

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

IN THE MATTER OF THE CLAIM OF

RENCIA HELENE TEITELBAUM

Claim No. CZ-2-0833

Decision No. CZ-2-0263

PROPOSED DECISION

This claim in the amount of \$228,693.00 against the Government of Czechoslovakia under subsection 5(a) of the Czechoslovakian Claims Settlement Act of 1981 (Public Law 97-127, 95 Stat. 1675) is based upon a debt owed the claimant and her husband by a steel spring manufacturing company in Prague.

Claimant became a United States citizen by naturalization on November 14, 1944.

Under subsection 5(a) of the Czechoslovakian Claims Settlement Act of 1981, the Commission is given the following jurisdiction:

"The Commission shall receive and determine, in accordance with applicable substantive law, including international law, the validity and amount of claims by nationals of the United States against the Government of the Czechoslovak Socialist Republic for losses resulting from the nationalization or other taking of property owned at the time by nationals of the United States, which nationalization or other taking occurred between August 8, 1958, and [February 2, 1982]."

Accordingly, under the law the Commission can grant awards only for property which was taken after August 8, 1958.

The claimant asserts that on July 6, 1938 she and her husband, Simon Teitelbaum, loaned Kcs. 512,000 at 4% annual interest to Adolf Weiss for investment in his steel spring manufacturing company in Prague. The claimant states that this company, which was called "Vyroba Spirallovyh per a Kovoveho Zbozi," was nationalized by the Czechoslovakian government between 1945 and 1947. The company's debt to the claimant and her husband, which had assertedly grown to Kcs. 665,856 by November 1945, was apparently never repaid.

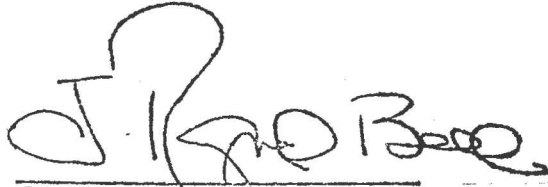
The Czechoslovakian Claims Settlement Act of 1981 does not purport to compensate United States nationals for every kind of loss they might have sustained in Czechoslovakia. Section 5(a) of the Act defines compensable claims as those based on "... losses resulting from the nationalization or other taking of property owned at the time by nationals of the United States. . ." This language is virtually identical with the language in section 404 of Title IV of the International Claims Settlement Act of 1949 (Public Law 85-604, 72 Stat. 527, approved August 8, 1958) defining compensable claims in the first Czechoslovakian claims program. In that program the Commission held that an unsecured creditor of a company nationalized by the Czechoslovakian government did not suffer a nationalization or other taking of his property unless the Government of Czechoslovakia expressly repudiated or annulled the debt. As expressed by the Commission in the Claim of Skins Trading Corporation, Claim No. CZ-3978, Decision No. CZ-734, "... a mere failure on the part of the Government of Czechoslovakia to pay a debt will not give rise to a compensable claim. . ."

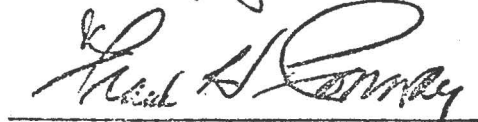
The Commission finds that the foregoing requirement of compensability also applies in the instant claim filed under the Czechoslovakian Claims Settlement Act of 1981, with the added proviso that an unsecured debt must have been repudiated or annulled after August 8, 1958 in order to constitute a compensable claim. The record in this claim contains no documentation from Czechoslovakian authorities dated later than 1950 nor any other evidence that the debt involved herein was repudiated or annulled by the Government of Czechoslovakia after August 8, 1958. Accordingly, the Commission finds that this claim must be and hereby is denied.

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

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

MAY 12 1983


J. Raymond Bell, Chairman


Frank H. Conway, Commissioner


Joseph W. Brown, Commissioner

This is a true and correct copy of the decision of the Commission which was entered as the final decision.

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.)

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