

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

IN THE MATTER OF THE CLAIM OF

J. LANDAU & CO., INC.

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU-0076

Decision No. CU - 569

PROPOSED DECISION

This claim against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, was presented by J. LANDAU & CO., INC., in the amount of \$3,146.92 based upon the asserted loss of payment for merchandise shipped to Cuba.

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.

Section 502(1) of the Act defines the term "national of the United States" as "(B) a corporation or other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, if natural persons who are citizens of the United States own, directly or indirectly, 50 per centum or more of the outstanding capital stock or other beneficial interest of such corporation or entity."

An officer of the claimant corporation has certified that the claimant was organized in the State of New Jersey in 1956 and that at all times between that date and presentation of this claim on June 21, 1965, more than 50% of the outstanding capital stock of the claimant has been owned by United States nationals. The Commission holds that claimant is a national of the United States within the meaning of Section 502(1)(B) of the Act.

Claimant states that both of its two stockholders are United States citizens.

The record contains copies of claimant's invoices, as below, along with account statements, bills of lading and dock receipts, which reflect the sale and delivery of goods to various Cuban purchasers in the gross amount of \$4,701.60. This amount has been reduced by credits extended to, and payments made by, two of the Cuban purchasers in the amount of \$1,554.68, leaving a net figure of \$3,146.92. Claimant states that it has not received the funds.

<u>Inv.No.</u>	<u>Date</u>	<u>Customer</u>	<u>Inv. Amt.</u>	<u>Credits</u>	<u>Total</u>
50189	11/28/57	Sres. Lopez Lapique	\$ 514.00	\$1,299.75	
50196	12/13/57	Sres. Lopez Lapique	953.50		\$ 167.75
50213	2/14/58	Sres. Lopez Lapique	1,164.55		1,164.55
50251	5/19/58	Sres. Lopez Lapique	1,274.70		1,274.70
50743	2/19/60	Muebles de Madera, S.A.	285.00		285.00
50388	8/28/59	Miguel A. Sanchez y Cia	509.85	254.93	254.92
		Totals	<u>\$4,701.60</u>	<u>\$1,554.68</u>	<u>\$3,146.92</u>

The terms of sale required payment in 60 days on invoice number 50743, and payment in 75 days on invoice number 50388.

The Government of Cuba, on September 29, 1959, published its Law 568, concerning foreign exchange. Thereafter the Cuban Government effectively precluded not only transfers of funds to creditors abroad, but also payment to creditors within Cuba, by numerous, unreasonable and costly demands upon the consignees, who were thus deterred from complying with the demands of the Cuban Government. The Commission holds that Cuban Law 568 and the Cuban Government's implementation thereof, with respect to the rights of the claimant herein, was not in reality a legitimate exercise of sovereign authority to regulate foreign exchange, but constituted an intervention by the Government of Cuba into the contractual rights of the claimant, which resulted in the taking of American-owned property within the meaning of Section 503(a) of the Act. (See the Claim of The Schwarzenbach Huber Company, FCSC Claim No. CU-0019; and the Claim of Etna Pozzolana Corporation, FCSC Claim No. CU-0049.)

Accordingly, in the instant claim the Commission finds that claimant's property was lost as a result of intervention by the Government of Cuba and that, in the absence of evidence to the contrary, the loss occurred on September 29, 1959, the date of publication of Cuban Law 568, as to \$2,607.00; on November 11, 1959, or 75 days after the date of invoice, as to \$254.92; and on April 20, 1960, or 60 days after the date of invoice, as to \$285.00.

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.)

Accordingly, the Commission concludes that the amount of the losses sustained by claimant shall be increased by interest thereon at the rate of 6% per annum from the date on which the losses occurred, to the date on which provision is made for the settlement thereof.

CERTIFICATION OF LOSS

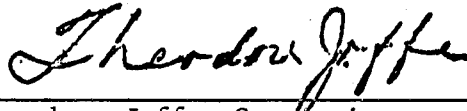
The Commission certifies that J. LANDAU & CO., INC. suffered a loss, as a result of actions of the Government of Cuba, within the scope of Title V of the International Claims Settlement Act of 1949, as amended, in the amount of Three Thousand One Hundred Forty-Six Dollars and Ninety-Two Cents (\$3,146.92) with interest thereon at 6% per annum from the respective dates of loss to the date of settlement.

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

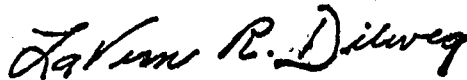
15 NOV 1967



Edward D. Re, Chairman



Theodore Jaffe, Commissioner



LaVern R. Dilweg, 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).)