

of getting the information regarding the release provisions into their hands, isolated as they have been from news from the free world, and risky as it would have been for them to have taken any action regarding assets held in the free world, which would undoubtedly have been confiscated by their governments. The only possibility, for all practical purposes, lay in the possibility of escape, which was a very hazardous undertaking. The Office of Alien Property of the Department of Justice, the agency designated to administer the program, itself made an effort based on its records to make some divestments, but, of course, it did not have full information in many cases. There have been cases where individuals have escaped from these Communist countries to the free world, and are now in a position to apply for the divesting of their property, although during the one year period provided for divesting applications, they were still behind the iron curtain, and without any knowledge of their divesting right or any possibility of making such application. In light of the earlier expressed policy of the Congress against the use of individually owned property for the purpose of paying war and nationalization reparations owing by the governments of these satellite countries, it would seem appropriate that legislation be enacted for the purpose of allowing the claims of these individuals who have succeeded in escaping from the Communist countries to apply for the divesting of their property.

To take two specific examples:

1. Amadeu Ghitescu, of Bucharest, Rumania, together with his partner, N. Butculescu, had represented the Caterpillar Tractor Company of Peoria, Illinois, for years before World War II, and at the outbreak of the war, they had a credit balance with Caterpillar of approximately \$213,000, which they took no steps before the war to remove to Rumania. Both these men survived the war, and Mr. Butculescu managed to escape to the United States in 1948, and applied for the release of his portion of the fund. This was granted. Mr. Ghitescu was arrested by the Communist government of Rumania for his pro-Western activities and was killed while in prison. His wife and two sons managed to escape in 1962, and being in desperate need of assistance, applied for the release of the property of their father and husband. They were informed that their property could not be released since a one-year deadline had been established in the original legislation for such releases, and it was too late for them to apply. The law was never intended to produce this inequitable result, where two persons similarly situated are differently treated simply because one was arrested while working for the Allies and could not leave within the one-year period established.

2. Two ladies, Gisela Hanke and Yolanda Sock, managed to travel from Hungary to West Germany and applied to the Office of Alien Property for the release of their inheritance interests in this country. They received a letter from that agency dated April 10, 1961, a copy of which is appended as Exhibit D, unblocking their funds, only to be later informed that they were vested and were no longer subject to unblocking.

It is for the purpose of eliminating these inequities that the following amendment is proposed, at the end of section 202 of the International Claims Settlement Act of 1949, as amended:

"(e) At any time following the date of vesting of any property subject to divesting pursuant to this section, and prior to the transfer of the net proceeds of any vested assets transferable but not yet transferred to the General War Claims Fund, the President or his designee shall divest the portion thereof equivalent to the net proceeds of the interest vested, upon application of the natural person determined by the President or his designee to be the beneficial owner of such vested interest, and return it to its blocked status prior to vesting, subject to release when, as, and upon such terms as the President or his designee shall prescribe."

EXHIBIT A

FOREIGN CLAIMS SETTLEMENT COMMISSION

[Hearings before the Committee on Foreign Affairs, House of Representatives, Eighty-fourth Congress, First Session, on Draft Legislation To Amend the International Claims Settlement Act of 1949, as Amended, and for other purposes, March 22, 29, 30, April 19, 20, 21, and 22, 1955]

Mr. FULTON. Some of the members of the committee would ordinarily leave it to the discretion of the particular claims commission, as we have done previously.

As you have come from a pretty good law school, I would like to have you submit any further language that you might like as an amendment to tie this thing down. We may be making new footsteps on the sands of international claims that we have not come up with so far.