

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON, D.C. 20579

IN THE MATTER OF THE CLAIM OF

MOREHOUSE INTERNATIONAL

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU-0291

Decision No. CU **436**

PROPOSED DECISION

This claim against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, was presented by MOREHOUSE INTERNATIONAL in the amount of \$1,987.47 based upon the asserted loss of merchandise shipped to Cuba.

Under Title V of the International Claims Settlement Act of 1949 [78 Stat. 1110 (1964), 22 U.S.C. §§1643-1643k (1964), as amended, 79 Stat. 988 (1965)], the Commission is given jurisdiction over claims of nationals of the United States against the Government of Cuba. Section 503(a) of the Act provides that the Commission shall receive and determine in accordance with applicable substantive law, including international law, the amount and validity of claims by nationals of the United States against the Government of Cuba arising since January 1, 1959 for

losses resulting from the nationalization, expropriation, intervention or other taking of, or special measures directed against, property including any rights or interests therein owned wholly or partially, directly or indirectly at the time by nationals of the United States.

Section 502(3) of the Act provides:

The term 'property' means any property, right or interest including any leasehold interest, and debts owed by the Government of Cuba or by enterprises which have been nationalized, expropriated, intervened, or taken by the Government of Cuba and debts which are a charge on property which has been nationalized, expropriated, intervened, or taken by the Government of Cuba.

Section 502(1) of the Act defines the term "national of the United States" as "(B) a corporation or other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, if natural persons who are citizens of the United States own, directly or indirectly, 50 per centum or more of the outstanding capital stock or other beneficial interest of such corporation or entity."

An officer of the claimant corporation has certified that the claimant was organized in the State of California and that all times between April 3, 1956 and presentation of this claim on July 27, 1965, more than 50% of the outstanding capital stock of the claimant has been owned by United States nationals. Claimant states that all of its stockholders are nationals of the United States. The Commission holds that claimant is a national of the United States within the meaning of Section 502(1)(B) of the Act.

Claimant contends that it contracted to sell to a Cuban entity certain equipment which was forwarded to claimant's agent in Cuba; that subsequent to the arrival of the equipment and prior to payment the contract was rescinded; that claimant's agent thereafter negotiated the sale of the equipment to a second Cuban buyer; and that prior to delivery and payment under this agreement, the subject equipment was seized by Cuban authorities who failed to compensate claimant therefor.

In support of its contentions claimant has submitted copies of the original invoice, the bill of lading, and the cancelled drafts relating to the original sale. Claimant has also submitted the invoice respecting the subsequent sale on October 10, 1960 to Cia. de Pinturas Rivarrra S.A. of Havana, Cuba, together with a copy of a November 8, 1960 letter from claimant's agent to claimant indicating that the equipment had been confiscated by agents of the Cuban Government prior to the delivery of the shipping documents to the buyer and prior to payment by the latter.

The Commission finds that claimant was the owner of a paint dissolver equipped with a 7 1/2 horsepower motor situated in Havana, Cuba, and that this personal property was taken from it without compensation by the Government of Cuba. In the absence of evidence to the contrary, the Commission finds that this property was taken on November 8, 1960, the date claimant's agent was informed of the seizure. Based upon information in the invoices the Commission concludes that claimant suffered a loss in the amount of \$1,987.47 within the meaning of Title V of the Act as a result of the taking of its personal property by the Government of Cuba.

The Commission has decided that in certification of losses on claims determined pursuant to Title V of the International Claims Settlement Act of 1949, as amended, interest should be included at the rate of 6% per annum from the date of loss to the date of settlement. (See the Claim of Lisle Corporation, FCSC Claim No. CU-0644).

Accordingly, the Commission concludes that the amount of the loss sustained by claimant shall be increased by interest thereon at the rate of 6% per annum from the date on which the loss occurred, to the date on which provisions are made for the settlement thereof.

CERTIFICATION OF LOSS

The Commission certifies that MOREHOUSE INTERNATIONAL suffered a loss, as a result of actions of the Government of Cuba, within the scope of Title V of the International Claims Settlement Act of 1949, as amended, in the amount of One Thousand Nine Hundred Eighty-Seven Dollars and Forty-Seven Cents (\$1,987.47) with interest thereon at 6% per annum from the date of loss to the date of settlement.

Dated at Washington, D. C.
and entered as the Proposed
Decision of the Commission

OCT 18 1967

Edward D. Re

Edward D. Re, Chairman

Theodore Jaffe

Theodore Jaffe, Commissioner

LaVern R. Dilweg

LaVern R. Dilweg, Commissioner

THIS IS A TRUE COPY OF THE COMMISSION OF THE DECISION OR CERTIFICATE

21 NOV 1967
Francis Matthews
Secretary of the Commission
If the decision is not filed by 15 days after the final

The statute does not provide for the payment of claims against the Government of Cuba. Provision is only made for the determination by the Commission of the validity and amounts of such claims. Section 501 of the statute specifically precludes any authorization for appropriations for payment of these claims. The Commission is required to certify its findings to the Secretary of State for possible use in future negotiations with the Government of Cuba.

NOTICE: Pursuant to the Regulations of the Commission, if no objections are filed within 15 days after service or receipt of notice of this Proposed Decision, the decision will be entered as the Final Decision of the Commission upon the expiration of 30 days after such service or receipt of notice, unless the Commission otherwise orders. (FCSC Reg., 45 C.F.R. 531.5(e) and (g) as amended, 32 Fed. Reg. 412-13 (1967).)