

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

IN THE MATTER OF THE CLAIM OF

MAGDALENE MULLER

Under the International Claims Settlement
Act of 1949, as amended

Claim No. G-0310

Decision No. G-0631

PROPOSED DECISION

This claim in the amount of \$8,830.48 against the Government of the German Democratic Republic, under Title VI of the International Claims Settlement Act of 1949, as amended by Public Law 94-542 (90 Stat. 2509), is based upon the loss of a bank account and the payment of an inheritance tax in the German Democratic Republic.

Claimant asserts that she became a United States citizen in 1945.

Under section 602, Title VI of the Act, the Commission is given jurisdiction as follows:

"The Commission shall receive and determine in accordance with applicable substantive law, including international law, the validity and amounts of claims by nationals of the United States against the German Democratic Republic for losses arising as a result of the nationalization, expropriation, 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 whether such losses occurred in the German Democratic Republic or in East Berlin. . ."

Claimant stated at the time of filing, that in 1967 her late husband sold real property in Leipzig. The proceeds from this sale, 7,750 Marks, were placed into a bank account with the Staatsbank der Deutschen Demokratischen Republik, Leipzig. Claimant inherited this bank account in 1972 upon the death of her husband, and allegedly paid an inheritance tax of 700 Marks.

Claimant received a notice dated June 20, 1977, that the funds in the account could not be transferred to the United States. She also, received a bank statement dated December 12, 1977, which showed that the new balance was 7660.83 Marks, increased from 7585.81 Marks from the inclusion of interest.

Currency regulations in the German Democratic Republic, as in many other countries, place limitations upon the free use of bank accounts, allowing withdrawal within the German Democratic Republic in certain amounts for certain specified purposes, but prohibiting the conversion of the funds to foreign currency. An account subject to such regulations is termed a "blocked account."

The Commission has held that it is a well established principle of international law that such blocking of a bank account is an exercise of sovereign authority which does not give rise to a compensable claim (Claim of MARTIN BENDRICK, Claim No. G-3285, Decision No. G-0220).

While the fact of the blocking of an account may cause non-residents of the German Democratic Republic some hardship, the Commission concludes that such action does not constitute a nationalization, expropriation or other taking as required for compensation under section 602 of the Act.

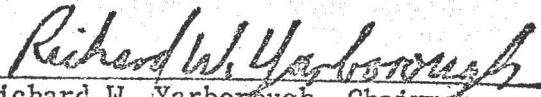
A portion of this claim is based upon the payment of an inheritance tax of 700 Marks. The Commission has held in prior Programs that a sovereign state may properly impose such taxes as do not discriminate against a particular group of people or against nationals of another nation. (Claim of Barney Capek, Claim No. CZ-2042, Decision No. CZ-0210; Claim of International Telephone and Telegraph Corporation, Claim No. CZ-4227, Decision No. CZ-3215, 20-23; Claim of the Estate of Theresa Jeney, Claim No. HUNG-20,006, Decision No. HUNG-1094). In the instant claim, the record contains no evidence that the inheritance tax imposed by the Government of the German Democratic Republic discriminated against claimant or against aliens in general.

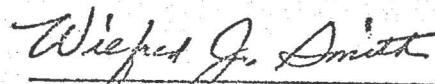
For the above cited reasons, the claim must be and hereby is denied.

The Commission finds it unnecessary to make determinations with respect to other elements of this claim.

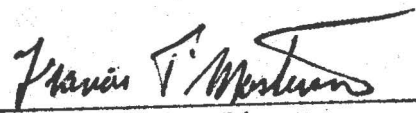
Dated at Washington, D.C.
and entered as the Proposed
Decision of the Commission.

APR 4 1979


Richard W. Yarborough, Chairman


Wilfred J. Smith, Commissioner

This is a true and correct copy of the decision
of the Commission which was entered as the final
decision on MAY 9 1979


Executive Director

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).