

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

IN THE MATTER OF THE CLAIM OF

HENRY KRAFT, JR.

Under the International Claims Settlement
Act of 1949, as amended

Claim No. G-0424

Decision No. G-0072

PROPOSED DECISION

This claim in an unstated amount against the Government of the German Democratic Republic, under Title VI of the International Claims Settlement Act of 1949, as amended, is based upon a number of German bonds, all issued prior to 1924.

Under section 602, Title VI of the International Claims Settlement Act of 1949, as amended by Public Law 94-542 (90 Stat. 2509), the Commission is given jurisdiction as follows:

"The Commission shall receive and determine in accordance with applicable substantive law, including international law, the validity and amounts of claims by nationals of the United States against the German Democratic Republic for losses arising as a result of the nationalization, expropriation, 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 whether such losses occurred in the German Democratic Republic or in East Berlin. . ."

Therefore, the only losses which the Commission is authorized to find compensable under the statute are losses arising from the nationalization, expropriation or other taking of property which under international law is the responsibility of the German Democratic Republic.

The bonds for which claim is made have no value. The loss of value, however, is not the responsibility of the German Democratic Republic.

As a result of the continued issuance of paper money in the years following the termination of World War I, the German mark lost so much of its value that by the end of 1923 it ceased to function as a currency and was replaced by a new unit called the Rentenmark. On March 5, 1925, the Reichbank called in for redemption, in the ratio of one trillion (1,000,000,000,000) paper marks to one Reichmark or one Rentenmark, all Reichbank paper mark notes in circulation issued prior to October 11, 1924. The old mark notes lost their value as legal tender from July 5, 1925. After July 5, 1925, old marks notes and bonds such as those submitted for this claim became invalid and the Reichbank's liability for their redemption ceased.

Therefore, the loss of value of the notes for which claim is made occurred as a direct result of the rampant inflation in Germany following World War I and not as a result of any nationalization, expropriation or other taking by the German Democratic Republic.


Therefore, this claim must be and hereby is denied.

The Commission finds it unnecessary to make determinations with respect to other elements of this claim.

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

1 FEB 1978


Wilfred J. Smith, Commissioner


Robert E. Lee, Commissioner

This is a true and correct copy of the decision
of the Commission which was entered as the final
decision on 13 MAR 1978


Executive Director

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.)