

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

IN THE MATTER OF THE CLAIM OF

OSCAR H. FEDERWISCH

Under the International Claims Settlement  
Act of 1949, as amended

Claim No. G-0644

Decision No. G-1992

PROPOSED DECISION

This claim in the amount of \$91,000.00 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 1/6 ownership interest in a tool and die business in Erfurt, as well as a business related bank account at the Deutsche Investitionsbank in Erfurt.

The record indicates that claimant became a United States citizen on April 22, 1930.

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. . ."

The record establishes that claimant was a co-founder in 1929 of Wernecke, Hucke & Co., a tool and die business located in Erfurt. The five other co-founders were all German nationals. The company was located in leased premises and did not own any real property. Although business declined as a result of World War II, the company remained intact and continued its operations into the postwar years.

During a visit to the German Democratic Republic in 1958, claimant states that he was permitted to withdraw some money from an account at the Deutsche Investitionsbank in Erfurt which had been established to collect his share of the company profits since World War II. On a subsequent visit to the German Democratic Republic in 1966, claimant indicates that he was denied the right to make any withdrawals from his account, whose balance at that time claimant states was 32,000 ostmarks. The record includes correspondence from the Deutsche Investitionsbank in Erfurt, dated June 21, 1966, advising the claimant that his interest in Wernecke, Hucke & Co. was under the administration of the Ministry of Finance in Berlin. A letter dated September 28, 1977 from the Staatsbank der DDR in Erfurt (into which the former Deutsche Investitionsbank has been merged) advised the claimant that it had no "foreign exchange account" registered in his name.

On the basis of the foregoing evidence, the Commission finds that the claimant's ownership interest in Wernecke, Hucke & Co. and his associated bank account have been taken within the meaning of section 602 of the Act. In the absence of evidence as to the exact date such takings occurred, the Commission determines that the date of taking was on or about January 1, 1966, the beginning of the year in which the claimant was first advised that his business interest was under administration by the Ministry of Finance and that he could not withdraw money from his bank account.

In determining the value of claimant's ownership interest in Wernecke, Hucke & Co., the Commission has considered such evidence as claimant's description of the business, photographs of the company, prewar balance sheets, and a report from the Commission's field office in West Germany. On the basis of the entire record, including information obtained by the claimant during postwar visits to Erfurt, the Commission determines that claimant's 1/6 interest in the company had a value of \$5,000.00 at the time it was taken in 1966.

In determining the value of claimant's business related bank account at the Deutsche Investitionsbank in Erfurt, the Commission has consulted currency charts and concludes that four ostmarks equalled one dollar in 1966. For the loss of his account at that time in the amount of 32,000 ostmarks, therefore, claimant is entitled to an award of \$8,000.00. Since his ownership interest in the bank account would have ceased on the date of taking, however, claimant is not entitled to any additional funds that might have been deposited therein after January 1, 1966.

The Commission has concluded that in granting awards on claims under section 602 of Title VI of the Act, for the nationalization or other taking of property or interests therein, interest shall be allowed at the rate of 6% per annum from the date of loss to the date of settlement. (Claim of GEORGE L. ROSENBLATT, Claim No. G-0030, Decision No. G-0100 (1978)).

Although, claimant's wife, Frieda Federwisch, signed the Statement of Claim, the Commission finds no evidence that she had any ownership rights in the property interests claimed for herein or that she intended to be joined in this claim.

A W A R D

Claimant, OSCAR H. FEDERWISCH, is therefore entitled to an award in the amount of Thirteen Thousand Dollars (\$13,000.00), plus interest at the rate of 6% simple interest per annum from January 1, 1966 until the date of the conclusion of an agreement for payment of such claims by the German Democratic Republic.

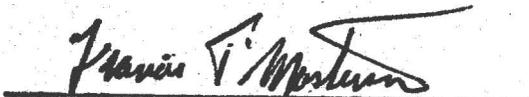
Dated at Washington, D.C.  
and entered as the Proposed  
Decision of the Commission.

MAR 12 1980

For Presentation to the Commission

  
by David H. Rogers, Director  
German Democratic Republic Claims  
Division

This is a true and correct copy of the decision  
of the Commission which was entered as the final  
decision on SEP 10 1980

  
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, a Final Decision based upon the Proposed Decision will be issued upon approval by the Commission any time after the expiration of the 30 day period following such service or receipt of notice. (FCSC Reg., 45 C.F.R. 531.5 (e) and (g), as amended.)