

COMPENSATION TO PERSONS FOR PROPERTY DAMAGE OR INJURY
ON ACCOUNT OF EXPLOSIONS AT AMMUNITION DEPOT, LAKE
DENMARK, N. J.

FEBRUARY 17, 1927.—Committed to the Committee of the Whole House on the
state of the Union and ordered to be printed

Mr. UNDERHILL, from the Committee on Claims, submitted the
following

REPORT

[To accompany H. R. 13457]

The Committee on Claims, to whom was referred the bill (H. R. 13457) to provide a method for compensating persons who suffered property damage or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926, having considered the same, report thereon with a recommendation that it do pass with the following amendment:

On page 2 strike out all of sections 2, 3, and 4. In line 3 strike out the period, add a colon, and the following:

and to transmit each such claim with supporting papers and a report of his finding of facts and recommendations thereon to the Comptroller General of the United States for submission to the Congress with his recommendations thereon: *Provided*, That claims of persons not employees of the United States for compensation for disability or death resulting from personal injury sustained from said fires or explosions shall not be recommended hereunder for persons or in amounts which would not be allowable under the United States employees' compensation act if the individual were an employee of the United States: *Provided further*, That the report to be made hereunder shall contain a brief statement of the character and justice of each claim so certified, the amount claimed, and the amount found due.

STATEMENT OF FACTS

This bill proposes to provide a method for compensating or reimbursing persons who suffered property damage or personal injury as a result of the explosions at Lake Denmark, N. J. By its terms the Secretary of the Navy is authorized and directed to make an investigation of the merits of the claims that have been submitted to the department and which may be so submitted within six months after the date of the act, and to transmit each such claim with supporting

papers and a report of his finding of facts and recommendations thereon to the Comptroller General of the United States for submission to Congress, with his recommendations thereon.

NAVY DEPARTMENT,
Washington, February, 1927.

HON. CHARLES L. UNDERHILL,
*Chairman Committee on Claims,
House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: With further reference to bill H. R. 13457, Sixty-ninth Congress, second session, "To provide a method for compensating persons who suffered property damage or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926," a copy of which was transmitted to the Navy Department with your letter of December 9, 1926, with request for information concerning the matters involved, and for my opinion as to the merits of the bill, I have now the honor to advise you as follows:

As stated in the title of the bill it is proposed to provide a method for compensating or reimbursing persons who suffered property damage or personal injury as a result of the explosions at Lake Denmark. By its terms the Secretary of the Navy is authorized and directed to make an investigation of the merits of the claims that have been submitted to the Navy Department, and which may be so submitted within six months after the date of the act. All such claims determined by the Secretary of the Navy where the aggregate amount is not in excess of \$1,000 shall be paid by him from funds provided by the Congress therefor. Where the claim as determined is in excess of \$1,000 it is provided that the Secretary of the Navy shall report it to the Congress as a legal claim for payment out of appropriations that may be made therefor.

It is further provided that when a claim shall be paid pursuant to the act it shall be held to be a final determination and shall not in any manner thereafter be reopened or reconsidered, nor be the subject of appeal, and the claimant is denied the right to prosecute a claim or action in any United States court, or elsewhere.

Section 4 of the bill is intended to provide the amount of money estimated to be necessary to pay all adjusted and approved claims not in excess of \$1,000, in accordance with the provisions of section 2 of the bill.

The explosions at Lake Denmark were investigated by a naval court of inquiry convened by order of the Secretary of the Navy on July 16, 1926. The court inquired fully into all the circumstances connected with the explosions, the causes thereof, and the responsibility therefor. In addition the court investigated damages to property and personal injuries and death within the confines of the depot.

The court found that on the afternoon of July 10, 1926, there was a severe electrical storm at Lake Denmark; that lightning flashed within the ammunition depot or near the southwest end thereof at about 5.15 p. m.; that almost immediately thereafter black smoke was seen issuing from the northeast side of temporary magazine No. 8; that an alarm of fire was sounded, and that the personnel of the station responded immediately to the call; that at about 5.20 p. m. a tremendous detonation occurred at the scene of the fire, followed at 5.25 p. m. by a second tremendous detonation; that the first detonation caused roofs to collapse, walls to fall, opening doors and otherwise damaging many of the other magazines and buildings of the depot, thus exposing their contents to the spread of fire; that this condition was aggravated by the second detonation; that the contents of other buildings in the immediate vicinity were quickly ignited by embers, missiles, or by the direct heat effect of the blast, causing a number of minor explosions and another tremendous one at about 5.45 p. m.; that the detonations at temporary magazines Nos. 8 and 9 caused complete destruction of all surface buildings within a radius of 2,700 feet, but that the 18 small sub-surface magazines were virtually undamaged, and that their contents were found to be intact.

The court fixed the value of the real property and plant as of July 10, 1926, when the explosions occurred, at \$3,460,747.06, and the value of all stores and materials on that date at \$84,399,506.29, and estimated the damage to the plant, property, and stores at \$47,000,000, with salvage value of munitions and other stores at over \$40,000,000.

The court expressed the opinion that the fire in temporary magazine No. 8, the first to explode, was caused by lightning, either from a heavy direct stroke or by induced currents, and that there was no evidence found or instance shown of any fault, negligence, or inefficiency on the part of any officer, enlisted man, or civilian employee, either before, during, or after the disaster, which in any way contributed to it, or to any of the resulting damages or injuries.

The findings, recommendations, and opinion of the court of inquiry were approved by the Secretary of the Navy.

The Navy Department also caused a thorough investigation to be made of personal injuries and property damages, due to the explosions, outside the confines of the ammunition depot. Under the precept of the Navy Department a naval board of investigation was convened at Lake Denmark on July 15. Later the authority of the precept was extended so as to cover personal-injury and damage cases of persons within the boundaries of the depot, and also of the Picatinny Arsenal of the Army near by, and to include Navy and Army personnel.

The work of the board extended over a period of five months and was most thorough. The report of the board, recently received in the Navy Department, shows the number of cases of personal injury and property damages investigated, and the ascertained facts concerning each, with estimates of the losses and damages suffered. The total of the board's estimates of the damages, including personal-injury cases, is \$331,078.74.

For your further information the findings and estimates of the board are here quoted. It will be noted that the total number of cases investigated is 4,756; that the number of civilians injured as a result of the explosions is 135; that the total amount estimated as fair compensation for injuries and losses suffered in these 135 cases is \$13,718.38; and that 4,492 cases of damages to property outside the confines of the Army and Navy ammunition depots were investigated, and that the estimated cost of repairs and replacement in these cases is \$253,142.22. It will also be noted that the damages occurring within the confines of the Army and Navy reservations have been classified and estimates of the amounts required to reimburse the owners in each class given.

FINDING OF FACTS

1. As a result of the explosions which occurred at the naval ammunition depot, Lake Denmark, N. J., on or about July 10, 1926, there were 135 cases of personal injury of civilians. The details of these cases of personal injury are as set forth in Exhibit 1 appended to the proceedings.

2. As a result of these explosions nine dwellings, located within the confines of the Army and naval ammunition depots, were demolished to such an extent as to be uninhabitable, and approximately 2,600 other structures, without the confines of the Army and naval ammunition depots, were damaged to a lesser extent. Property damage was suffered as a result of these explosions within distances as follows from the naval ammunition depot: Ten miles to the northward, 21 miles to the eastward, 7 miles to the southward, and 3 miles to the westward. Details of this damage to property of individuals without the confines of the Army and naval ammunition depots are as contained in Exhibit 2.

3. Property damage was suffered by civilians who occupied residences within the confines of the Picatinny Arsenal, N. J., and to the private property of persons whose business or employment brought them within the Picatinny Arsenal as set forth in Exhibit 4.

4. Property damage was suffered by civilians who occupied residences within the confines of the naval ammunition depot, Lake Denmark, and to the private property of persons whose business or employment brought them within the naval ammunition depot as set forth in Exhibit 5.

5. In all there were 135 cases of personal injury investigated; 4,492 properties; 27 cases of losses of Army personnel; 2 cases of losses of civilians living within the Army reservation; 23 cases of losses of persons whose business or employment brought them within Picatinny Arsenal; 68 cases of losses of naval personnel; 4 cases of losses of civilians living on the naval ammunition depot; and 5 cases of losses of persons whose business or employment brought them within the naval ammunition depot. In all a total of 4,756 cases were investigated.

Estimates

1. Estimated cost of medical treatment and incidental expenses of civilians injured as a result of these explosions-----	\$13, 718. 38
The estimates covering individual cases are as set forth in Exhibit 1 (135 cases).	
2. Gross estimate of cost of necessary repairs to property of individuals, without the confines of the Army and naval ammunition depots, as a result of the explosions-----	253, 142. 22
The detailed estimates of individual properties are as set forth in Exhibit 2 (4,492 properties).	
3. Estimated cost of repair or restoration of damages to private property and losses of Army personnel, occasioned by the said explosions-----	12, 242. 31
Estimated cost of repair of damages to the private property and restoration of losses of civilians who occupied residences within the confines of the Picatinny Arsenal, as a result of said explosions-----	2, 022. 75
Estimated cost of repair of damages to the private property and restoration of losses of civilians whose business or employment brought them within the confines of the Picatinny Arsenal----	2, 590. 80
4. Estimated cost of repair of damages to the private property and restoration of losses of naval personnel, occasioned by the said explosions-----	33, 777. 38
Estimated cost of repair of damages to the private property and restoration of losses of civilians who occupied residences within the confines of the naval ammunition depot, as a result of said explosions-----	9, 113. 40
Estimated cost of repair of damages to the private property and restoration of losses of civilians whose business or employment brought them within the confines of the naval ammunition depot-----	4, 471. 50
Estimates under this paragraph are further explained on page Exhibit 5-2.	
Total-----	331, 078. 74

The total number of property-damage cases reported by the board which are in amount in excess of \$1,000 is 43, aggregating, according to the board's estimates, \$210,684.82. There is but one personal-injury case where it appears the damage is in excess of \$1,000. The board names as fair compensation in that case the sum of \$3,200, making the total of all cases where the damages have been estimated in amounts in excess of \$1,000, \$213,884.82.

Regarding the estimate of the board of the total amount required to compensate persons who suffered personal injuries, namely, \$13,718.38, it appears that such amount covers expenditures incurred for medical treatment and incidental expenses, and in some instances an additional amount for time lost from employment, based upon wages or salary lost while recovering from injuries. No amount in any case is included for pain and suffering for which claim may be made, nor for death in one case reported.

While it appears that no person sustained injuries of a permanent character, the possibility that the injuries to some persons may prove to be of a permanent nature must be taken into account in estimating the full measure of personal-injury damages.

It is believed that an amount not in excess of \$250,000 will be sufficient to pay all claims not in excess of \$1,000, as provided for in section 2 of the bill, and that the total cost to the Government in the event that all claims in whatever amount should be paid on a fair and reasonable basis will not be in excess of \$350,000.

The bill H. R. 13457 was referred to the Director of the Bureau of the Budget with the above information, and the statement that the Navy Department proposed to recommend favorable action thereon, with certain specified modifications, and with the numerals 250,000 written in the space following the dollar mark in line 1 of section 4.

Under date of January 28, 1927, the Director of the Bureau of the Budget informed the Navy Department that the bill as introduced or as proposed to be amended would be in conflict with the financial program of the President, but if

amended as indicated below it will not be in conflict with the financial program of the President:

Strike out sections 2, 3, and 4. Change the period at the end of the first section to a comma and add the following language:

"and to certify to Congress the amounts which in his judgment are due on said claims: *Provided*, That claims of persons not employees of the United States for compensation for disability or death resulting from personal injury sustained from said fires or explosions shall not be recommended hereunder for persons or in amounts which would not be allowable under the United States employees' compensation act if the individual were an employee of the United States: *Provided further*, That the report to be made hereunder shall contain a brief statement of the character and justice of each claim so certified, the amount claimed, and the amount found due."

The bill in form and language, as amended in accordance with the suggestions of the Director of the Bureau of the Budget, is forwarded herewith with the recommendation that it be enacted.

Sincerely yours,

CURTIS D. WILBUR,
Secretary of the Navy.

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