

REPORTS OF INTERNATIONAL ARBITRAL AWARDS

RECUEIL DES SENTENCES ARBITRALES

Kurt Heppe (United States) v. Hungary and Hungarian Commercial Bank of Pest

12 April 1927

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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.