled bill letter the Commission states that it "envisions that this amendment would have minimal impact on the claims program."

Finally, it should be noted that enactment of the enrolled bill would not result in any additional cost to the Government since the related administrative expenses would be deducted from the total amount of the U.S. - Hungarian settlement.



Assistant Director for  
Legislative Reference

Enclosures

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 874

Date: October 17, 1974

Time: 2:30 p.m.

FOR ACTION: NSC/S  
✓ Phil Buchen  
Bill Timmons

cc (for information): Warren K. Hendriks  
Jerry Jones  
Paul Theis

FROM THE STAFF SECRETARY

DUE: Date: Monday, October 21, 1974 Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 13261 - Hungarian Claims

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Kathy Tindle - 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

ACTION

Last Day - October 23

October 18, 1974

MEMORANDUM FOR: THE PRESIDENT  
FROM: KEN COLE  
SUBJECT: Enrolled Bill H.R. 13261  
Hungarian Claims

Attached for your consideration is House bill, H.R. 13261, sponsored by Representative Rosenthal, which implements the Hungarian - United States Claims Agreement of March 6, 1973, by providing that payments made by Hungary under that agreement may be used to satisfy certain claims of U.S. nationals, and for other purposes.

Roy Ash recommends approval and provides you with additional background information in his enrolled bill report (Tab A).

We have checked with the NSC, the Counsel's office (Chapman), and Bill Timmons who also recommend approval.

RECOMMENDATION

That you sign House bill H.R. 13261 (Tab B).

THE WHITE HOUSE

WASHINGTON

October 18, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS  
FROM: WILLIAM E. TIMMONS *PAM/BJ*  
SUBJECT: Action Memorandum - Log No. 674  
Enrolled Bill H. R. 13261 - Hungarian Claims

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

Attachment

*File*



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 674

Date: October 17, 1974

Time: 2:30 p.m.

FOR ACTION: NSC/S  
Phil Buchen  
✓ Bill Timmons

cc (for information): Warren K. Hendriks  
Jerry Jones  
Paul Theis

FROM THE STAFF SECRETARY

DUE: Date: Monday, October 21, 1974 Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 13261 - Hungarian Claims

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Kathy Tindle - 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.

Warren K. Hendriks  
For the President

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

OCT 17 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 13261 - Hungarian Claims  
Sponsor - Rep. Rosenthal (D) New York

Last Day for Action

October 23, 1974 - Wednesday

Purpose

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Agency Recommendations

Office of Management and Budget	Approval
Foreign Claims Settlement Commission	Approval
Department of State	Approval
Department of the Treasury	No objection (Informally)
Department of Justice	Defers to Foreign Claims Settlement Commission

Discussion

On March 6, 1973, the United States and Hungary signed an agreement which provided for an en bloc settlement of claims by nationals of the United States against the Government of Hungary. The claims covered included those arising from the failure of the Hungarian Government to pay compensation for certain war damage losses, to pay compensation for the

expropriation of property belonging to U.S. nationals and to meet certain other obligations. Under the terms of the settlement, Hungary agreed to pay the United States a total of \$18.9 million.

Pursuant to a law enacted in 1955, which originally authorized a program to settle claims of U.S. nationals against Hungary, the Foreign Claims Settlement Commission has adjudicated and granted awards on many of the claims covered by the 1973 agreement. Partial payments on these awards were made from amounts available in the Hungarian Claims Fund which, as established by the 1955 law, consisted only of the proceeds from Hungarian assets blocked and vested in the United States during World War II.

The enrolled bill would amend the original Hungarian claims statutes to authorize the transfer of sums derived from the recent agreement to the Hungarian Claims Fund, thus making available \$18.9 million for additional payments on certain of the awards previously granted. It would also establish a new program to adjudicate claims based upon the nationalization or other taking of property of U.S. nationals which arose too late to be considered under the 1955 program but on or before March 6, 1973, the effective date of the agreement. The bill would further provide for a maximum period of 6 months for the filing of these new claims and for a 2-year settlement period subsequent to the filing deadline.

H.R. 13261 also contains a number of provisions to ensure that the payments it would provide will be distributed fairly among all successful claimants and to prevent double payments to certain groups of claimants who have made or may make separate settlements with the Hungarian Government.

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who did not receive notice of the original Hungarian Claims program authorized in 1955 due to administrative error on the part of the Commission which resulted in such notice being mailed to a non-existent address. In its enrolled bill letter the Commission states that it "envisions that this amendment would have minimal impact on the claims program."

Finally, it should be noted that enactment of the enrolled bill would not result in any additional cost to the Government since the related administrative expenses would be deducted from the total amount of the U.S. - Hungarian settlement.

*Wilfred H. Rommel*

Assistant Director for  
Legislative Reference

Enclosures





OFFICE  
OF THE CHAIRMAN

FOREIGN CLAIMS SETTLEMENT COMMISSION  
OF THE UNITED STATES

WASHINGTON, D.C. 20579

October 11, 1974

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

Dear Mr. Ash:

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H.R. 13261 represents the legislative proposal transmitted by this Commission to the House of Representatives and the United States Senate on October 31, 1973, in behalf of the Executive Branch. The purpose of this proposal is to provide for the implementation by the Commission of the terms of an en bloc settlement of certain claims by nationals of the United States against the Government of Hungary under an agreement concluded between the Governments of the United States and the Hungarian People's Republic on March 6, 1973.

The claims referred to in the agreement are those arising out of the failure by the Government of Hungary to (1) pay compensation for certain war damage losses; (2) pay compensation for the nationalization of property; and (3) meet certain contractual obligations expressed in United States dollars acquired by United States nationals prior to September 1, 1939, and which became payable prior to September 15, 1947.

A majority of the claims have already been adjudicated by the Commission under Section 303 of Title III of the International Claims Settlement Act of 1949, as amended (Public Law 84-285, approved August 9, 1955). In that program, a total of 2,725 claims were filed and awards were granted on 1,153 of those claims in which the principal amounts totalled approxi-

mately \$58,277,457. The remaining 1,572 claims were denied for various reasons. The claims program was completed on August 9, 1959, as specifically provided under the terms of the enabling statute.

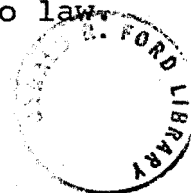
The funds that were used to make payments on those awards were derived from the liquidation of certain Hungarian assets in the United States that had been blocked and vested in the United States during World War II under the provisions of the Trading With the Enemy Act.

Title II of the International Claims Settlement Act of 1949 (Public Law 84-285) specifically authorized and directed the liquidation of those Hungarian assets and the deposit of the proceeds in the Hungarian Claims Fund, a special fund set up in the Treasury Department. After deducting an amount equivalent to 5% of the proceeds for reimbursement to the United States for expenditures incurred by the Commission and other agencies in carrying out its functions with respect to these claims, a net amount of \$2,237,737.96 was available to make payments on the awards granted. Thus, the Secretary of the Treasury, who was responsible for making payments under specific provisions of Title III of the Act, was only able to authorize payments of up to \$1,000 plus approximately 1.5% of the principal amounts of awards in excess of \$1,000. Under those provisions, the principal amounts of awards under \$1,000 were paid in full.

The Hungarian Claims Agreement of March 6, 1973, will make available the sum of \$18.9 million for additional payments to be made on certain awards granted in the claims program authorized in 1955 under Public Law 84-285. The agreement also makes provision for certain claims which were not covered by Public Law 84-285, which only covered claims that arose prior to the date of its enactment, i.e., August 9, 1955.

H.R. 13261 will amend Title III of the International Claims Settlement Act of 1949 so that the terms of the March 6, 1973, claims settlement agreement can be implemented.

The first amendment adds a new subsection (6) to Section 302 which will allow the transfer into the Hungarian Claims Fund the money derived from that agreement. The statute now provides that the Hungarian Claims Fund shall be comprised only of sums blocked, vested, and transferred by the Attorney General of the United States. The new funds cannot be covered into the Hungarian Claims Fund unless H.R. 13261 is enacted into law.



The Government of Hungary has already made the first two payments as provided under the agreement.

Certain technical changes in Section 303 are also included to permit the determination of a number of claims of nationals of the United States against the Government of Hungary included within the March 6, 1973, agreement. These claims are based upon the nationalization or other taking of property of nationals of the United States between August 9, 1955, the date of enactment of Title III of the Act, and March 6, 1973, the effective date of the agreement.

The bill provides for a 6 month period for the filing of new claims that arose between August 9, 1955, and March 6, 1973, and a settlement period of 2 years subsequent to the expiration of the filing period.

This proposed legislation also provides for the revamping of the award payment provisions of the statute to assure that new awardees will not obtain an advantage over previous awardees. The amendment relating to this issue provides that new awardees will initially be limited to the percentage paid to the old awardees and then permit the residual balance to be distributed proportionally among all eligible awardees.

The payment amendments also would prohibit any further payments to be made on war damage awards made under Section 303(1) of the Act until all other awards have been paid in equal proportions to such awards. The war damage awards have been paid in amounts of up to 40% out of another fund, the War Claims Fund, under the provisions of Public Law 87-846, approved October 22, 1962 (Title II of the War Claims Act of 1948, as amended.)

H.R. 13261 also contains an amendment to preclude any further payments on awards granted under Section 303(3) of the Act based on Kingdom of Hungary bonds expressed in United States dollars and the awards granted to the Standstill Creditors of Hungary. In the case of the Kingdom of Hungary dollar bonds, there was an exchange of letters between the Secretary of State of the United States and the Deputy Prime Minister of Hungary confirming that it was the intention of the Government of Hungary to settle such claims by direct talks with the bondholders or their representatives. The claims by the Standstill Creditors were the subject matter of an agreement concluded on December 5, 1969, between the Government of Hungary and the American Committee for Standstill Creditors of Hungary which provided funds for

Hon. Roy L. Ash

- 4 -

payments to the American creditors. Thus, the amendment is designed to prevent double payment.

Finally, there is an amendment which provides for payments to be made to the United States Government in settlement of a \$125,000 claim arising out of an aerial incident in 1951 involving a United States plane.

This bill as finally passed by the House and Senate contains one section that was not included in the legislative proposal as originally submitted by the Commission. Section 306(d) was added by the Senate and agreed to by the House of Representatives. This section permits the consideration by the Commission of a small number of claims, perhaps only one, by any national of the United States who failed to receive notice regarding the original claims program authorized in 1955 as a result of an administrative error on the part of the Commission which resulted in a notice having been sent to a non-existent address. The Commission envisions that this amendment would have minimal impact on the claims program.

It should be noted that the costs of administering this proposal will be borne by the funds derived from the settlement and not by the United States Government. There is a provision of the statute that authorizes and directs a deduction of 5% of the funds to reimburse the United States for expenditures incurred in the administration of the program.

Accordingly, the Foreign Claims Settlement Commission favors the purpose of H.R. 13261 and recommends its early approval by the President.

Sincerely,

  
J. Raymond Bell  
Chairman



DEPARTMENT OF STATE

Washington, D.C. 20520

OCT 15 1974

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

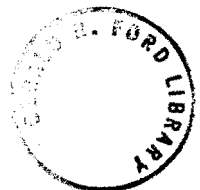
Dear Mr. Ash:

This is in response to Mr. Rommel's communication of October 10 requesting the views of the Department of State on enrolled bill H.R. 13261, "To amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes."

In essence H.R. 13261 is the legislative proposal prepared by the Department of State and the Foreign Claims Settlement Commission of the United States and transmitted to the House of Representatives and the Senate on October 31, 1973, on behalf of the Executive Branch. The purpose of the enrolled bill is to implement the provisions of the lump-sum claims settlement agreement of March 6, 1973, between the Governments of the United States and the Hungarian People's Republic.

Under the agreement the Government of the Hungarian People's Republic will pay the Government of the United States \$18,900,000 in full and final settlement and discharge of certain claims which arose prior to March 6, 1973. Such amount is in addition to amounts vested by the Government of the United States under the provisions of Title II of the International Claims Settlement Act of 1949, as amended.

The claims settled by the agreement are those arising out of the failure of the Government of Hungary to (1) pay compensation for certain war damage losses in accordance with its obligations under Articles 26 and 27 of the Treaty of Peace between the United States and Hungary dated February 10, 1947; (2) pay compensation for the nationalization, compulsory liquidation, expropriation, or other taking of property on or prior to

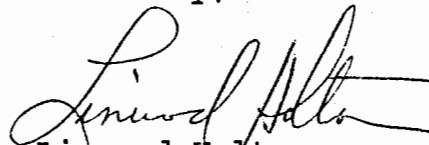


March 6, 1973; (3) meet certain obligations expressed in currency of the United States arising out of contractual or other rights acquired by nationals of the United States prior to September 1, 1939, and which became payable prior to September 15, 1947; and (4) pay compensation for losses sustained by the Government of the United States as a result of an aerial incident on November 19, 1951, involving a C-47 aircraft owned by the United States Air Force.

The Department of State has carefully studied the report of the Foreign Claims Settlement Commission of the United States on enrolled bill H.R. 13261 and concurs in its comments and views regarding the matter.

In the circumstances, the Department of State favors enrolled bill H.R. 13261 and recommends its early enactment by the President.

Cordially,



Linwood Holton  
Assistant Secretary  
for Congressional Relations

Department of Justice  
Washington, D.C. 20530

OCT 16 1974

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

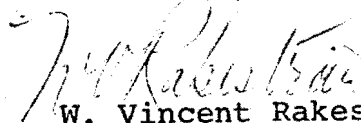
Dear Mr. Ash:

In compliance with your request, I have examined a facsimile of the enrolled bill (H.R. 13261), "To amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes."

The bill would amend the International Claims Settlement Act of 1949 (1) by directing the Secretary of the Treasury to cover into the Hungarian Claims Fund such sums as may be received from the Hungarian Government pursuant to the claims agreement of March 6, 1973, with that government; (2) by making provision for the disposition of new claims against the Government of Hungary which have arisen since August 9, 1955; (3) by requiring the normal publication of claims filing period in the Federal Register; (4) by extending the time for filing claims in cases of administrative error; (5) by providing limits on payments of new awards; (6) by prohibiting further payments on awards based on Kingdom of Hungary bonds expressed in United States dollars and awards to Standstill creditors of Hungary; (7) by providing for payment to the United States of specific claim in the amount of \$125,000; and (8) by requiring the Foreign Claims Settlement Commission to complete the Hungarian Claims Program within two years.

The Department of Justice defers to the Foreign Claims Settlement Commission as to whether this bill should receive Executive approval.

Sincerely,



W. Vincent Rakestraw  
Assistant Attorney General



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 674

Date: October 17, 1974

Time: 2:30 p.m.

FOR ACTION: ~~NSC/S~~  
✓ Phil Buchen  
Bill Timmons

cc (for information): Warren K. Hendriks  
Jerry Jones  
Paul Theis

FROM THE STAFF SECRETARY

DUE: Date: Monday, October 21, 1974 Time: 2:00 p.m.

SUBJECT: Enrolled Bill H.R. 13261 - Hungarian Claims

ACTION REQUESTED:

\_\_\_\_\_ For Necessary Action

XX For Your Recommendations

\_\_\_\_\_ Prepare Agenda and Brief

\_\_\_\_\_ Draft Reply

\_\_\_\_\_ For Your Comments

\_\_\_\_\_ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

*No objection  
D.C.*

*File*

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.

Warren K. Hendriks  
For the President

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

OCT 17 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 13261 - Hungarian Claims  
Sponsor - Rep. Rosenthal (D) New York

Last Day for Action

October 23, 1974 - Wednesday

Purpose

Implements the Hungarian - United States Claims Agreement of March 6, 1973, by providing that payments made by Hungary under that agreement may be used to satisfy certain claims of U.S. nationals, and for other purposes.

Agency Recommendations

Office of Management and Budget	Approval
Foreign Claims Settlement Commission	Approval
Department of State	Approval
Department of the Treasury	No objection (Informally)
Department of Justice	Defers to Foreign Claims Settlement Commission

Discussion

On March 6, 1973, the United States and Hungary signed an agreement which provided for an en bloc settlement of claims by nationals of the United States against the Government of Hungary. The claims covered included those arising from the failure of the Hungarian Government to pay compensation for certain war damage losses, to pay compensation for the

expropriation of property belonging to U.S. nationals and to meet certain other obligations. Under the terms of the settlement, Hungary agreed to pay the United States a total of \$18.9 million.

Pursuant to a law enacted in 1955, which originally authorized a program to settle claims of U.S. nationals against Hungary, the Foreign Claims Settlement Commission has adjudicated and granted awards on many of the claims covered by the 1973 agreement. Partial payments on these awards were made from amounts available in the Hungarian Claims Fund which, as established by the 1955 law, consisted only of the proceeds from Hungarian assets blocked and vested in the United States during World War II.

The enrolled bill would amend the original Hungarian claims statutes to authorize the transfer of sums derived from the recent agreement to the Hungarian Claims Fund, thus making available \$18.9 million for additional payments on certain of the awards previously granted. It would also establish a new program to adjudicate claims based upon the nationalization or other taking of property of U.S. nationals which arose too late to be considered under the 1955 program but on or before March 6, 1973, the effective date of the agreement. The bill would further provide for a maximum period of 6 months for the filing of these new claims and for a 2-year settlement period subsequent to the filing deadline.

H.R. 13261 also contains a number of provisions to ensure that the payments it would provide will be distributed fairly among all successful claimants and to prevent double payments to certain groups of claimants who have made or may make separate settlements with the Hungarian Government.

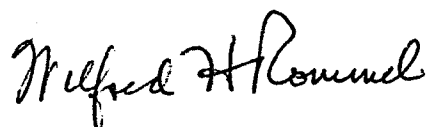
Another provision in the bill authorizes payments from the Fund to the U.S. Government in settlement of a \$125,000 claim arising out of an aerial accident in 1951 involving a United States Air Force plane.

While the enrolled bill is similar to an Administration proposal in almost all respects, it does contain one section that was not requested. This amendment would permit the Foreign Claims Settlement Commission to consider a small number of claims, possibly only one, by any U.S. national



who did not receive notice of the original Hungarian Claims program authorized in 1955 due to administrative error on the part of the Commission which resulted in such notice being mailed to a non-existent address. In its enrolled bill letter the Commission states that it "envisions that this amendment would have minimal impact on the claims program."

Finally, it should be noted that enactment of the enrolled bill would not result in any additional cost to the Government since the related administrative expenses would be deducted from the total amount of the U.S. - Hungarian settlement.



Assistant Director for  
Legislative Reference

Enclosures



OFFICE  
OF THE CHAIRMAN

FOREIGN CLAIMS SETTLEMENT COMMISSION  
OF THE UNITED STATES

WASHINGTON, D.C. 20579

October 11, 1974

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

Dear Mr. Ash:

In compliance with the request of Mr. Wilfred H. Rommel, Assistant Director for Legislative Reference and in accordance with OMB Circular A-19, the Foreign Claims Settlement Commission has examined the facsimile of the enrolled bill, H.R. 13261, Ninety-third Congress, Second Session, entitled, "An Act To amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes."

H.R. 13261 represents the legislative proposal transmitted by this Commission to the House of Representatives and the United States Senate on October 31, 1973, in behalf of the Executive Branch. The purpose of this proposal is to provide for the implementation by the Commission of the terms of an en bloc settlement of certain claims by nationals of the United States against the Government of Hungary under an agreement concluded between the Governments of the United States and the Hungarian People's Republic on March 6, 1973.

The claims referred to in the agreement are those arising out of the failure by the Government of Hungary to (1) pay compensation for certain war damage losses; (2) pay compensation for the nationalization of property; and (3) meet certain contractual obligations expressed in United States dollars acquired by United States nationals prior to September 1, 1939, and which became payable prior to September 15, 1947.

A majority of the claims have already been adjudicated by the Commission under Section 303 of Title III of the International Claims Settlement Act of 1949, as amended (Public Law 84-285, approved August 9, 1955). In that program, a total of 2,725 claims were filed and awards were granted on 1,153 of those claims in which the principal amounts totalled approxi-

mately \$58,277,457. The remaining 1,572 claims were denied for various reasons. The claims program was completed on August 9, 1959, as specifically provided under the terms of the enabling statute.

The funds that were used to make payments on those awards were derived from the liquidation of certain Hungarian assets in the United States that had been blocked and vested in the United States during World War II under the provisions of the Trading With the Enemy Act.

Title II of the International Claims Settlement Act of 1949 (Public Law 84-285) specifically authorized and directed the liquidation of those Hungarian assets and the deposit of the proceeds in the Hungarian Claims Fund, a special fund set up in the Treasury Department. After deducting an amount equivalent to 5% of the proceeds for reimbursement to the United States for expenditures incurred by the Commission and other agencies in carrying out its functions with respect to these claims, a net amount of \$2,237,737.96 was available to make payments on the awards granted. Thus, the Secretary of the Treasury, who was responsible for making payments under specific provisions of Title III of the Act, was only able to authorize payments of up to \$1,000 plus approximately 1.5% of the principal amounts of awards in excess of \$1,000. Under those provisions, the principal amounts of awards under \$1,000 were paid in full.

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H.R. 13261 will amend Title III of the International Claims Settlement Act of 1949 so that the terms of the March 6, 1973, claims settlement agreement can be implemented.

The first amendment adds a new subsection (6) to Section 302 which will allow the transfer into the Hungarian Claims Fund the money derived from that agreement. The statute now provides that the Hungarian Claims Fund shall be comprised only of sums blocked, vested, and transferred by the Attorney General of the United States. The new funds cannot be covered into the Hungarian Claims Fund unless H.R. 13261 is enacted into law.

The Government of Hungary has already made the first two payments as provided under the agreement.

Certain technical changes in Section 303 are also included to permit the determination of a number of claims of nationals of the United States against the Government of Hungary included within the March 6, 1973, agreement. These claims are based upon the nationalization or other taking of property of nationals of the United States between August 9, 1955, the date of enactment of Title III of the Act, and March 6, 1973, the effective date of the agreement.

The bill provides for a 6 month period for the filing of new claims that arose between August 9, 1955, and March 6, 1973, and a settlement period of 2 years subsequent to the expiration of the filing period.

This proposed legislation also provides for the revamping of the award payment provisions of the statute to assure that new awardees will not obtain an advantage over previous awardees. The amendment relating to this issue provides that new awardees will initially be limited to the percentage paid to the old awardees and then permit the residual balance to be distributed proportionally among all eligible awardees.

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H.R. 13261 also contains an amendment to preclude any further payments on awards granted under Section 303(3) of the Act based on Kingdom of Hungary bonds expressed in United States dollars and the awards granted to the Standstill Creditors of Hungary. In the case of the Kingdom of Hungary dollar bonds, there was an exchange of letters between the Secretary of State of the United States and the Deputy Prime Minister of Hungary confirming that it was the intention of the Government of Hungary to settle such claims by direct talks with the bondholders or their representatives. The claims by the Standstill Creditors were the subject matter of an agreement concluded on December 5, 1969, between the Government of Hungary and the American Committee for Standstill Creditors of Hungary which provided funds for



Hon. Roy L. Ash

- 4 -

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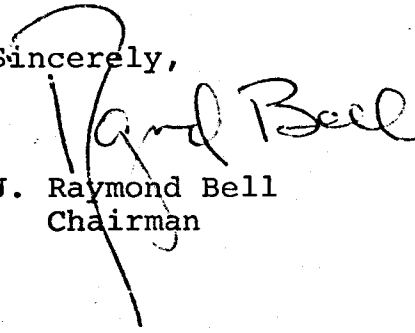
Finally, there is an amendment which provides for payments to be made to the United States Government in settlement of a \$125,000 claim arising out of an aerial incident in 1951 involving a United States plane.

This bill as finally passed by the House and Senate contains one section that was not included in the legislative proposal as originally submitted by the Commission. Section 306(d) was added by the Senate and agreed to by the House of Representatives. This section permits the consideration by the Commission of a small number of claims, perhaps only one, by any national of the United States who failed to receive notice regarding the original claims program authorized in 1955 as a result of an administrative error on the part of the Commission which resulted in a notice having been sent to a non-existent address. The Commission envisions that this amendment would have minimal impact on the claims program.

It should be noted that the costs of administering this proposal will be borne by the funds derived from the settlement and not by the United States Government. There is a provision of the statute that authorizes and directs a deduction of 5% of the funds to reimburse the United States for expenditures incurred in the administration of the program.

Accordingly, the Foreign Claims Settlement Commission favors the purpose of H.R. 13261 and recommends its early approval by the President.

Sincerely,

  
J. Raymond Bell  
Chairman







DEPARTMENT OF STATE

Washington, D.C. 20520

OCT 15 1974

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

Dear Mr. Ash:

This is in response to Mr. Rommel's communication of October 10 requesting the views of the Department of State on enrolled bill H.R. 13261, "To amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes."

In essence H.R. 13261 is the legislative proposal prepared by the Department of State and the Foreign Claims Settlement Commission of the United States and transmitted to the House of Representatives and the Senate on October 31, 1973, on behalf of the Executive Branch. The purpose of the enrolled bill is to implement the provisions of the lump-sum claims settlement agreement of March 6, 1973, between the Governments of the United States and the Hungarian People's Republic.

Under the agreement the Government of the Hungarian People's Republic will pay the Government of the United States \$18,900,000 in full and final settlement and discharge of certain claims which arose prior to March 6, 1973. Such amount is in addition to amounts vested by the Government of the United States under the provisions of Title II of the International Claims Settlement Act of 1949, as amended.

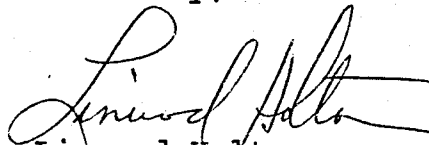
The claims settled by the agreement are those arising out of the failure of the Government of Hungary to (1) pay compensation for certain war damage losses in accordance with its obligations under Articles 26 and 27 of the Treaty of Peace between the United States and Hungary dated February 10, 1947; (2) pay compensation for the nationalization, compulsory liquidation, expropriation, or other taking of property on or prior to

March 6, 1973; (3) meet certain obligations expressed in currency of the United States arising out of contractual or other rights acquired by nationals of the United States prior to September 1, 1939, and which became payable prior to September 15, 1947; and (4) pay compensation for losses sustained by the Government of the United States as a result of an aerial incident on November 19, 1951, involving a C-47 aircraft owned by the United States Air Force.

The Department of State has carefully studied the report of the Foreign Claims Settlement Commission of the United States on enrolled bill H.R. 13261 and concurs in its comments and views regarding the matter.

In the circumstances, the Department of State favors enrolled bill H.R. 13261 and recommends its early enactment by the President.

Cordially,



Linwood Holton  
Assistant Secretary  
for Congressional Relations



Department of Justice  
Washington, D.C. 20530

OCT 16 1974

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

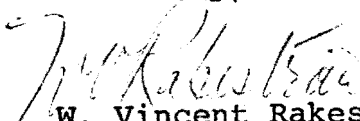
Dear Mr. Ash:

In compliance with your request, I have examined a facsimile of the enrolled bill (H.R. 13261), "To amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes."

The bill would amend the International Claims Settlement Act of 1949 (1) by directing the Secretary of the Treasury to cover into the Hungarian Claims Fund such sums as may be received from the Hungarian Government pursuant to the claims agreement of March 6, 1973, with that government; (2) by making provision for the disposition of new claims against the Government of Hungary which have arisen since August 9, 1955; (3) by requiring the normal publication of claims filing period in the Federal Register; (4) by extending the time for filing claims in cases of administrative error; (5) by providing limits on payments of new awards; (6) by prohibiting further payments on awards based on Kingdom of Hungary bonds expressed in United States dollars and awards to Standstill creditors of Hungary; (7) by providing for payment to the United States of specific claim in the amount of \$125,000; and (8) by requiring the Foreign Claims Settlement Commission to complete the Hungarian Claims Program within two years.

The Department of Justice defers to the Foreign Claims Settlement Commission as to whether this bill should receive Executive approval.

Sincerely,



W. Vincent Rakestraw  
Assistant Attorney General

## IMPLEMENTING UNITED STATES-HUNGARIAN CLAIMS AGREEMENT

---

MAY 2, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. ROSENTHAL, from the Committee on Foreign Affairs,  
submitted the following

### REPORT

[To accompany H.R. 13261]

The Committee on Foreign Affairs, to whom was referred the bill (H.R. 13261) to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE

This legislation will implement the Hungarian-United States Claims Agreement of March 6, 1973 by amending the International Claims Settlement Act of 1949, as amended, to provide that payments made under that agreement by Hungary be used to satisfy claims of U.S. nationals. The bill also insures fairness in handling such claims by paying new awards to the same percentage that past successful claimants received. The remaining balance of funds will then be divided equally among all successful claimants. The bill also allows the submission of claims for property seized after August 9, 1955 and before March 6, 1973.

#### BACKGROUND

On March 6, 1973, the Government of Hungary and the United States Government signed an agreement to provide for the settlement of outstanding claims of U.S. nationals against Hungary. Most of these claims resulted from the expropriation of property by the Hungarian Government since World War II.

The agreement, negotiated after several years of discussion, excluded further payment for two types of claims: Kingdom of Hun-



gary Bonds, which are the subject of discussions now between the Hungarian Government and the American bondholders; and those of the so-called Standstill Creditors, which were U.S. Banks and other lending institutions which lent money in the 1928-31 period to similar institutions in Hungary. These loans were guaranteed by the Government of Hungary. The Standstill Creditors reached a separate agreement with the Hungarian Government on December 5, 1969.

The unpaid claims of U.S. nationals against Hungary totalled about \$58 million, without interest, according to the Foreign Claims Settlement Commission. The agreement with the Standstill Creditors reduced this to about \$55 million. A negotiating goal of forty per cent (typical of that reached in agreements with other Eastern European countries) was applied which reduced the total to about \$22 million. This was reduced by the \$3.3 million in Kingdom of Hungary bonds. The net figure of \$18.9 million was accepted by the Hungarian Government in the March 1973 agreement with payments to be made over 20 years. Accelerated payments will be made by Hungary if its trade with the United States reaches a specified level.

The March 1973 agreement also settled Hungarian claims against the United States including those for vested Hungarian assets in this country.

#### EXECUTIVE BRANCH ACTION

To implement the March 1973 agreement, certain changes must be made in the International Claims Settlement Act of 1949, as amended. These changes were proposed by the Administration in Executive Communication 1506 of October 31, 1973, addressed to the Speaker of the House of Representatives.

#### COMMITTEE ACTION

The Executive Branch draft legislation, contained in Executive Communication 1506, was referred to the Committee on Foreign Affairs where it was referred to the Subcommittee on Europe. The Subcommittee held hearings on April 4, 1974, and heard testimony from the Department of State and from the Foreign Claims Settlement Commission. In both cases, the testimony favored passage of the bill as submitted by the Executive Branch.

The Subcommittee also advised private organizations concerned with Hungarian-American relations of the hearings and solicited their testimony. None of these organizations responded with a desire to testify on this legislation. Several individuals, on the other hand, and their legal representatives, expressed strong support for passing the legislation because of their outstanding claims against the Hungarian government.

The Committee on Foreign Affairs considered H.R. 13261 on April 30, 1974, and passed it unanimously without amendment.

#### COST ESTIMATE

No additional cost to the Federal Government is involved in the enactment of this bill.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

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) :

## INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

\* \* \* \* \*

## TITLE III

## CLAIMS AGAINST BULGARIA, HUNGARY, RUMANIA, ITALY, AND THE SOVIET UNION

\* \* \* \* \*

SEC. 302. (a) There are hereby created in the Treasury of the United States five funds to be known as the Bulgarian Claims Fund, the Hungarian Claims Fund, the Rumanian Claims Fund, the Italian Claims Fund, and the Soviet Claims Fund. The Secretary of the Treasury shall cover into each of the Hungarian, Rumanian, and Bulgarian Claims Funds, the funds attributable to the respective country or its nationals covered into the Treasury pursuant to subsections (a) and (b) of section 202 of this Act. The Secretary of the Treasury shall cover into the Italian Claims Fund the sum of \$5,000,000 paid to the United States by the Government of Italy pursuant to article II of the Memorandum of Understanding. The Secretary shall cover into the Treasury the funds collected by the United States pursuant to the Litvinov Assignment (including postal funds due prior to November 16, 1933, to the Union of Soviet Socialist Republics because of money orders certified to that country for payment) and shall cover into the Soviet Claims Fund the funds so covered into the Treasury. The Secretary shall deduct from each claims fund 5 per centum thereof as reimbursement to the Government of the United States for the expenses incurred by the Commission and by the Treasury Department in the administration of this title. Such deduction shall be made before any payment is made out of such fund under section 310. All amounts so deducted shall be covered into the Treasury to the credit of miscellaneous receipts.

(b) The Secretary of the Treasury shall cover into each of the Bulgarian and Rumanian Claims Funds such sums as may be paid by the Government of the respective country pursuant to the terms of any claims settlement agreement between the Government of the United States and the Government of such country.

(c) *The Secretary of the Treasury shall cover into the Hungarian Claims Fund such sums as may be paid to the United States by the Government of Hungary pursuant to the terms of any claims settlement agreement between the Government of the United States and the Government of that country.*

SEC. 303. The Commission shall receive and determine in accordance with applicable substantive law, including international law, the

validity and amounts of claims of nationals of the United States against the Governments of Bulgaria, Hungary, and Rumania, or any of them, arising out of the failure to—

(1) restore or pay compensation for property of nationals of the United States as required by article 23 of the treaty of peace with Bulgaria, articles 26 and 27 of the treaty of peace with Hungary, and articles 24 and 25 of the treaty of peace with Rumania. Awards under this paragraph shall be in amounts not to exceed two-thirds of the loss or damage actually sustained;

(2) pay effective compensation for the nationalization, compulsory liquidation, or other taking, prior to the effective date of this title, of property of nationals of the United States in Bulgaria, Hungary, and Rumania;

(3) meet obligations expressed in currency of the United States arising out of contractual or other rights acquired by nationals of the United States prior to April 24, 1941, in the case of Bulgaria, and prior to September 1, 1939, in the case of Hungary and Rumania, and which became payable prior to September 15, 1947; [and]

(4) pay effective compensation for the nationalization, compulsory liquidation, or other taking of property of nationals of the United States in Bulgaria and Rumania, between August 9, 1955, and the effective date of the claims agreement between the respective country and the United States[.]; and

(5) *Pay effective compensation for the nationalization, compulsory liquidation, or other taking of property of nationals of the United States in Hungary, between August 9, 1955, and the effective date of the claims agreement between the Governments of Hungary and the United States.*

SEC. 304. (a) The Commission shall receive and determine, in accordance with the Memorandum of Understanding and applicable substantive law including international law, the validity and amount of claims of nationals of the United States against the Government of Italy arising out of the war in which Italy was engaged from June 10, 1940, to September 15, 1947, and with respect to which provision was not made in the treaty of peace with Italy. Upon payment of the principal amounts (without interest) of all awards from the Italian Claims Fund created pursuant to section 302 of this Act, the Commission shall determine the validity and amount of any claim under this section by any natural person who was a citizen of the United States on the date of enactment of this title and shall, in the event an award is issued pursuant to such claims, certify the same to the Secretary of the Treasury for payment out of remaining balances in the Italian Claims Fund in accordance with the provisions of section 310 of this Act, notwithstanding that the period of time prescribed in section 316 of this Act for the settlement of all claims under this section may have expired.

(b) The Commission shall receive and determine, or redetermine, as the case may be, in accordance with applicable substantive law, including international law, the validity and amounts of claims owned by persons who were eligible to file claims under the first sentence of subsection (a) of this section on the date of enactment of this title, but failed to file such claims or, if they filed such claims,

failed to file such claims within the limit of time required therefor: *Provided*, That no awards shall be made to persons who have received compensation in any amount pursuant to the treaty of peace with Italy, subsection (a) of this section, or section 202 of the War Claims Act of 1948, as amended.

(c) The Commission shall receive and determine, or redetermine as the case may be, in accordance with applicable substantive law, including international law, the validity and amounts of claims owned by persons who were nationals of the United States on September 3, 1943, and the date of enactment of this subsection, against the Government of Italy which arose out of the war in which Italy was engaged from June 10, 1940, to September 15, 1947, in territory ceded by Italy pursuant to the treaty of peace with Italy: *Provided*, That no awards shall be made to persons who have received compensation in any amount pursuant to the treaty of peace with Italy or subsection (a) of this section.

(d) Within thirty days after enactment of this subsection, or within thirty days after the date of enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under subsections (b) and (c) of this section, whichever date is later, the Commission shall publish in the Federal Register the time when and the limit of time within which claims may be filed with the Commission, which limit shall not be more than six months after such publication.

(e) The Commission shall certify awards on claims determined pursuant to subsection (b) and (c) of this section to the Secretary of the Treasury for payment out of remaining balances in the Italian Claims Fund in accordance with the provisions of section 310 of this title, after payment in full of all awards certified pursuant to subsection (a) of this section.

(f) After payment in full of all awards certified to the Secretary of the Treasury pursuant to subsections (a) and (e) of this section, the Secretary of the Treasury is authorized and directed to transfer the unobligated balance in the Italian Claims Fund into the War Claims Fund created by section 13 of the War Claims Act of 1948, as amended.

SEC. 305. (a) The Commission shall receive and determine in accordance with applicable substantive law, including international law, the validity and amounts of—

(1) claims of nationals of the United States against a Russian national originally accruing in favor of a national of the United States with respect to which a judgment was entered in, or a warrant of attachment issued from, any court of the United States or of a State of the United States in favor of a national of the United States, with which judgment or warrant of attachment a lien was obtained by a national of the United States, prior to November 16, 1933, upon any property in the United States which has been taken, collected, recovered, or liquidated by the Government of the United States pursuant to the Litvinov Assignment. Awards under this paragraph shall not exceed the proceeds of such property as may have been subject to the lien of the judgment or attachment; nor, in the event that such proceeds are less than the aggregate amount of all valid



claims so related to the same property, exceed an amount equal to the proportion which each such claim bears to the total amount of such proceeds; and

(2) claims, arising prior to November 16, 1933, of nationals of the United States against the Soviet Government.

(b) Any judgment entered in any court of the United States or of a State of the United States shall be binding upon the Commission in its determination, under paragraph (1) of subsection (a) of this section, of any issue which was determined by the court in which the judgment was entered.

(c) The Commission shall give preference to the disposition of the claims referred to in paragraph (1) of subsection (a) of this section, over all other claims presented to it under this title.

SEC. 306. (a) Within sixty days after the date of enactment of this title, or within sixty days after the date of enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under this title, whichever date is later, the Commission shall publish in the Federal Register the time when and the limit of time within which claims may be filed under this title, which limit shall not be more than one year after such publication, except that with respect to claims under section 305 this limit shall not exceed six months.

(b) Within thirty days after enactment of this subsection or the enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under paragraph (4) of section 303 of this title, whichever is later, the Commission shall publish in the Federal Register the time when and the limit of time within which claims may be filed under paragraph (4) of section 303 of this title, which limit shall not be more than six months after such publication.

*(c) Within thirty days after enactment of this paragraph, or thirty days after enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under subsection (5) of section 303, whichever date is later, the Commission shall publish in the Federal Register the time when and the limit of time within which claims may be filed with the Commission, which limit shall not be more than six months after such publication.*

\* \* \* \* \*

SEC. 310. (a) The Secretary of the Treasury shall make payments on account of awards certified by the Commission pursuant to this title as follows:

(1) Payment in full of the principal amount of each award made pursuant to section 305 (a) (1) and each award of \$1,000 or less made pursuant to section 303 or 304;

(2) Payment in full of the principal amount of each award of \$1,000 or less made pursuant to section 305 (a) (2);

(3) Payment in the amount of \$1,000 on account of the principal of each award of more than \$1,000 in amount made pursuant to section 303, 304, or 305 (a) (2);

(4) After completing the payments under the preceding paragraphs of this subsection from any one fund, payments from time to time, in

ratable proportions, on account of the then unpaid principal of all awards in the principal amount of more than \$1,000, according to the proportions which the unpaid principal of such awards bear to the total amount in the fund available for distribution on account of such awards at the time such payments are made;

(5) After payment has been made in full of the principal amounts of all awards from any one fund, pro rata payments from the remainder of such fund then available for distribution on account of accrued interest on such award as bear interest.

(6) Whenever the Commission is authorized to settle claims by the enactment of paragraph (4) of section 303 of this title with respect to Rumania and Bulgaria, no further payments shall be authorized by the Secretary of the Treasury on account of awards certified by the Commission pursuant to paragraph (1), (2), or (3) of section 303 of the Bulgarian or Rumanian Claims Funds, as the case may be, until payments on account of awards certified pursuant to paragraph (4) of section 303 with respect to such fund have been authorized in equal proportion to payments previously authorized on existing awards certified pursuant to paragraphs (1), (2), and (3) of section 303.

(7) *Whenever the Commission is authorized to settle claims by enactment of paragraph (5) of section 303 of this title with respect to Hungary, no further payments shall be authorized by the Secretary of the Treasury on account of awards certified by the Commission pursuant to paragraphs (2) and (3) of section 303 out of the Hungarian Claims Fund until payments on account of awards certified pursuant to paragraph (5) of section 303 with respect to such Fund have been authorized in equal proportions to payments previously authorized on existing awards certified pursuant to paragraphs (2) and (3) of section 303.*

(A) *With respect to awards previously certified pursuant to paragraph (1) of section 303, the Secretary of the Treasury shall not authorize any further payments until payments on account of awards certified under paragraphs (2), (3), and (5) have been authorized in equal proportions to payments previously authorized on existing awards certified pursuant to paragraph (1) of section 303 and recertified pursuant to section 209(b) of the War Claims Act of 1948, as amended.*

(B) *The Secretary of the Treasury shall not authorize any further payments on account of awards certified under paragraph (3) of section 303 when he is on notice from the Commission that such awards are based on Kingdom of Hungary bonds expressed in United States dollars or upon awards to Standstill creditors of Hungary that were the subject matter of the agreement of December 5, 1969, between the Government of Hungary and the American Committee for Standstill Creditors of Hungary.*

(C) *The Secretary of the Treasury is authorized and directed to deduct the sum of \$125,000 from the Hungarian Claims Fund and cover such amount into the Treasury to the credit of miscellaneous receipts in satisfaction of the claim of the United States referred to in article 2, paragraph 4 of the agreement of March 6, 1973: Provided, That the said amount shall be deducted in annual installments over*

*the period during which the Government of Hungary makes payments to the Government of the United States as provided in article 4 of the agreement of March 6, 1973.*

SEC. 316. (a) The Commission shall complete its affairs in connection with the settlement of claims pursuant to section 305(a)(1) not later than two years, and all other claims pursuant to this title not later than four years, following the date of enactment of this title, or following the date of enactment of legislation making appropriations to the Commission for the payment of administrative expenses incurred in carrying out its functions under this title, whichever date is later.

(b) The Commission shall complete its affairs in connection with the settlement of claims pursuant to paragraph (4) of section 303 and subsections (b) and (c) of section 304 of this title not later than two years following the date of enactment of such paragraph, or following the enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under paragraph (4) of section 303 and subsections (b) and (c) of section 304 of this title, whichever is later.

(c) *The Commission shall complete its affairs in connection with the settlement of claims pursuant to paragraph (5) of section 303 of this title not later than two years following the deadline established under paragraph (c) of section 306 of this title.*

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## HUNGARIAN CLAIMS

—————  
AUGUST 15, 1974.—Ordered to be printed  
—————

Mr. FULBRIGHT, from the Committee on Foreign Relations,  
submitted the following

### REPORT

[To accompany H.R. 13261]

The Committee on Foreign Relations, to which was referred the bill (H.R. 13261) to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill as amended do pass.

#### PURPOSE

The main purpose of H.R. 13261 is to amend the International Claims Settlement Act of 1949, as amended, to implement the provisions of the claims agreement between the United States and Hungary which was signed on March 6, 1973. The agreement provides for the payment of \$18,900,000 (in 20 equal annual installments of \$945,000) by the Hungarian Government "in full and final settlement" of all claims of American nationals against Hungary for war damage, nationalization, expropriation and other taking of property.

#### BACKGROUND

In the World War II peace treaty which was concluded with Hungary on September 15, 1947, the Hungarian Government undertook to restore American-owned property in that country or else provide compensation to the extent of two-thirds of the war damage suffered by it. These undertakings were not honored; nor were American owners compensated for property which was nationalized or otherwise taken subsequent to the date of the peace treaty.

Article 29 of the peace treaty with Hungary provided that assets in the United States belonging to Hungarian nationals might be seized

and liquidated and the proceeds used to pay the claims of American citizens. Accordingly, in 1955 the Congress approved legislation (P.L. 84-285) authorizing the vesting and liquidation of previously blocked assets (worth \$3,318,614) of the Government of Hungary and its nationals other than natural persons. The proceeds of these assets were placed in a fund in the Treasury Department and used to pay in part the outstanding claims (approximately \$58 million) of American nationals against Hungary. Pursuant to the terms of P.L. 84-285, the Hungarian claims program was completed on August 9, 1959. It was not until 1965, however, that formal negotiations were begun to obtain compensation for the balance of the claims. Finally, on March 6, 1973, a claims agreement was signed.

#### PROVISIONS OF AGREEMENT

The main provisions of the claims settlement agreement with Hungary provide that the Hungarian Government will pay the United States \$18,900,000 (in 20 annual installments of \$945,000 each) in "full and final settlement" of all U.S. claims against Hungary. In addition, the Hungarian Government agrees to relinquish all claims it may have to assets (\$3,318,614) which were vested by the U.S. in 1956. The agreement also provides for accelerated payments in the event six per cent of the dollar proceeds of Hungarian imports into the U.S. exceeds the annual installment of \$945,000 in any calendar year.

In a series of notes annexed to the claims agreement, the Government of Hungary confirms its intention to settle the problem of dollar bonded indebtedness by direct talks with American bondholders or their representatives, while the U.S. agrees to seek authority from the Congress to accord most-favored-nation treatment to products originating in Hungary. In this connection, it should be noted that, if most-favored-nation treatment is not extended "within a reasonable amount of time," the Hungarian Government "reserves the right to consult with a view toward considering the continuation of payments" under the terms of the agreement. Finally, the U.S. agrees to earmark \$125,000 out of the \$18,900,000 to be paid by Hungary for settlement of an outstanding claim relating to an aerial incident which occurred in 1951.

#### SECTION-BY-SECTION ANALYSIS

An explanation of the provisions of H.R. 13261 which was submitted by the Foreign Claims Settlement Commission is set forth below.

*Paragraph 1.* (The enacting clause unnumbered.) Inasmuch as the statute now provides that the Hungarian Claims Fund shall be comprised only of sums blocked, vested and transferred by the Attorney General under the Trading With the Enemy Act, the additional sums paid by Hungary under the Agreement concluded on March 6, 1973 cannot be covered into the Fund. New subsection (b) provides the vehicle for accomplishing this purpose.

*Paragraphs 2 and 3.* Paragraph 2 involves technical changes in the language of section 303, Title III of the Act to permit the addition of a new paragraph "(5)" as contained in the amendment under paragraph 3. The proposal under paragraph 3 makes provisions for the disposition of new claims against the Government of Hungary included

within the agreement of March 6, 1973 which have arisen since August 9, 1955.

*Paragraph 4.* This proposal requires the normal publication of claims filing period in the Federal Register.

*Paragraph 5.* This paragraph revamps the award payment provisions with respect to claims against the Government of Hungary in order to insure that new awardees will not obtain a pecuniary advantage over previous awardees. It would limit the extent of payments on new awards to the extent of the percentage paid on previous awards, and then permit the residual balance to be distributed proportionately among all awardees. This paragraph also affects payments on war damage awards granted under paragraph (1) of section 303 of the Act and would prohibit any further payments on such awards until all other awards have been paid in equal proportions as have such awards. Hungarian war damage awardees have received payments out of the War Claims Fund as provided in Public Law 87-846, approved October 22, 1962 (Title II of the War Claims Act of 1948, as amended).

This paragraph further prohibits any further payments on awards under paragraph (3) of Section 303 of the Act based on Kingdom of Hungary bonds expressed in United States dollars and awards to Standstill creditors of Hungary. Claims based on Kingdom of Hungary bonds expressed in United States dollars will be the subject matter of future consideration by the Government of Hungary and were not settled by the March 6, 1973 Agreement. Claims by Standstill creditors of Hungary have been settled under a separate agreement concluded on December 5, 1969 between the Government of Hungary and the American Committee for Standstill creditors of Hungary. This paragraph will prevent double payment on such claims. Finally, this paragraph makes provisions for the payment to the United States of the sum of \$125,000.00 in settlement of a claim arising out of an aerial incident in 1951 involving a United States plane.

*Paragraph 6.* This proposal requires the Commission to complete its affairs with respect to the Hungarian Claims Program not later than two years following the deadline for filing of the new claims.

#### COMMITTEE ACTION

The Committee on Foreign Relations held a public hearing (printed) on H.R. 13261 on June 27, 1974, at which time Mr. Wayland D. McClellan, General Counsel, Foreign Claims Settlement Commission, testified in support of the bill. In addition, the Committee heard former Senator Frank J. Lausche, who testified that several claimants had failed to receive a notice informing them of the deadline for filing claims under the Hungarian claims program authorized by Public Law 84-285, approved August 9, 1955. The reason the claimants did not receive the notice was because the Foreign Claims Settlement Commission sent it to a non-existent address, and even though the letter of notification was returned to the Commission marked "no such #," the Commission neglected to determine the correct address of the claimants involved. In subsequent correspondence J. Raymond Bell, the Chairman of the Foreign Claims Settlement Commission, wrote that although earlier letters in the claimants' file contained the correct address, the Department of State erroneously recorded that address.

Accordingly, during an executive session held on July 26, 1974, the Committee on Foreign Relations approved H.R. 13261 with an amendment designed to rectify the injustice which resulted when the Foreign Claims Settlement Commission sent the notice in question to a non-existent address and thus deprived certain claimants of the opportunity to file their claims under the Hungarian claims program. The Committee amendment provides that "any national of the United States who was mailed a notice by any department or agency of the Government of the United States with respect to filing a claim against the Government of Hungary . . . and who did not receive the notice as the result of administrative error in placing a non-existent address on the notice" may file a claim with the Foreign Claims Settlement Commission.

The Committee recommends that the Senate give early and favorable consideration to H.R. 13261, as amended.

### CHANGES IN EXISTING LAW

In compliance with paragraph 4 of rule XXIX of the Standing Rules of the Senate, 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) :

#### INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949, AS AMENDED

Public Law 81-455 [H.R. 4406], 64 Stat. 12, approved March 10, 1950, as amended by Public Law 83-242 [H.R. 5742], 67 Stat. 506, approved August 8, 1953; Reorganization Plan No. 1, effective July 1, 1954, 19 F.R. 3985, 68 Stat. 1279; Public Law 84-285 [H.R. 6382], 69 Stat. 562, approved, August 9, 1955; Public Law 85-604 [S. 3557], 72 Stat. 527, approved August 8, 1958; Public Law 85-791 [H.R. 6788], 72 Stat. 941 at 951, approved August 28, 1958; Public Law 88-666 [H.R. 12259], 78 Stat. 1110, approved October 16, 1964; Public Law 89-559 [H.R. 10104], 80 Stat. 378 at 656, approved November 6, 1966; Public Law 90-421 [H.R. 9063], 82 Stat. 420, approved July 4, 1968; and by Public Law 91-157 [H.R. 11711], 83 Stat. 435, approved December 24, 1969.

AN ACT To provide for the settlement of certain claims of the Government of the United States on its own behalf and on behalf of American nationals against foreign governments

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Claims Settlement Act of 1949".*

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### TITLE III

#### CLAIMS AGAINST BULGARIA, HUNGARY, RUMANIA, ITALY, AND THE SOVIET UNION

SEC. 301. As used in this title the term—

(1) "Person" means a natural person, partnership, association, other unincorporated body, corporation, or body politic.

(2) "National of the United States" means (A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States, and (B) a corporation or other legal entity which is organized under the laws of the United States, any State or Territory thereof, or the District of Columbia, if natural

persons who are nationals of the United States own, directly or indirectly, more than 50 per centum of the outstanding capital stock or other beneficial interest in such legal entity. It does not include aliens.

(3) "Treaty of peace," with respect to a country, means the treaty of peace with that country signed at Paris, France, February 10, 1947, which came into force between that country and the United States on September 15, 1947.

(4) "Memorandum of Understanding" means the Memorandum of Understanding between the United States and Italy regarding Italian assets in the United States and certain claims of nationals of the United States, signed at Washington, District of Columbia, August 14, 1947 (61 Stat. 3962).

(5) "Soviet Government" means the Union of Soviet Socialist Republics, including any of its present or former constituent republics, other political subdivisions, and any territories thereof, as constituted on or prior to November 16, 1933.

(6) "Litvinov Assignment" means (A) the communications dated November 16, 1933, from Maxim Litvinov to President Franklin D. Roosevelt, wherein the Soviet Government assigned to the Government of the United States amounts admitted or found to be due it as the successor of prior governments of Russia, or otherwise, preparatory to a final settlement of the claims outstanding between the two Governments and the claims of their nationals; (B) the communication dated November 16, 1933, from President Franklin D. Roosevelt to Maxim Litvinov, accepting such assignment; and (C) the assignments executed by Serge Ughet on August 25, 1933, and November 15, 1933, assigning certain assets to the Government of the United States.

(7) "Russian national" includes any corporation or business association organized under the laws, decrees, ordinances or acts of the former Empire of Russia or of any government successor thereto, and subsequently nationalized or dissolved or whose assets were taken over by the Soviet Government or which was merged with any other corporation or organization by the Soviet Government.

(8) "Commission" means the Foreign Claims Settlement Commission of the United States, established pursuant to Reorganization Plan Numbered 1 of 1954 (68 Stat. 1279).

(9) "Property" means any property, right, or interest.

SEC. 302. (a) There are hereby created in the Treasury of the United States five funds to be known as the Bulgarian Claims Fund, the Hungarian Claims Fund, the Rumanian Claims Fund, the Italian Claims Fund, and the Soviet Claims Fund. The Secretary of the Treasury shall cover into each of the Hungarian, Rumanian, and Bulgarian Claims Funds, the funds attributable to the respective country or its nationals covered into the Treasury pursuant to subsections (a) and (b) of section 202 of this Act. The Secretary of the Treasury shall cover into the Italian Claims Fund the sum of \$5,000,000 paid to the United States by the Government of Italy pursuant to article II of the Memorandum of Understanding. The Secretary shall cover into the Treasury the funds collected by the United States pursuant to the Litvinov Assignment (including postal funds due prior to November 16, 1933, to the Union of Soviet Socialist Republics because of money orders certified to that country for payment) and shall cover into the Soviet Claims Fund the funds so covered into the Treasury. The Secretary shall deduct from each claims fund 5 per centum thereof



as reimbursement to the Government of the United States for the expenses incurred by the Commission and by the Treasury Department in the administration of this title. Such deduction shall be made before any payment is made out of such fund under section 310. All amounts so deducted shall be covered into the Treasury to the credit of miscellaneous receipts.

(b) The Secretary of the Treasury shall cover into each of the Bulgarian and Rumanian Claims Funds such sums as may be paid by the Government of the respective country pursuant to the terms of any claims settlement agreement between the Government of the United States and the Government of such country.

(c) *The Secretary of the Treasury shall cover into the Hungarian Claims Fund, such sums as may be paid to the United States by the Government of Hungary pursuant to the terms of the United States-Hungarian Claims Agreement of March 6, 1973.*

SEC. 303. The Commission shall receive and determine in accordance with applicable substantive law, including international law, the validity and amounts of claims of nationals of the United States against the Governments of Bulgaria, Hungary, and Rumania, or any of them, arising out of the failure to—

(1) restore or pay compensation for property of nationals of the United States as required by article 23 of the treaty of peace with Bulgaria, articles 26 and 27 of the treaty of peace with Hungary, and articles 24 and 25 of the treaty of peace with Rumania. Awards under this paragraph shall be in amounts not to exceed two-thirds of the loss or damage actually sustained;

(2) pay effective compensation for the nationalization, compulsory liquidation, or other taking, prior to the effective date of this title, of property of nationals of the United States in Bulgaria, Hungary, and Rumania;

(3) meet obligations expressed in currency of the United States arising out of contractual or other rights acquired by nationals of the United States prior to April 24, 1941, in the case of Bulgaria, and prior to September 1, 1939, in the case of Hungary and Rumania, and which became payable prior to September 15, 1947;

[and]

(4) pay effective compensation for the nationalization, compulsory liquidation, or other taking of property of nationals of the United States in Bulgaria and Rumania, between August 9, 1955, and the effective date of the claims agreement between the respective country and the United States; and

(5) *pay effective compensation for the nationalization, compulsory liquidation, or other taking of property of nationals of the United States in Hungary, between August 9, 1955, and the date the United States-Hungarian Claims Agreement of March 6, 1973, enters into force.*

SEC. 304. (a) The Commission shall receive and determine, in accordance with the Memorandum of Understanding and applicable substantive law including international law, the validity and amount of claims of nationals of the United States against the Government of Italy arising out of the war in which Italy was engaged from June 10, 1940, to September 15, 1947, and with respect to which provision was not made in the treaty of peace with Italy. Upon payment of the principal amounts (without interest) of all awards from the Italian

Claims Fund created pursuant to section 302 of this Act, the Commission shall determine the validity and amount of any claim under this section by any natural person who was a citizen of the United States on the date of enactment of this title and shall, in the event an award is issued pursuant to such claims, certify the same to the Secretary of the Treasury for payment out of remaining balances in the Italian Claims Fund in accordance with the provisions of section 310 of this Act, notwithstanding that the period of time prescribed in section 316 of this Act for the settlement of all claims under this section may have expired.

(b) The Commission shall receive and determine, or redetermine, as the case may be, in accordance with applicable substantive law, including international law, the validity and amounts of claims owned by persons who were eligible to file claims under the first sentence of subsection (a) of this section on the date of enactment of this title, but failed to file such claims or, if they filed such claims, failed to file such claims within the limit of time required therefor: *Provided*, That no awards shall be made to persons who have received compensation in any amount pursuant to the treaty of peace with Italy, subsection (a) of this section, or section 202 of the War Claims Act of 1948, as amended.

(c) The Commission shall receive and determine, or redetermine as the case may be, in accordance with applicable substantive law, including international law, the validity and amounts of claims owned by persons who were nationals of the United States on September 3, 1943, and the date of enactment of this subsection, against the Government of Italy which arose out of the war in which Italy was engaged from June 10, 1940, to September 15, 1947, in territory ceded by Italy pursuant to the treaty of peace with Italy: *Provided*, That no awards shall be made to persons who have received compensation in any amount pursuant to the treaty of peace with Italy or subsection (a) of this section.

(d) Within thirty days after enactment of this subsection, or within thirty days after the date of enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under subsections (b) and (c) of this section, whichever date is later, the Commission shall publish in the Federal Register the time when and the limit of time within which claims may be filed with the Commission, which limit shall not be more than six months after such publication.

(e) The Commission shall certify awards on claims determined pursuant to subsection (b) and (c) of this section to the Secretary of the Treasury for payment out of remaining balances in the Italian Claims Fund in accordance with the provisions of section 310 of this title, after payment in full of all awards certified pursuant to subsection (a) of this section.

(f) After payment in full of all awards certified to the Secretary of the Treasury pursuant to subsections (a) and (e) of this section, the Secretary of the Treasury is authorized and directed to transfer the unobligated balance in the Italian Claims Fund into the War Claims Fund created by section 13 of the War Claims Act of 1948, as amended.

SEC. 305. (a) The Commission shall receive and determine in accordance with applicable substantive law, including international law, the validity and amounts of—

(1) claims of nationals of the United States against a Russian national originally accruing in favor of a national of the United States with respect to which a judgment was entered in, or a warrant of attachment issued from, any court of the United States or of a State of the United States in favor of a national of the United States, with which judgment or warrant of attachment a lien was obtained by a national of the United States, prior to November 16, 1933, upon any property in the United States which has been taken, collected, recovered, or liquidated by the Government of the United States pursuant to the Litvinov Assignment. Awards under this paragraph shall not exceed the proceeds of such property as may have been subject to the lien of the judgment or attachment; nor, in the event that such proceeds are less than the aggregate amount of all valid claims so related to the same property, exceed an amount equal to the proportion which each such claim bears to the total amount of such proceeds; and

(2) claims, arising prior to November 16, 1933, of nationals of the United States against the Soviet Government.

(b) Any judgment entered in any court of the United States or of a State of the United States shall be binding upon the Commission in its determination, under paragraph (1) of subsection (a) of this section, of any issue which was determined by the court in which the judgment was entered.

(c) The Commission shall give preference to the disposition of the claims referred to in paragraph (1) of subsection (a) of this section, over all other claims presented to it under this title.

SEC. 306. (a) Within sixty days after the date of enactment of *paragraph (1), (2), or (3) of section 303 of this title*, or within sixty days after the date of enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under this title, whichever date is later, the Commission shall publish in the Federal Register the time when and the limit of time within which claims may be filed under this title, which limit shall not be more than one year after such publication, except that with respect to claims under section 305 this limit shall not exceed six months.

(b) Within thirty days after enactment of this subsection or the enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under paragraph (4) of section 303 of this title, whichever is later, the Commission shall publish in the Federal Register the time when and the limit of time within which claims may be filed under paragraph (4) of section 303 of this title, which limit shall not be more than six months after such publication.

(c) *Within thirty days after enactment of this subsection, or thirty days after enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under paragraph (5) of section 303, whichever date is later, the Commission shall publish in the Federal Register the time when, and the limit of time within which, claims may be filed with the Commission under paragraph (5) of section 303, which limit shall not be more than six months after such publication.*

(d) *Notwithstanding any other provision of this section, any national of the United States who was mailed notice by any department*

*or agency of the Government of the United States with respect to filing a claim against the Government of Hungary arising out of any of the failures referred to in paragraph (1), (2), or (3) of section 303 of this title, and who did not receive the notice as the result of administrative error in placing a nonexistent address on the notice, may file with the Commission a claim under any such paragraph. The Commission shall publish in the Federal Register, within thirty days after enactment of this paragraph, when the limit of time within which any such claim may be filed with the Commission, which limit shall not be more than six months after such publication.*

SEC. 307. The amount of any award made pursuant to this title based on a claim of a national of the United States other than the national of the United States to whom the claim originally accrued shall not exceed the amount of the actual consideration last paid therefor either prior to January 1, 1953, or between that date and the filing of the claim, whichever is less.

SEC. 308. The Commission shall as soon as possible, and in the order of the making of such awards, certify to the Secretary of the Treasury, in terms of United States currency, each award made pursuant to this title.

SEC. 309. All payments authorized under this title shall be disbursed exclusively from the claims funds attributable to the country with respect to which the claims are allowed pursuant to this title. All amounts covered into the Treasury to the credit of the claims funds created by section 302 are hereby permanently appropriated for the making of the payments authorized under this title.

SEC. 310. (a) The Secretary of the Treasury shall make payments on account of awards certified by the Commission pursuant to this title as follows:

(1) Payment in full of the principal amount of each award made pursuant to section 305(a) (1) and each award of \$1,000 or less made pursuant to section 303 or 304;

(2) Payment in full of the principal amount of each award of \$1,000 or less made pursuant to section 305(a) (2);

(3) Payment in the amount of \$1,000 on account of the principal of each award of more than \$1,000 in amount made pursuant to section 303, 304, or 305(a) (2);

(4) After completing the payments under the preceding paragraphs of this subsection from any one fund, payments from time to time, in ratable proportions, on account of the then unpaid principal of all awards in the principal amount of more than \$1,000, according to the proportions which the unpaid principal of such awards bear to the total amount in the fund available for distribution on account of such awards at the time such payments are made;

(5) After payment has been made in full of the principal amounts of all awards from any one fund, pro rata payments from the remainder of such fund then available for distribution on account of accrued interest on such award as bear interest;

(6) Whenever the Commission is authorized to settle claims by the enactment of paragraph (4) of section 303 of this title with respect to Rumania and Bulgaria, no further payments shall be authorized by the Secretary of the Treasury on account of awards certified by the Commission pursuant to paragraph (1), (2), or (3) of section 303 of the Bulgarian or Rumanian Claims Funds, as the case may be,

until payments on account of awards certified pursuant to paragraph (4) of section 303 with respect to such fund have been authorized in equal proportion to payments previously authorized on existing awards certified pursuant to paragraphs (1), (2), and (3) of section 303.

(7)(A) *Except as otherwise provided in subparagraph (D) whenever the Commission is authorized to settle claims by enactment of paragraph (5) of section 303 of this title with respect to Hungary, no further payments shall be authorized by the Secretary of the Treasury on account of awards certified by the Commission under paragraphs (2) and (3) of section 303 out of the Hungarian Claims Fund until payments on account of awards certified under paragraph (5) of section 303 with respect to such funds have been authorized in equal proportions to payments previously authorized on existing awards certified under paragraphs (2) and (3) of section 303.*

(B) *Except as otherwise provided in subparagraph (D), with respect to awards previously certified under paragraph (1) of section 303, the Secretary of the Treasury shall not authorize any further payments until payments on account of awards certified under paragraphs (2), (3), and (5) of section 303 have been authorized in equal proportions to payments previously authorized on existing awards certified under paragraph (1) of section 303.*

(C) *Except as otherwise provided in subparagraph (D), the Secretary of the Treasury shall not authorize any further payments on account of awards certified under paragraph (3) of section 303 based on Kingdom of Hungary bonds expressed in United States dollars or upon awards to Standstill creditors of Hungary that were the subject matter of the agreement of December 5, 1969, between the Government of Hungary and the American Committee for Standstill creditors of Hungary.*

(D) *No payments shall be authorized by the Secretary of the Treasury on account of awards certified by the Commission under paragraph (5) of section 303 of this title, and no further payments shall be so authorized under paragraphs (1), (2), or (3) of section 303 (except payments certified as the result of claims filed under subsection (d) of section 306), until payments on account of awards certified under such paragraphs (1), (2), and (3) as the result of claims filed under subsection (d) of section 306 have been authorized in equal proportions to payments previously authorized on existing awards certified under such paragraphs and arising out of claims filed other than under such subsection (d).*

(E) *The Secretary of the Treasury is authorized and directed to deduct the sum of \$125,000 from the Hungarian Claims Fund and cover such amount into the Treasury to the credit of miscellaneous receipts in satisfaction of the claim of the United States referred to in article 2, paragraph 4 of the United States-Hungarian Claims Agreement of March 6, 1973. Such amount shall be deducted in annual installments over the period during which the Government of Hungary makes payments to the Government of the United States as provided in article 4 of the agreement.*

(b) Such payments, and applications for such payments, shall be made in accordance with such regulations as the Secretary of the Treasury shall prescribe.

(c) For the purposes of making any such payments, an "award" shall be deemed to mean the aggregate of all awards certified in favor of the same claimant and payable from the same fund.

(d) With respect to any claim which, at the time of the award, is vested in persons other than the person to whom the claim originally accrued, the Commission may issue a consolidated award in favor of all claimants then entitled thereto, which award shall indicate the respective interests of such claimants therein; and all such claimants shall participate, in proportion to their indicated interests, in the payments provided by this section in all respects as if the award had been in favor of a single person.

SEC. 311. (a) If a corporation or other legal entity has a claim on which an award may be made under this title, no award may be made to any other person under this title with respect to such claim.

(b) A claim based upon an interest, direct or indirect, in a corporation or other legal entity which directly suffered the loss with respect to which the claim is asserted, but which was not a national of the United States at the time of the loss, shall be acted upon without regard to the nationality of such legal entity if at the time of the loss at least 25 per centum of the outstanding capital stock or other beneficial interest in such entity was owned, directly or indirectly, by natural persons who were nationals of the United States. This subsection shall not be construed so as to exclude from eligibility a claim based upon a direct ownership interest in a corporation, association, or other entity, or the property thereof, for loss by reason of the nationalization, compulsory liquidation, or other taking of such corporation, association, or other entity by the Governments of Bulgaria, Hungary, Italy, Rumania, or the Soviet Government. Any such claim may be allowed without regard to the per centum of ownership vested in the claimant.

SEC. 312. No award shall be made under this title to or for the benefit of any person who voluntarily, knowingly, and without duress, gave aid to or collaborated with or in any manner served any government hostile to the United States during World War II, or who has been convicted of a violation of any provision of chapter 115, of title 18, of the United States Code, or of any other crime involving disloyalty to the United States.

SEC. 313. Payment of any award made pursuant to section 303 or 305 shall not, unless such payment is for the full amount of the claim, as determined by the Commission to be valid, with respect to which the award is made, extinguish such claim, or be construed to have divested any claimant, or the United States on his behalf, of any rights against the appropriate foreign government or national for the unpaid balance of his claim or for restitution of his property. All awards or payments made pursuant to this title shall be without prejudice to the claims of the United States against any foreign government.

SEC. 314. The action of the Commission in allowing or denying any claim under this title shall be final and conclusive on all questions of law and fact and not subject to review by any other official of the United States or by any court by mandamus or otherwise, and the Comptroller General shall allow credit in the accounts of any certifying or disbursing officer for payments in accordance with such action.

SEC. 315. There are hereby authorized to be appropriated such sums as may be necessary to enable the Commission and the Treasury

Department to pay their administrative expenses incurred in carrying out their functions under this title.

SEC. 316. (a) The Commission shall complete its affairs in connection with the settlement of claims pursuant to section 305 (a) (1) not later than two years, and all other claims pursuant to this title not later than four years, following the date of enactment of this title, or following the date of enactment of legislation making appropriations to the Commission for the payment of administrative expenses incurred in carrying out its functions under this title, whichever date is later.

(b) The Commission shall complete its affairs in connection with the settlement of claims pursuant to paragraph (4) of section 303 and subsections (b) and (c) of section 304 of this title not later than two years following the date of enactment of such paragraph, or following the enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under paragraph (4) of section 303 and subsections (b) and (c) of section 304 of this title, whichever is later.

(c) *The Commission shall complete its affairs in connection with the settlement of claims pursuant to paragraph (5) of section 303 of this title not later than two years following the deadline established under subsection (c) of section 306 of this title.*

SEC. 317. (a) The total remuneration paid to all agents, attorneys-at-law or in fact, or representatives, for services rendered on behalf of any claimant in connection with with any claim filed with the Commission shall not exceed 10 per centum of the total amount paid under this title on account of such claim, or such greater amount as may be determined pursuant to subsection (b) of this section. Any agreement to the contrary shall be unlawful and void. Whoever, in the United States or elsewhere, demands or receives, on account of services so rendered, any remuneration which, together with all remuneration paid to other persons on account of such services and of which he has notice, is in excess of the maximum permitted by this section, shall be fined not more than \$5,000 or imprisoned not more than twelve months, or both.

(b) Not later than three months after the Commission has completed its affairs in connection with the settlement of all claims payable from the fund from which an award is payable, any agent, attorney at law or in fact, or representative who believes that the total remuneration for services rendered in connection with the claim upon which such award is made should exceed the maximum otherwise permitted by this section may, pursuant to such procedure as the Commission shall prescribe by regulation, petition the Commission for an order authorizing the payment of remuneration in excess of such maximum. The Commission shall issue such an order only upon a finding that there exist special circumstances of unusual hardship which require the payment of such excess; and such order shall state the amount of the excess which may so be paid. The determination of the Commission in ruling upon such petition shall be within the sole discretion of the Commission and shall not be subjected to review by any court.

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# 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 amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Hungarian Claims Agreement of March 6, 1973, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the International Claims Settlement Act of 1949, as amended, is further amended as follows:

(1) Section 302, title III, is amended by adding a new subsection (c) as follows:

“(c) The Secretary of the Treasury shall cover into the Hungarian Claims Fund, such sums as may be paid to the United States by the Government of Hungary pursuant to the terms of the United States-Hungarian Claims Agreement of March 6, 1973.”

(2) Section 303, title III, is further amended by striking out the word “and” at the end of paragraph (3), and by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon and the word “and”.

(3) Section 303, title III, is further amended by adding a new paragraph (5) as follows:

“(5) pay effective compensation for the nationalization, compulsory liquidation, or other taking of property of nationals of the United States in Hungary, between August 9, 1955, and the date the United States-Hungarian Claims Agreement of March 6, 1973, enters into force.”

(4) Section 306, title III, is further amended—

(A) by inserting in subsection (a), immediately before “this title”, the following: “paragraph (1), (2), or (3) of section 303 of”; and

(B) by adding at the end thereof the following:

“(c) Within thirty days after enactment of this subsection, or thirty days after enactment of legislation making appropriations to the Commission for payment of administrative expenses incurred in carrying out its functions under paragraph (5) of section 303, whichever date is later, the Commission shall publish in the Federal Register the time when, and the limit of time within which, claims may be filed with the Commission under paragraph (5) of section 303, which limit shall not be more than six months after such publication.

“(d) Notwithstanding any other provision of this section, any national of the United States who was mailed notice by any department or agency of the Government of the United States with respect to filing a claim against the Government of Hungary arising out of any of the failures referred to in paragraph (1), (2), or (3) of section 303 of this title, and who did not receive the notice as the result of administrative error in placing a nonexistent address on the notice, may file with the Commission a claim under any such paragraph. The Commission shall publish in the Federal Register, within thirty days after enactment of this paragraph, when the limit of time within which any such claim may be filed with the Commission, which limit shall not be more than six months after such publication.”

(5) Section 310, title III, is further amended by adding at the end of subsection (a) thereof a new paragraph (7), as follows:

“(7) (A) Except as otherwise provided in subparagraph (D), whenever the Commission is authorized to settle claims by enactment of paragraph (5) of section 303 of this title with respect to Hungary, no further payments shall be authorized by the Secretary of the



Treasury on account of awards certified by the Commission under paragraphs (2) and (3) of section 303 out of the Hungarian Claims Fund until payments on account of awards certified under paragraph (5) of section 303 with respect to such fund have been authorized in equal proportions to payments previously authorized on existing awards certified under paragraphs (2) and (3) of section 303.

“(B) Except as otherwise provided in subparagraph (D), with respect to awards previously certified under paragraph (1) of section 303, the Secretary of the Treasury shall not authorize any further payments until payments on account of awards certified under paragraphs (2), (3), and (5) of section 303 have been authorized in equal proportions to payments previously authorized on existing awards certified under paragraph (1) of section 303.

“(C) Except as otherwise provided in subparagraph (D), the Secretary of the Treasury shall not authorize any further payments on account of awards certified under paragraph (3) of section 303 based on Kingdom of Hungary bonds expressed in United States dollars or upon awards to Standstill creditors of Hungary that were the subject matter of the agreement of December 5, 1969, between the Government of Hungary and the American Committee for Standstill creditors of Hungary.

“(D) No payments shall be authorized by the Secretary of the Treasury on account of awards certified by the Commission under paragraph (5) of section 303 of this title, and no further payments shall be so authorized under paragraphs (1), (2), or (3) of section 303 (except payments certified as the result of claims filed under subsection (d) of section 306), until payments on account of awards certified under such paragraphs (1), (2), and (3) as the result of a claims filed under subsection (d) of section 306 have been authorized in equal proportions to payments previously authorized on existing awards certified under such paragraphs and arising out of claims filed other than under such subsection (d).

“(E) The Secretary of the Treasury is authorized and directed to deduct the sum of \$125,000 from the Hungarian Claims Fund and cover such amount into the Treasury to the credit of miscellaneous receipts in satisfaction of the claim of the United States referred to in article 2, paragraph 4 of the United States-Hungarian Claims Agreement of March 6, 1973. Such amount shall be deducted in annual installments over the period during which the Government of Hungary makes payments to the Government of the United States as provided in article 4 of the agreement.”

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(6) Section 316, title III, is amended by adding a new subsection (c) as follows:

“(c) The Commission shall complete its affairs in connection with the settlement of claims pursuant to paragraph (5) of section 303 of this title not later than two years following the deadline established under subsection (c) of section 306 of this title.”.

*Speaker of the House of Representatives.*

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

(11)

October 11, 1974

Dear Mr. Director:

The following bills were received at the White House on October 11th:

H.J. Res. 898 ✓	H.R. 11510 ✓
H.R. 3903 ✓	H.R. 13113 ✓
H.R. 9075 ✓	H.R. 13261 ✓

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.