

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON 25, D. C.

IN THE MATTER OF THE CLAIM OF

CHARLES H. SISAM
4346 Alton Place, N. W.
Washington, D. C.

Claim No. CZ-1,551

Decision No. CZ- 397

Under the International Claims Settlement
Act of 1949, as amended

GPO 942329

PROPOSED DECISION

This is a claim against the Government of Czechoslovakia under Section 404 of the International Claims Settlement Act of 1949, as amended, by CHARLES H. SISAM, based upon one (1) \$1,000 bond of the issue known as Czechoslovak State Loan of 1922, due April 1, 1951, bearing number M-2117.

Section 404 of the Act provides, inter alia, for the determination by the Commission, in accordance with applicable substantive law, including international law, of the validity and amount of claims by nationals of the United States against the Government of Czechoslovakia for losses resulting from the nationalization or other taking on and after January 1, 1945, of property, including any rights or interests therein, owned at the time by nationals of the United States.

In 1939, when Czechoslovakia was partitioned and World War II commenced, payment of interest was discontinued on the following Government bonds expressed in United States dollars:

1. 8% Czechoslovak State Loan of 1922, Series A, due April 1, 1951;
2. 8% Czechoslovak State Loan of 1922, Series B, due October 1, 1952;
3. 7½% City of Greater Prague Loan of 1922, due May 1, 1952;

4. 8% City of Carlsbad Loan of 1924, due January 1, 1954.

After hostilities ceased in 1945, the Government of Czechoslovakia issued Decree No. 95/45 Sb. requiring that all domestic bonds be registered and placed into blocked accounts with financial institutions in Czechoslovakia or with Czechoslovakian diplomatic representatives in foreign countries. This decree did not apply to the foregoing issues of Government bonds expressed in United States dollars.

In 1946, the Czechoslovakian Government undertook negotiations with representatives of certain persons holding substantial amounts of the said four bond issues with a view toward resuming payment of accrued and current interest. Agreements were reached between the Government of Czechoslovakia and these bondholders pursuant to which the due dates of their bonds were extended and the interest rates were reduced as follows: The 8% Czechoslovak State Loan Bonds and the 7½% City of Greater Prague Loan Bonds were extended to 1960 and the interest rates on these bonds were reduced to 6%; the 8% City of Carlsbad Loan Bonds were extended to 1966 and the interest rates were reduced to 4%. Payment of interest was resumed in 1946 insofar as such bondholders were concerned and continued until 1952 when service on their bonds went into default.

Pursuant to Section 7 of Law 41/53 Sb., all domestic bonds which were blocked under Decree No. 95/45 Sb. were annulled effective June 1, 1953. Inasmuch as the blocking Decree No. 95/45 Sb. did not apply to any of the said four bond issues, such annulment did not affect any of these bonds nor any rights pertaining to the bonds.

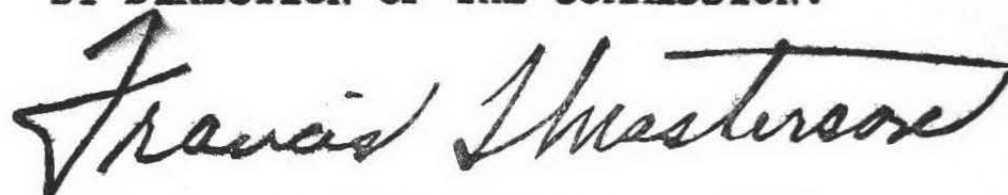
There is no evidence before the Commission to show that subsequent to June 1, 1953 the Government of Czechoslovakia took any action with respect to any of the said four bond issues which could be construed as a nationalization or other taking of property within the meaning of Section 404 of the Act.

The Commission finds that it has not been established that the property upon which this claim is based was nationalized or otherwise taken by the Government of Czechoslovakia. Accordingly, this claim is denied. The Commission finds it unnecessary to make determinations with respect to other elements of the claim.

Dated at Washington, D. C.

APR 4 1960

BY DIRECTION OF THE COMMISSION:



Francis T. Masterson
Clerk of the Commission

THIS DECISION WAS ENTERED AS THE COMMISSION'S
FINAL DECISION ON MAY 2 1960



Clerk of the Commission