

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

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In the Matter of the Claim of :

CRESTE ORESTIDES,  
c/o Corn Products Refining Co., :  
17 Battery Place,  
New York 4, New York. :

Docket No. Y-1572

Decision No. 1453

Under the Yugoslav Claims Agreement  
of 1948 and the International Claims  
Settlement Act of 1949 :

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**Counsel for Claimant:**

WARREN S. ADAMS, 2nd,  
17 Battery Place,  
New York 4, New York.

*approved*  
*12-14-54*

FINAL DECISION

Thirty days, or such extended time as may have been granted by the Commission, having elapsed since the Claimant(s) herein and the Government of Yugoslavia were notified of the Proposed Decision of the Commission on the above Claim, and no objections thereto or notice of intention to file brief or request for hearing having been filed, or, if filed, no further evidence or other representations having been offered pursuant to the opportunity duly afforded therefor, such Proposed Decision is hereby adopted as the Commission's final decision on this Claim.

Done at Washington, D. C.

DEC 15 1954

*3RR*  
*JMM*

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PROPOSED DECISION OF THE COMMISSION

This is a claim by Oreste Orestides, a citizen of the United States since his naturalization on March 19, 1923, and is for the taking by the Government of Yugoslavia of contributions to a Pension Fund in the amount of 32,300 dinars. A claim for personalty consisting of furniture, fixtures, linens, and carpets valued at 344,000 dinars, initially filed, has been withdrawn.

At the time the present Yugoslav Government came into power in the fall of 1944, claimant was a resident of Belgrade, Yugoslavia, where he had been employed for several years by A. D. za Preradu Kukuruza, a Yugoslav company, and a subsidiary of Corn Products Refining Company, a corporation organized under the laws of the State of New Jersey.

The Government of Yugoslavia admits that the claimant made payments into the Pension Fund of the Office for Social Insurance (Security) from March 24, 1939 to April 30, 1945. However, that Government takes the position that the local law does not provide for a return of the contributions made by the insured parties, regardless whether the parties are Yugoslav or foreign citizens.

3RR

B.T.

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over 25, 1954

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11-3-54



Examination of the Yugoslav Law on Social Insurance of Workers, Employees and Wage Earners of July 26, 1946 (Official Gazette No. 65 of August 13, 1946) indicates that the contributions to pension funds and to other welfare funds by wage earners are compulsory payments, which are deductible from salaries periodically earned by the wage earners. Claimant made his contributions to the Government Pension Fund similarly by deductions from his salary and his insurance for old age presumably would have been payable by the Government of Yugoslavia if all conditions provided by the law would have been met. It is our understanding that the deductions for the Pension Fund were in the nature of withholding social security taxes and that the payments did not create a claimant's right in property or an interest with respect to property, as defined in Article 1 of the Yugoslav Claims Agreement of 1948.

We are of the opinion that this claim is in the nature of a debt or a contractual claim against the Yugoslav Government, provided the claimant can establish any rights against that Government Pension Fund, which rights are contested by the Government of Yugoslavia. However, debts or contractual claims of the character indicated here were not settled by the Yugoslav Claims Agreement of 1948.

It was and is traditional United States policy in connection with espousals not to intervene in cases involving breaches of contracts between a foreign state and a national of the United States. See Hackworth, Digest of International Law, Volume V, pp. 610-654. Under these principles, recognized in international law, which this Commission is bound to follow under Section 4 (a) of the International Claims Settlement Act of 1949, debt claims are generally not espoused under international agreements like the Yugoslav Claims Agreement of 1948.

This view is strengthened by the statements made in the Senate



Report on the bill which became the International Claims Settlement Act of 1949 (Public Law 455 - 81st Congress). The Report states:

"The Yugoslav Claims Agreement of 1948 is a settlement of a defined category of claims. In consideration of the payment of \$17 million, the Yugoslav Government was discharged of obligation with respect to such claims. Claims not settled were not discharged and remain unsettled obligations of Yugoslavia. For example, the Yugoslav Government is not released as to nationalization or other taking after July 19, 1948. Thus, also, the claims settled do not include creditor interests. They are confined to ownership in property, either legal or beneficial, direct or indirect. This is consistent with traditional United States policy in connection with espousals" (Senate Report No. 800, 81st Congress, 1st Session, Calendar No. 810, p. 11).

It is unnecessary, for the purposes of this claim, to determine whether debt claims of every character and type are excluded from those claims settled by Article 1 of the Agreement. We hold that the instant claim was not settled by the Agreement.

For the foregoing reasons, this claim is denied.

Dated at Washington, D. C.

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