

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

IN THE MATTER OF THE CLAIM OF

BEECH-NUT LIFE SAVERS, INC.

Under the International Claims Settlement  
Act of 1949, as amended

Claim No. CU -2808

Decision No. CU 551

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 BEECH-NUT LIFE SAVERS, INC. in the amount of \$27,137.37, 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 York and that at all times between October 12, 1960 and presentation of this claim on May 1, 1967, 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 over 99% of its 24,825 stockholders were nationals of the United States.

The record contains a copy of claimant's invoice No. 1-246 of September 30, 1960, reflecting the sale to Hoyo & Fernandez S. en C. of Havana, Cuba, of goods totalling \$1,741.22, as to which freight, shipping and other attendant fees increased the total to \$1,866.87; a copy of its invoice No. 1-300 of October 6, 1960, reflecting the sale to the same consignee of goods totalling \$10,379.35, as to which freight, shipping and other fees increased the total to \$11,675.25; a copy of its invoice No. 1-301 of October 14, 1960, reflecting the sale of goods to the same Cuban consignee in the amount of \$1,680.55, as to which freight, shipping and other fees increased the total to \$1,878.72; and a copy of its invoice No. 1-302 of October 20, 1960, reflecting the sale of goods to the same Cuban consignee in the amount of \$10,379.35, as to which freight, shipping and other attendant fees increased the total to \$11,716.53.

Additionally, the record includes a letter of November 24, 1960 from the Banco Continental Cubano, to claimant, in which it is stated that the collection of \$1,866.87 was paid by the consignee and that the Banco

Continental Cubano was still awaiting a dollar reimbursement release from the Currency Stabilization Fund, a Cuban Government agency; a letter dated December 12, 1960 from the same bank, to claimant, stating that the collection of \$11,675.25 was paid by the consignee, and that the Bank was awaiting similar authorization from the Currency Stabilization Fund; a letter from the Banco Continental Cubano dated December 12, 1960, informing claimant that the collection of \$1,878.72 had been paid and that exchange permission was being awaited; and a letter from the same bank, to claimant, dated December 28, 1960 informing claimant that the collection of \$11,716.53 had been paid by the consignee, and that a dollar reimbursement authorization was pending. Claimant states that it has never received any of 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 November 25, 1960 as to \$1,866.87, on December 13, 1960 as to \$13,553.97, and on December 29, 1960 as to \$11,716.53, the days after the collections were acknowledged by the Banco Continental Cubano.

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

CERTIFICATION OF LOSS

The Commission certifies that BEECH-NUT LIFE SAVERS, 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 Twenty-Seven Thousand One Hundred Thirty-Seven Dollars and Thirty-Seven Cents (\$27,137.37) 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

NOV 1 1967

*Edward D. Re*

Edward D. Re, Chairman

*Theodore Jaffe*

Theodore Jaffe, Commissioner

*LaVern R. Dilweg*

LaVern R. Dilweg, Commissioner

is a true and correct copy of the decision  
of the Commission which is entered as the Final  
Decision of the Commission  
A DEC 1967

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).)