





With respect to that part of this claim which is based on claimant's alleged ownership of stock in "Steaua Romana," a Rumanian corporation with a 1943 capitalization of 1½ billion lei which was nationalized pursuant to law number 119, dated June 11, 1948 of the Government of Rumania, it is clear that one of the conditions which must be met before claimant can establish his entitlement to an award under Section 303 of the Act, is that which is imposed by Section 311(b) of the Act which provides as follows:

"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."

The reports of the Committees of Congress which considered the legislation which, when enacted, incorporated 311(b) into the International Claims Settlement Act of 1949, leave no doubt that Section 311(b) was intended to exclude from the scope of the Act those claims which are based on interests in non-national corporations or other legal entities which were not at least 25% owned by nationals of the United States. In describing the intended effect of Section 311(b), the Report of the House of Representatives' Committee On Foreign Affairs stated in part as follows:

"Accordingly, the bill provides that awards based on such indirect interests will be made only if, at the time of the loss at least 25 per cent of the stock or other beneficial interest in the corporation which suffered the loss was owned directly or indirectly by individual United States nationals." 1/

1/ 84th Congress, 1st Session-House Report No. 624 @ P. 17 & 18

Similarly, the Senate Committee on Foreign Relations expressed its understanding of the intent which was manifested by the inclusion of Section 311(b) in the Act in its report as follows:

"Its primary purpose, however, was to eliminate claims based upon a holding of 1 or 2 shares which would hardly justify the expense and effort of processing." 2/

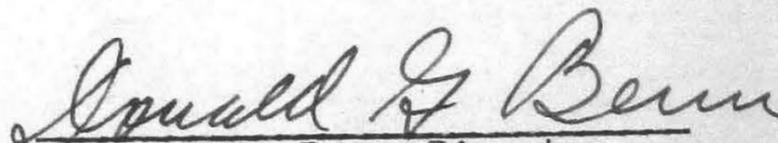
Claimant's 30,000 lei interest in "Steaua Romana" represents but a small fraction of the total capitalization of the company. He has not offered evidence of any ownership interests in the company other than his own in order to establish that at least 25% of the corporation was owned by natural persons who were nationals of the United States. Moreover, it does not appear, from information available to the Commission, that the ownership interest in "Steaua Romana" of nationals of the United States approximated anywhere near 25% of the total capitalization of the company. Thus, it must be concluded that claimant has not established that at least 25% of "Steaua Romana" was owned by natural persons who were nationals of the United States.

Accordingly, for the foregoing reasons, this claim is denied.

Dated at Washington, D. C.

JAN 30 1957

FOR THE COMMISSION:

  
Donald G. Benn, Director  
Balkan Claims Division

WB  
HB