

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

In the Matter of the Claim of

ILIE MURESAN
218 Manchester
Highland Park 3, Michigan

Claim No. RUM-30,211

Decision No. RUM-314

Against the Government of Rumania;
Under Section 303 of the International
Claims Settlement Act of 1949, as amended

FINAL DECISION

The Commission issued its Proposed Decision on this claim on February 5, 1958, a certified copy of which was duly served upon the claimant(s). No objections or request for a hearing having been filed within twenty days after such service and general notice of the Proposed Decision having been given by posting for thirty days, it is

ORDERED that such Proposed Decision be and the same is hereby entered as the Final Decision on this claim.

Dated at Washington, D. C.

APR 2 1958

Whitney Hilliland
Pearl Pace
Henry S. Clay

COMMISSIONERS

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Act of 1949, as amended

GPO 16-72126-1

PROPOSED DECISION

This is a claim against the Government of Rumania under Section 303 of the International Claims Settlement Act of 1949, as amended, based upon an alleged "confiscation" by the Rumanian Government of accounts on deposit in a Rumanian bank to a total on December 31, 1934 of 207,503 lei.

The only provision of Section 303 of possible application herein is subsection (2), which provides for the receipt and determination of claims against the Government of Rumania, among others, for its failure to-

pay effective compensation for the nationalization, compulsory liquidation, or other taking, prior to the effective date of this title /August 9, 1955/, of property of nationals of the United States in ...Rumania....

The record contains no evidence of a confiscation, nationalization, compulsory liquidation, or other taking by the Rumanian Government of the bank account of this claimant (as distinguished from the bank, which was not the property of the claimant). Rumanian banks were nationalized under Decree No. 119 of June 11, 1948; but this action specifically included an assumption of their obligations as well as their assets. With few exceptions, the banks were dissolved by Decree No. 197 of August 13, 1948, and liquidators were appointed to sell the assets and pay the obligations, so that the rights of depositors

were not curtailed or abolished by the decree. To the Commission's knowledge, there has been no general legislation by which deposits were confiscated, appropriated, or otherwise taken by the Rumanian Government. Thus, presumably, there still exists in Rumania in some institution of credit, an account in favor of the claimant, however small in value, and however restricted may be his use and enjoyment thereof. This would not be the case if claimant's bank was one of the many in Rumania, as in other countries, which failed during the early 1930's; but loss of a bank account due to failure of the banking institution clearly would not give rise to a claim against the Rumanian Government.

The nationalization of the banks was preceded in Rumania by a drastic devaluation of the currency of the country, culminating in the August 15, 1947 Law on Monetary Reform which introduced stabilized lei for which old lei could be exchanged, within prescribed limits, at the ratio of 20,000 to 1. What little value remained in pre-war deposits of the size here involved, disappeared in the process of further devaluations in 1952 and 1954. Although the currency devaluation caused economic loss to a great many individuals holding such currency, in or out of banks, it was not a nationalization, compulsory liquidation, or other taking of property by the Rumanian Government. Rather, it was the result of tremendous damage inflicted upon the Rumanian economy, principally by the war and post-war conditions, and not of any action of the Rumanian Government giving rise to a compensable claim under the Act. Likewise, a prohibition against transfer of funds outside of a country is an exercise of sovereign authority which, though causing hardship to nonresidents having currency on deposit within the country, may not be deemed a "taking" of their property within the meaning of Section 303(2) of the Act.

The Commission concludes that no award may be made under the Act on a claim based upon deposits in Rumanian banks, unless it is established that there has been a taking of the deposits in question by the Rumanian Government.

Accordingly, claimant having failed to establish any action on the part of the Government of Rumania which amounts to a "nationalization, compulsory liquidation, or other taking" of his property, the claim is denied. The Commission finds it unnecessary to make determinations with respect to other elements of the claim.

Dated at Washington, D. C.

FOR THE COMMISSION:

Donald G. Benn W B

Donald G. Benn, Director
Balkan Claims Division

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