

REPORTS OF INTERNATIONAL ARBITRAL AWARDS

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William Schneider and Joseph Bleier (United States) v. Hungary

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MRS. JULIUS BIRO (UNITED STATES) *v.* HUNGARY*(April 12, 1927. Pages 47-48.)*

JURISDICTION.—ARREST OF ALIEN, SEIZURE OF PRIVATE PROPERTY.—EXCEPTIONAL WAR MEASURES. Arrest of claimant's husband, charged with being money smuggler, and seizure of money found on him by Hungarian civil authorities in Hungarian territory on or about May 13, 1920. *Held* that act was no exceptional war measure within terms of Treaty of Budapest.

On behalf of Mrs. Julius Biro, claimant in case styled and numbered as above,¹ it is alleged that she is an American citizen; that in 1920 her late husband visited Hungary and while there the Hungarian authorities, purporting to act in pursuance of Hungarian law, seized \$700.00 in American currency belonging to him which was never returned; and that the claimant as the surviving spouse of her husband is entitled to receive all property and enforce all claims belonging to her husband during his life.

The record indicates that claimant's husband, being in Hungary, crossed the frontier ostensibly to visit his mother, who resided in that part of Czechoslovakia which lately was embraced within the territorial limits of Hungary; that he had several times previously crossed the Hungarian frontiers; that on or about May 13, 1920, he was arrested by the Hungarian authorities in Hungarian territory, charged with being a money smuggler in violation of Hungarian laws, at which time the \$700 in cash found on his person was seized and retained by the Hungarian authorities. There is nothing in the record indicating or even suggesting that the act complained of was in any sense an exceptional war measure as that term is defined in the economic clauses of the Treaty of Budapest. On the contrary, the arrest was made and the funds seized by the Hungarian civil authorities 18 months after the signing of the Armistice. It is not within the competency of this Commission to adjudicate the rights, if any, which claimant may have arising under Hungarian municipal law (not partaking of the nature of war measures), administered by Hungarian domestic tribunals, or arising under international law and espousable diplomatically by the United States, when as in this case the claim does not fall within the terms of the Treaty of Budapest.

Wherefore the Commission decrees that under the Treaty of Budapest the Government of Hungary is not obligated to pay to the Government of the United States any amount on behalf of the claimant, Mrs. Julius Biro, on account of the acts herein complained of.

WILLIAM SCHNEIDER AND JOSEPH BLEIER (UNITED STATES)
v. HUNGARY*(April 12, 1927. Page 48.)*

JURISDICTION.—ALIENS: TAXATION. Exaction of tax on December 19, 1920, by Hungary on funds sent in 1920. *Held* that claim falls outside terms of Treaty of Budapest.

¹ Original report: United States of America on behalf of Mrs. Julius Biro, claimant, *v.* Hungary, docket No. 375.

On behalf of the claimants in case styled and numbered as above,¹ an award is sought against Hungary for \$66.11, the amount of a tax levied on December 19, 1920, by the Hungarian Government on funds sent by claimants to Hungary during 1920. It is alleged that a Hungarian court decision rendered in 1925 based on a statute passed in 1921 declared such taxes illegal with respect to foreigners.

Claimants' demand against Hungary arises under Hungarian statutes and is governed by Hungarian municipal law administered by Hungarian domestic tribunals. It is not a claim falling within the terms of the Treaty of Budapest.

Wherefore the Commission decrees that under the Treaty of Budapest the Government of Hungary is not obligated to pay to the Government of the United States any amount on behalf of the claimants on account of the acts herein complained of.

KURT HEPPE (UNITED STATES) *v.* HUNGARY AND HUNGARIAN
COMMERCIAL BANK OF PEST

(April 12, 1927. Page 49.)

JURISDICTION.—WAR, CONSEQUENCES: DEPRECIATION OF SECURITIES. Purchase of bonds during war or after signing of Armistice. *Held* that claim for subsequent depreciation in value falls outside terms of Treaty of Budapest.

On behalf of the claimant in case styled and numbered as above² it is alleged that in 1918 (the exact date is not stated) the claimant sent 100,000 Hungarian crowns in the form of a bank check to the Hungarian Commercial Bank of Pest with instructions to invest same for his account in such manner as in the bank's judgment would prove safe and desirable; that the bank replied that it had invested the remittance in its own bonds which it assured him were absolutely safe, but that said bonds had so depreciated that they are now practically worthless. It is apparent that the bonds were acquired by the claimant while the war was in progress or after the signing of the Armistice and the claim is put forward for the depreciation in their value after such acquisition. There is no suggestion that the claim grows out of any pre-war transaction or that the bonds were subjected to any exceptional war measures.

The Commissioner holds that the claim does not fall within the terms of the Treaty of Budapest.

Wherefore the Commission decrees that under the Treaty of Budapest the Government of Hungary is not obligated to pay to the Government of the United States any amount on behalf of the claimant herein on account of the acts herein complained of.

¹ Original report: United States of America on behalf of William Schneider and Joseph Bleier, claimants, *v.* Hungary, docket No. 1168.

² Original report: United States of America on behalf of Kurt Heppé, claimant, *v.* Hungary and Hungarian Commercial Bank of Pest, *Impleaded*, docket No. 1275.