

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

IN THE MATTER OF THE CLAIM OF

TOLEDO SCALE CORPORATION

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU -0395

Decision No. CU

1882

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 TOLEDO SCALE CORPORATION in the amount of \$14,400.41 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)(B) of the Act defines the term "national of the United States" as 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 Ohio and that all times between November 11, 1897 and presentation of this claim on August 30, 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 as of February 10, 1967 more than 97% of its common stock was held by nationals of the United States.

The record contains correspondence of claimant with the Department of State dated May 1, 1961; copies of invoices reflecting the sale of goods to certain Cuban companies; and bank advices which state that payments were made to local banks in Cuba on drafts that were issued in conjunction with the invoices. Claimant asserts that it has never received payment for these debts. The data concerning shipment of goods claimed to Cuban firms, including information as to consignees, invoices, amounts and dates of collection is as follows:

<u>INVOICE DATE AND NUMBER</u>	<u>SOLD TO</u>	<u>AMOUNT</u>	<u>DATE OF BANK ADVICE</u>
October 30, 1959 #507	Galex, S.A.	\$1,499.41	June 16, 1960
October 30, 1959 #508	Instituto Nacional de La Reform Agraria	451.11	December 16, 1959
November 18, 1959 #547	Galex, S.A.	2,131.07	January 6, 1960

<u>INVOICE DATE AND NUMBER</u>	<u>SOLD TO</u>	<u>AMOUNT</u>	<u>DATE OF BANK ADVICE</u>
November 18, 1959 #548	Galex, S.A.	2,739.83	January 6, 1960
November 18, 1959 #549	Galex, S.A.	2,712.42	January 6, 1960
December 4, 1959 #582	Galex, S.A.	1,005.18	January 6, 1960
December 4, 1959 #583	Galex, S.A.	1,598.66	January 6, 1960
December 4, 1959 #584	Galex, S.A.	1,381.69	January 6, 1960
	TOTAL	<u>\$13,519.37</u>	

Claimant states that it has not received any of the above funds.

The Government of Cuba, on September 29, 1959, published its Law 568, concerning foreign exchange. Thereafter the Cuban Government effectively precluded transfers of funds, in this and similar cases, 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 Claim of The Schwarzenbach Huber Company, Claim No. CU-0019, 25 FCSC Semiann. Rep. 58 [July-Dec. 1966.]

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 the day following collection by the Cuban bank as follows:

<u>ON</u>	<u>AS TO</u>
December 16, 1959	\$ 451.11
January 6, 1960	11,568.85
June 17, 1960	<u>1,499.41</u>
TOTAL	\$13,519.37

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 Claim of Lisle Corporation, Claim No. CU-0644).

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

CERTIFICATION OF LOSS

The Commission certifies that TOLEDO SCALE CORPORATION 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 Thirteen Thousand Five Hundred Nineteen Dollars and Thirty-Seven Cents (\$13,519.37) 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

Leonard v. B. Sutton

Leonard v. B. Sutton, Chairman

MAY 22 1968

Theodore Jaffe

Theodore Jaffe, 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).)