

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

IN THE MATTER OF THE CLAIM OF

BANGOR PUNTA CORPORATION
BARAGUA INDUSTRIAL CORPORATION OF NEW YORK
FLORIDA INDUSTRIAL CORPORATION OF NEW YORK
MACARENO INDUSTRIAL CORPORATION OF NEW YORK
BANGOR PUNTA OPERATIONS

Claim No. CU-2156

Decision No. CU -6034

**Under the International Claims Settlement
Act of 1949, as amended**

Counsel for claimants:

Dewey, Ballantine, Bushby, Palmer
& Wood
By Francis A. Goodhue, Esq.

AMENDED PROPOSED DECISION

By Proposed Decision issued January 12, 1971, the Commission determined the net worth of Compania Agricola Santa Cruz, S.A. to be \$2,146,962.59 after deducting the amount of \$250,000.00 for a debt owed. A certification of loss for BANGOR PUNTA CORPORATION, FLORIDA INDUSTRIAL CORPORATION OF NEW YORK and BANGOR PUNTA OPERATIONS in the amounts of \$2,003,831.75, \$71,565.42 and \$71,565.42, respectively, for their ownership interests in that company was made. Claimant BANGOR PUNTA CORPORATION has objected to the deduction of the debt and submitted additional evidence. Accordingly, the Proposed Decision is hereby amended.

Among the financial records submitted for the Cuban enterprise Compania Agricola Santa Cruz, S.A. was evidence that a debt in the amount of \$250,000.00 was owed to MACARENO INDUSTRIAL CORPORATION OF NEW YORK for a loan due September 30, 1963, and no evidence of the payment of that loan had been submitted. The amount was therefore deducted in determining the net worth of that company. Claimants have since filed copies of Trial Balances for the debtor and creditor companies for March 31, 1960 and April 30, 1960, the March 31, 1960 statement reflecting the debt owed and the one for April 30, 1960 bearing no record of the obligation.

The Commission has considered this additional evidence and now finds that the debt had been paid and that the net worth of Compania Agricola Santa Cruz, S.A. on August 6, 1960 was \$2,396,962.59 or \$319.5950 for each of the 7,500 outstanding shares of its capital stock. The Commission concludes that BANGOR PUNTA CORPORATION, FLORIDA INDUSTRIAL CORPORATION OF NEW YORK and BANGOR PUNTA OPERATIONS suffered losses in the amounts of \$2,237,165.09, \$79,898.75 and \$79,898.75, respectively, for their ownership interests in the company nationalized on August 6, 1960 by the Government of Cuba, within the meaning of Title V of the Act.

Accordingly, the Certifications of Loss as restated below will be entered and in all other respects the Proposed Decision is affirmed.

CERTIFICATIONS OF LOSS

The Commission certifies that BANGOR PUNTA CORPORATION 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 Thirty-Nine Million Seventy-Eight Thousand Nine Hundred Four Dollars and Sixty-Four Cents (\$39,078,904.64) with interest at 6% per annum from August 6, 1960 to the date of settlement;

The Commission certifies that BARAGUA INDUSTRIAL CORPORATION OF NEW YORK 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 Six Million Two Hundred Eighty Thousand Seven Hundred Twenty-Two Dollars and Seventeen Cents (\$6,280,722.17) with interest at 6% per annum from August 6, 1960 to the date of settlement;

The Commission certifies that FLORIDA INDUSTRIAL CORPORATION OF NEW YORK 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 Three Million Seven Hundred Forty-Nine Thousand Seven Hundred Fifty-One Dollars and Eighteen Cents (\$3,749,751.18) with interest at 6% per annum from August 6, 1960 to the date of settlement;

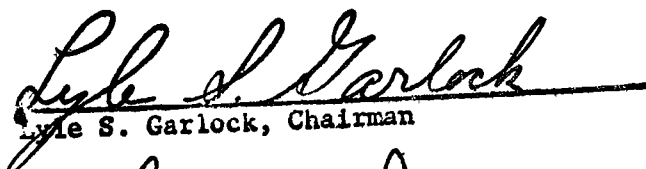
The Commission certifies that MACARENO INDUSTRIAL CORPORATION OF NEW YORK suffered a loss, as a result of actions of the Government of Cuba,

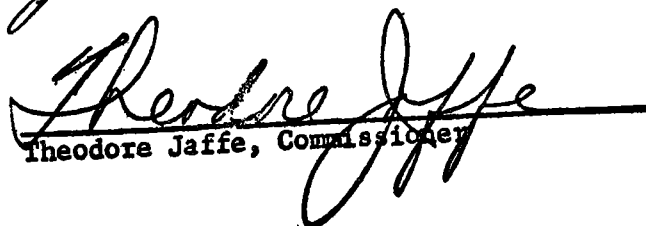
within the scope of Title V of the International Claims Settlement Act of 1949, as amended, in the amount of Four Million One Hundred Forty-Five Thousand Three Hundred Sixteen Dollars and One Cent (\$4,145,316.01) with interest at 6% per annum from August 6, 1960 to the date of settlement; and

The Commission certifies that BANGOR PUNTA OPERATIONS 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 Twenty-Four Thousand Four Hundred Twenty-Nine Dollars and Six Cents (\$124,429.06) with interest at 6% per annum from August 6, 1960 to the date of settlement.

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

MAY 19 1971


Lyle S. Garlock, Chairman


Theodore Jaffe, Commissioner

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 Amended 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 notice, unless the Commission otherwise orders. (FCSC Reg., 45 C.F.R. 531.5(e) and (g), as amended (1970).)

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PROPOSED DECISION

This claim against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, in the amended amount of \$53,542,691.41, was presented by BANGOR PUNTA CORPORATION (formerly Punta Alegre Sugar Corporation), BARAGUA INDUSTRIAL CORPORATION OF NEW YORK, FLORIDA INDUSTRIAL CORPORATION OF NEW YORK, and MACARENO INDUSTRIAL CORPORATION OF NEW YORK based upon the loss of assets and investments in Cuba. BANGOR PUNTA OPERATIONS CORPORATION, having an ownership interest in certain property claimed, is joined as claimant.

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

The record establishes that BANGOR PUNTA was organized originally as Punta Alegre Sugar Corporation under the laws of the State of Delaware and an officer of that corporation has certified that at all times more than 50% of its outstanding capital stock has been owned by nationals of the United States. It has also been certified that in April, 1967, nonresidents of the United States who are presumed to be nonnationals owned 1.22% of the outstanding capital stock. The record shows that BARAGUA INDUSTRIAL CORPORATION OF NEW YORK, FLORIDA INDUSTRIAL CORPORATION OF NEW YORK, MACARENO INDUSTRIAL CORPORATION OF NEW YORK and BANGOR PUNTA OPERATIONS are wholly owned subsidiaries of BANGOR PUNTA CORPORATION and were organized under the laws of the State of New York. The Commission holds that these claimants are nationals of the United States within the meaning of Section 502(1)(B) of the Act.

Claim is asserted for the loss of certain assets and the nationalization of Cuban subsidiaries for the following companies:

BARAGUA INDUSTRIAL CORPORATION
FLORIDA INDUSTRIAL CORPORATION
MACARENO INDUSTRIAL CORPORATION

Baragua Sugar Estates
Compania Mercantil Baragua
Camaguey Warehouse Company
Compania Agricola Santa Cruz, S.A.
BANGOR PUNTA OPERATIONS
Compania Agricola Ceballos, S.A.
Vendedora de Azucares Punta Alegre
Compania Agricola Dakota, S.A.
Compania Agricola California, S.A.
Compania Agricola Cubitas, S.A.
Compania Agricola Parillo, S.A.

According to the record, Baragua Sugar Estates, a Cuban subsidiary, owned the land, buildings, sugar mills and most of the equipment operated by the industrial corporations in Cuba at Baragua, Florida and Macareno. The other subsidiaries grew sugar cane for the sugar mills, for the most part, or operated ancillary businesses in Cuba. Two of the Cuban companies listed are only owned in part by subsidiaries of claimants, Compania Agricola Ceballos, S.A. (50%) and Compania Agricola Parrillo, S.A. (80%).

Claimants have submitted evidence in the form of affidavits, estimates of property values by company employees, correspondence, excerpts from the Cuban Official Gazette, an appraisal of the properties made in 1960-1961 by Parajon e Hijo, annual financial statements, and documents regarding the nationalization and appointment of administrators for the various enterprises. On the basis of this evidence, the Commission finds that the assets of the United States corporations and the Cuban subsidiaries were nationalized by the Government of Cuba on August 6, 1960 by Resolution 1 (pursuant to Law 851), published that date in the Cuban Official Gazette which nationalized the companies listed as well as related enterprises.

The Act provides in Section 503(a) that in making determinations with respect to the validity and amount of claims and value of properties, rights, or interests taken, the Commission shall take into account the basis of valuation most appropriate to the property and equitable to the claimant, including but not limited to fair market value, book value, going concern value, or cost of replacement.

The question in all cases will be to determine the basis of valuation which, under the particular circumstances, is "most appropriate to the

property and equitable to the claimant". This phraseology does not differ from the international legal standard that would normally prevail in the evaluation of nationalized property. It is designed to strengthen that standard by giving specific bases of valuation that the Commission shall consider.

1. BARAGUA INDUSTRIAL CORPORATION

This claimant asserts a loss of \$5,630,494.73 for its assets which were nationalized by the Government of Cuba on August 6, 1960. The company operated a sugar mill at Baragua, Cuba which was leased from Baragua Sugar Estates. In its own name, claimant owned certain machinery, warehouse supplies, furniture, fixtures, livestock, rolling stock used on the lines of an affiliated company, repair parts, tanks, sugar and molasses inventories.

On the basis of the evidence of record, the Commission finds that BARAGUA INDUSTRIAL CORPORATION owned assets which were taken by the Government of Cuba on August 6, 1960 with the following values:

Cash on hand or in banks	\$ 464,142.58
Revenue Tax Stamps	125.90
Notes Receivable	12,730.13
Current Accounts Receivable	48,314.91
Deposits	4,941.81
Sundry Accounts Receivable	520,661.23
Sugar Sales, Receivables & Inventory	2,801,462.68
Molasses Sales, Rec. & Inventory	528,430.23
Materials and Supplies	428,382.12
Investments	69,000.00
Tools in use	39,604.55
Livestock	141,815.00
Prepaid Expenses	53,174.76
Rolling Stock, including locomotives, tank cars, cane cars and flat cars	<u>1,300,000.00</u>
Total Assets	\$6,412,785.90

The Commission has not reduced the value of a corporate claimant, which qualifies as a national of the United States, by its liabilities in determinations under Title V of the Act except for taxes owing to the Republic of Cuba which the Commission concluded was appropriate on the theory of set-off. (See Claim of Simmons Company, Claim No. CU-2303.) Inasmuch as this claimant is a national of the United States, the only liability to be deducted from its assets is the amount of \$132,063.73, the accrued taxes payable to Cuba.

Accordingly, the Commission concludes that BARAGUA INDUSTRIAL CORPORATION OF NEW YORK sustained a loss in the amount of \$6,280,722.17 on August 6, 1960 when its Cuban assets were nationalized by the Government of Cuba, within the meaning of Title V of the Act.

2. FLORIDA INDUSTRIAL CORPORATION

A loss of \$3,388,011.20 is asserted for the assets of this New York corporation which operated Central Florida, a sugar mill leased from Baragua Sugar Estates. Evidence of record establishes that on August 6, 1960 this claimant owned the assets which are listed with their values as follows:

Cash on Hand or in Banks (Exhibit 5)	\$ 259,775.32
Revenue Tax Stamps	134.30
Notes Receivable	8,775.00
Current Accounts Receivable	6,754.52
Deposits	1,593.23
Sundry Accounts Receivable	354,016.49
Sugar Sales, Receivables & Inventory	1,497,227.62
Molasses Sales, Rec. & Inventory	106,699.01
Materials & Supplies	211,598.00
Investments	34,100.00
Tools in Use	15,735.17
Amortized Expenses	41,414.74
Livestock	149,741.70
Prepaid Expenses	30,081.97
Rolling Stock	<u>1,000,000.00</u>
Total Assets	\$3,717,647.07

Since this claimant qualifies as a national of the United States, the amount of \$47,794.64 for accrued taxes is deducted in determining the loss. The Commission concludes therefore that FLORIDA INDUSTRIAL CORPORATION OF NEW YORK sustained a loss in the amount of \$3,669,852.43 when its assets were nationalized by the Government of Cuba on August 6, 1960, within the meaning of Title V.

3. MACARENO INDUSTRIAL CORPORATION

This claimant is also a corporation organized under the laws of the State of New York which operated a sugar mill leased from Baragua Sugar Estates. In addition, it operated a commercial department selling merchandise of numerous types to local inhabitants of Macareno. On the basis of the record, the Commission finds it owned property valued on August 6, 1960 as follows:

Cash on Hand or in Banks	\$ 425,119.33
Notes Receivable	12,360.31
Current Accounts Receivable	83,330.97
Deposits	4,490.26
Sundry Accounts Receivable	265,030.91
Sugar Sales, Receivables & Inventory	1,733,130.20
Molasses Sales, Rec. & Inventory	169,455.48
Materials & Supplies	513,566.12
Investments	39,000.00
Tools in Use	13,101.01
Amortized Expenses	28,825.31
Prepaid Expenses	30,599.90
Rolling Stock	900,000.00
Commercial Department Bldgs. & Contents	112,096.17
Canals & Field Buildings	44,869.99
Total Assets	<u>\$4,374,975.96</u>

The accrued taxes to be deducted from the assets of this corporation which is a United States national are \$229,659.95. Therefore, the Commission concludes that MACARENO INDUSTRIAL CORPORATION OF NEW YORK sustained a loss on August 6, 1960 in the amount of \$4,145,316.01 when its assets were nationalized by the Government of Cuba, within the meaning of Title V of the Act.

4. Baragua Sugar Estates

Baragua Sugar Estates was a Cuban corporation owned in its entirety by BANGOR PUNTA CORPORATION. The company owned the lands and sugar mills at Central Baragua, Central Florida, and Central Macareno, buildings and other improvements at the mills, railroad lines and rolling stock, tugs, barges and marine equipment at Baragua and Macareno, a molasses terminal at Port Tarafa and two residential properties in Havana. Baragua Sugar Estates was also the parent company for two Cuban subsidiaries, Compania Mercantil Baragua and Camaguey Warehouse Company. Since many of the records submitted are consolidated for these three companies, their net worth will be attributed to Baragua Sugar Estates. The assets and liabilities on August 6, 1960 to be considered by the Commission in determining the loss sustained in the nationalization of the three Cuban companies are:

ASSETS

Current Assets

Cash on hand	\$ 11,933.22	
Materials and Supplies	13,232.32	
Merchandise on hand	<u>115,544.13</u>	\$ 140,709.67

Fixed Assets

Land	\$10,782,565.30	
Buildings, equipment, etc., at Mills	18,884,660.00	
Field Buildings & Agric. Equipment	444,625.50	
Trees	1,800,000.00	
Residential Property, Havana	<u>84,508.08</u>	<u>31,996,358.88</u>

Total Assets \$32,137,068.55

LIABILITIES

Current Liabilities

Accounts Payable & Accrued Expenses	\$ 58,837.91	
Cuban Profits & Interest Taxes	<u>89,287.04</u>	\$ 148,124.95

Long Term Liabilities

Mortgage Bonds Payable	\$ 470,437.28	
Liens	<u>2,570.00</u>	<u>473,007.28</u>

Total Liabilities \$ 621,132.23

Among the assets listed by claimant were several accounts due from corporations which are nationals of the United States. Pursuant to Section 505(a) of the Act, debts due from American concerns may not be allowed unless they constituted charges on property nationalized, expropriated, intervened, or taken by the Government of Cuba. (See Claim of Anaconda American Brass Company, Claim No. CU-0112, 1967 FCSC Ann. Rep. 60.) Since the record does not establish that these accounts due were charges on property within the meaning of Section 505(a) of the Act, they are not considered in determining the accounts receivable on August 6, 1960.

The Commission concludes that BANGOR PUNTA CORPORATION suffered a loss in the amount of \$31,515,936.32 on August 6, 1960 as a result of the nationalization of Baragua Sugar Estates, Compania Mercantil Baragua and Camaguey Warehouse Company.

5. Compania Agricola Santa Cruz, S.A.

Cia. Agricola Santa Cruz, S.A. was a Cuban corporation which had 7,500 shares outstanding at the time of nationalization on August 6, 1960,

7,000 of which were owned by BANGOR PUNTA CORPORATION, 250 by FLORIDA INDUSTRIAL CORPORATION OF NEW YORK and 250 by BANGOR PUNTA OPERATIONS (formerly Punta Alegre Sugar Sales Corporation). Santa Cruz was an agricultural company operating on leased land. However, the Company did own buildings, equipment, livestock, cane stools, and irrigation facilities which it had constructed on the leased land.

On the basis of the evidence of record, the Commission finds that the value of its assets and liabilities on August 6, 1960 was as follows:

ASSETS

Cane Stools	\$1,768,235.80
Field Buildings & Installations	50,528.07
Agricultural Equipment	260,392.17
Jeeps & Trucks	17,700.00
Livestock (3,677 head)	<u>300,106.55</u>
Total	\$2,396,962.59

LIABILITIES

Loan, MACARENO INDUSTRIAL CORP.	\$ <u>250,000.00</u>
Total	\$ 250,000.00

Thus the net worth is \$2,146,962.59 or \$286.261678 for each of the 7,500 outstanding shares of stock. The Commission concludes that BANGOR PUNTA CORPORATION, FLORIDA INDUSTRIAL CORPORATION OF NEW YORK and BANGOR PUNTA OPERATIONS sustained losses in the amounts of \$2,003,831.75, \$71,565.42 and \$71,565.42, respectively, for their ownership interests in the company nationalized on August 6, 1960 by the Government of Cuba, within the meaning of Title V of the Act.

6. BANGOR PUNTA OPERATIONS

This New York corporation, formerly known as Punta Alegre Sugar Sales Corporation was engaged in trading in sugar and sugar mill supplies in Cuba when its Cuban assets were nationalized by the Government of Cuba. It owned no real property in Cuba, its assets consisting of shares in Agricola Santa Cruz, S.A., discussed above, a bank account, and furniture and fixtures.

The company also had accounts receivable in the amount of \$31,145.14 but since these were unsecured debts of United States enterprises, they may not be considered here. (See Anaconda claim, supra.)

Based upon the evidence of record, the Commission finds that this claimant had a bank account in the amount of \$14,530.31 and furniture and fixtures valued at \$30,000.00 which were taken by the Government of Cuba and concludes that it sustained a loss in the amount of \$44,530.31 on August 6, 1960 within the meaning of Title V of the Act.

7. Compania Agricola Ceballos, S.A.

The record establishes and the Commission finds that Compania Agricola Ceballos, S.A. was nationalized by the Government of Cuba on August 6, 1960 at which time it was owned in equal shares by BANGOR PUNTA CORPORATION and Compania Azucarera Atlantica del Golfo, S.A. In the Claim of Helen M. Drye, Claim No. CU-0807, the Commission determined that the value of Atlantica del Golfo's one-half interest in Ceballos on August 6, 1960 was \$1,376,521.00. Accordingly, the Commission concludes that BANGOR PUNTA CORPORATION suffered a loss in the amount of \$1,376,521.00 as a result of the nationalization of Compania Agricola Ceballos, S.A. on August 6, 1960, within the meaning of Title V of the Act.

8. Cia. Vendedora de Azucares Punta Alegre

This company was organized under the laws of Cuba as a service company which furnished the general administration for several of the subsidiaries owned by claimants. The company owned shares in Baragua Sugar Estates, Cia. Mercantil Baragua, and Camaguey Warehouse Company, Cuban companies which were discussed above. Inasmuch as these companies were consolidated, the value of the individual shares could not be determined. Therefore the combined losses were certified to BANGOR PUNTA instead of allocating the particular stock interest to another subsidiary.

Claimants have submitted a balance sheet showing the assets and liabilities of this company as of August 6, 1960. The assets totalling \$68,002.61 include an item of \$30,500.00 for accounts due from affiliated companies,

corporations organized in the United States and qualify as nationals thereof. Accordingly, these items may not be considered as assets (See Anaconda, supra.) and since the liabilities listed exceed the remaining assets, no loss is certifiable for the nationalization of Cia. Vendedora de Azucares Punta Alegre, wholly owned by BANGOR PUNTA.

9. Compania Agricola Dakota, S.A.

Agricola Dakota was a Cuban subsidiary of BANGOR PUNTA which provided sugar cane for mills owned by other subsidiary companies. On the basis of the evidence of record, the Commission finds that the assets and liabilities of the company on August 6, 1960 were:

ASSETS

Cane Stools	\$1,010,913.60
Field Buildings and Installations	121,577.00
Agricultural Equipment, etc.	<u>90,607.00</u>
Total Assets	\$1,223,097.60

LIABILITIES

Loan Payable to Florida Industrial Corporation	<u>\$310,035.75</u>
Total Liabilities	\$310,035.75

The Commission therefore finds that the value of this company on August 6, 1960 was \$913,061.85 (\$1,223,097.60 less \$310,035.75); and concludes that BANGOR PUNTA CORPORATION suffered a loss in that amount by the nationalization of Agricola Dakota on August 6, 1960 within the meaning of Title V of the Act.

Agricola Dakota also owned 550 shares of the 1,100 shares outstanding of Compania Agricola Parrillo, S.A. according to the balance sheet for June 30, 1959. The value of these shares will be determined under the heading for Agricola Parrillo.

10. Compania Agricola California, S.A.

The Commission finds that this company was wholly-owned by BANGOR PUNTA CORPORATION at the time of its nationalization on August 6, 1960.

Following are the physical assets and their values as of the time of loss:

Cane Stools	
Field Buildings and Installations	\$ 956,857.00
Agricultural Equipment	396,364.81
Jeeps and Trucks	48,053.00
	<u>3,700.00</u>
Total	\$1,404,974.81

Claimants have also listed an asset of \$40,000.00, a note due and owing from one of the claimants herein, a qualified national of the United States, and therefore this debt may not be considered.

The Commission concludes that BANGOR PUNTA CORPORATION suffered a loss in the amount of \$1,404,974.81 upon the nationalization of Agricola California, S.A. within the meaning of Title V of the Act.

11. Compania Agricola Cubitas, S.A.

According to the evidence of record, this Cuban company which was owned by BANGOR PUNTA CORPORATION had the following assets at the time of its nationalization on August 6, 1960:

Cane Stools	\$ 737,520.40
Field Buildings and Installations	227,483.81
Agricultural Equipment, etc.	29,409.50
Jeeps and Trucks	<u>6,792.00</u>
Total	\$1,001,205.71

Again an asset in the amount of \$40,000.00 being a note due from BARAGUA INDUSTRIAL CORPORATION, which qualifies as a United States national, is listed. However since it is not a debt secured by property taken by the Government of Cuba, it may not be considered as an asset here. The value of its interest in Agricola Parillo is determined below. Accordingly, the Commission concludes that BANGOR PUNTA CORPORATION suffered a loss in the amount of \$1,001,205.71 as a result of the nationalization of Agricola Cubitas on August 6, 1960, within the meaning of Title V of the Act.

12. Compania Agricola Parrillo, S.A.

Agricola Parrillo was a Cuban corporation, 80% of whose outstanding capital stock was owned by subsidiaries of BANGOR PUNTA CORPORATION, 330 shares held by

Agricola Cubitas and 550 shares held by Agricola Dakota as reported in their 1959 financial statements. The remaining 20%, or 220 shares were held by an individual who has filed a separate claim (Claim No. CU-3105). The financial statement for June 30, 1959 is not adequate to determine the net worth on August 6, 1960, the date of nationalization of the company by the Government of Cuba, since an appraisal of its assets has been submitted. Also the statement contains a major asset consisting of an account receivable from one of the claimants herein which qualifies as a national of the United States and such a debt, not being secured, may not be considered. (See Anaconda, supra.)

On the basis of the appraisal, the Commission finds that the net worth of Agricola Parrillo on August 6, 1960 was \$410,291.20 or \$372.9920 for each of the outstanding shares of stock. The Commission concludes that BANGOR PUNTA CORPORATION through the ownership of its wholly-owned subsidiaries suffered a loss in the amount of \$328,232.96 for their 880 shares of Agricola Parrillo which was nationalized by the Government of Cuba on August 6, 1960, within the meaning of Title V of the Act.

13. Bonds of Caribbean Sugar Company

Claim is asserted also in the amount of \$179,911.41 for the loss sustained through the ownership of First Mortgage 15-year 7% Sinking Fund bonds issued by the Caribbean Sugar Company which were secured by land owned by Baragua Sugar Estates on August 6, 1960 when that land was nationalized by the Government of Cuba. The land had been acquired by Baragua Sugar Estates from the Caribbean Sugar Company in 1951, subject to the mortgage securing the bonds.

On the basis of the evidence of record, the Commission finds that BANGOR PUNTA CORPORATION is and, since prior to August 6, 1960, has been the owner of 694 bonds in the original face amount of \$1,000.00 and 56 bonds in the original face amount of \$500.00 issued by the Caribbean Sugar Company and secured by property which was nationalized by the Government of Cuba on August 6, 1960. The Commission concludes that as a result of the nationalization of the properties of Baragua Sugar Estates, formerly owned by Caribbean Sugar Company, which secured the bonds on which this portion of the claim is based, claimant

BANGOR PUNTA CORPORATION suffered a loss in connection with its bonds within the meaning of Title V of the Act.

Information available to the Commission establishes that the last payment on the principal and interest on these bonds was made on July 1, 1959, at which time the bonds held by claimant herein had been reduced by amortization payments to a value of \$298,532.00. Under the Cuban moratorium, these bonds which were originally due August 1, 1941 and bore interest at 7% became amortizable by June 1, 1970 with interest reduced to 1% per annum.

Accordingly, the Commission finds that the amount of unpaid indebtedness on claimant's bonds on August 6, 1960 was \$301,806.90 including the principal amount of \$298,532.00 and the interest due to and including August 6, 1960 in the amount of \$3,274.90; and concludes that BANGOR PUNTA CORPORATION suffered a loss in the amount of \$301,806.90 based upon its ownership of Caribbean Sugar Company First Mortgage Bonds upon the nationalization of the security for these bonds on August 6, 1960 within the meaning of Title V of the Act.

RECAPITULATION

The Commission finds that the claimants suffered losses on August 6, 1960 within the meaning of Title V of the Act as follows:

BANGOR PUNTA CORPORATION	
Baragua Sugar Estates	\$31,515,936.32
Cia. Agricola Santa Cruz, S.A.	2,003,831.75
Cia. Agricola Ceballos, S.A.	1,376,521.00
Cia. Agricola Dakota, S.A.	913,061.85
Cia. Agricola California, S.A.	1,404,974.81
Cia. Agricola Cubitas, S.A.	1,001,205.71
Cia. Agricola Parrillo, S.A.	328,232.96
Bonds, Caribbean Sugar Company	<u>301,806.90</u>
Total	\$38,845,571.30
BARAGUA INDUSTRIAL CORPORATION OF NEW YORK	
Assets	\$ 6,280,722.17
FLORIDA INDUSTRIAL CORPORATION OF NEW YORK	
Assets	\$ 3,669,852.43
Cia. Agricola Santa Cruz, S.A.	<u>71,565.42</u>
Total	\$ 3,741,417.85
MACARENO INDUSTRIAL CORPORATION OF NEW YORK	
Assets	\$ 4,145,316.01
BANGOR PUNTA OPERATIONS	
Assets	\$ 44,530.31
Cia. Agricola Santa Cruz, S.A.	<u>71,565.42</u>
Total	\$ 116,095.73

and that the total amount of losses suffered amounts to \$53,129,123.06.

The Commission has decided that in certifications of loss on claims determined 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 Claim of Lisle Corporation, Claim No. CU-0644) and in the instant case it is so ordered.

CERTIFICATIONS OF LOSS

The Commission certifies that BANGOR PUNTA CORPORATION 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 Thirty-Eight Million Eight Hundred Forty-Five Thousand Five Hundred Seventy-One Dollars and Thirty Cents (\$38,845,571.30) with interest thereon at 6% per annum from August 6, 1960 to the date of settlement;

The Commission certifies that BARAGUA INDUSTRIAL CORPORATION OF NEW YORK 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 Six Million Two Hundred Eighty Thousand Seven Hundred Twenty-Two Dollars and Seventeen Cents (\$6,280,722.17) with interest thereon at 6% per annum from August 6, 1960 to the date of settlement;


The Commission certifies that FLORIDA INDUSTRIAL CORPORATION OF NEW YORK 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 Three Million Seven Hundred Forty-One Thousand Four Hundred Seventeen Dollars and Eighty-Five Cents (\$3,741,417.85) with interest thereon at 6% per annum from August 6, 1960 to the date of settlement;

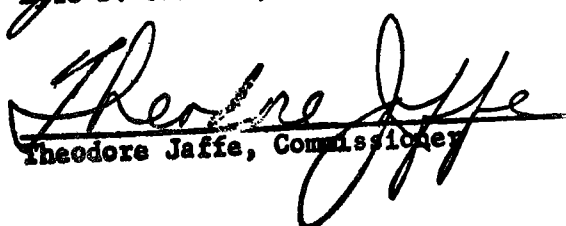
The Commission certifies that MACARENO INDUSTRIAL CORPORATION OF NEW YORK suffered a loss, as a result of actions of the Government of Cuba, within the scope of Title V of the International Claims Settlement Act of 1949, as amended, in the amount of Four Million One Hundred Forty-Five Thousand Three Hundred Sixteen Dollars and One Cent (\$4,145,316.01) with interest thereon at 6% per annum from August 6, 1960 to the date of settlement; and

The Commission certifies that BANGOR PUNTA OPERATIONS suffered a loss, as 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 Sixteen Thousand Ninety-Five Dollars and Seventy-Three Cents (\$116,095.73) with interest thereon at 6% per annum from August 6, 1960 to the date of settlement.

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

JAN 12 1971


Lyle S. Garlock, Chairman


Theodore Jaffe, Commissioner

NOTICE TO TREASURY: The above-referenced securities may not have been submitted to the Commission or if submitted, may have been returned; accordingly, no payment should be made until claimant establishes retention of the securities or the loss here certified.

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. 31.10(e) and (g), as amended (1970).)