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

IN THE MATTER OF THE CLAIM OF

ANTONI CHODOROWSKI

Claim No. PO-8427

Decision No. PO 2449

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

PROPOSED DECISION

This claim, for $110.00, is based upon three 80 zloty bonds of "Stowarszyszenie Mechanikow Polskich Z. Ameryki", hereinafter referred to as "Stowarzyszenie", an enterprise nationalized by the Government of Poland. Claimant became a national of the United States by naturalization on December 15, 1924.

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 II)

Claimant has stated in his claim that the certificates submitted by him represent ownership of a stock (equity) interest in "Stowarszyszenie". Inspection of the certificates discloses, however, that they are "obligacja" which are fixed obligations, or bonds, in the face amount of 80 zlotys each, with promises to pay interest thereon to the holders thereof in the amount of 2.80 zlotys per 80 zloty bond per annum.

The Commission finds that claimant was the owner of three bonds in the face amount of 80 zlotys each, and that "Stowarszyszenie" was nationalized on September 5, 1947 by the Government of Poland pursuant to Article 3 of the Law of January 3, 1946 relating to the taking of key branches of the national economy (Dz. U. 1946, No. 3, it. 17). Under Article 3 of this law, provision was made for the nationalization of certain enterprises, effective on the date of publication by administrative officials of a notice of such nationalization. Evidence available to the Commission, discloses that the notice regarding the nationalization of "Stowarzyszenie" was published in Monitor Polski on September 5, 1947. The Commission, therefore finds that the enterprise was taken on that date, and that as the holder of 3 bonds of "Stowarzyszenie", claimant has a claim which falls within the scope of Article 2(c) of the Agreement.

The Commission further finds that in addition to the face amount of 80 zlotys per bond, there was due and owing to claimant at the time of nationalization of "Stowarzyszenie" in 1947, nine interest payments of 2.80 zlotys on each bond, or a total of 25.20 zlotys per bond.

"Stowarzyszenie" having been nationalized on September 5, 1947 there remains for determination the question of the dollar value of the amount owing to claimant on that date.

For several years immediately preceeding World War II, the official rate of exchange was 5.3 zlotys per dollar. During the war and the period immediately thereafter, there was a great inflation of Polish currency and prices in Poland rose to a level many times higher than pre-war. The

official rate of exchange, while it was not changed, did not in fact prevail. The true value of the 105.20 zlotys owed to claimant with respect to each bond, on September 5, 1947, may be determined by a comparison of the relative purchasing power of the zloty and the dollar in 1947. For this purpose, a comparison of the relative cost of living indexes for each of the two countries between 1937 and 1947 would be a proper basis. In Poland, the cost of living index rose from 100 in 1937 to 15,500 in September 1947. (International Monetary Fund, I International Financial Statistics, No. 6 at p. 104 (1948)). In the United States, the cost of living index rose in the same period of time from 100 to 159 (ibid. at 124). Since the dollar was worth 5.3 zlotys in 1937, the dollar in September 1947 (as measured by relative changes in purchasing power between 1937 and 1947) was the equivalent of 514.1 zlotys. Claimant's three bonds, in the aggregate amount of 315.60 zlotys, were therefore, worth approximately sixty cents ($.60) at the time of nationalization of "Stowarzyszenie", the greatest part of claimant's loss having occurred prior to the nationalization of the company, as a result of devaluation of the zloty. And, it is well settled that a state is not liable, under international law, for fluctuations in the value of its currency, or for losses stemming therefrom. (See Scott and Bowne, Inc., General Docket No. 2378, Decision No. 1-B, American-Mexican Claims Commission; Borden Covel, Administrator, Estate of Leo Sigmund Kuhn, Deceased, General Docket No. 2775, Decision No. 25-B American-Mexican Claims Commission; Hackworth, Digest of International Law, Vol. V., p. 633; Mann, The Legal Aspect of Money, pp. 419-420; and decision of the Foreign Claims Settlement Commission, In the Matter of the Claim of Joseph Winkler, Docket No. Y-1465, Decision No. 1134; and In the Matter of the Claim of Karolin Furst, Claim No. CZ-1318, Decision No. CZ-682.)

As a result of the foregoing, the Commission is faced with the question of whether it would be appropriate to certify an award to the Secretary of the Treasury in an amount as low as sixty cents ($.60), in the face of the high costs of processing such awards.

We are of the opinion that in view of the foregoing, this claim should be denied. In similar circumstances, the Commission has applied the principle de minimis non curat lex in determining claims under the International Claims Act of 1949, as amended, where the amounts of awards would have been merely nominal. (See decisions of the Foreign Claims Settlement Commission, In the Matter of the Claim of Bessie Gail Bagby, SOV-20745, Decision No. SOV-406; and In the Matter of the Claim of Joseph Melnick, SOV-42404, Decision No. SOV-541.)

Accordingly, this claim is hereby denied.

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

JAN 29 1964

Edward D. Re, Chairman

Theodore Jaffe, Commissioner

LaVern R. Dilweg, Commissioner

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))