

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

IN THE MATTER OF THE CLAIM OF

SALVADOR RAFAEL VEGA

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU-0508

Decision No. CU 6039

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 SALVADOR RAFAEL VEGA for \$40,000.00 based upon the asserted ownership and loss of a shoe factory known as "S. R. Vega", registered in Santiago de las Vegas. Claimant has been a national of the United States since birth.

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.

Claimant describes his loss as follows:

Materials in stock	\$17,000.00
Machinery	15,000.00
Accounts receivable	<u>8,000.00</u>
	\$40,000.00

Claimant states that he was the sole owner of a shoe factory known as "S. R. Vega", operated on rented premises, in Rincon, Havana, which employed 63 workers, 2 office clerks, and 3 salesmen. He further states that his shoes were sold to stores under the trade name "La Gloria".

Based upon the entire record including claimant's report to the State Department in 1960, as well as the affidavits of four individuals who had knowledge of pertinent facts, the Commission finds that claimant owned an interest in the said factory; and pursuant to the Community Property Law of Cuba, that his interest was one-half. His Cuban wife, whom he says he divorced sometime in 1960, owned the other half. Claimant acknowledged her interest in a letter of September 13, 1960 to the State Department. Claimant states that while he was in Miami he was informed by his wife in Cuba that in January 1960 the factory was taken by armed militiamen and turned over to the workers in the factory. Based on the evidence of record, the Commission finds that the Cuban Government confiscated claimant's factory on February 15, 1960 as a result of which claimant suffered a loss within the meaning of Title V of the Act.

The Act provides in Section 503(a) that in making determinations with respect to the validity and amount of claims and value of properties, rights, or interests taken, the Commission shall take into account the basis of valuation most appropriate to the property and equitable to the claimant, including but not limited to fair market value, book value, going concern value or cost of replacement.

The record includes, in support of the claimed values, the 1960 report, the aforementioned four affidavits, and contemporary correspondence. Two of the affiants had sold claimant working materials for twenty years and one had shipped machinery to the factory. They give estimates of the worth of the factory as \$45,000.00 and \$55,000.00. Another affiant who supplied claimant with materials for seventeen years states that he formerly extended him credit up to \$25,000.00. The fourth affiant who states that he worked as claimant's salesman for many years, avers that the factory had inventory, accounts receivable and machinery as claimed, and that he helped in preparation of an inventory.

Claimant states that about two weeks before he left Havana in November 1959, he had taken an inventory which was filed in the factory, and that his claim which he originally filed with the Department of State in the amount of \$40,000.00 was based on memory of this inventory. He also states that his business had no accounts payable, nor salaries or taxes due.

Based on the evidence of record the Commission finds that the value of claimant's business on the date of loss was \$40,000.00, and that therefore claimant suffered a loss in the amount of \$20,000.00 for his one-half interest therein.

The Commission has decided that in certifications of loss 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), and in the instant case, it is so ordered.

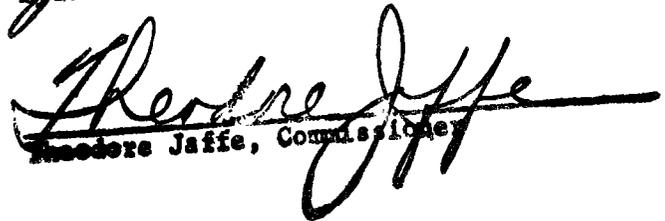
CERTIFICATION OF LOSS

The Commission certifies that SALVADOR RAFAEL VEGA 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 Twenty Thousand Dollars (\$20,000.00) with interest thereon at 6% per annum from February 15, 1960 to the date of settlement.

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

FEB 3 1971


Lyle S. Garlock, Chairman


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 (1970).]