

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

**IN THE MATTER OF THE CLAIM OF**

MERCEDES DE ARANGO  
and  
CARMEN DE ARANGO GIROUX

**Claim No. CU - 3598**

**Claim No. CU-3599**

**Decision No. CU- 4129**

**Under the International Claims Settlement  
Act of 1949, as amended**

Counsel for Claimants:

Coudert Brothers  
By E. A. Dominianni, Esq.

PROPOSED DECISION

These claims against the Government of Cuba, filed under Title V of the International Claims Settlement Act of 1949, as amended, in the amended amounts of \$2,892,095.88 and \$2,510,199.97, respectively, were presented by MERCEDES DE ARANGO and CARMEN DE ARANGO GIROUX based upon the asserted losses of certain real and personal properties in Cuba. Claimants, who are sisters, have been nationals of the United States since March 10, 1932 and birth, respectively.

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.

The evidence establishes and the Commission finds that prior to World War II claimants inherited from their maternal grandmother and their mother certain real and personal properties in Cuba. The properties consisted of large farms with structures, farm machinery, and livestock, as well as urban properties in Havana and other cities, and furniture and furnishings.

Claimants state that their rural properties were taken by Cuba on August 24, 1959, pursuant to the Agrarian Reform Law of May 17, 1959, when the Cuban authorities served notice thereof on claimants. The record shows that claimants' agents appeared before the Cuban authorities on September 13, 1959 and filed detailed descriptions of the rural properties, including the appraised values thereof. It further appears from an affidavit, dated April 26, 1967, of Mr. Luis B. Munoz, an employee of claimants in Cuba from 1936 to 1961, that claimants' urban properties, in which the furniture and furnishings were situated, were taken by Cuba on October 14, 1960 under the Urban Reform Law.

On the basis of the entire record, the Commission finds: that claimants' rural properties, including the machinery and related farm properties, were taken by the Government of Cuba on August 24, 1959 pursuant to the Agrarian Reform Law of 1959; and that claimants' urban properties, including the furniture and furnishings, were taken by the Government of Cuba on October 14, 1960 pursuant to the Urban Reform Law of 1960.

CU-3598  
CU-3599

The Act provides in Section 503(a) that in making determinations with respect to the validity and amount of claims and value of properties, rights, or interests taken, the Commission shall take into account the basis of valuation most appropriate to the property and equitable to the claimant, including but not limited to fair market value, book value, going concern value, or cost of replacement.

The question in all cases, will be to determine the basis of valuation which, under the particular circumstances, is "most appropriate to the property and equitable to the claimant". This phraseology does not differ from the international legal standard that would normally prevail in the evaluation of nationalized property. It is designed to strengthen that standard by giving specific bases of valuation that the Commission shall consider.

The evidence includes full descriptions of the various items of real and personal property taken by Cuba; detailed appraisals of these properties as of the dates of loss prepared by experts who had personal knowledge of the facts; detailed expert appraisals of the properties as of the dates of inheritance by the claimants; and statements of the claimants concerning their claims.

A more complete description of the properties of the claimants, respectively, follows:

Property of Mercedes de Arango

Rural Properties in Sancti Spiritus, Las Villas:

- (1) "Ramon Alto de Cagueiras", Borough of Pelayo - 125 caballerias and 242 cordeles; improved by about 8 houses, related structures, fences, some farm machinery and agricultural equipment; principally a cattle ranch.
- (2) "Flores de San Juan", Borough of Zaza del Medio - 79 caballerias and 30 cordeles; improved by about 5 houses, related structures, fencing, with some farm machinery; used for cattle breeding, grazing.
- (3) "La Casualidad", Borough of Pueblo Nuevo - 1 caballeria and 168 cordeles; improved by about three houses, related structures, fencing, some farm machinery; principally used for grazing.

CU-3598  
CU-3599

- (4) "Pasa de Miranda", Borough of Jibaro - 22 caballerias and 11 cordeles; having some farm machinery and agricultural equipment; used principally for grazing.
- (5) "Santa Petronila del Saltadero", Borough of Jibaro - 8 caballerias and 146 cordeles, having approximately 10 farmhouses, related structures, fencing, farm machinery and agricultural equipment; under lease.
- (6) "La Serafina", Borough of Paula - 106 caballerias and 8 cordeles, having numerous tenant houses, fences, farm machinery and agricultural equipment.

Rural Property in Cabaiguan, Las Villas:

- (7) "El Pareiso", Borough of Cabaiguan - 52 caballerias and 26 cordeles, having numerous tenant houses, farm equipment, houses for tobacco curing.

Rural Properties in Jatibonico, Camaguey:

- (8) "Sitta la Evolucion", Borough of Justo Sanchez - 33 caballerias, improved by house, related structures, fencing, some farm machinery and agricultural equipment, some livestock.
- (9) "Panoletas", Borough of Justo Sanchez - 35 caballerias and 18 cordeles; various farm improvements, fences, some livestock; under lease.

The livestock in the above properties consisted of bulls, oxen, cows, horses, mules, donkeys and swine, detailed lists of which have been submitted.

Urban Properties:

- (10) House Habana #303-305-307, between San Juan de Dios and Presidente Zayas Streets, City of Havana - built of stone and brick.
- (11) House Havana #301, also between San Juan de Dios and Presidente Zayas Streets, City of Havana - built of stone and brick.
- (12) House Aramburu #414, in "Barrio del Trillo", City of Havana, pointing east on Aramburu Street, between Zanya and San Jose Streets, block completed by Hospital Street - built of stone and brick; having a single entrance leading to a large central yard surrounded by rooms.
- (13) House Marina #8, in Tunas de Zaza, Las Villas - built of wood.

The personalty of this claimant consisted principally of office furniture.

CU-3598

CU-3599

Property of Carmen de Arango Giroux

Rural Properties in Sancti Spiritus, Las Villas:

- (1) "Miranda Valle", Borough of Jibaro - 29 caballerias and 127 cordeles, registered as a forest, some machinery and agricultural equipment, fences, some livestock.
- (2) "Abarcas", Borough of Jibaro - 29 caballerias and 176 cordeles, some fences.
- (3) "Sabanilla", Borough of Jibaro - 189 caballerias and 321 cordeles, about 8 houses, related structures, fences, farm machinery and agricultural equipment, cattle ranch, portion under lease.
- (4) "San Ramon", Borough of Paula - 65 caballerias and 123 cordeles, numerous tenant houses, fences, farm machinery and agricultural equipment, cattle ranch, grazing, portion leased.

Rural Property in Jatibonico, Camaguey:

- (5) "Las Crisis", Borough of Justo Sanchez - 50 caballerias, several houses, related structures, fences, farm machinery and agricultural equipment, livestock.

Rural Properties in Ciego de Avila, Camaguey:

- (6) "San Vincente de Ferrer", in Ciego de Avila - 3 caballerias and 244 cordeles, having fences and some machinery and agricultural equipment, some livestock, used for grazing.
- (7) "La Reforma", Borough of Majagua - 110 caballerias and 249 cordeles, numerous tenant houses, related structures, fences, grazing, sugar cane plantation, appropriate equipment, part under lease.

The livestock in the above properties also consisted of bulls, oxen, cows, horses, mules, donkeys and swine, detailed lists of which have been submitted.

Urban Properties:

- (8) San Juan de Dios #9, Havana, in front of "San Juan de Dios Park" between Aguiar and Havannah Streets, built of brick and stone, consisting of two stories and one apartment on roof.
- (9) San Juan de Dios #11, Havana, in front of "San Juan de Dios Park" between Aguiar and Havannah Streets, built of stone and brick, consisting of two stories and one apartment on roof.
- (10) Aguiar #252, Havana, at Carmen Aguiar and San Juan de Dios Streets, built of brick and stone, consisting of two stories with two rooms on roof.

CU-3598

CU-3599

- (11) Cuba #558, Havana, in Barrio de Santa Clara, pointing on Cuba Street, between Sol and Muralla Streets, built of brick and stone. The building is of two stories with four rooms on the roof in the rear.
- (12) Cerro #1257, Havana, in Barrio del Cerro, pointing on the Calzada de Maximo Gomez or Cerro, between Calzada de Buenos Aires and Echeverra Streets, built of brick and stone. The building is erected five meters from the street on the Calzada de Cerro, frontage, and is of the two-story mansion type, with marble floors throughout, marble staircase, balustrades and columns, with walls and ceilings of both floors having heavy plaster decoration.
- (13) J. M. Garcia #4, Sancti Spiritus, Las Villas, built of brick and stone, large building in colonial style, on the plaza next to the Church Mayor.

The personal property of this claimant (other than that mentioned above) consisted of office furniture; and furniture and paintings located in the two houses at Cerro 1257, Havana, and J. M. Garcia #4, in Sancti Spiritus. Lists of this personalty have been furnished, including marble benches, antique chairs, crystal chandeliers, mirrors, period furniture, piano, other art objects, a library, and all the furnishings of well appointed houses. Photographs of these two houses are included in the record.

Upon consideration of the entire record, the Commission finds that the valuations most appropriate to the properties and equitable to the claimants are the detailed expert appraisals of the rural properties submitted by claimants' agents to the Cuban authorities on September 13, 1959, and the detailed appraisals made by experts with respect to the urban properties and the personalty situated therein. Accordingly, the Commission finds that the values of claimants' properties on the said dates of loss were as follows:

<u>Item of Property</u>	<u>Date of Loss</u>	<u>Mercedes de Arango</u>	<u>Carmen de Arango Giroux</u>
Farm buildings	Aug. 24, 1959	\$ 22,850.00	\$ 36,180.00
Machinery	Aug. 24, 1959	215,719.00	115,492.00
Fences & stockyards	Aug. 24, 1959	89,950.00	103,276.00
Land	Aug. 24, 1959	1,629,500.00	1,149,250.00
Sugar cane plantation	Aug. 24, 1959		62,895.90
Livestock	Aug. 24, 1959	496,360.00	463,230.00
Urban realty	Oct. 14, 1960	437,000.00	476,000.00
Furniture & furnishings	Oct. 14, 1960	756.88	108,896.97
Totals		\$2,892,135.88	\$2,515,220.87

CU-3598  
CU-3599

The Commission, therefore, concludes that MERCEDES DE ARANGO and CARMEN DE ARANGO GIROUX sustained losses within the meaning of Title V of the Act in the aggregate amounts of \$2,892,135.88 and \$2,515,220.87, respectively.

It will be noted that the total amounts of the losses found herein are in excess of the amounts asserted by claimants. However, in determining the amounts of losses sustained, the Commission is not bound by any lesser or greater amounts which may be asserted by claimants as the extent thereof.

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 Claim of Lisle Corporation, Claim No. CU-0644), and in the instant case it is so ordered as follows:

	<u>FROM</u>	<u>ON</u>
MERCEDES DE ARANGO:	August 24, 1959	\$2,454,379.00
	October 14, 1960	<u>437,756.88</u>
	Total	<u>\$2,892,135.88</u>
CARMEN DE ARANGO GIROUX:	August 24, 1959	\$1,930,323.90
	October 14, 1960	<u>584,896.97</u>
	Total	<u>\$2,515,220.87</u>

CERTIFICATION OF LOSS

The Commission certifies that MERCEDES DE ARANGO 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 Two Million Eight Hundred Ninety-two Thousand One Hundred Thirty-five Dollars and Eighty-eight Cents (\$2,892,135.88) with interest at 6% per annum from August 24, 1959 on \$2,454,379.00 and from October 14, 1960 on \$437,756.88 to the date of settlement; and

CU-3598  
CU-3599

The Commission certifies that CARMEN DE ARANGO GIROUX 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 Two Million Five Hundred Fifteen Thousand Two Hundred Twenty Dollars and Eighty-seven Cents (\$2,515,220.87) with interest at 6% per annum from August 24, 1959 on \$1,930,323.90 and from October 14, 1960 on \$584,896.97 to the date of settlement.

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

21 OCT 1969

*Leonard v. B. Sutton*

Leonard v. B. Sutton, Chairman

*Theodore Jaffe*

Theodore Jaffe, Commissioner

*Sidney Freidberg*

Sidney Freidberg, 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).)

CU-3598

CU-3599