

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

IN THE MATTER OF THE CLAIM OF

AMERICAN BRANDS, INC.

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU -2354

Decision No. CU -4839

Counsel for claimant:

Chadbourne, Parke, Whiteside &
Wolff
By Robert A. Rockhill, Esq.

Appeal and objections from a Proposed Decision entered May 6, 1970. No oral hearing requested.

Hearing on the record held October 7, 1971.

FINAL DECISION

In its Proposed Decision the Commission found that The American Tobacco Company, now known as AMERICAN BRANDS, INC., suffered losses through certain wholly-owned subsidiary corporations and through the loss of leaf tobacco and merchandise, the latter being sold to Cuban business enterprises who were unable to reimburse claimant due to Cuban governmental currency restrictions. The subsidiary corporations in question, Cuban Land & Leaf Tobacco Company (Cuban Land), a New Jersey corporation, and Tabacalera Cubana, S.A. (Tabacalera), a Cuban corporation, were intervened by the Government of Cuba pursuant to Resolution 20260 of September 15, 1960, under Law 647, and claimant succeeded to and sustained losses through the loss of these enterprises. The claimant's losses, as found by the Commission are set out in the Proposed Decision and include the following:

<u>Item</u>	<u>Date of Loss</u>	<u>Value</u>
Cuban Land assets	September 15, 1960	\$2,965,770.99
Tabacalera net worth	September 15, 1960	3,823,784.80
Leaf tobacco (American)	January 31, 1962	1,075,713.00
Debt of Tabacalera	September 15, 1960	13,076.00
Merchandise sold to Roberts Tobacco Company	September 29, 1959	689.13
Merchandise sold to Roberts Tobacco Company	March 21, 1960	<u>38,820.34</u>
	Total	\$7,917,854.26

In determining the losses of Cuban Land and Tabacalera the Commission found that the most appropriate bases for evaluation of the assets of Cuban Land, and the net worth of the Cuban enterprise, Tabacalera, were the book values shown in the reconstructed balance sheets of these enterprises prepared shortly after intervention, on December 31, 1960, for Cuban Land; and on July 31, 1960, or immediately prior to intervention of Tabacalera.

The claimant has submitted an appraisal report of Parajon e Hijos prepared in 1955, company records, including lists or inventories of the properties, with book, replacement and depreciated values, correspondence and company directives between claimant and the subsidiaries concerning the evaluation of the properties, subject of the claim, and adjustment of such values for insurance purposes, as well as other material pertaining to the value of the properties on the date of loss.

The claimant's objections to the Proposed Decision are limited to the method adopted by the Commission in determining the value of buildings, machinery and equipment of Cuban Land and Tabacalera as well as the leaf tobacco of those companies. Claimant contends that the evaluations most appropriate to these properties and equitable to the claimant, as provided by Section 503(a) of the Act, are not the book values, as shown in the balance sheets, but those values reached in accordance with an appraisal of these properties in 1955 which has been updated by claimant to the time of loss, to take into account certain acquisitions and dispositions of assets, to the date of the instant claim. The adjusted sums are amounts claimed for the properties in question.

The claimed sums, based on the 1955 appraised value, updated to time of loss, with values based on 1960 reconstructed balance sheets, as determined by the Commission in the Proposed Decision, and with differences, are shown as follows:

I. Cuban Land

<u>Item</u>	<u>Claimed</u>	<u>Proposed Decision</u>	<u>Difference</u>
Havana Buildings and farm buildings	\$2,926,909.00	\$ 855,841.34	\$2,071,067.66
Machinery, equipment, poles, irrigation	666,644.00	286,136.73	380,507.27
Leaf tobacco	<u>701,342.00</u>	<u>496,067.52</u>	<u>205,274.48</u>
Totals	\$4,294,895.00	\$1,638,045.59	\$2,656,849.41

II. Tabacalera

<u>Item</u>	<u>Claimed</u>	<u>Proposed Decision</u>	<u>Difference</u>
Machinery, equipment and furniture	\$1,178,000.00	\$ 355,376.40	\$ 822,623.60
Leaf tobacco	<u>1,889,933.00</u>	<u>1,607,358.32</u>	<u>282,574.68</u>
Totals	\$3,067,933.00	\$1,962,734.72	\$1,105,198.28

The Commission has carefully considered the objections of the claimant and the evidence submitted, including the 1955 appraised values and adjustments. The Commission has determined that these updated appraised values are the most appropriate to the property, described hereafter, and most equitable to the claimant. (See Claim of Berwind Corporation, Claim No. CU-0538, 1968 FCSC Ann. Rep. 28; Claim of Ruth Anna Haskeu, Claim No. CU-0849, 1968 FCSC Ann. Rep. 31.)

Accordingly, the Commission finds that claimant succeeded to and suffered a loss in the total amount of \$11,679,901.95 within the meaning of Title V of the Act.

Claimant's losses are restated as follows:

<u>Item</u>	<u>Amount</u>
Cuban Land assets	\$ 5,622,620.40
Tabacalera net worth	4,928,983.08
Leaf tobacco (American)	1,075,713.00
Debt - Tabacalera	13,076.00
Merchandise - Roberts Tobacco	<u>39,509.47</u>
Total	\$11,679,901.95

The Commission has decided that in certifications of loss 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 Claim of Lisle Corporation, Claim No. CU-0644), and in the instant claim it is so ordered as follows:

<u>FROM</u>	<u>ON</u>
September 29, 1959	\$ 689.13
March 21, 1960	38,820.34
September 15, 1960	10,564,679.48
January 31, 1962	<u>1,075,713.00</u>
Total	\$11,679,901.95

Accordingly, the Certification of Loss in the Proposed Decision is set aside and the following Certification of Loss will be entered, and in all other respects the Proposed Decision, as amended herein, is affirmed.

CERTIFICATION OF LOSS

The Commission certifies that AMERICAN BRANDS, 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 Eleven Million Six Hundred Seventy-Nine Thousand Nine Hundred One Dollars and Ninety-Five Cents (\$11,679,901.95) 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 Final
Decision of the Commission

OCT 7 1971



Kyle S. Garlock, Chairman



Theodore Jaffe, Commissioner

**FOREIGN CLAIMS SETTLEMENT COMMISSION
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PROPOSED DECISION

This claim against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, in the amended amount of \$11,279,308.47, was presented by The American Tobacco Company, based upon the loss of real and personal property of certain corporations known as Tabacalera Cubana, S.A. and Cuban Land & Leaf Tobacco Company, doing business in Cuba, and for certain debts. On June 3, 1969, since filing this claim, the corporate name of The American Tobacco Company was changed to AMERICAN BRANDS, INC.

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)(B) of the Act defines the term "national of the United States" as 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.

Statements by officers of claimant corporation, and other evidence of record, establish that in excess of 99% of the outstanding shares of stock of The American Tobacco Company, organized in the State of New Jersey, was owned at times pertinent to this claim by shareholders who were nationals of the United States, and that foreign ownership was less than 1% of the stock. The Commission finds that claimant, now known as AMERICAN BRANDS, INC., is a national of the United States within the meaning of Section 502(1)(B) of the Act.

The record establishes that The American Tobacco Company, hereinafter referred to as American, wholly owned the American Cigar Corporation (ACC), which was organized in the State of New Jersey on February 4, 1963. On April 10, 1963, ACC had acquired all properties, assets and liabilities of the Cuban Tobacco Company, Inc., hereinafter referred to as Cuban Tobacco, a corporation organized in Delaware in 1924 and dissolved on April 11, 1963. In 1960, and on the date of loss set out below, Cuban Tobacco was less than 1% foreign owned. It thus would have qualified as a United States national under the Act. In turn it wholly owned Cuban Land & Leaf Tobacco Company (Cuban Land), organized in New Jersey and which thus would also have qualified as a United States national under the Act. Cuban Tobacco also owned Tabacalera Cubana, S.A. (Tabacalera), a Cuban corporation.

Cuban Land and Tabacalera were intervened by the Government of Cuba pursuant to Resolution 20260 on September 15, 1960 under Law 647 of November 24, 1959. Although these enterprises were later listed as nationalized, pursuant to Laws 851 and 890, the Commission finds that the effective taking was on September 15, 1960.

Cuban Land was subsequently dissolved, effective December 31, 1962, pursuant to the laws of New Jersey. However, when ACC acquired Cuban Tobacco on April 10, 1963 the claims for loss of Cuban Land and Tabacalera were also acquired by ACC. These claims passed to American through merger of ACC in February 1967.

This claim is based upon the loss of real and personal properties of the aforesaid corporations doing business in Cuba, including Cuban Land and Tabacalera, and for certain debts owed to claimant (or its predecessors in interest). The claimant describes its claim as follows:

Loss of value of investment of ACC in Cuban Land	\$ 4,842,192.00
Loss of leaf tobacco of ACC confiscated	107,652.00
Loss of leaf tobacco of American confiscated	968,061.00
Loss of value of investment of ACC in Tabacalera	5,215,280.00
Loss of Accounts Receivable from Tabacalera	2,209.00
Expenses incurred by and billed to Tabacalera	1,478.00
Purchase of supplies and equipment for Tabacalera	9,389.00
Severance pay for employees of Tabacalera	27,819.00
Traveling expenses incurred in protecting interests of Cuban Tobacco in Cuba	1,188.00
Compensation and expenses of persons looking after interests of Cuban Tobacco in Cuba	38,857.00
Inventory and insurance expenses	25,674.00
Loss of merchandise shipped to Roberts Tobacco Company	<u>39,509.47</u>
Total	\$11,279,308.47

The Act provides in Section 503(a) that in making determinations with respect to the validity and amount of claims and value of properties, rights, or interests taken, the Commission shall take into account the basis of valuation most appropriate to the property and equitable to the claimant, including but not limited to fair market value, book value, going concern value, or cost of replacement.

The question, in all cases, will be to determine the basis of valuation which, under the particular circumstances, is "most appropriate to the property and equitable to the claimant". This phraseology does not differ from the international legal standard that would normally prevail in the evaluation of nationalized property. It is designed to strengthen that standard by giving specific bases of valuation that the Commission shall consider.

The record includes financial data pertaining to the corporations doing business in Cuba, including Cuban Land and Tabacalera. Additionally, claimant has submitted material to the State Department, affidavits of company officers, correspondence, invoices, ledgers and office records and other data pertaining to certain accounts receivable of the predecessors in interest to claimant and the aforesaid firms doing business in Cuba.

I. Cuban Land

The claimant has submitted a reconstructed balance sheet for Cuban Land, prepared on December 31, 1960, shortly after intervention, which reflects the following:

<u>ASSETS</u>	
Demand deposits in banks	\$ 23,394.99
Miscellaneous accounts receivable	133,557.23
United States tax claims receivable	"
Leaf tobacco, operating supplies, etc., at cost (Less loan of \$835,000.00 received on mortgaged tobacco)	496,067.52
Receivable from affiliates	<u>707,437.16</u>
Total current assets	\$1,360,456.90

Real estate, machinery, fixtures, etc., at cost, less allowance for depreciation, 1960, \$734,278.37; 1959, \$672,445.58	\$2,040,155.63
Prepaid expenses, deferred charges, etc.	<u>318,663.33</u>
	<u>\$3,719,275.86</u>

LIABILITIES

Accounts payable and sundry accruals	\$ 858,604.89
Accrued taxes (Subject to review by taxing authorities)	<u>46,067.71</u>
Total current liabilities	\$ <u>904,672.60</u>

STOCKHOLDERS' EQUITY

Capital stock, par value \$100 per share, authorized 25,000 shares, issued 21,450 shares	\$2,145,000.00
Retained earnings	<u>669,603.26</u>
Total stockholders' equity and retained earnings	\$2,814,603.26
	<u>\$3,719,275.86</u>

The Commission has carefully considered all the evidence of record, taking into account the basis of valuation most appropriate to the property and equitable to the claimant, and concludes that the reconstructed balance sheet of December 31, 1960, is the most appropriate basis of valuation of the assets of Cuban Land at the time of loss. This indicates that the assets of Cuban Land at that time had a value of \$3,719,275.86.

Subsequent to the dissolution of Cuban Land on December 31, 1962, ACC, and later the claimant herein, succeeded to all of the assets of that business enterprise, subject to its liabilities. Accordingly, claimant has assumed the obligations of Cuban Land which was not a Cuban entity. Therefore, the Commission would not deduct any of the outstanding liabilities in determining the amount of loss sustained within the meaning of Title V of the Act. However, the Commission finds that claimant's losses must be offset by \$46,067.71, the amount of taxes owed to the Government of Cuba on that date by Cuban Land. (See Claim of Simmons Company, Claim No. CU-2303.)

The evidence of record discloses, moreover, that the assets of Cuban Land include an item "Receivable from affiliates" in the amount of \$707,437.16. A similar balance sheet for Cuban Land submitted by claimant in clarification of this claim included the notation "Amounts receivable from Cuban Tobacco (parent)" which had been excluded from the assets of that balance sheet. Based upon the evidence of record and in the absence of evidence to the contrary, the Commission finds that this account receivable was a debt of Cuban Tobacco, to Cuban Land.

Pursuant to the provisions of Section 505(a) of the Act, a claim based upon a debt of a corporation qualifying as a national of the United States, within the contemplation of the Act, may not be considered unless the debt was a charge on property which was nationalized or otherwise taken by the Government of Cuba. Both Cuban Tobacco and Cuban Land would have qualified as United States nationals under the Act, as stated above. There is no evidence to establish that this debt was secured by property taken by Cuba. Accordingly, the Commission finds that this sum of \$707,437.16 is not within the purview of Section 505(a) of the Act and must be deducted from the total assets. (See Claim of Anaconda American Brass Company, Claim No. CU-0112, 1967 FCSC Ann. Rep. 60.)

Accordingly, the Commission finds that the adjusted value of the assets of Cuban Land is \$2,965,770.99 and that claimant succeeded to a loss in this amount within the meaning of Title V of the Act for this portion of the claim.

II. Tabacalera

The claimant has also submitted a balance sheet for Tabacalera which was prepared on July 31, 1960, immediately prior to intervention of this enterprise:

ASSETS

Demand deposits in banks and cash on hand	\$ 237,500.02
Accounts receivable customers	869,203.47
Miscellaneous accounts receivable	21,290.11
Receivable from C.L. & L.T. Co.	375,143.20
Leaf tobacco, manufactured stock, operating supplies, etc., at cost	<u>2,726,901.58</u>
Total current assets	\$4,230,038.38
Machinery, fixtures, etc., at cost less allowance for depreciation, 7/31/60, dollars \$440,775.67 1959, dollars 404,880.75	446,386.54
Prepaid expenses, deferred charges and other assets	117,744.63
Brands, trademarks and goodwill	<u>1.00</u>
	<u>\$4,794,170.55</u>

LIABILITIES

Notes payable to banks	-
Accounts payable and sundry accruals	\$ 457,225.65
Accrued taxes	109,459.84
Payable to affiliates	<u>28,557.06</u>
Total current liabilities	\$ 595,242.55

STOCKHOLDERS' EQUITY

Capital stock: par value \$20 per share, authorized, 175,000 shares, issued 158,000 shares	\$3,160,000.00
Retained earnings	1,038,928.00
Total capital and retained earnings	<u>4,198,928.00</u>
	<u>\$4,794,170.55</u>

The Commission finds that the most appropriate basis for an evaluation of Tabacalera is the balance sheet of July 31, 1960. However, the Commission has consistently held that losses through investments in Cuban companies,

such as Tabacalera, are to be determined on the basis of their net worth, not merely the asset value. Deducting the liabilities of \$595,242.55 from the assets as shown in the above balance sheet indicates a net worth of \$4,198,928.00.

It is noted, however, that the assets of Tabacalera include an item listed as "Receivable from C.L. & L.T. Co." in the amount of \$375,143.20. This is a debt of Cuban Land. Again, there is no evidence to establish that this debt was a charge upon property which was nationalized or otherwise taken by the Government of Cuba and the Commission finds that the sum of \$375,143.20 is not within the purview of Section 505(a) of the Act and must be deducted from the total net worth, as discussed above. (See Claim of Anaconda American Brass Company, supra.)

The Commission finds that the adjusted value of Tabacalera at the time of loss is \$3,823,784.80; and that claimant succeeded to a loss in that amount within the meaning of Title V of the Act for this portion of the claim.

III. Loss of Leaf Tobacco

Claimant has submitted evidence, including an inventory of leaf tobacco, prepared by Cuban Land, dated December 31, 1960, which lists quantities of tobacco shipped to Cuban Land by Cuban Tobacco or American and stored on their behalf. Additionally, Cuban Land submitted an insurance report and other evidence, including correspondence dated January 1, 1961, concerning this tobacco and showing a market value of \$2,521,679.00 therefor.

American was successful in 1961 in recovering five shipments of "owned tobacco" from Cuba, previously stored in the warehouses of Cuban Land. Thereafter, American recovered other tobacco in "early 1962" but there remained in Cuba, according to inventory reports, tobacco with a market value of \$1,075,713.00, which was not the property of or carried in the accounts or balance sheet of Cuban Land.

Based upon the entire record, the Commission concludes that tobacco with a market value of \$1,075,713.00 was taken by the Government of Cuba on or about January 31, 1962, when that government refused to authorize further shipments or release such product for shipment to Cuban Tobacco, a predecessor in interest to claimant, or the claimant; and that claimant thereby suffered a loss in the total amount of \$1,075,713.00, within the meaning of Title V of the Act.

IV. Obligations of Tabacalera

The evidence of record establishes that claimant furnished supplies or equipment to and expended sums for the Cuban firm, Tabacalera, prior to loss in 1960. Such accounts in the amount of \$13,076.00 remained unpaid when the Cuban firm was intervened by the Government of Cuba.

Based on the evidence of record the Commission finds that claimant thereby suffered a loss in the amount of \$13,076.00 within the scope of Title V of the Act, as a result of the intervention of the Cuban corporation by the Government of Cuba on September 15, 1960. (See Claim of Kramer, Marx, Greenlee and Backus, Claim No. CU-0105, 25 FCSC Semiann. Rep. 62 [July-Dec. 1966].)

V. Severance pay, compensation and other expenses

The claimant has submitted evidence to establish that it made severance payments to Tabacalera employees in connection with the resettlement of these employees following the intervention of that firm by the Government of Cuba. Additionally, claimant has submitted evidence indicating that traveling expenses and compensation were expended to persons looking after Cuban Tobacco interests in Cuba; and that inventory and insurance expenses were paid by claimant. The claimant has submitted a claim in the total amount of \$93,538.00 for this portion of the claim.

In considering these portions of the claim, the Commission must determine whether such losses are certifiable under Title V of the Act.

Section 501 of the Act states:

It is the purpose of this title to provide for the determination of the amount and validity of claims against the Government of Cuba which have arisen since January 1, 1959, out of nationalization, expropriation, intervention, or other takings of, or special measures directed against, property of nationals of the United States, . . .

This Section and Section 503(a) of the Act, supra, both refer to losses from the taking of property. The record is clear that claimant has sustained such losses, as described above, not for property taken by the Government of Cuba but for losses resulting indirectly from other actions of the Government of Cuba. There is no evidence of record to establish that these payments were made for property which was nationalized or otherwise taken by Cuba. Therefore, the Commission finds that these losses are not within the purview of Title V of the Act. Accordingly, these portions of the claim are hereby denied. (See Claim of Cuban Electric Company, Claim No. CU-2578.)

VI. Unpaid merchandise - Roberts Tobacco Company

The claimant submitted a Statement to the State Department, dated April 10, 1961, indicating that shipments of tobacco were made in 1959-1960 to the Roberts Tobacco Company, Havana, Cuba, for which claimant did not receive payment. The record includes invoices, covering each shipment, in the total amount of \$39,748.08, as asserted on April 10, 1961. Claimant has submitted evidence to establish that certain adjustments were made in this account, including credits for overpayments, whereby the balance due claimant was reduced to \$39,509.47.

The Government of Cuba, on September 29, 1959, published its Law 568, concerning foreign exchange. Thereafter, the Cuban Government effectively precluded not only transfers of funds to creditors abroad, but also payment to creditors within Cuba, 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 in 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 Claim of The Schwarzenbach Huber Company, Claim No. CU-0019, 25 FCSC Semiann. Rep. 58 [July-Dec. 1966]; and Claim of Etna Pozzolana Corporation, Claim No. CU-0049, 1967 FCSC Ann. Rep. 46.)

The Commission finds that the claimant's right to receive payment for the aforesaid shipments was lost as a result of the intervention by the Government of Cuba. The evidence of record establishes that the shipments were made by invoices on open accounts or by drafts, some of which were paid in whole or in part to local Cuban banks, although the amount of local payments has not been established by the evidence of record. These accounts arose from shipments made by claimant between February 6, 1959, and January 21, 1960, payment for which would ordinarily be due and payable within sixty days after shipment. Claimant has submitted no evidence to establish the exact dates that each invoice was payable. However, certain shipments, in the total amount of \$689.13, were made to the Roberts Tobacco Company on or before September 25, 1959.

With respect to the items payable prior to the effective date of Law 568, in the amount of \$689.13, the Commission finds the loss arose on September 29, 1959, the date of publication of Law 568. The Commission further finds that with respect to shipments in the total amount of \$38,820.34 made subsequent to September 29, 1959, all accounts or payments for shipments were due and payable on March 21, 1960, sixty days after the date of the last shipment which was made on January 21, 1960; and that claimant suffered a loss in the total amount of \$39,509.47 for this part of the claim within the meaning of Title V of the Act.

Claimant's losses within the meaning of Title V of the Act may be summarized as follows:

<u>Item</u>	<u>Date of Loss</u>	<u>Value</u>
Cuban Land assets	September 15, 1960	\$2,965,770.99
Tabacalera net worth	September 15, 1960	3,823,784.80
Leaf tobacco	January 31, 1962	1,075,713.00
Debt of Tabacalera	September 15, 1960	13,076.00
Merchandise sold to Roberts Tobacco Company	September 29, 1959	689.13
Merchandise sold to Roberts Tobacco Company	March 21, 1960	<u>38,820.34</u>
		\$7,917,854.26

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 Claim of Lisle Corporation, Claim No. CU-0644), and in the instant case it is so ordered, as follows:

<u>FROM</u>	<u>ON</u>
September 29, 1959	\$ 689.13
March 21, 1960	38,820.34
September 15, 1960	6,802,631.79
January 31, 1962	<u>1,075,713.00</u>
	\$7,917,854.26

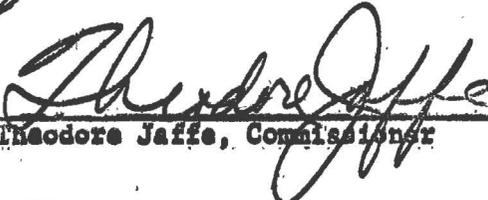
CERTIFICATION OF LOSS

The Commission certifies that AMERICAN BRANDS, 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 Seven Million Nine Hundred Seventeen Thousand Eight Hundred Fifty-four Dollars and Twenty-six Cents (\$7,917,854.26) 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.

MAY 6 1970


Lyle S. Garlock, Chairman


Theodore Jaffe, Commissioner


Sidney Freidberg, Commissioner

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).)