

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

IN THE MATTER OF THE CLAIM OF

HYDROCARBON PROCESSING  
CORPORATION

Under the International Claims Settlement  
Act of 1949, as amended

Claim No. CU-0561

Decision No. CU000116

Counsel for claimant:

Nathan, Mannheimer, Asche,  
Winer and Friedman  
by Michael Rosenberg, Esq.

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 HYDROCARBON PROCESSING CORPORATION in the amount of \$2,467.63 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."

The President of claimant corporation has certified that the claimant was organized on March 11, 1954 and that at all times between March 1954 and presentation of this claim on November 12, 1965, all of the outstanding capital stock of the claimant has been owned by Industrial Raw Materials Corporation. The record reflects that the outstanding capital stock of Industrial Raw Materials was owned solely by Alfred Aufhauser, a national of the United States since his naturalization on November 12, 1943 in New York. The Commission holds that claimant corporation is a national of the United States within the meaning of Section 502(1)(B) of the Act.

The record contains a copy of claimant's invoice no. 33241 dated September 16, 1959 reflecting the sale to Industrial y Comercial Premies, S.A., Havana, Cuba, of goods totalling \$2,425.50, as to which freight, shipping and other attendant fees increased the total to \$2,467.63.

Additionally, the record includes a letter dated January 21, 1960 from the Chemical Corn Exchange Bank, to claimant, in which it is stated that the collection of \$2,467.63 was paid by the consignee (Industrial y Comercial Premies, S.A.) and that its branch bank was still awaiting a dollar reimbursement release from the Cuban Currency Stabilization Fund. Claimant states that it has not received the 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 the Claim of The Schwarzenbach Huber Company, FCSC Claim No. CU-0019.)

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 January 9, 1960 as to \$2,467.63, one day after the branch bank of the Chemical Corn Exchange Bank acknowledged receipt of the collection.

The Commission has decided that in payment of losses on claims determined pursuant to Title V of the International Claims Settlement Act of 1949, as amended, interest should be allowed at the rate of 6% per annum from the date of loss to the date of settlement (See the Claim of American Cast Iron Company, FCSC Claim No. CU-0249).

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 HYDROCARBON PROCESSING 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 Two Thousand Four Hundred Sixty-Seven Dollars and Sixty-Three Cents (\$2,467.63) 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

**JUL 26 1967**

*Edward D. Dowe*

Edward Dowe, Chairman

*Theodore Jaffe*

Theodore Jaffe, Commissioner

*LaVern R. Dilweg*

LaVern R. Dilweg, Commissioner

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).)

**CLASSIFICATION**

This is a true and correct copy of the decision of the Commission which was entered as the final decision on AUG 25 1967

*Jessie Mackerson*  
Clerk of the Commission