

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

IN THE MATTER OF THE CLAIM OF

IBM WORLD TRADE CORPORATION
821 United Nations Plaza
New York 17, New York

Claim No. CZ-4647

Decision No. CZ- 31A2

Under the International Claims Settlement
Act of 1949, as amended

GPO 942329

PROPOSED DECISION

This is a claim against the Government of Czechoslovakia under Section 404, Title IV, of the International Claims Settlement Act of 1949, as amended, in the amount of \$5,385,872.92, by IBM WORLD TRADE CORPORATION, a national of the United States within the meaning of Section 401(1) of the Act, at all pertinent times.

The claim is based on the nationalization or other taking of accounting machines, bank accounts and other assets owned by claimant and its Czechoslovakian subsidiaries.

Section 404 of the Act provides, inter alia, for the determination by the Commission in accordance with applicable substantive law, including international law, of the validity and amount of claims by nationals of the United States against the Government of Czechoslovakia for losses resulting from nationalization or other taking on and after January 1, 1945, of property including any rights or interests therein, owned at the time by nationals of the United States.

Prior to World War II, and thereafter, claimant owned a subsidiary in Czechoslovakia, whose name was changed in 1947 to "IBM of

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Czechoslovakia Trading Co., Ltd.," hereafter referred to as the "Old Czech Company." This concern engaged in the business of soliciting orders from customers, installing equipment it rented, maintenance of rented machines, manufacture and selling of punch cards and other supplies, and performing accounting functions for customers. With respect to its activities relating to rental machines belonging to claimant, this subsidiary received commissions for its services. In addition, the "Old Czech Company" purchased machines from claimant's German subsidiary, rented them to customers on its own behalf, and performed similar services.

As a result of negotiations in 1948 when it appeared that the "Old Czech Company" was about to be nationalized, claimant entered into an agreement with the Government of Czechoslovakia under which claimant was authorized to create four new subsidiaries in Czechoslovakia, herein referred to as the "New Czech Companies" to which were transferred the bulk of the assets of the "Old Czech Company." The agreement was consummated and the four subsidiaries were formed. The agreement further provided that payments on account of rental contracts executed with customers in Czechoslovakia, would be remitted to claimant by the Government of Czechoslovakia in United States dollars, and that upon failure to do so claimant could under certain conditions terminate the contracts and remove the machines from Czechoslovakia.

Income received from such rentals were deposited in a "New Foreign Account," from which dollar payments were made to claimant. However, rental income accumulated previously in so-called "old" crowns could not be remitted and it was placed in the "Old Foreign Account."

Claimant's German subsidiary likewise had machines which it rented to customers in Czechoslovakia. However, these machines were not affected by the 1948 agreement and rental income from them was deposited

to a "German Machines Account." Property of this subsidiary is herein referred to as "German."

On September 5, 1952, a national administrator was appointed by the Government of Czechoslovakia to take charge of all assets of claimant and all its subsidiaries including the assets of the German subsidiary. Although claimant protested and terminated certain rental contracts when no further dollar payments were remitted, it was unable to remove any of the machines. Since that time, claimant has been unable to obtain any further information concerning its assets in Czechoslovakia.

The record shows that all the assets of claimant and its subsidiaries in Czechoslovakia, with one exception, noted hereinafter, were taken without compensation by the Government of Czechoslovakia on December 20, 1957.

The claim is stated as follows:

a) World Trade bank accounts	\$2,316,269.97
b) World Trade machines	1,172,927.99
c) World Trade machine parts	51,576.94
d) "New Czech Companies" machines	191,048.93
e) Other net assets of "New Czech Companies"	171,883.13
f) Net assets of "Old Czech Company"	31,054.32
g) World Trade's "German" machines	470,083.06
h) World Trade's "German Machines Account"	974,071.95
i) World Trade's other "German" properties	6,956.63

The amounts claimed for the electric accounting machines consists in each case of the asserted replacement cost of the machines as of December, 1957, plus estimated freight and duty costs.

(a) WORLD TRADE BANK ACCOUNTS

Claimant has asserted claim for bank accounts in Czechoslovakia as follows:

"Old currency" account #898898	20,444,266.30 crowns
New currency accounts:	
#897898	1,687,233.00
#897898/1	13,910.00
#897898/2	1,571,497.80
Dollar accounts receivable	
August 31, 1952, collected	11,193,624.00
Dollar rentals September 1, 1952	
to May 31, 1953	22,192,650.00
	57,103,181.10
Less 20% Commission	
September 1, 1952-May 31, 1953	4,438,530.00
Balance May 31, 1953	52,664,651.10

Claimant revalued this balance at the rate of 50 old crowns for 1 new crown, apparently pursuant to the provisions of Law 41/53 Sb., arriving at a new balance: 1,053,518.16 crowns

Adding: Dollar Rentals
June 1, 1953 -December 31, 1957 19,529,532.00
20,583,050.16
Less 20% Commission
June 1, 1953-December 31, 1957 3,905,906.40
Balance December 31, 1957 16,677,143.76

Claimant converted the new balance at the rate of 7.20 crowns to a dollar, arriving at \$2,316,269.97.

The Commission finds that the balance of 20,444,266.30 "old" crowns, retained in claimant's "Old Foreign Account," and not affected by the agreement of 1948 or the action on December 20, 1957, was taken by the Government of Czechoslovakia pursuant to Law 41/53 Sb., effective June 1, 1953, when all deposits in "old" crowns were annulled. It is therefore concluded that claimant is entitled to compensation in the amount of \$408,885.31 plus appropriate interest for such taking, at the rate of \$1.00 for 50 crowns.

The Commission further finds that claimant had three bank accounts in post-war crowns in the Statni Banka of Czechoslovakia, as follows:

Account #897898 1,687,233.00 crowns as of May 23, 1952
Account #897898/1 13,910.00 crowns as of November 16, 1952
Account #897898/2 1,571,497.80 crowns as of September 5, 1952

The said bank accounts were not annulled pursuant to the provisions of Law 41/53 Sb., but were subject to revaluation thereunder. Law 41/53 Sb., provides in pertinent part as follows:

(10) Accounts deposited in savings banks and current accounts with the Czechoslovakian State Bank and State savings institutions shall be exchanged in the following manner:

Deposits up to 5,000 Kcs in the ratio of 5 old Kcs for 1 new Kc;
Deposits exceeding 5,000 Kcs up to 10,000 Kcs - the excess over 5,000 Kcs up to 10,000 Kcs at the rate of 6.25 old Kcs for 1 new Kc;
Deposits exceeding 10,000 Kcs up to 20,000 Kcs - the excess over 10,000 Kcs up to 20,000 Kcs at the rate of 10 old Kcs for 1 new Kc;

Deposits exceeding 20,000 Kcs up to 50,000 Kcs - the excess over 20,000 Kcs up to 50,000 Kcs at the rate of 25 old Kcs for 1 new Kc;

Deposits exceeding 50,000 Kcs - the excess over 50,000 Kcs at the rate of 30 old Kcs for 1 new Kc

Accordingly, the Commission finds that the said three bank accounts had the following values on December 20, 1957:

Account #897898	58,574.43 new crowns
Account #897898/1	2,191.00 new crowns
Account #897898/2	<u>54,716.59</u> new crowns
Total	115,482.02

and the Commission concludes that claimant is entitled to compensation therefor, in the amount of \$16,052.00, at the rate of \$.139 per crown for such taking, the rate of exchange prevailing at that time.

The items described as "Dollar accounts receivable August 31, 1952, collected" and "Dollar rentals" from September 1, 1952 to December 31, 1957, appear to represent amounts due under rental contracts as of August 31, 1952 and estimated amounts that became due on the assumption that rental income continued thereafter. Claimant relies on the Order of September 5, 1952, placing its property under national administration and related information from official sources from which it appears that said order did not impair ownership rights of claimant, or its right to contractual charges, and that the property and proceeds therefrom were being administered by the national administrator. Claimant concludes from the foregoing that it must be assumed that all rentals due on August 31, 1952, as well as all rentals to become due thereafter, continued to be deposited in its accounts. Further claimant relies on a letter of March 13, 1959, from the Department of State, in which reference is made to representatives of the Government of Czechoslovakia having stated there were taxes due on the rental income from the machines; and claimant contends this supports their belief that rentals had been received by the national administrator during the entire period up to December 20, 1957.

The record does not show how much, if any, rental income was derived and collected by the national administrator. Nor is there evidence as to the amounts of any taxes levied against claimant's assets in Czechoslovakia. The Commission finds that claimant has not established that any amounts representing accounts receivable due on August 31, 1952, or from September 1, 1952 to December 20, 1957, were collected by the national administrator or otherwise taken by the Government of Czechoslovakia. Accordingly, these items of the claim must be and hereby are denied.

- (b) WORLD TRADE MACHINES
- (c) WORLD TRADE MACHINE PARTS

Claim is made for (b) \$1,172,927.99 for the taking of 702 rental machines owned by claimant, and for (c) \$51,576.94 for the taking of rental machine parts. This is a total of \$1,224,504.93, of which 96% represents machines and 4% represents machine parts.

Claimant has submitted a list of its electric accounting machines in Czechoslovakia, giving "Type" numbers and 1957 replacement costs totalling \$805,831.46, with estimated freight and duty totaling \$367,096.53, stating that the average cost of each type of machine manufactured in 1957 in the United States was determined from its records; that where machines were not manufactured in 1957, the average cost for the nearest year in which they were manufactured was used; and that the ratio of 45.555% of freight and duty to replacement cost has been applied.

In arriving at the value of the machines, the Commission has considered all the evidence submitted by the claimants, as recited above, as well as other evidence of record, including a balance sheet dated July, 1952 for its "New Czech Companies" reflecting a figure of 1,201,097 crowns for electric accounting machines, which claimant says are 198 in number; and has further considered a balance sheet of

August, 1952, entitled "IBM World Trade Corporation New York - Trading under the name of IBM Deutschland" which reflects a figure of 991,462.85 crowns for electric accounting machines, which claimant says are 348 in number. The total crowns are 2,192,559.85, of which 96% or 2,105,357.46 crowns, is found to represent 546 machines, an average of 3,855.97 crowns, or \$77.12 per machine. Accordingly, the Commission finds that \$77.12 represents the value of each of IBM World Trade's 702 machines in Czechoslovakia, and concludes that claimant is entitled to compensation in the amount of \$54,138.24 for these 702 machines, under Section 404 of the Act.

The Commission further finds that electric accounting machine parts in Czechoslovakia, belonging to the claimant, had a value of \$51,576.94 and that claimant is entitled to compensation in said amount under Section 404 of the Act.

- (d) "NEW CZECH COMPANIES" MACHINES
- (e) OTHER NET ASSETS OF "NEW CZECH COMPANIES"

Claim is made for (d) \$191,048.93 for the taking of 198 rental machines owned by claimant's four subsidiaries in Czechoslovakia, known as the "New Czech Companies," and for (e) \$171,883.13 for the taking of the other net assets of the said "New Czech Companies."

Claimant has submitted a list of these machines, giving "Type" numbers and 1957 replacement costs totaling \$159,207.44, with estimated freight and duty totaling \$31,841.49, stating that the ratio of 20% of freight and duty to replacement cost has been applied. The amount claimed for the other net assets of the "New Czech Companies" is based on a financial statement for said companies, for July, 1952.

In determining the value of the "New Czech Companies," the Commission has considered the list of machines submitted, the asserted values thereof and the balance sheet of July, 1952. Based on said

balance sheet, the Commission finds that the net worth of the "New Czech Companies" consisted of the following:

Capital Stock	1,600,000.00 crowns
Reserves	381,423.00 crowns
Surplus	<u>5,413,748.70</u> crowns
Total	7,395,171.70

It is therefore concluded that claimant is entitled to compensation for 7,395,171.70 crowns, or \$147,903.43, converted at the rate of \$1.00 for 50 crowns.

(f) NET ASSETS OF "OLD CZECH COMPANY"

Claim is made for (f) \$31,054.32 for the taking of the net assets remaining in this subsidiary in Czechoslovakia. Based on a balance sheet for August 1952, the Commission finds that the net worth of the "Old Czech Company" consisted of the following:

Capital Stock	500,000.00 crowns
Reserves	181,838.50 crowns
Surplus	<u>3,956,364.25</u> crowns
Total	4,638,202.75

It is therefore concluded that claimant is entitled to compensation for 4,638,202.75 crowns, or \$92,764.06, converted at the rate of \$1.00 for 50 crowns.

- (g) WORLD TRADE'S GERMAN MACHINES
- (h) WORLD TRADE'S GERMAN MACHINES BANK ACCOUNT
- (i) WORLD TRADE'S OTHER GERMAN PROPERTIES

Claim is made for (g) \$470,083.06 for the taking of 348 German machines of the claimant; for (h) \$974,071.95 for the taking of a bank account arising from rentals of said machines; and for (i) \$6,956.63 for the taking of the claimant's other German properties.

Claimant has a list of the machines involved, giving "Type" numbers and 1957 replacement costs totaling \$391,735.89, with estimated freight and duty totaling \$78,347.17, stating that the ratio of 20% of freight and duty to replacement cost has been applied. The amounts claimed for the other items are based on a balance sheet of August, 1952.

The Commission finds that the German machines and other property involved had been owned by "Internationale Buro Maschinen Gesellschaft m.b.H.," referred to as "IBM Germany," that such property had been sent into Czechoslovakia and was used by claimant as "IBM World Trade Corporation Trading as IBM Deutschland," and that since December 12, 1957, claimant has been the sole owner of "IBM Germany."

In determining the value of the "German" properties, the Commission has considered the list of machines submitted, the asserted values thereof and of the other items, and the balance sheet of August, 1952, for "IBM World Trade Corporation Trading as IBM Deutschland," and finds that the net worth of said property consisted of the following:

Capital Stock	8,102,890.70 crowns
Surplus	<u>41,300,986.15</u> crowns
Total	49,403,876.85

It is therefore concluded that claimant is entitled to compensation for 49,403,876.85 crowns, or \$988,077.54 converted at the rate of \$1.00 for 50 crowns.

A W A R D

Pursuant to the provisions of Title IV of the International Claims Settlement Act of 1949, as amended, an award is hereby made to IBM WORLD TRADE CORPORATION in the amount of One Million Seven Hundred Fifty-Nine Thousand Three Hundred Ninety-Seven Dollars and Fifty-Two Cents (\$1,759,397.52) as follows: \$424,937.31 for bank accounts and \$1,334,460.21 for business enterprises; plus interest thereon at the rate of 6% per annum from the respective dates of taking to August 8, 1958, the effective date of Title IV of the Act, in the amounts of \$127,842.82 and \$50,709.49, for a total award in the amount of One Million Nine Hundred Thirty Seven Thousand Nine Hundred Forty-Nine Dollars and Eighty-Three Cents (\$1,937,949.83).

Dated at Washington, D. C.

MAR 7 1962

BY DIRECTION OF THE COMMISSION:

mlm
Francis T. Masterson

Francis T. Masterson
Clerk of the Commission

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

IN THE MATTER OF THE CLAIM OF

IBM WORLD TRADE CORPORATION
821 United Nations Plaza
New York 17, New York

Claim No. CZ-4647

Decision No. CZ-3142

Under the International Claims Settlement
Act of 1949, as amended

FINAL DECISION

The Commission issued its Proposed Decision on this claim on March 7, 1962, granting an award based on claimant's bank accounts and business enterprises in Czechoslovakia and denying certain portions of the claim. A copy of the Proposed Decision was duly served upon the claimant.

Claimant filed objections, submitting a brief and additional evidence in support thereof. Pursuant to the claimant's request, a hearing was held on June 12, 1962. Upon consideration of the entire record, it is

ORDERED that the Proposed Decision be amended as follows, and as amended be entered as the Final Decision on this claim:

Section 404 of the Act provides, inter alia, for the determination by the Commission in accordance with applicable substantive law, including international law, of the validity and amount of claims by nationals of the United States against the Government of Czechoslovakia for losses resulting from nationalization or other taking on and after January 1, 1945, of property including any rights or interests therein, owned at the time by nationals of the United States.

Prior to World War II, and thereafter, claimant owned a subsidiary in Czechoslovakia, whose name was changed in 1947 to "IBM of Czechoslovakia Trading Co., Ltd.," hereafter referred to as the "Old Czech Company." This concern engaged in the business of soliciting orders from customers, installing equipment it rented, maintenance of rented machines, manufacture and selling of punch cards and other supplies, and performing accounting functions for customers. With respect to its activities relating to rental

machines belonging to claimant, this subsidiary received commissions for its services. In addition, the "Old Czech Company" purchased machines from claimant's German subsidiary, rented them to customers on its own behalf, and performed similar services.

As a result of negotiations in 1948 when it appeared that the "Old Czech Company" was about to be nationalized, claimant entered into an agreement with the Government of Czechoslovakia under which claimant was authorized to create four new subsidiaries in Czechoslovakia, herein referred to as the "New Czech Companies" to which were transferred the bulk of the assets of the "old Czech Company." The agreement was consummated and the four subsidiaries were formed. The agreement further provided that payments on account of rental contracts executed with customers in Czechoslovakia, would be remitted to claimant by the Government of Czechoslovakia in United States dollars, and that upon failure to do so claimant could under certain conditions terminate the contracts and remove the machines from Czechoslovakia.

Income received from such rentals were deposited in a "New Foreign Account," from which dollar payments were made to claimant. However, rental income accumulated previously in so-called "old" crowns could not be remitted and it was placed in the "Old Foreign Account."

Claimant's German subsidiary likewise had machines which it rented to customers in Czechoslovakia. However, these machines were not affected by the 1948 agreement and rental income from them was deposited to a "German Machines Account." Property of this subsidiary is herein referred to as "German."

On September 5, 1952, a national administrator was appointed by the Government of Czechoslovakia to take charge of all assets of claimant and all its subsidiaries including the assets of the German subsidiary. Although claimant protested and terminated certain rental contracts when no further dollar payments were remitted, it was unable to remove any of the machines. Since that time, claimant has been unable to obtain any further information concerning its assets in Czechoslovakia.

The record shows that all the assets of claimant and its subsidiaries in Czechoslovakia, with one exception, noted hereinafter, were taken without compensation by the Government of Czechoslovakia on December 20, 1957.

The claim is stated as follows:

a) World Trade bank accounts	\$2,316,269.97
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d) "New Czech Companies" machines	191,048.93
e) Other net assets of "New Czech Companies"	171,883.13
f) Net assets of "Old Czech Company"	31,054.32
g) World Trade's "German" machines	470,083.06
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i) World Trade's other "German" properties	6,956.63

The amounts claimed for the electric accounting machines consist in each case of the asserted replacement cost of the machines as of December, 1957, plus estimated freight and duty costs.

(a) WORLD TRADE BANK ACCOUNTS

Claimant has asserted claim for bank accounts in Czechoslovakia as follows:

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Dollar rentals September 1, 1952 to May 31, 1953	<u>22,192,650.00</u>
	57,103,181.10
Less 20% Commission	
September 1, 1952-May 31, 1953	<u>4,438,530.00</u>
Balance May 31, 1953	52,664,651.10

Claimant revalued this balance at the rate of 50 old crowns for 1 new crown, apparently pursuant to the provisions of Law 41/53 Sb., arriving at a new balance:

Adding: Dollar Rentals	
June 1, 1953 -December 31, 1957	<u>19,529,532.00</u>
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Less 20% Commission	
June 1, 1953-December 31, 1957	<u>3,905,906.40</u>
Balance December 31, 1957	16,677,143.76

Claimant converted the new balance at the rate of 7.20 crowns to a dollar, arriving at \$2,316,269.97.

The Commission finds that the balance of 20,444,266.30 "old" crowns, retained in claimant's "Old Foreign Account," and not affected by the

agreement of 1948 or the action on December 20, 1957, was taken by the Government of Czechoslovakia pursuant to Law 41/53 Sb., effective June 1, 1953, when all deposits in "old" crowns were annulled. It is therefore concluded that claimant is entitled to compensation in the amount of \$408,885.31 plus appropriate interest for such taking, at the rate of \$1.00 for 50 crowns.

The Commission further finds that claimant had three bank accounts in post-war crowns in the Statni Banka of Czechoslovakia, as follows:

Account #897898	1,687,233.00 crowns as of May 23, 1952
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Account #897898/2	1,571,497.80 crowns as of September 5, 1952

The said bank accounts were not annulled pursuant to the provisions of Law 41/53 Sb., but were subject to revaluation thereunder. Law 41/53 Sb., provides in pertinent part as follows:

(10) Accounts deposited in savings banks and current accounts with the Czechoslovakian State Bank and State savings institutions shall be exchanged in the following manner:

Deposits up to 5,000 Kcs in the ratio of 5 old Kcs for 1 new Kc;

Deposits exceeding 5,000 Kcs up to 10,000 Kcs - the excess over 5,000 Kcs up to 10,000 Kcs at the rate of 6.25 old Kcs for 1 new Kc;

Deposits exceeding 10,000 Kcs up to 20,000 Kcs - the excess over 10,000 Kcs up to 20,000 Kcs at the rate of 10 old Kcs for 1 new Kc;

Deposits exceeding 20,000 Kcs up to 50,000 Kcs - the excess over 20,000 Kcs up to 50,000 Kcs at the rate of 25 old Kcs for 1 new Kc;

Deposits exceeding 50,000 Kcs - the excess over 50,000 Kcs at the rate of 30 old Kcs for 1 new Kc

Accordingly, the Commission finds that the said three bank accounts had the following values on December 20, 1957:

Account #897898	58,574.43 new crowns
Account #897898/1	2,191.00 new crowns
Account #897898/2	54,716.59 new crowns
Total	115,482.02

and the Commission concludes that claimant is entitled to compensation therefor, in the amount of \$16,052.00, at the rate of \$.139 per crown for such taking, the rate of exchange prevailing at that time.

The items described as "Dollar accounts receivable August 31, 1952, collected" and "Dollar rentals" from September 1, 1952 to December 31,

1957, appear to represent amounts due under rental contracts as of August 31, 1952 and estimated amounts that became due on the assumption that rental income continued thereafter. Claimant relies on the Order of September 5, 1952, placing its property under national administration and related information from official sources from which it appears that said order did not impair ownership rights of claimant, or its right to contractual charges, and that the property and proceeds therefrom were being administered by the national administrator. Claimant concludes from the foregoing that it must be assumed that all rentals due on August 31, 1952, as well as all rentals to become due thereafter, continued to be deposited in its accounts. Further claimant relies on a letter of March 13, 1959, from the Department of State, in which reference is made to representatives of the Government of Czechoslovakia having stated there were taxes due on the rental income from the machines; and claimant contends this supports their belief that rentals had been received by the national administrator during the entire period up to December 20, 1957.

The record does not show how much, if any, rental income was derived and collected by the national administrator. Nor is there evidence as to the amounts of any taxes levied against the claimant's assets in Czechoslovakia. The Commission finds that claimant has not established that any amounts representing accounts receivable due on August 31, 1952, or from September 1, 1952 to December 20, 1957, were collected by the national administrator or otherwise taken by the Government of Czechoslovakia. Accordingly, these items of the claim must be and hereby are denied.

- (b) WORLD TRADE MACHINES
- (c) WORLD TRADE MACHINE PARTS

The Commission finds that claimant owned 702 electric accounting machines in Czechoslovakia having a value of \$1,172,927.99 and machine parts having a value of \$51,576.94, and concludes that claimant is entitled to compensation in said amounts under Section 404 of the Act.

- (d) "NEW CZECH COMPANIES" MACHINES
- (e) OTHER NET ASSETS OF "NEW CZECH COMPANIES"

Claim is made for (d) \$191,048.93 for the taking of 198 rental machines

owned by claimant's four subsidiaries in Czechoslovakia, known as the "New Czech Companies," and for (e) \$171,883.13 for the taking of the other net assets of the said "New Czech Companies."

Claimant has submitted a list of these machines, giving "Type" numbers and 1957 replacement costs totaling \$159,207.44, with estimated freight and duty totaling \$31,841.49, stating that the ratio of 20% of freight and duty to replacement cost has been applied. The amount claimed for the other net assets of the "New Czech Companies" is based on a financial statement for said companies, for July, 1952.

In determining the value of the "New Czech Companies," the Commission has considered the list of machines submitted, the asserted values thereof and the balance sheet of July, 1952.

The Commission finds that the "New Czech Companies" owned assets including machines valued at Kc 9,552,446.50, and finds that the net worth of the said companies was \$314,930.42, and concludes that claimant is entitled to compensation in said amount under Section 404 of the Act.

(f) NET ASSETS OF "OLD CZECH COMPANY"

The Commission finds that based on a balance sheet for August 1952, the net worth of the "Old Czech Company" was 4,638,202.75 crowns or \$92,764.06, converted at the rate of \$1.00 for 50 crowns, and concludes that claimant is entitled to compensation in said amount under Section 404 of the Act.

- (g) WORLD TRADE'S GERMAN MACHINES
- (h) WORLD TRADE'S GERMAN MACHINES BANK ACCOUNT
- (i) WORLD TRADE'S OTHER GERMAN PROPERTIES

Claim is made for (g) \$470,083.06 for the taking of 348 German machines of the claimant; for (h) \$974,071.95 for the taking of a bank account arising from rentals of said machines; and for (i) \$6,956.63 for the taking of the claimant's other German properties.

Claimant has a list of the machines involved, giving "Type" numbers and 1957 replacement costs totaling \$391,735.89, with estimated freight and duty totaling \$78,347.17, stating that the ratio of 20% of freight and duty to replacement cost has been applied. The amounts claimed for the other items are based on a balance sheet of August, 1952.

The Commission finds that the German machines and other property involved had been owned by "Internationale Buro Maschinen Gesellschaft m.b.H.," referred to as "IBM Germany," that such property had been sent into Czechoslovakia and was used by claimant as "IBM World Trade Corporation Trading as IBM Deutschland," and that since December 12, 1957, claimant has been the sole owner of "IBM Germany."

In determining the value of the "German" properties, the Commission has considered the list of machines submitted, the asserted values thereof and of the other items, and the balance sheet of August, 1952, for "IBM World Trade Corporation Trading as IBM Deutschland." The Commission finds that the "German" properties, including machines valued at Kc 23,504,153, had a net worth of \$1,338,756.12, and concludes that claimant is entitled to compensation in said amount under Section 404 of the Act.

Accordingly, it is

ORDERED that this award be restated as follows, and certified to the Secretary of the Treasury:

A W A R D

Pursuant to the Provisions of Title IV of the International Claims Settlement Act of 1949, as amended, an award is hereby made to IBM WORLD TRADE CORPORATION in the amount of Three Million Three Hundred Ninety-Five Thousand Eight Hundred Ninety-Three Dollars and Fifty-Three Cents (\$3,395,893.53) as follows: \$424,937.31 for bank accounts and \$2,970,956.22 for business enterprises; plus interest thereon at the rate of 6% per annum from the respective dates of taking to August 8, 1958, the effective date of Title IV of the Act, in the amounts of \$127,842.82 and \$112,896.34, for a total award in the amount of Three Million Six Hundred Thirty-Six Thousand Six Hundred Thirty-Two Dollars and Sixty-Nine Cents (\$3,636,632.69).

Dated at Washington, D. C.

SEP 14 1962

Edward A. De
Therese Joffe
Lavern R. Dilweg
COMMISSIONERS