

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

IN THE MATTER OF THE CLAIM OF

TRICO PRODUCTS CORPORATION

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU -0664

Decision No. CU 427

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 TRICO PRODUCTS CORPORATION in the amount of \$5,844.86 based upon the asserted loss of payment for 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 New York in 1920 and that at all times between January 1, 1960 and presentation of this claim on February 4, 1966, more than 50% of the outstanding capital stock of the claimant has been owned by United States nationals. The Commission holds that claimant is a national of the United States within the meaning of Section 502(1)(B) of the Act.

Claimant states that 99% of its 1,571 stockholders were nationals of the United States.

In support of its claim, claimant has submitted copies of its bank drafts, as below, which were drawn on claimant's Cuban customers for goods sold and delivered. Further, each draft is accompanied by a letter from the appropriate Cuban collecting bank, as below, informing claimant that the draft had been paid and that dollar reimbursement releases were being awaited. Claimant states that it has never received the funds.

<u>Customer</u>	<u>Date of Bank Letter</u>	<u>Amount</u>
Casa Daubar, S.A.	1/ 5/60	\$ 1,093.26
Cia. Riera Toro & Van Twistern	1/14/60	572.60
Electrical Equipment Co. of Havana	1/19/60	600.79
Soler Motors, S.A.	1/27/60	353.78
Distribuidora Couto	1/29/60	204.73
Cia. Riera Toro & Van Twistern	2/11/60	1,064.60
Francisco Hernandez	3/ 4/60	298.10
Juan B. Herrera	3/22/60	394.40
Riveron y Cia.	4/19/60	326.06
Jose Saladrigas	4/21/60	480.54
Auto Lizmen, S.A.	7/ 6/60	617.40
Total		\$ 6,006.26

On two of these drafts (Soler Motors, S.A., and Auto Lizmen, S.A.), the collecting banks released cash to claimant's Cuban agent, due him as commission, in the total amounts of \$51.24 and \$110.16, respectively. These amounts, when deducted from the above total, reduce claimant's total uncollected funds to \$5,844.86.

The Government of Cuba, on September 29, 1959, published its Law 568, concerning foreign exchange. Thereafter the Cuban Government effectively precluded transfers of funds, in this and similar cases, by numerous, unreasonable and costly demands upon the consignees, who were thus deterred from complying with the demands of the Cuban Government. The Commission holds that Cuban Law 568 and the Cuban Government's implementation thereof, with respect to the rights of the claimant herein, was not in reality a legitimate exercise of sovereign authority to regulate foreign exchange, but constituted an intervention by the Government of Cuba into the contractual rights of the claimant, which resulted in the taking of American-owned property within the meaning of Section 503(a) of the Act. (See the Claim of The Schwarzenbach Huber Company, FCSC Claim No. CU-0019.)

Accordingly, in the instant claim the Commission finds that claimant's property was lost as a result of intervention by the Government of Cuba and that, in the absence of evidence to the contrary, the loss occurred on January 6, 1960 as to \$1,093.26, on January 15, 1960 as to \$572.60, on January 20, 1960 as to \$600.79, on January 28, 1960 as to \$302.54, on January 29, 1960 as to \$204.73, on February 12, 1960 as to \$1,064.60, on March 5, 1960 as to \$298.10, on March 23, 1960 as to \$394.40, on April 20, 1960 as to \$326.06, on April 22, 1960 as to \$480.54, and on July 7, 1960 as to \$507.24, the days after the collections were acknowledged by the various Cuban collecting banks.

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 dates on which the losses occurred, to the date on which provisions are made for the settlement thereof.

CERTIFICATION OF LOSS

The Commission certifies that TRICO PRODUCTS CORPORATION 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 Five Thousand Eight Hundred Forty-Four Dollars and Eighty-Six Cents (\$5,844.86) with interest thereon at 6% per annum from the respective dates of loss to the date of settlement.

Dated as 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

Vern R. Dilweg
Vern R. Dilweg, Commissioner

Direct copy of the decision
as entered in the final

21 NOV 1967

This is a true
copy of the Commission
Decision on

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).)

CU-0664