

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES

WASHINGTON 25, D. C.

IN THE MATTER OF THE CLAIM OF

GEORGE EVANOFF
118 Carrollton Street
Shreveport, Louisiana

Claim No. BUL-1,005

Decision No. BUL- 221

Under the International Claims Settlement
Act of 1949, as amended

GPO 16-72126-1

PROPOSED DECISION

This is a claim against the Government of Bulgaria under Section 303 of the International Claims Settlement Act of 1949, as amended, based upon an alleged "freezing" by the Bulgarian Government of money on deposit in a Bulgarian bank to a total in 1921 of 147,059 leva.

The only provision of Section 303 of possible application herein is subsection (2), which provides for the receipt and determination of claims against the Government of Bulgaria, among others, for its failure to—

pay effective compensation for the nationalization, compulsory liquidation, or other taking, prior to the effective date of this title August 9, 1957, of property of nationals of the United States in Bulgaria....

The record contains no evidence of a nationalization, compulsory liquidation, or other taking by the Bulgarian Government of the bank account of claimant herein. The nationalization of banks in Bulgaria was accomplished under Edict No. 20, published in Official Gazette No. 302 of December 27, 1947, which established a State monopoly on banking. The Bulgarian National Bank and the Bulgarian Investment Bank were declared to be the successors of other Bulgarian banks; and the effect on deposits in nationalized banks was merely to transfer them to one of the two State banks, with no attendant loss to depositors. It is concluded that by this action the deposits were

neither nationalized, liquidated, nor taken, within the meaning of Section 303(2) of the Act.

The nationalization of the banks in Bulgaria was preceded by a drastic devaluation of the currency of the country. A continuing depreciation in the value of the lev culminated in Decree No. 405 on Money Reform, published in Official Gazette No. 40 of May 11, 1952, which established a new lev unit at the general rate of exchange of 100 old leva for 1 new lev, with a somewhat more favorable ratio for bank deposits. Although the currency devaluation caused economic loss to many persons holding such currency, it was not a nationalization, compulsory liquidation, or other taking of property by the Bulgarian Government. Rather, it was the result of damage inflicted upon the Bulgarian economy, principally by the war and post-war conditions, and not of any action of the Bulgarian Government giving rise to a compensable claim under the Act.

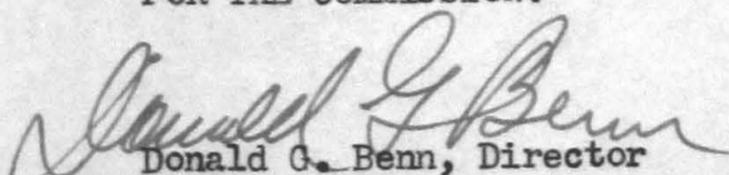
Likewise, a prohibition against transfer of funds outside of a country is an exercise of sovereign authority which, though causing hardship to nonresidents having currency on deposit within the country, may not be deemed a "taking" of their property within the meaning of Section 303(2) of the Act.

The Commission concludes that no award may be made under the Act on a claim based upon deposits in Bulgarian banks, unless it is established that there has been a taking of the deposits in question by the Bulgarian Government.

Accordingly, claimant having failed to establish any action on the part of the Government of Bulgaria which amounts to a "nationalization, compulsory liquidation, or other taking" of his property, 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:


Donald G. Benn, Director
Balkan Claims Division

MAR 26 1958

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