

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

IN THE MATTER OF THE CLAIM OF

MARGARET J. HUDSON
RAYMOND E. JACKSON
DOROTHY P. KELLY
AGNES JACKSON COLLINS
MARY ANN JACKSON WRIGHT

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

Claim No. CU-6240

Claim No. **CU-** 8153

Claim No. CU-8154

Decision No. **CU - 3315**

PROPOSED DECISION

These claims against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended were presented by MARGARET J. HUDSON, RAYMOND E. JACKSON, DOROTHY P. KELLY, AGNES JACKSON COLLINS and MARY ANN JACKSON WRIGHT, based on their interests in bonds issued by the Association of the Religious Community of the Company of Jesus of Bethlehem College of Havana. Claimants have been nationals of the United States since birth.

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 Cuba.

On the basis of evidence of record, the Commission finds that Agnes K. Strait and Elizabeth Kelly Jackson, both nationals of the United States since birth, each owned, since prior to May 3, 1961, a bond in the original face amount of \$1,000.00 issued by the Association of the Religious Community of the Company of Jesus of Bethlehem College of Havana, and known as 5-1/4% First Mortgage Six Year Gold Bonds, due February 1, 1934, under an Agreement of May 22, 1928, with the Bankers Trust Company, Trustee. The bonds were secured by all of the Association's property in Cuba. The bonds in question are Nos. M0505 and M0506, evidenced by Deposit Receipts No. M1627 and M1626, respectively.

The record shows that the properties of the College were intervened by the Government of Cuba on May 3, 1961 by Resolution No. 4352 of the Director Provincial de Educacion de la Havana (Provincial Educational Directors Office of Havana). Therefore, qualified owners are entitled to file claims based upon bonds such as those in question, which represent a debt which was a charge upon intervened property as defined in Section 502(3) of the Act. (See Claim of Gustavus Basch, Claim No. CU-0972.)

Evidence of record establishes that Agnes K. Strait died on February 24, 1963, and that her bond was inherited 1/4 by MARY ANN JACKSON WRIGHT, 1/4 by AGNES JACKSON COLLINS, 1/4 by MARGARET J. HUDSON, and 1/4 by Frank J. Kelly and DOROTHY P. KELLY. Frank J. Kelly, a national of the United States since birth, died on February 5, 1966, and his widow DOROTHY P. KELLY succeeded to his interest in the bond. The record further establishes that Elizabeth Kelly Jackson died on April 27, 1966, her bond being inherited 2/5 by RAYMOND E. JACKSON, and 1/5 each by AGNES JACKSON COLLINS, MARGARET J. HUDSON, and MARY ANN JACKSON WRIGHT.

The record reflects that on April 4, 1933, Cuba declared a moratorium on mortgage indebtedness, which was later extended to June 1942. On December 5, 1939, the maturity of the bonds was extended by the Association

to February 1, 1944, and interest was reduced to 1-1/2% beginning February 1, 1939. On June 4, 1940, a new Cuban Constitution was adopted, having certain "Transitory Provisions" which extended the maturity date on mortgage indebtedness in excess of \$800,000 to June 30, 1970 and provided for interest at 1%, and amortization by certain annual installments.

On June 1, 1942, a "Procedure for Deposit" was entered into by the Association with Mississippi Valley Trust Company (now the Mercantile Trust Company) as Agent, and the bondholders. Those bondholders depositing their bonds under this Procedure received registered Deposit Receipts entitling them to payment of principal and interest according to the applicable schedule of the 1940 Transitory Provisions, without subsequent presentation of the bonds. The record shows that the last principal payment made was that due on June 30, 1958, leaving the principal due on each such \$1,000.00 bond as \$449.03; and the last interest payment made was that due on February 1, 1959. Thereafter, the Trustee declared the principal due and payable in accordance with the provisions of the Agreement of 1928.

The Commission finds that the amount of the unpaid indebtedness on each of the two bonds in question on May 3, 1961, the date of loss, was \$459.17, including the principal amount of \$449.03 and the interest due on May 3, 1961 in the amount of \$10.14. The interests of the claimants in each bond are calculated as follows:

	<u>M0505</u>	<u>M0506</u>	
MARGARET J. HUDSON	\$114.79	\$ 91.83	\$206.62
RAYMOND E. JACKSON		\$183.67	\$183.67
DOROTHY P. KELLY	\$114.79		\$114.79
AGNES JACKSON COLLINS	\$114.79	\$ 91.83	\$206.62
MARY ANN JACKSON WRIGHT	\$114.79	\$ 91.83	\$206.62

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), and in the instant case it is so ordered.

CERTIFICATION OF LOSS

The Commission certifies that MARGARET J. HUDSON 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 Hundred Six Dollars and Sixty-Two Cents (\$206.62) with interest thereon at 6% per annum from May 3, 1961 to the date of settlement;

the Commission certifies that RAYMOND E. JACKSON 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 Hundred Eight-Three Dollars and Sixty-Seven Cents (\$183.67) with interest thereon at 6% per annum from May 3, 1961 to the date of settlement;

the Commission certifies that DOROTHY P. KELLY 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 Hundred Fourteen Dollars and Seventy-Nine Cents (\$114.79) with interest thereon at 6% per annum from May 3, 1961 to the date of settlement;

the Commission certifies that AGNES JACKSON COLLINS 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 Hundred Six Dollars and Sixty-Two Cents (\$206.62) with interest thereon at 6% per annum from May 3, 1961 to the date of settlement; and

the Commission certifies that MARY ANN JACKSON WRIGHT 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 Hundred Six Dollars and Sixty-Two Cents (\$206.62) with interest thereon at 6% per annum from May 3, 1961 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 Jacobson
Sidney Jacobson, Commissioner

NOTICE TO TREASURY: The above-referenced securities may not have been submitted to the Commission or if submitted, may have been returned; accordingly, no payment should be made until claimants establish retention of the securities for the loss here certified.

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).)