

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

IN THE MATTER OF THE CLAIM OF

HERMAN WHITMAN

Claim No. Y2- 0501

Decision No. Y2- 180

Under the Yugoslav Claims Agreement of 1964  
and Title I of the International Claims  
Settlement Act of 1949, as amended

Appeal and objections from a Proposed Decision entered on December 14, 1967.

Hearing on the record held on January 31, 1968.

FINAL DECISION

By a Proposed Decision entered on December 14, 1967 an award was made to claimant in the principal amount of \$3,903.00 with interest thereon at 6% per annum from November 28, 1955 to January 20, 1965 in the sum of \$2,134.94, on the basis of a Commission finding that the proceeds of a sale of claimant's personal property were taken by the Government of Yugoslavia on November 28, 1955.

Claimant, in objecting to the Proposed Decision, contends that the interest on the principal amount should be compounded, rather than computed at 6% per annum, due to the fact that no accrued interest has been paid to him at any time.

Upon consideration of claimant's<sup>✓</sup> objection it is to be noted that the law does not favor compound interest or interest on interest, and the general rule is that in the absence of a contract therefor, or of a statute authorizing it, compound interest is not allowed on a debt (Cherokee Nation v. United States, 46 S. Ct. 428; 270 U.S. 476 (1926)). Compound interest is also universally rejected in the field of international claims. (Ralston, Law and Procedure of International Tribunals, §221 (1926), §221a (1936)). Cognizant of the foregoing, the Commission in its determination of claims under the Yugoslav Claims Agreement of 1964, as well

as in previous determinations of claims pursuant to Title I of the International Claims Settlement Act of 1949, as amended, has not allowed compound interest on awards granted in compensation for the nationalization or other taking of property.

In view of the foregoing, it is

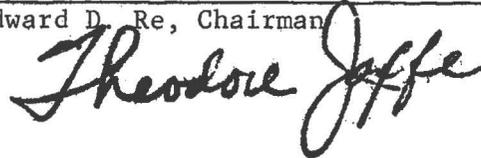
ORDERED that the Proposed Decision be, and it is hereby, affirmed.

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

**FEB 7 1968**



Edward D. Re, Chairman



Theodore Jaffe, Commissioner

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Under the Yugoslav Claims Agreement of 1964  
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PROPOSED DECISION

This claim for \$39,026.00 is based on the asserted ownership and loss of certain proceeds of a sale of claimant's personal property sequestered by the Government of Yugoslavia. Claimant, HERMAN WHITMAN, has been a national of the United States since his naturalization on July 21, 1952.

Under Section 4(a) of Title I of the International Claims Settlement Act of 1949, as amended (64 Stat. 13 (1950), 22 U.S.C. §1623(a) (1958)), the Commission is given jurisdiction over claims of nationals of the United States included within the terms of the Yugoslav Claims Agreement of 1964, which provides, among other things:

Article I. (a) The Government of Yugoslavia agrees to pay, and the Government of the United States agrees to accept, the sum of \$3,500,000 United States currency in full settlement and discharge of all pecuniary claims of nationals of the United States, whether natural or juridical persons, against the Government of Yugoslavia, on account of the nationalization and other taking of property and of rights and interests in and with respect to property which occurred between July 19, 1948 and the date of this Agreement.

. . . .

Article II. The claims of nationals of the United States to which reference is made in Article I of this Agreement refer to claims which were owned by nationals of the United States on the date on which the property and rights and interests in and with respect to property on which they are based was nationalized or taken by the Government of Yugoslavia and on the date of this Agreement. (Agreement between the Government of the United States and the Government of the Socialist Federal Republic of Yugoslavia Regarding Claims of United States Nationals, November 5, 1964, which entered into force on January 20, 1965, 16 U.S.T. & O.I.A. 1965, T.I.A.S. No. 5750 (1964).)

The record before the Commission includes claimant's extensive correspondence in reference to this matter with the Department of State and associated material, as well as copies of the representations made by the American Embassy in Belgrade on behalf of claimant to the Government of Yugoslavia and of the latter's response thereto. The record indicates that claimant was the owner of a pharmaceutical shop located at 60 Vlaska ulica in Zagreb, which was confiscated by the Yugoslav authorities on November 14, 1945 in the mistaken belief that it was "enemy" or German-owned. On January 10, 1946, the confiscated property which included store merchandise, office furniture, equipment, fixtures, and a bicycle, was sold by the authorities to "Hunral," a Yugoslav Government agency. On April 10, 1946, pursuant to proceedings instituted by claimant's attorney, the confiscation was cancelled as erroneous by decree of the Croatian Ministry of the Interior in Zagreb (No. 9243-II-1946) and in accordance therewith the proceeds of the sale of January 19, 1946, equal to \$3,903.00, were deposited with a sequestrator to claimant's credit and were taken by the Government of Yugoslavia on November 28, 1955.

In view of the foregoing, the Commission finds that the subject property was taken on November 28, 1955; that claimant sustained a pecuniary loss in the amount of \$3,903.00; and that he is entitled to an award in this principal amount pursuant to the Yugoslav Claims Agreement of 1964.

The Commission has decided that in granting awards on claims under the Yugoslav Claims Agreement of 1964, interest shall be allowed at the rate of 6% per annum from the date of nationalization or other taking to January 20, 1965 the effective date of the Agreement. (See the Claim of Alexis G. Bacic, Claim No. Y2-0522, Decision No. Y2-1). Accordingly, the amount of the award will be increased to that extent.

A W A R D

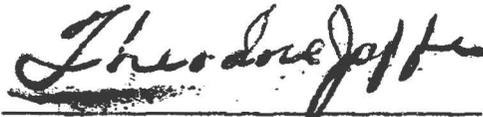
An award is hereby made to HERMAN WHITMAN in the principal amount of Three Thousand Nine Hundred and Three Dollars (\$3,903.00) with interest thereon at 6% per annum from November 28, 1955 to January 20, 1965, the date on which the Yugoslav Claims Agreement entered into force, in the sum of Two Thousand One Hundred Thirty Four Dollars and Ninety-Four Cents (\$2,134.94).

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

**14 DEC 1967**



Edward D. Re, Chairman



Theodore Jaffe, Commissioner



LaVern R. Dilweg, Commissioner

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).)