

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

IN THE MATTER OF THE CLAIM OF

WILLIAM W. SCHENCK  
and  
LILA C. SCHENCK

Claim No. CU-8798

Decision No. CU - 6803

Under the International Claims Settlement  
Act of 1949, as amended

PROPOSED DECISION

Claimants WILLIAM W. SCHENCK and LILA C. SCHENCK who owned securities issued by Cuban enterprises, assert a claim under Title V of the International Claims Settlement Act of 1949, as amended, against the Government of Cuba because of its nationalization of certain railroads.

Claim is based on the following securities:

	<u>Number</u>
Consolidated Railroads 3% Cumulative Income Debenture - \$5,000 face	Two
Cuba Railroad First Mortgage, reduced to \$460	25
Cuba Northern First Mortgage, reduced to \$635	20

In our decisions entitled the Claim of Edward R. Smith (Claim No. CU-5001), Claim of Joseph Gans (Claim No. CU-1720) and Claim of Kentucky Home Mutual Life Insurance Company (Claim No. CU-1339) which we incorporate herein by reference, we held that the properties of Consolidated Railroads of Cuba, Cuba Railroad Company and Cuba Northern Railway Company were nationalized or otherwise taken by the Government of Cuba on October 13, 1960, and that this type of claim is compensable to American nationals under the facts and conditions set forth therein.

We need not again detail here the reasons or the method used in determining the following values:

	<u>Value</u>
Consolidated Railroad 3% Cumulative Income Debenture \$5,000 Bond with interest to October 13, 1960	\$5,945.41
Cuba Railroad Company First Mortgage Bond \$460 reduced face, with interest to October 13, 1960	492.86
Cuba Northern Railway Company First Mortgage Bond \$635 reduced face, with interest to October 13, 1960	682.56

On the basis of evidence in the record in the instant case, the Commission finds that these claimants come within the terms of the above-cited decisions; that they were American nationals at the requisite times; that they have been the joint owners of the above-described bonds since prior to October 13, 1960; and that they suffered the following losses within the meaning of Title V of the Act:

Two \$5,000 Consolidated Railroad 3% Cumulative Income Debentures	\$11,890.82
25 Cuba Railroad First Mortgage bonds, enfaced	12,321.50
20 Cuba Northern First Mortgage bonds, enfaced	<u>13,651.20</u>
	\$37,863.52


Further, the Commission finds that the amount of loss sustained shall be increased by interest thereon at the rate of 6% per annum from October 13, 1960, the date of loss, to the date on which provisions are made for the settlement thereof. (See Smith and others, supra.)

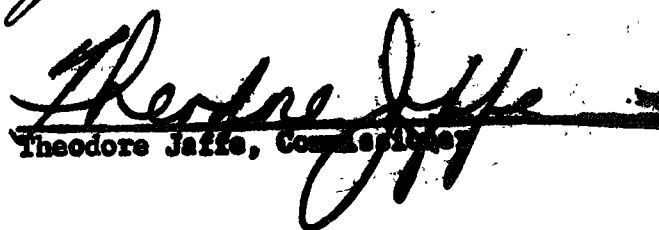
CERTIFICATION OF LOSS

The Commission certifies that WILLIAM W. SCHENCK and LILA C. SCHENCK jointly 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 Thirty-Seven Thousand Eight Hundred Sixty-Three Dollars and Fifty-Two Cents (\$37,863.52) with interest at 6% per annum from October 13, 1960 to the date of settlement.

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

SFP 1971

  
Lyle S. Garlock, Chairman

  
Theodore Jaffe, 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 claimant establishes retention of the securities or 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 (1970).)