FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON 25, D. C.

IN THE MATTER OF THE CLAIM OF

ZOFIA WALAG

Under the Polish Claims Agreement of 1960 and the International Claims Settlement Act of 1949, as amended

Claim No. PO-2055

Decision No. PO-3061

PROPOSED DECISION

This claim for $1,696.54 is based upon the asserted ownership of (1) Polish Government bonds expressed in Polish currency (zlotys) and (2) a bank account in the Pocztowa Kasa Oszczednosti (Postal Savings Bank) in Warsaw. Claimant, ZOFIA WALAG, has been a national of the United States since her naturalization on December 13, 1944.

Under Section 4 (a) 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 Polish Claims Agreement of 1960 (Agreement with the Government of the Polish People's Republic Regarding Claims of Nationals of the United States, July 16, 1960, 11 U.S.T. & O.I.A. 1953, T.I.A.S. No. 4545 (1960)). That Agreement provides as follows:

> Claims to which reference is made in Article 1 and which are settled and discharged by this Agreement are claims of nationals of the United States for
>
> (a) the nationalization or other taking by Poland of property and of rights and interests in and with respect to property;
>
> (b) the appropriation or the loss of use or enjoyment of property under Polish laws, decrees or other measures limiting or restricting rights and interests in and with respect to property . . . ; and

(c) debts owed by enterprises which have been nationalized or taken by Poland and debts which were a charge upon property which has been nationalized, appropriated or otherwise taken by Poland. (Polish Claims Agreement of 1960, supra, Article 2)

(1) BONDS

The Commission finds that claimant is the owner of 5% conversion loan bonds in the aggregate amount of 1,620 zlotys, issued by the Government of Poland prior to World War II. These bonds after the war were on deposit with the Postal Savings Bank in Warsaw and after the liquidation of said bank in 1954, they were transferred to Bank Handlowy (Bank of Commerce) in Warsaw. The bonds were not paid by the Government of Poland, although they are long overdue.

There is no evidence that the bonds were nationalized or otherwise taken by the Government of Poland, that they were repudiated, or that the obligation to pay them was annulled by that Government. Consequently, the claim would not come within the purview of Article 2 (a) of the Agreement. These bonds are not owed by enterprises which have been nationalized or taken by Poland since they are a direct obligation of the Government of Poland. Further, there is no evidence that the bonds were a charge upon any property which was nationalized or taken by Poland. Therefore, a claim based upon the debt represented by these bonds does not fall within the purview of Article 2 (c) of the Agreement. Accordingly, the portion of the claim based on bonds is not compensable under the Agreement.

(2) BANK ACCOUNT

The Commission further finds that prior to World War II claimant was the owner of a bank account with the Postal Savings Bank in

Warsaw in the amount of 1,815 zlotys. After World War II this account was consolidated with bank accounts of other members of claimant's family, making a total balance of 5,285 zlotys. Pursuant to the Law of October 30, 1950 on Monetary Reform (Dz. U. 1950, No. 50, it. 459) this consolidated account was converted into so-called "new zlotys" at the rate of 3 new zlotys for 100 "old zlotys", resulting in a balance of 158.58 new zlotys. On September 1, 1960, the bank sent claimant $4.68 in full payment thereof.

Claimant obviously seeks compensation for the loss sustained as a result of depreciation or devaluation of the Polish zloty. However, under international law a state is generally entitled to regulate its own currency, and losses resulting by reason of such depreciation or devaluation cannot be construed as a nationalization, appropriation or other taking of property.[1/] The claim for the bank account is, therefore, likewise not compensable under the Agreement.

Therefore, the claim is denied in whole.

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

APR 2 1964

Edward D. Re, Chairman

Theodore Jaffe, Commissione

LaVern R. Dilweg, Commissioner

1/ In the Matter of the Claim of Anton Tabar and Frances Tabar, Claim No. Y-580, Dec. No. Y-55; in the Matter of the Claim of George Evanoff, Claim No. BUL-10005, Dec. No. BUL-221; in the Matter of the Claim of Jozsef Chebady, Claim No. HUNG-20187, Dec. No. HUNG-716; in the Matter of the Claim of Ilio Muresan, Claim No. RUM-30211, Dec. No. RUM-314; and in the Matter of the Claim of Herbert S. Hale, Claim No. PO-1011, Dec. No. PO-180.

NOTICE: Pursuant to the Regulations of the Commission, if no objections to this Proposed Decision are filed within 20 days of service thereof, the decision will, upon the expiration of 60 days after such service or receipt of notice, be entered as the Final Decision of the Commission unless the Commission otherwise orders. (FCSC Reg., 45 C.F.R. § 531.5 (e) and (g) (1961)).