Exhibit 1

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

IN THE MATTER OF THE CLAIM OF

NORTH AMERICAN SUGAR INDUSTRIES INC.
CUBAN-AMERICAN MERCANTILE CORPORATION
WEST INDIA COMPANY

Under the International Claims Settlement Act of 1949, as amended

Claim No. CU -2622

Decision No. CU 3578

Counsel for claimants: Covington and Burling by John G. Laylin, Esq.

PROPOSED DECISION

This claim against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, for $114,003.157.00 is asserted by NORTH AMERICAN SUGAR INDUSTRIES INC. based upon alleged losses resulting from certain nationalizations in Cuba. The CUBAN-AMERICAN MERCANTILE CORPORATION and the WEST INDIA COMPANY which are wholly-owned subsidiaries of NORTH AMERICAN, organized in the United States, are joined herein as co-claimants.

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 claim asserts losses sustained by NORTH AMERICAN SUGAR INDUSTRIES INC., a United States holding company. This is a company originally organized as Cuban-American Sugar Company in 1906 in New Jersey. It had two wholly-owned American subsidiaries, viz: CUBAN-AMERICAN MERCANTILE CORPORATION and the WEST INDIA COMPANY (both organized in New Jersey). WEST INDIA COMPANY in turn had four wholly-owned Cuban subsidiaries, viz: CIA. AGRICOLA SAN SEBASTIAN; CIA. AGRICOLA Y GANADERA CUBANA; ALMACENES MARINA, S.A.; and ALMACENES MERCEDITA, S.A. NORTH AMERICAN also had five wholly-owned subsidiary corporations organized in Cuba, viz: THE CUBAN-AMERICAN SUGAR MILLS COMPANY; CIA. DEL FERROCARRIL DE PUERTO PADRE; CIA. ELECTRICA DEL NORTE DE ORIENTE; PRODUCTORA ELECTRICA, S.A.; and COMPANIA DE SEGUROS DE INGENIOS, S.A. In addition it owned a 50% interest in the Cuban organized corporation called ORIENTE PRODUCTS CO.

An officer of NORTH AMERICAN SUGAR INDUSTRIES INC. has certified that more than 50% of its outstanding capital stock has been owned by United States nationals at all times pertinent hereto, and that in 1961 residents of the United States, who are presumed to be United States nationals, owned 99.327% of the outstanding capital stock of that company. The Commission holds that the three claimants are nationals of the United States within the meaning of Section 502(1)(B) of the Act.

The Commission finds that all of the subsidiaries heretofore mentioned were intervened by the Government of Cuba on July 20, 1960 under Resolution No. 195. The parent company was thereafter listed as nationalized in Resolution 1 (pursuant to Law 851) published in the Cuban Official Gazette on August 6, 1960.

The Act provides in Section 503(a) that in making determinations with respect to the validity and amount of claims and values 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, is to determine the basis of valuation which, under the particular circumstances, is "most appropriate to the property and equitable to the claimant". The Commission has concluded that this phraseology does not differ from the international legal standard that would normally prevail in the evaluation of nationalized property and that it is designed to strengthen that standard by giving specific bases of valuation that the Commission shall consider; i.e., fair market value, book value, going concern value, or cost of replacement.

In support of the values claimed for the losses sustained, claimants have submitted an appraisal of the physical properties of the subsidiaries based upon 1959 replacement costs less depreciation to the time of loss. It appears that the appraiser had inspected the various properties on many occasions and had determined the value of the cane lands in Pinar del Rio as recently as 1960. Photographs of the sugar mills and their equipment; aerial photos; descriptive lists of risks covered by insurance policies; engineering surveys; maps; statements of non-capital assets; and a report to the Department of State in 1961 asserting the values of the confiscated properties, all appear in the record before us. Based upon all the evidence of record the Commission finds that the values most appropriate to the property and equitable to the claimants are as follows:

1. CUBAN-AMERICAN MERCANTILE CORPORATION

This corporation was a New Jersey corporation whose function was the purchase of supplies for the Cuban-American Sugar Mills Company and the sale of that company's products. The company had no capital assets on July 20, 1960 but has shown that its non-capital assets on that date consisted of the following:

Cash in banks		$12,226.22
Cash on hand		2,000.00
Accounts Receivable		
For molasses	$ 7,778.08	
For goods & services	25,477.28	
From cane farmers	1,644.75	34,900.11
Investments		3,200.00
Deferred charges		62.13
Total Non-capital Assets		$52,388.46

It is noted that the investments of this company consisted of one share of Series A Havana Biltmore Yacht and Country Club stock listed at $3,200.00. The Commission has heretofore determined the value of one share of Series A stock of the Havana Biltmore Yacht and Country Club to be $3,500.00, and that the Club had been intervened by the Government of Cuba on March 19, 1960. (See Claim of Arman E. Becker, Jr., Claim No. CU-1094.) The Commission concludes that the amount of loss sustained by the CUBAN-AMERICAN MERCANTILE CORPORATION under this section amounted to $52,688.46 (including an additional $300.00 includible value on the Country Club stock).

2. WEST INDIA COMPANY

This company was incorporated in the State of New Jersey and was the owner of four Cuban corporations in July, 1960. The losses sustained through its wholly-owned Cuban subsidiaries are:

A. CIA. AGRICOLA SAN SEBASTIAN

This company owned 280.068 caballerias of land or 9,288 acres (at 33.162 acres per cab) used for the cultivation of sugar cane. This land had a high value based upon its cane yield. In addition to the land the company owned agricultural equipment and field buildings valued as follows:

Buildings and Equipment		
89 field buildings, including 6 windmills, wells, and tanks	$ 30,000.00	
9 tractors, 85 carts and wagons 190 plows, 35 cultivators	125,000.00	
Miscellaneous implements, furniture and fixtures	5,000.00	$ 160,000.00
Lands		
130.82 cabs of cane lands		
67.73 harvested	$475,000.00	
63.09 not harvested	265,000.00	
4,500,000 harvested cane stools	450,000.00	
3,800,000 not harvested cane	190,000.00	$1,380,000.00
18.142 cabs other crops		30,000.00
38.182 cabs, pasture		240,000.00
15.510 cabs, bateys and roads		25,000.00
59.367 cabs, forests		326,000.00
26.043 cabs, reserve land		91,000.00
Total Buildings & Lands		$2,252,000.00

Non-Capital Assets and Liabilities:

Assets		
Cash in Banks	$ 36.27	
Accounts Receivable	2,157.10	
Inventories	5,394.53	
Work Animals	11,700.00	
Shares of Ferrocarriles Occidentales de Cuba	5,060.08	
Prepaid Taxes	514.72	
Unexpired Insurance	5,058.37	
Cultivation Expenses	32,942.75	$ 62,863.82
Liabilities		
Accounts Payable	$25,169.79	
Accrued liabilities	135.24	25,305.03
Non-Capital Assets less Liabilities		$ 37,558.79
Total Loss - Cia. Agricola San Sebastian		$2,289,558.79

It should be noted that Cia. Agricola San Sebastian and other subsidiaries valued their investment in the Ferrocarriles Occidentales de Cuba, S.A. at 50% of their original cost. Ferrocarriles Occidentales de Cuba, S.A. stock was owned by the Cuban Government and private investors with the provision that certain taxes would be forgiven its stockholders. In another case the value of those shares was heretofore determined by the Commission to be the original cost. (See Claim of Ruth Anna Haskew, Claim No. CU-0849.) The Haskew value is the one used herein for the loss of such shares by Cia. Agricola San Sebastian and the other companies having such an investment.

B. CIA. AGRICOLA Y GANADERA CUBANA

Compania Agricola y Granadera Cubana owned 1,197.56 caballerias which was cultivated mostly in sugar cane and pasture grasses. Its properties also included field buildings, agricultural equipment, water tanks, windmills, fences and cattle. The land had a good yield of sugar cane but not as high as the land belonging to Cia. Agricola San Sebastian. Its losses are valued as follows:

Buildings and Equipment		
120 field buildings	$ 120,000.00	
Scale hoists, 24 windmills 12 water tanks, fences, Miscellaneous equipment	100,000.00	
Furniture & Fixtures	7,500.00	
Carts & Wagons	130,000.00	
Agricultural Implements	50,000.00	
Trucks & Tractors (30)	250,000.00	$ 657,500.00
Lands		
1,197.56 cabs	$5,917,500.00	
12,000,000 arrobas, cane stubble 3,390,000 arrobas, standing cane	1,370,000.00	$7,287,500.00
Total Buildings, Machinery & Lands		$7,945,000.00
Non-Capital Assets and Liabilities:		
Assets		
Cash in banks	$ 2,200.91	
Cash on hand	6,268.68	
Accounts Receivable	1,708.33	
Materials & Supplies	3,065.63	
Inventory, planted & growing cane	57,071.90	
Livestock	695,975.50	
Breeding mares	8,654.52	
Work animals	130.55	
Shares of Ferrocarriles Occidentales de Cuba	223,900.00	
Subscription of Ferrocarriles Occidentales shares	10,926.04	
Banco de los Colonos bonds	904.00	
Unexpired insurance	677.28	
Cultivation expenses	56,233.42	$1,067,716.76
Liabilities		
Accounts Payable	$ 46,530.83	
Accrued liabilities	977.83	47,508.66
Non-Capital Assets less Liabilities		$1,020,208.10
Total Loss - Cia. Agricola y Ganadera Cubana		$8,965,205.10

C. ALMACENES MARINA, S.A.

Almacenes Marina, S.A. was the owner of two warehouse buildings in Cardenas, Province of Matanzas, Cuba which were used for the storage of raw and refined sugars for the Cardenas Sugar Refinery. The value of the warehouses, equipment and land is:

Warehouse No. 6, 1,990 square meters and Warehouses 6-A and 6-B (one building) 2,600 square meters, both of structural steel	$ 125,000.00
1,000 wooden platforms	5,000.00
Land	50,000.00
Total Capital Assets	$ 180,000.00

Non-Capital Assets and Liabilities:

Assets		
Cash in bank	$ 84.44	
Liabilities	None	
Non-Capital Assets less Liabilities		84.44
Total Loss - Almacenes Marina, S.A.		$ 180,084.44

D. ALMACENES MERCEDITA, S.A.

This company owned three warehouses and marine equipment at Mercedita, Province of Pinar del Rio. All of the raw sugar which was not shipped directly from production in Central Mercedita was stored in the warehouses. The value of its properties on July 20, 1960 was:

Marine Equipment, consisting of a 37-foot tug, wooden hull, 53 horsepower diesel engine	$ 14,000.00
Warehouse No. 61, 990 square meters concrete block, steel roof frame, galvanized sheeting; Warehouse No. 68, 800 square meters brick walls, wooden roof frame, concrete flooring and adjoining shed; Warehouse No. 85, 1,000 square meters stucco walls, tile roof	90,000.00
Land, 3,160.71 square meters	10,000.00
Total Capital Assets	$ 114,000.00

Non-Capital Assets and Liabilities:

Assets		
Cash in banks	$ 110.62	
Accounts Receivable	436.79	$ 547.41
Liabilities		
Accrued Liabilities	436.79	436.79
Non-Capital Assets less Liabilities		$ 110.62
Total Loss - Almacenes Mercedita, S.A.		$ 114,110.62

The total loss suffered by the WEST INDIA COMPANY as a result of the nationalization of the above four Cuban subsidiaries is $11,548,958.95.

3. THE CUBAN-AMERICAN SUGAR MILLS COMPANY

The Cuban-American Sugar Mills Company was a wholly-owned Cuban subsidiary of NORTH AMERICAN SUGAR INDUSTRIES INC., the principal operating company which owned three raw sugar mills in Cuba known as Central Mercedita, Central Chaparra, and Central Delicias and approximately 429,000 acres of land in the Provinces of Oriente and Pinar del Rio. This subsidiary also owned a sugar refinery at Cardenas, Cuba.

A. Central Mercedita

This property was located in Pinar del Rio and included a sugar mill with a capacity of 2,000 tons of cane every 24 hours, 439.90 caballerias of land (14,588 acres), its own railroad to bring cane to the mill and the raw sugar to the wharf, which it also owned, at Cabanas Bay. The quality of the cane lands was excellent as evidenced by their high yield. The land was used for varying purposes; 277.17 cabs for cane lands, 80.13 for pasture, 26.12 for other crops, 21.62 for bateys (living areas) and roads, and 34.86 for reserve lands.

The buildings at Central Mercedita included the mill building and boiler house of 6,500 square meters, mill supply building, carpenter and cart shop, cart storage building, gas and alcohol storage building, slaughter house, agricultural equipment storage, school, church, office, store, 6 frame barracks, 6 large frame barracks, 1 brick, 16 brick dwellings, 66 frame dwellings. It was equipped with the necessary electric, water, railroad facilities in addition to the rolling stock, wharf, telephone system, laboratory equipment, field and agricultural equipment and factory machinery.

The values determined for the capital assets are:

Land and Crops		
146 cabs, harvested cane land	$1,000,000.00	
131 cabs, not harvested	540,000.00	
9,671,939 arrobas harvested cane	977,000.00	
8,500,000 arrobas unharvested cane	425,000.00	
80.13 cabs of pasture	500,000.00	
26.12 cabs with crops	80,000.00	
21.62 cabs of bateys, roads	31,000.00	
34.86 cabs, reserve lands	120,000.00	
Total Value of Land and Crops		$3,673,000.00
Buildings, Installations and Equipment		
Batey and factory buildings and installations	$ 700,000.00	
Agricultural department, furniture and fixtures, water stations, telephone system, laboratory, and wharf	185,000.00	
Railroad track, bridges and rolling stock	1,260,000.00	
Cane weighing and unloading equipment	40,000.00	
Cane grinding equipment	500,000.00	
Furnace and boiler equipment	375,000.00	
Factory piping system	70,000.00	
Clarification Plant	110,000.00	
Evaporating Plant	310,000.00	
Crystallizers and centrifugals	200,000.00	
Electric plant and power lines	80,000.00	
Factory Pumps	35,000.00	
Machine and Carpenter Shops	75,000.00	
Total Buildings, Installations, etc.		$3,940,000.00

Non-Capital Assets and Liabilities:

Assets		
Cash in banks	$ 81,915.29	
Cash on hand	8,280.07	
Accounts Receivable		
Deposits	503.10	
Cane Farmers	84.25	
General Debtors	7,818.80	
Inventories		
Materials and Supplies	102,523.95	
Small tools	7,706.30	
Work Animals	2,303.00	
Unexpired Insurance	264.77	$ 211,399.53
Liabilities		
Accounts Payable		
To Cane Farmers	$ 341,374.66	
General Creditors	179,264.48	
Accrued Liabilities		
Payroll	2,379.34	
Vacation compensation	1,564.07	
Other	792.69	525,375.24
Non-Capital Assets less Liabilities		($313,975.71)
Total Loss - Central Mercedita		$7,299,024.29

B. Centrals Chaparra and Delicias

The sugar estate comprising Centrals Chaparra and Delicias and about 300,000 acres of land was the largest of its type in the world. The area was approximately 42 by 30 miles having within its boundaries the sugar factories, towns, railroad lines, high voltage power lines, main roads, a large protected port, cane lands, orchards, pastures and forests. The total population of this area in 1959 was estimated to be near 75,000. The land comprising 9,021.93 caballerias was allocated to cane lands - 3,936.63 cabs, other crops - 580.27 cabs, pasture - 1,477.97 cabs, natural resources - 454.91 cabs, industrial area - 113.01 cabs, bateys and towns - 233.99 cabs, city property - 35.72 cabs, reserve land - 1,772.47 cabs, and additional land in shore area - 416.96 cabs.

Central Chaparra mill had a capacity of 9,100 tons per day and the buildings and installations for this Central included the following: Factory buildings, consisting of a boiler house, mill supply house, mill house, boiling house, scale house, bag storage, and sugar storage; batey buildings and installations consisting of one kilometer of canal, a concrete dam, cooling ponds, water pumping station at dam, molasses tank with a capacity of 445,000 gallons and one of 270,000 gallon capacity, carpenter shop, brick school, brick barracks, hospital unit of several buildings, restaurant and hotel, drug store and meat market, bakery, garage, railroad station, apartment building, 62 brick dwellings, 250 frame dwellings, 3 large frame barracks, 7 brick barracks and various other buildings necessary for a living complex, plus sewerage and water supply, telephone facilities, 143.118 kilometers of railroad lines and railroad equipment of 20 locomotives and 2,311 cars.

Central Delicias mill was one of the largest in Cuba and had a daily capacity of 11,200 tons of cane. Its buildings and installations included the following: Warehouse of 5,640 square meters, scale house, car repair shop, locomotive shop, foundry, machine shop, mill and boiler houses, electric plant, ice plant, diesel fueling station, 500,000 gallon fuel oil tank, salt water reservoir, heptane tanks, telephone system, 5 frame barracks, 3 brick barracks, school, police headquarters, 3 H-type barracks, 175 frame dwellings, 50 brick dwellings, railroad lines, 315.539 kilometers of railroad track and distillery.

The values determined for the capital assets are:

Land and Crops of Centrals Chaparra and Delicias		
2,850 cabs, harvested cane land	$15,200,000.00	
1,087 cabs, not harvested	3,480,000.00	
985,255 arrobas harvested cane	98,523.00	
500,000 arrobas unharvested cane	25,000.00	
580.27 cabs, other crops	1,740,000.00	
1,477.97 cabs, pasture lands	9,200,000.00	
454.91 cabs, natural resources	2,500,000.00	
347.00 cabs, industrial bateys	694,000.00	
35.72 cabs, city lands	192,000.00	
416.96 cabs, shore property	416,000.00	
1,772.47 cabs, reserve lands	6,200,000.00	
Total Value of Land and Crops of Centrals Chaparra and Delicias		$39,645,523.00
Buildings, Installations and Equipment - Chaparra		
Batey and factory buildings and installations	$ 3,200,000.00	
Cane weighing and unloading equipment	180,000.00	
Cane grinding equipment	2,200,000.00	
Furnace and boiler equipment	1,250,000.00	
Clarification Plant	350,000.00	
Evaporation Plant	600,000.00	
Crystallizers, centrifugals	600,000.00	
Electric Plant, power lines	950,000.00	
Factory pipe lines, valves	250,000.00	
Telephone System	75,000.00	
Ice plant, lime kiln, construction machinery	75,000.00	
Carpenter shop, machinery, locomotive and blacksmith	150,000.00	
Transportation equipment	7,200,000.00	
Other properties	450,000.00	
Factory pumps	75,000.00	
Electric motors	50,000.00	
Laboratory	10,000.00	
Total Chaparra Buildings, Equipment & Installations		$17,665,000.00
Buildings, Installations and Equipment - Delicias		
Batey and factory buildings and installations	$ 2,750,000.00	
Cane weighing and unloading equipment	220,000.00	
Milling equipment	1,900,000.00	
Furnace & boiler equipment	1,100,000.00	
Factory pipe lines & valves	300,000.00	
Clarification Plant	575,000.00	
Evaporating Plant	800,000.00	
Crystallizers, centrifugals	700,000.00	
Electric plant & power lines	1,000,000.00	
Factory pumps	100,000.00	
Electric motors	75,000.00	
Laboratory	10,000.00	
Furniture, fixtures, tools	150,000.00	
Construction machinery, foundry, ice plant, machinery & blacksmith shop, stone crusher	300,000.00	
Locomotive repair shop, railroad buildings & sand drier	250,000.00	

Watering stations	$ 15,000.00	
Car repair shop	50,000.00	
Scale and scale houses	75,000.00	
Water pumping stations and wells	400,000.00	
Building at San Manuel (railroad)	50,000.00	
Railroad Track	4,000,000.00	
Tractors and trucks	150,000.00	
Distillery	780,000.00	
Total Buildings, Installations and Equipment		$15,750,000.00

Non-Capital Assets and Liabilities of Chaparra and Delicias:

Assets		
Cash in banks	$ (186,747.77)	
Cash on hand	28,528.38	
Accounts Receivable		
For goods & services	34,310.96	
From cane farmers	22,812.95	
From general debtors	56,844.33	
Inventories		
Materials & supplies	1,513,240.19	
Small tools	71,626.75	
Planted & growing cane	7,133.15	
Livestock	4,724.00	
Deferred Charges		
Prepaid Taxes	15,985.47	
Unexpired Insurance	3,381.64	
Total Non-Capital Assets		$ 1,571,840.05
Liabilities		
Accounts Payable		
Cane farmers	$ 1,851,490.88	
General creditors	501,866.98	
Accrued Liabilities		
Payroll	37,031.25	
Vacation compensation	38,625.58	
Taxes other than Income	47,895.18	
Total Liabilities		$ 2,476,909.87
Non-Capital Assets less Liabilities		$ (905,069.82)
Total Loss - Centrals Chaparra and Delicias		$72,155,453.18

C. Cardenas Refinery

The Cardenas Refinery of the Cuban-American Sugar Mills Company was located in the north coast port of Cardenas in the Province of Matanzas. It had a capacity of 6,000 100-pound units of refined sugar per day. Its physical assets include 14,000 square meters of waterfront property, wharves, railroad sidings, buildings and refinery equipment. The values for the capital assets are:

Land	$ 180,000.00	
Wharves	25,000.00	
Railroad Sidings	20,000.00	
Refinery building, garage, railroad equipment, tanks, furniture & fixtures, lighting system, water supply	240,000.00	
Machinery & Equipment Char & filter houses, clarifiers, boiler house transformers, fire fighting equipment, water softening plant, machine shop	400,000.00	
Total Value Capital Assets		$ 865,000.00

Non-Capital Assets and Liabilities:

Assets		
Cash on hand	$ 2,500.00	
Accounts Receivable	153.00	
Inventory, raw sugar	8,979.78	
Prepaid Taxes	11.89	
Unexpired Insurance	440.79	
Total Assets		$ 12,085.46
Liabilities		
Vacation compensation	$ 300.95	
Taxes other than Income	592.05	
Total Liabilities		893.00
Non-Capital Assets less Liabilities		$ 11,192.46
Total Loss - Cardenas Refinery		$ 876,192.46

D. Commercial Department and Havana Office

These departments of the Cuban-American Sugar Mills Company were not engaged in the production of sugar and had no capital assets.

Non-Capital Assets and Liabilities:

Assets		
Cash in banks	$ 303,535.69	
Cash on hand	17,235.71	
Accounts Receivable		
From Cuban Government for molasses	792,188.16	
" " " " for goods & services	3,877.28	
" " " Deposits	149,416.89	
From cane farmers	1,680.27	
From general debtors	10,428.59	
Inventories		
Raw sugar	9,127,974.00	
Merchandise for sale	88,282.37	
Prepaid Taxes	237.18	
Unexpired Insurance	56,840.06	
Total Non-Capital Assets		$10,551,696.20

Liabilities		
Notes Payable to Banks	$3,500,000.00	
Accounts Payable		
To cane farmers	13,896.16	
To general creditors	239,011.54	
To depositors	126,587.34	
Total Liabilities		$ 3,879,495.04
Non-Capital Assets less Liabilities		$ 6,672,201.16
Total Loss - Commercial Department and Havana Office		$ 6,672,201.16

4. CIA. DEL FERROCARRIL DE PUERTO PADRE

The Compania del Ferrocarril de Puerto Padre was a Cuban railroad company having 484.9 kilometers of track with the necessary rolling stock and operated a passenger and freight service in the area of Puerto Padre, Chaparra, Delicias, Velazco and Sabanaso, Cuba, in addition to hauling sugar cane over its lines. The company also owned and operated the shipping port at Cayo Juan Claro with warehouses, docks, tanks and other facilities for transporting, storing and shipping raw sugar and molasses. The company had 56.8575 caballerias of land, railroad tracks, bridges, 6 stations, 8 passenger shelters, 19 barracks, 19 shelters and switch houses, 48 railroad cars, and 32 locomotives of various sizes. At the shipping port were located fuel oil tanks, molasses tanks, pump houses, electric substation, 52 dwellings, 7 barracks, office buildings, warehouses, piers, and shops.

The capital assets are valued at the following:

Land, 56.8575 cabs	$ 211,000.00	
Railroad track, bridges and culverts	1,855,000.00	
Railroad stations & buildings	200,000.00	
Railroad cars	100,000.00	
Locomotives	800,000.00	
Port of Cayo Juan Claro, Docks, Warehouses and other installations	2,228,000.00	
Telephone system, light and power systems, marine structures, furniture and fixtures	356,000.00	
Total Capital Assets		$ 5,750,000.00

Non-Capital Assets and Liabilities:

Assets		
Cash in banks	$ 29,548.33	
Cash on hand	16,338.34	
Accounts Receivable		
From Cuban Government	53,629.60	
From general debtors	97,180.61	
Inventories		
Material & supplies	105,518.80	
Small tools	6,086.40	
Shares Ferrocarriles Occidentales	500.00	
Deferred Charges		
Prepaid Taxes	57.55	
Unexpired Insurance	17.77	
Retirement Tax Stamps	1,473.74	
Total Assets		$ 310,351.14
Liabilities		
Accounts Payable	$ 3,581.87	
Accrued Liabilities		
Payroll	17,148.01	
Vacation compensation	47,189.16	
Other	39,210.80	
Provision for Profit Tax	210,549.99	
Total Liabilities		317,679.83
Non-Capital Assets less Liabilities		$ (7,328.69)
Total Loss - Cia. del Ferrocarril de Puerto Padre		$5,742,671.31

5. CIA. ELECTRICA DEL NORTE DE ORIENTE

Compania Electrica del Norte de Oriente distributed electric power to the communities of Holguin, Puerto Padre and Gibara in the northern part of the Province of Oriente, Cuba. It owned 30,349 square meters of land in Holguin and 683 square meters in Gibara plus some 106 transformers, automotive equipment, meters, transmission lines and buildings.

The value of these capital assets as of July 20, 1960 is determined to be:

Land	$ 80,000.00	
Machinery & Equipment	380,000.00	
Automotive Equipment	6,000.00	
Furniture & Fixtures	20,000.00	
Meters	130,000.00	
Buildings and substations	180,000.00	
Transmission lines	954,000.00	
Total Value of Properties		$1,750,000.00

Non-Capital Assets and Liabilities:

Assets		
Cash in banks	$ 1,012.64	
Cash on hand	20,763.09	
Accounts Receivable		
From Cuban Government	122,137.84	
General debtors	196,971.56	
Inventories		
Materials and supplies	91,343.16	
Small tools	2,960.22	
Shares Ferrocarriles Occidentales	1,700.00	
Banco de los Colonos Bonds	1,634.27	
Deferred Charges	254.98	
Total Assets		$ 438,777.76
Liabilities		
Accounts Payable		
General creditors	$ 18,037.06	
Depositors	84,104.61	
Total Liabilities		102,141.67
Non-Capital Assets less Liabilities		$ 336,636.09
Total Loss - Cia. Electrica del Norte de Oriente		$2,086,636.09

6. PRODUCTORA ELECTRICA, S.A.

This company produced electric current and sold it to the Compania Electrica del Norte de Oriente. The company owned the generating equipment, some transformers and a transmission line. The value of its capital assets on July 20, 1960 was:

Machinery and equipment consisting of (1) generating steam plant, installed in 1952, with boilers, refractories and insulators, instruments, evaporators, condensers, pumps, heaters; (2) a 7,500 kilowatt turbogenerator; (3) a kilovolt general switchgear; and (4) a substation at Central Delicias plus cables and transformers	$1,500,000.00	
Transmission lines consisting of two lines running a distance of 15 miles with the necessary steel towers and transformers	400,000.00	
Total Value of Capital Assets		$1,900,000.00

Non-Capital Assets and Liabilities:

Assets		
Cash in bank	$ 1,473.64	
Accounts Receivable	36.49	
Inventory, materials & supplies	89,948.82	
Shares, Ferrocarriles Occidentales	1,000.00	
Deferred Charges	254.15	
Total Assets		$ 92,713.10

Liabilities		
Accounts Payable	$ 54,737.21	
Total Liabilities		$ 54,737.21
Non-Capital Assets less Liabilities		$ 37,975.89
Total Loss - Productora Electrica, S.A.		$1,937,975.89

7. COMPANIA DE SEGUROS DE INGENIOS, S.A.

Compania de Seguros de Ingenios, S.A. was a Cuban corporation whose business consisted of underwriting the compensation risks of the Cuban-American Sugar Mills Company and its subsidiaries in Cuba. This company had no capital assets and its non-capital assets and liabilities were as follows:

Assets		
Cash in banks	$ 33,191.84	
Cash on hand	500.00	
Accounts Receivable	100,210.49	
Deferred Charges	4.39	
Total Assets		$ 133,906.72
Liabilities		
Accounts Payable	$ 50.00	
Accrued Liabilities	17,494.87	
Total Liabilities		$ 17,544.87
Non-Capital Assets less Liabilities		$ 116,361.85
Total Loss - Cia. de Seguros de Ingenios, S.A.		$ 116,361.85

8. ORIENTE PRODUCTS COMPANY

The Oriente Products Company was a Cuban corporation owned in equal shares by NORTH AMERICAN SUGAR INDUSTRIES INC. and S. C. Johnson & Son, Inc. Its business was to extract wax from the sugar cane and refine it. The extraction plants were located at Central Chaparra and Central Delicias and were built in 1947 and 1952, respectively. The value of the capital assets of the Company as of July 20, 1960 was:

Chaparra Extraction Plant including a building, conveyors, heaters, tanks, pumps and instruments	$320,000.00	
Delicias Extraction Plant including a building, railroad siding, road, conveyors, extraction equipment, warehouse and control instruments	630,000.00	
Total Capital Assets		$ 950,000.00

Value of 50% Interest - $475,000.00

Non-Capital Assets and Liabilities for the 50% interest owned by NORTH AMERICAN SUGAR INDUSTRIES INC.:

Assets		
Cash in bank	$ 102.95	
Inventory, materials & supplies	7,021.06	
Shares, Ferrocarriles Occidentales	550.00	
Deferred Charges	129.06	
Total Assets		$ 7,803.07
Liabilities		
Accounts Payable	$ 10,280.58	
Total Liabilities		10,280.58
Non-Capital Assets less Liabilities		$ (2,477.51)
Total Loss for a 50% Interest in Oriente Products Company		$472,522.49

OTHER CLAIMS

1. Good Will

Claim has also been asserted for the sum of $5,166,737.00 for the loss of good will for certain of the companies. To substantiate this, claimant NORTH AMERICAN SUGAR INDUSTRIES INC. has submitted, among other things, a computation based on earnings for the years 1908-11 for the companies hereinafter mentioned. This was prepared by its attorney setting forth the basis for the amount claimed. In the Summary of Valuation of Assets filed with the claim form, it is stated that in 1906, NORTH AMERICAN SUGAR INDUSTRIES INC. (formerly The Cuban-American Sugar Company) purchased for stock with a value of $11,605,000.00 the stock of the Cuban companies which then had a "book value" of $6,438,262.06. The difference between the value of the assets and the purchase price, amounting to $5,166,738.00, was carried on the books of the purchasing company as "Good Will" until 1934 when it was written off against "Earned Surplus". The claimant's computation states: "The circumstances of the 1930's indicated to the Board of Directors of the corporation that it was unwise to continue to carry 'Good Will' at original cost in perpetuity."

In the Commission's view the Memorandum of Computation indicates that there was no separate good will value for these particular assets in 1960. The proper way to establish such a value would be for claimant to submit evidence of good will, if any, of the entire business as a going concern. This it did not do.

The Commission therefore finds that there is insufficient evidence of record upon which to make a finding of value for good will in 1960. Accordingly, this portion of the claim is denied.

2. Trans-Cuba Oil Company

NORTH AMERICAN SUGAR INDUSTRIES INC. also owned a stock interest in the Trans-Cuba Oil Company. In the Claim of D. R. Wimberly (Claim No. CU-3417, which we incorporate herein by reference), we held that the properties owned or controlled by Trans-Cuba were nationalized or otherwise taken by the Government of Cuba on November 23, 1959; that the value per share was $0.1198; and that this type of claim is compensable to an American national under the facts and conditions set forth therein.

On the basis of evidence in the record in the instant case, the Commission finds that claimant NORTH AMERICAN SUGAR INDUSTRIES INC. comes within the terms of the Wimberly decision; that it has been the owner of 120,000 shares of stock in the Trans-Cuba Oil Company since prior to November 23, 1959; and that it suffered a loss in the amount of $14,376.00 through the nationalization of that company.

3. Perfect Fit Corporation

The record establishes that the Cuban-American Sugar Mills Company had an investment (as a stockholder) in the Bolivian-American Oil Company for which claim is made. The Bolivian-American Oil Company was organized in the State of Delaware and later merged in 1961 with the Perfect Fit Corporation, a Pennsylvania corporation. In order for a stockholder to maintain a claim on its own behalf it must show that the corporation itself is not qualified to do so. Here NORTH AMERICAN SUGAR INDUSTRIES INC., et al, have failed to show that the Perfect Fit Corporation is not qualified to assert its own claim, and thus this portion of the claim is denied.

SUMMARY

The Commission finds that the losses suffered by claimants within the meaning of Title V of the Act are as follows:

1.	CUBAN-AMERICAN MERCANTILE CORPORATION		$ 52,688.46
2.	WEST INDIA COMPANY		
	A. Cia. Agricola San Sebastian	$ 2,289,558.79	
	B. Cia. Agricola y Granadera	8,965,205.10	
	C. Almacenes Marina, S.A.	180,084.44	
	D. Almacenes Mercedita, S.A.	114,110.62	
			11,548,958.95

NORTH AMERICAN SUGAR INDUSTRIES INC. for the following:

3.	Cuban-American Sugar Mills Co.		
	A. Central Mercedita	$ 7,299,024.29	
	B. Chaparra & Delicias	72,155,453.18	
	C. Cardenas Refinery	876,192.46	
	D. Commercial Department and Havana Office	6,672,201.16	
4.	Cia. del Ferrocarril de Puerto Padre	5,742,671.31	
5.	Cia. Electrica del Norte de Oriente	2,086,636.09	
6.	Productora Electrica, S.A.	1,937,975.89	
7.	Compania de Seguros de Ingenios, S.A.	116,361.85	
8.	Oriente Products Company	472,522.49	
	Investment in Trans-Cuba Oil Co.	14,376.00	
			$ 97,373,414.72
	Total Losses		$108,975,062.13

The Commission has decided that in certification of losses 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 CUBAN-AMERICAN MERCANTILE 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 Fifty-two Thousand Six Hundred Eighty-eight Dollars and Forty-six Cents ($52,688.46) with interest at 6% per annum from March 19, 1960 on $3,500.00 and from July 20, 1960 on $49,188.46 to the date of settlement;

The Commission certifies that WEST INDIA COMPANY 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 Eleven Million Five Hundred Forty-eight Thousand Nine Hundred Fifty-eight Dollars and Ninety-five Cents ($11,548,958.95) with interest thereon at 6% per annum from July 20, 1960 to the date of settlement; and

The Commission certifies that NORTH AMERICAN SUGAR INDUSTRIES INC. 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 Ninety-seven Million Three Hundred Seventy-three Thousand Four Hundred Fourteen Dollars and Seventy-two Cents ($97,373,414.72) with interest at 6% per annum from November 23, 1959 on $14,376.00 and from July 20, 1960 on $97,359,038.72 to the date of settlement.

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

MAR 26 1969

Leonard v. B. Sutton

Leonard v. B. Sutton, Chairman

Theodore Jaffe

Theodore Jaffe, Commissioner

Sidney Freidberg

Sidney Freidberg, 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 claimants establish retention of the securities for 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. 531.5(e) and (g), as amended, 32 Fed. Reg. 412-13 (1967).)