

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

IN THE MATTER OF THE CLAIM OF

SEYDEL-WOOLLEY & COMPANY

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU-1162

Decision No. CU 4317

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 SEYDEL-WOOLLEY & COMPANY in the amount of \$10,196.07, as amended, 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.

Claimant corporation, by an authorized officer, has certified that the claimant was organized in Georgia and that at all times between 1948 and presentation of this claim 100% 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.

The record contains copies of claimant's invoices and other documents and letters reflecting the sale to various Cuban enterprises of Havana, Cuba, of goods, in amounts increased by freight, shipping and other attendant fees, as follows:

<u>Consignee</u>	<u>Amount</u>	<u>Due Date or Date Paid</u>
Cia. Textilera Ariguanabo, S.A.	\$ 913.61	Dec. 5, 1959
Concordia Textil, S.A.	\$1,584.00	Dec. 30, 1958
	4.51	May 1, 1958
	305.58	Dec. 9, 1958
	333.63	Oct. 4, 1958
	188.70	July 15, 1959
	19.77	May 1, 1959
	35.36	Apr. 23, 1959
	336.85	Mar. 20, 1959
	<u>62.56</u>	Jan. 20, 1959
	2,870.96	
Cia. Distribuidora de Calzado, S.A.	\$ 608.28	Apr. 7, 1958
	831.07	Apr. 25, 1957
	110.00	June 30, 1957
	949.56	Sept. 6, 1957
	<u>15.00</u>	May 28, 1959
	2,513.91	
Ribbon Fabrics Co. of Cuba, S.A.	\$1,518.94	Aug. 29, 1960
	<u>1,534.28</u>	Sept. 26, 1960
	3,053.22	
Textilera Mayabeque, S.A.	10.65	Mar. 20, 1960
Textilera Silka, S.A.	<u>833.72</u>	May 10, 1959
	\$10,196.07	

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 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 in 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]; and Claim of Etna Pozzolana Corporation, Claim No. CU-0049, 1967 FCSC Ann. Rep. 46.)

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 dates further shown below.

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), and in the instant case it is so ordered, as follows, September 29, 1959, being used for items due prior to that date:

<u>FROM</u>	<u>ON</u>
September 29, 1959	\$ 6,218.59
December 6, 1959	913.61
March 20, 1960	10.65
August 29, 1960	1,518.94
September 26, 1960	<u>1,534.28</u>
	\$10,196.07

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CERTIFICATION OF LOSS

The Commission certifies that SEYDEL-WOOLLEY & COMPANY 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 Ten Thousand One Hundred Ninety-six Dollars and Seven Cents (\$10,196.07) 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

7 JAN 1970

Theodore Jaffe

Theodore Jaffe, Commissioner

Sidney Freidberg

Sidney Freidberg, 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).)

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