

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

IN THE MATTER OF THE CLAIM OF

H. O., INC.

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU -3332

Decision No. CU-
3333

Counsel for claimant:

Whyte, Hirschboeck, Minahan,
Harding & Harland

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 H. O., INC. in the amount of \$78,284.81 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.

Sections 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)(B) of the Act defines the term "national of the United States" as 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.

Claimant corporation by an authorized officer, has certified that the claimant was organized in the State of Wisconsin and that all times between 1902 and presentation of this claim more than 50% of the outstanding capital stock of the claimant has been owned by United States nationals. Claimant states that 100% of its stockholders are 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.

The record contains copies of extracts from claimant's ledger book which reflect regular entries made in the ordinary course of business showing the obligations of the following consignees in the amounts indicated with due dates.

	<u>Amount</u>	<u>Due Date</u>
Antonio Leal	\$ 42.75	Apr. 30, 1960
L. P. Gas Autran		
Credit	\$ 841.00	
	<u>726.00</u>	
	115.00	Mar. 27, 1959
	<u>119.37</u>	Sep. 18, 1959
	234.37	
Oscar S. Mechoso	48.25	Sep. 22, 1959
Economic Gas Service	1,865.27	Jul. 13, 1960
	<u>1,755.00</u>	Nov. 30, 1959
	3,620.27	
Pioneer Radio	62.91	Aug. 27, 1959
	134.99	Jan. 27, 1960
	102.91	Jul. 19, 1960
	744.84	Feb. 29, 1958
	713.45	Apr. 25, 1960
	617.26	Nov. 30, 1959
	<u>1,662.50</u>	Mar. 27, 1960
	4,038.86	
Atlantic Gas Co.	1,093.78	May 16, 1957
	348.78	Jul. 15, 1957
	2,375.50	May 16, 1957
	358.15	June 10, 1957
	357.48	Jul. 14, 1958
	839.48	Oct. 21, 1958
	762.00	Dec. 5, 1958
	762.00	Dec. 5, 1958
	<u>1,452.00</u>	Mar. 27, 1960
	8,349.17	
Cia. de Gas		
Butano-Propano		
	2,136.00	Nov. 5, 1959
	65.68	Nov. 5, 1959
	1,234.50	Sep. 28, 1959
	21,156.52	Dec. 31, 1959
	<u>2,244.76</u>	Oct. 12, 1959
	26,837.46	
Goveca y Gabelin	481.25	Sep. 28, 1959
Trasegadora de Gas del Caribe, S.A.	3,333.40	Oct. 12, 1959
El Gas Popular de Cuba, S.A.	2,417.50	Oct. 15, 1959
	4,980.25	Oct. 15, 1959
	6,028.40	Jul. 27, 1959
	1,417.86	Oct. 15, 1959
	9,776.60	Jul. 27, 1959
	<u>5,175.98</u>	Jul. 27, 1959
	29,796.59	
	<u>\$76,782.37</u>	

Claimant states that it has not received the funds.

The Government of Cuba, on September 29, 1959, published its Law 568, concerning foreign exchange. Thereafter the Cuban Government effectively precluded not only transfers of funds to creditors abroad, but also payment to creditors within Cuba, 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 in 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, Claim No. CU-0019, 25 FCSC Semiann. Rep. 58 [July-Dec. 1966]; and Claim of Etna Pozzolana Corporation, Claim No. CU-0049, 1967 FCSC Ann. Rep. 46).

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 the dates shown further below, which are the due date, or the date of Law 568.

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).

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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 shown below, to the date on which provisions are made for the settlement thereof.

Sep. 29, 1959	\$30,674.27
Oct. 12, 1959	5,578.16
Oct. 15, 1959	8,815.61
Nov. 5, 1959	2,201.68
Nov. 30, 1959	2,372.26
Dec. 31, 1959	21,156.52
Jan. 27, 1960	134.99
Mar. 27, 1960	3,114.50
Apr. 25, 1960	713.45
Apr. 30, 1960	42.75
Jul. 13, 1960	1,865.27
Jul. 19, 1960	<u>102.91</u>
	\$76,782.37

CERTIFICATION OF LOSS

The Commission certifies that H. O., INC. 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 Seventy-six Thousand Seven Hundred Eighty-Two Dollars and Thirty-seven Cents (\$76,782.37) with interest thereon at 6% per annum from the respective dates of loss to the date of settlement.

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

NOV 27 1968

Leonard v. B. Sutton
Leonard v. B. Sutton, Chairman

Theodore Jaffe
Theodore Jaffe, Commissioner

Sidney Feidberg
~~Sidney Feidberg, Commissioner~~

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).)