

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

IN THE MATTER OF THE CLAIM OF

CHEVRON CHEMICAL COMPANY

Under the International Claims Settlement  
Act of 1949, as amended

Claim No. CU-0786

Decision No. CU

782

Counsel for claimant:

Pillsbury, Madison & Sutro  
Attorneys at Law

PROPOSED DECISION

This claim against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, was presented by CHEVRON CHEMICAL COMPANY in the amount of \$114,993.35 based upon the asserted loss of payment for merchandise shipped to Cuba.

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

An officer of the claimant corporation has certified that claimant was known as the California Chemical Company prior to July 1, 1965 and was incorporated in the State of Delaware under that name on April 2, 1956. He further certified that claimant is and always has been a wholly owned subsidiary of the Standard Oil Company of California and that at all times since 1959 more than 50% of its outstanding capital stock has been owned by United States nationals. The Commission therefore holds that claimant is a national of the United States within the meaning of Section 502(1)(B) of the Act.

An officer of Standard Oil Company of California, the parent company, has stated that over 99% of its stockholders were residents of the United States and assumed that substantially all of them were United States nationals.

Claim is made herein for the sum of \$112,827.19 for unpaid accounts owed by Cuban enterprises to a Panamanian corporation, formerly known as California Chemical International, Inc., now the Chevron Chemical International, Inc., a wholly owned subsidiary of claimant, and for the sum of \$2,166.16 on an account due and owing by a Cuban enterprise to the California Spray-Chemical Corporation, a wholly owned subsidiary of Standard Oil Company of California which was merged on September 30, 1960 with two other subsidiaries under the name of California Chemical Company which later became the CHEVRON CHEMICAL COMPANY.

In support of its claim, claimant has submitted invoices and ledger pages to show the names of the debtors, the balances owed, and dates payments were due to the Chevron Chemical International, Inc., as follows:

<u>Debtor</u>	<u>Amount</u>	<u>Date Due</u>
Detergentes Cubanos, S.A.	\$13,331.10	September 5, 1960
	13,211.22	September 8, 1960
	7,994.22	September 23, 1960
	15,966.24	October 6, 1960
Productos Detergentes, S.A.	57,581.95	May 29, 1960
	1,492.62	June 30, 1960
	2,028.19	October 21, 1959
Cia. Thomas F. Turull, S.A.	1,221.65	November 24, 1960

Claimant has also submitted invoices for California Spray-Chemical Corporation establishing an amount of \$2,166.16 due and owing from Gonzales, Ramirez y Cia. of Havana, Cuba, the sum of \$1,696.00 being due on November 15, 1959 and \$470.16 being due on August 8, 1960.

Claimant states that it has not received any of the amounts claimed.

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 into 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 the Claim of The Schwarzenbach Huber Company, FCSC Claim No. CU-0019; and the Claim of Etna Pozzolana Corporation, FCSC Claim No. CU-0049).

Accordingly, in the instant claim, the Commission finds that claimant's property was lost as a result of intervention by the Government of Cuba and that, in the absence of evidence to the contrary, the loss occurred as follows:

on September 5, 1960	as to \$13,331.10
September 8, 1960	13,211.22
September 23, 1960	7,994.22
October 6, 1960	15,966.24
May 29, 1960	57,581.95
June 30, 1960	1,492.62
November 24, 1960	1,221.65
November 15, 1959	1,696.00
August 8, 1960	470.16
October 21, 1959	2,028.19

The Commission has decided that in certification of losses on claims 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 the Claim of Lisle Corporation, FCSC Claim No. CU-0644).

Accordingly, the Commission concludes that the amount of the loss sustained by claimant shall be increased by interest thereon at the rate of 6% per annum from the date on which the loss occurred, to the date on which provisions are made for the settlement thereof.

CERTIFICATION OF LOSS

The Commission certifies that CHEVRON CHEMICAL COMPANY 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 One Hundred Fourteen Thousand Nine Hundred Ninety-Three Dollars and Thirty-Five Cents (\$114,993.35) 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

6 DEC 1967

*Edward D. Re*  
Edward D. Re, Chairman

*Theodore Jaffe*  
Theodore Jaffe, Commissioner

*LaVern R. Dilweg*  
LaVern R. Dilweg, Commissioner

*Matthew*  
Clerk of the Commission

THIS IS A TRUE COPY OF THE COMMISSION'S DECISION AS THE FILED  
DEC 9 1967

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).)