

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
Washington 25, D. C.

In the Matter of the Claim of

HOWARD HUNTINGTON BLISS
Damascus College
P. O. Box 434
Damascus, Syria

Against the Government of Bulgaria
Under Section 303 of the International
Claims Settlement Act of 1949, as amended

Claim No. BUL-1,176

Decision No. BUL-217

FINAL DECISION

The Commission issued its Proposed Decision on this claim on March 6, 1958, a certified copy of which was duly served upon the claimant(x). No objections or request for a hearing having been filed within twenty days after such service and general notice of the Proposed Decision having been given by posting for thirty days, it is

ORDERED that such Proposed Decision be and the same is hereby entered as the Final Decision on this claim.

Dated at Washington, D. C.

MAY 14 1958

Whitney Hilliard

Pearl Rice

Henry B. Clay

*M. J. D.
J. B.
P. G.*

COMMISSIONERS

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GPO 16-72126-1

PROPOSED DECISION

This is a claim for Two Thousand One Hundred Eighty-two Dollars (\$2,182.00) under the provisions of Section 303(2) of the International Claims Settlement Act of 1949, as amended, against the Government of Bulgaria based upon the taking of one 1938 4-door Cheverolet Sedan by the Bulgarian Army in 1940. It is alleged that subsequent to that taking, the automobile was returned to the Custodian of property belonging to nationals of enemy countries, and was sold by claimant's attorney, with the approval of that custodian. The proceeds from the sale in the amount of 179,880 leva were deposited in an account in the claimant's name in the National Bank of Bulgaria.

The record discloses that, although the claim appears to be based upon "the nationalization, compulsory liquidation, or other taking, prior to the effective date of this title, of property of nationals of the United States in Bulgaria...", allegedly, the claimant was, through his attorney or agent compensated through sale of the car, the proceeds of which were apparently deposited to his credit in the National Bank of Bulgaria.

Section 303 of the Act provides, inter alia, that the Commission shall receive and determine in accordance with applicable substantive law, including international law, the validity and amounts of claims of nationals of the United States against the Government of Bulgaria for failure (1) to restore or pay compensation for property of nationals of

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the United States as required by Article 23 of the treaty of peace with Bulgaria, (2) to pay effective compensation for the nationalization, compulsory liquidation, or other taking prior to August 9, 1955 of property of nationals of the United States in Bulgaria, and (3) to meet certain obligations expressed in currency of the United States.

When viewed as a claim for the "taking" of claimant's automobile, the Commission finds that it is based on a private transaction between claimant's agent and an individual in Bulgaria which does not involve any of the acts or failures to act for which Bulgaria is responsible under the above mentioned law.

When viewed as a claim based upon the proceeds of the sale of the automobile which were deposited in the claimant's name in the National Bank of Bulgaria, it is concluded that the grievance of the claimant is the consequence of severe currency devaluation and restrictions on the transfer of currency out of Bulgaria brought about by general economic conditions rather than by any specific action of the Bulgarian Government which may be characterized as a "nationalization, compulsory liquidation, or other taking" of claimant's property within the meaning of the Act.

The Bulgarian currency is the lev (plural "leva"), which had a gold parity value in 1928 of 0.72¢ for 100 leva. With revaluation of the dollar in 1934 the par value of the lev became approximately 1.22¢ for 100 leva. 1/

The Bulgarian currency remained quite stable in domestic official quotations, but unofficially the Government of Bulgaria was compelled in 1933 to introduce exchange premiums and special exchange rates for private compensation trade, which were considerably above the official value of the currency. The premiums were highest in 1936 (22.5%) and lowest in 1939 (14.6%) but they were always ignored in the official quotations of the lev, both in Bulgaria and abroad. 2/

1/ Handbook of Foreign Currencies, U.S. Dept. of Commerce, 1936, p. 31

2/ International Financial Statistics, International Monetary Fund March 1948, p. 139

During World War II no official rate of exchange was maintained between the Bulgarian currency and the United States dollar. The value of the currency declined steadily, however, during this period of time.

After World War II, the official rate of the lev was established by the Government of Bulgaria at 288 leva for one dollar. This official rate was arbitrary and unrealistic, but it was maintained until May 1952. On May 11, 1952, the old lev was withdrawn as legal tender and a new currency called the "new lev", introduced. The new official rate of exchange for the United States dollar was fixed at 6.80. ^{3/}

While such currency devaluation caused economic loss to a great many individuals holding such currency, in or out of banks, it was not a nationalization, compulsory liquidation, or other taking of property by the Government of Bulgaria. Such loss was the result of tremendous damage inflicted upon the Bulgarian economy, principally by the war and post-war conditions, and not of any action by the Government of Bulgaria giving rise to a compensable claim under the Act.

The record contains no evidence of a confiscation, nationalization, compulsory liquidation or other taking by the Government of Bulgaria of the bank accounts of the claimant, and there is no evidence that the rights of depositors were abolished.

Likewise, a prohibition against transfer of funds outside of a country is an exercise of sovereign authority which, though causing hardship to non-residents having currency on deposit within the country, may not be deemed a "taking" of property within the meaning of Section 303(2) of the Act.

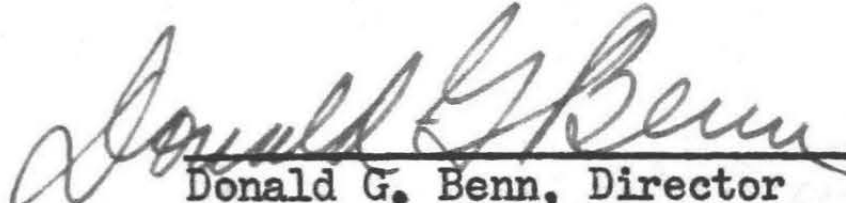
Accordingly, claimant having failed to establish any action on the part of the Government of Bulgaria which amounts to "nationalization,

compulsory liquidation, or other taking" of property, within the meaning of the Act, the claim is denied. The Commission finds it unnecessary to make determinations with respect to other elements of the claim.

Dated at Washington, D. C.

FOR THE COMMISSION:

MAR 6 1958


Donald G. Benn, Director
Balkan Claims Division

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USA.
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