

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

*File in  
GMA  
138*

IN THE MATTER OF THE CLAIM OF

PETROS SAFOS  
320 Red Cross Street  
Wilmington, North Carolina

Claim No. IT-10,385

Decision No. IT-560

Under the International Claims Settlement  
Act of 1949, as amended

GPO 16-72126-1

Attorney for Claimant:

SOTERIOS NICHOLSON, Esquire  
2830 - 28th Street, N. W.  
Washington 8, D. C.

FINAL DECISION

The Commission issued its Proposed Decision on this claim on March 26, 1958, a certified copy of which was duly served upon the claimant. Full consideration having been given to the objections of the claimant, filed within the twenty-day period after such service which has now expired, 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, and it is further

ORDERED that the award granted pursuant thereto be certified to the Secretary of the Treasury.

Washington 25, D. C.

JUL 2 1958

*Whitney Gilliland  
Paul Rice  
Henry S. Clay*

COMMISSIONERS

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

In the Matter of the Claim of

PETROS SAFOS  
320 Red Cross Street  
Wilmington, North Carolina

Claim No. IT-10,385

Decision No. IT-560

Under Section 304 of the International  
Claims Settlement Act of 1949, as amended

Attorney for Claimant:

SOTERIOS NICHOLSON, Esquire  
The Burlington  
1120 Vermont Avenue, N. W.  
Washington 5, D. C.

PROPOSED DECISION

This is a claim for \$11,797.00 filed by Petros Safos, a citizen of the United States since his naturalization on November 15, 1922, for damage to real property and loss of personal property, bank accounts and income from property situated on the Island of Icaria, Greece, as a result of the war in which Italy was engaged from June 10, 1940 to September 15, 1947.

The Commission has consistently held that the loss of future income and of rentals, because of their speculative nature, is not compensable under Section 304 of the International Claims Settlement Act, as amended, and therefore that portion of the claim relating to loss of income and rentals must be and hereby is denied.

It is suggested by the records that the claimant was the possessor of savings account No. 50465, with the National Bank of Athens, Greece, and that on March 26, 1941 the balance thereof amounted to 119,547 drachmae. Claim is made for loss of the above-mentioned balance due to the devaluation of the drachma as a result of the war.

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It is well established in international law that a currency reform resulting in the devaluation of a nation's currency is an exercise of sovereign authority which does not give rise to a claim against that nation. This Commission has repeatedly held so. (See claims of Irene Hill Mascotti, Hung-20,435; Walter J. Zuk, Sov-40,492; Gus G. Valsamakis, IT-10,128; and Gordon T. Malan, IT-10,066.) Moreover, the regulation of currency is an internal matter, the effects of which may not be attributable to the government of another nation, absent a showing that the latter is liable for all the direct and indirect, immediate and ultimate consequences of the war.

The Commission is therefore of the opinion that any other construction would be unwarranted and contrary to the evident import of the statute which provides for claims against the Government of Italy. While the claimant may have sustained a loss, it is concluded that the loss is not compensable under the Act.

Additionally, the claimant has submitted two National Bank of Greece 2½% bonds Nos. 32414 and 070214, issued in Athens on November 1, 1904 with twenty-six interest coupons Nos. 29 through 54 attached to each of said bonds, and one National Bank of Greece 6½% bond No. 2749 issued in 1922.

It has been the policy of the Government of the United States to consider breaches of contracts, such as defaulted bonds, primarily matters for direct negotiation between the foreign debtors and the American bondholders or their representatives. American citizens who purchase such obligations do so upon their own responsibility and at their own risk.

Bonds, in general, are contractual obligations wherein the debtor provides for payment of the principal to the bearer on a

stated maturity date, with interest payable semiannually until the principal shall be payable, upon presentation and surrender of the interest coupons thereto attached as they severally mature. A debtor may have either repudiated its obligation or may have defaulted payment thereof. Repudiation constitutes a refusal to admit the binding character of an obligation. Simple default, on the other hand, admits the binding character of the debt, but pleads inability to meet its terms.

The records fail to reveal that claimant has established repudiation by the National Bank of Greece of the above-described bonds, and it further appears that claimant has failed to exhaust all of his remedies against the debtor bank.

The Commission is of the opinion that this portion of the claim is not compensable under Section 304 of the Act, and therefore must be, and hereby is, denied.

It is revealed by the record that claimant was the owner by inheritance from his parents of real property (a dwelling house, vineyards, orchards, etc.) and personal property (furniture, furnishings, olive oil, wine, farm implements, Diesel engine, equipment, etc.) situated on the Island of Icaria, Greece, which was damaged or confiscated during December 1941 by the Italian forces during their occupation of the Island of Icaria. While a definite date of such damage and confiscation has not been established by the record, for the purpose of this decision it is deemed to have occurred on or about December 22, 1941.

The Commission finds, from all the evidence and data before it, that the fair and reasonable value of the claimant's real and personal property, damaged or confiscated, is \$1,951.00.

AWARD

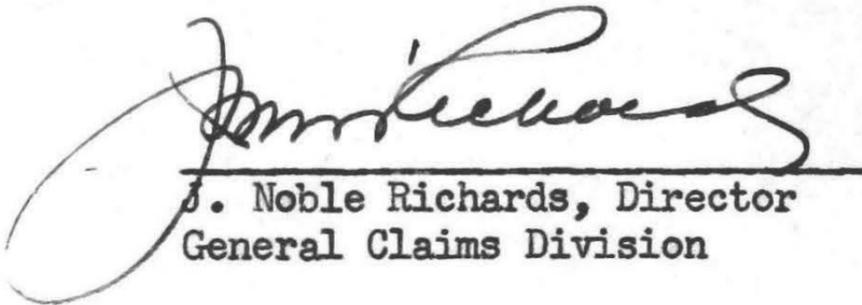
On the above evidence and grounds, this claim is allowed and an award is hereby made to Petros Safos in the principal amount of

\$1,951.00, plus interest thereon in the amount of \$741.38, being 6% per annum from December 22, 1941, the date of the loss, to April 23, 1948, the date of payment by the Government of Italy of \$5,000,000 pursuant to the Memorandum of Understanding dated August 14, 1947.

Dated at Washington, D. C.

FOR THE COMMISSION:

MAR 26 1958

  
J. Noble Richards, Director  
General Claims Division

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