

**REPORTS OF INTERNATIONAL  
ARBITRAL AWARDS**

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**RECUEIL DES SENTENCES  
ARBITRALES**

**Jessie Watson (Great Britain) v. United Mexican States**

19 May 1931

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while he had formerly only to prove facts, and was allowed to abstain from discussion of the amount. He could leave it all to the Commission. In the old Convention it was only in Article 6, sections 2 and 3, that the amount was mentioned. From Article 2, which deals with the desire of Mexico to give compensation, all reference to the amount was omitted.

It is quite natural that both Governments should have desired to eliminate this hiatus.

Seen in this light, the amendment would seem to be an improvement.

12. Applying to the present claim the principles laid down in the preceding paragraph, the Commission have come to the conclusion that although fair proof has been shown for the amount claimed, some items appear uncertain or not entirely reasonable. It does not seem probable that the claimant was, in 1927, able to estimate the exact value of clothing and household linen, or to remember the exact amount of cash he had to abandon in his sudden flight.

On the other hand, the facts being admitted, it is dictated by equity, that—apart from an exact confirmation of figures—some compensation be given. The Commission believe that they are acting in conformity with the spirit, as well as with the letter of the Convention, by making a total award of £ 120 sterling.

13. The Commission decide that the Government of the United Mexican States shall pay to the British Government, on behalf of Mr. John Gill, the sum of £ 120 sterling.

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## JESSIE WATSON (GREAT BRITAIN) *v.* UNITED MEXICAN STATES

(*Decision No. 45, May 19, 1931. Pages 92-96.*)

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**EVIDENCE BEFORE INTERNATIONAL TRIBUNALS.** When statement of circumstances and amount of loss are in general supported by independent witnesses, evidence *held* sufficient.

**DAMAGES, PROOF OF.** Tribunal will not after lapse of seventeen years weigh factors such as current economic conditions, rates of exchange, etc., affecting market value of goods lost.

**CURRENCY IN WHICH AWARDS PAYABLE.** Awards will be made in Mexican national gold.

*Cross-reference* : Annual Digest, 1931-1932, p. 226.

1. The Memorial sets out that in February 1910 Mrs. Watson purchased several holdings in Barrón, District of Mazatlán, in the State of Sinaloa, and was engaged in agricultural pursuits. From time to time she increased her holdings of land until she formed the self-contained Hacienda Barrón. During the siege of Mazatlán in 1913-14 by Constitutionalist forces under the command of General Carranza, the claimant's husband, who was the British Vice-Consul at Mazatlán, received orders not to leave his post. Consequently it was impossible for Mrs. Watson to personally supervise her Hacienda, and she placed it in charge of an administrator, Patricio Vergara. The garrison at Villa Unión was commanded by Lieutenant-Colonel Sergio Pazuengo, who, under threats, demanded products from the Hacienda. He imprisoned the administrator in the barracks at Villa Unión and demanded the entire harvest of beans. The

hacienda store and warehouse were also plundered by Pazuengo, who also took fifteen mules and some horses. The cattle and draft oxen were chiefly taken by Yaqui Indians under the command of Colonel Juan Cabral. A complaint being made to General Carrasco in El Potrero, Pazuengo forced the administrator to write two letters, one addressed to General Carrasco and the other to Mr. Watson, denying that these outrages had taken place. Directly the siege of Mazatlán was raised, the administrator confessed that these letters were false and that he had been compelled to sign them by Sergio Pazuengo. In support of the claimant's losses four affidavits by eye-witnesses are submitted by the claimant.

The amount of the claim is 13,590.00 pesos in Mexican silver, full particulars of which are given in Mrs. Watson's statement of claim. The claim has never been presented to the Mexican Government, and no compensation has been received from the Mexican Government or from any other source. The claim at the time of the losses did and still does belong solely and absolutely to the claimant.

His Majesty's Government claim in support of Mrs. Jessie Watson the sum of 13,590.00 pesos Mexican silver.

2. The Mexican Agent in his written answer to the claim denied that the facts had been proved, or that it had been shown that the acts complained of by the claimant were committed by any forces within the meaning of Article 3 of the Convention. He recognized, however, in his oral argument, that in the annexes of the Memorial considerable corroboration of the statement made by Mrs. Watson was to be found. He also recognized that those who were guilty of the acts fell within subdivision 2 of Article 3 of the Convention, as being Carrancistas. But he thought it very doubtful whether Mexico could be held liable for the acts of a single officer, who had later been dismissed from the Army. And he further contended that the taking of cattle was only confirmed by a statement made fifteen years afterwards by Felipe Vergara, the son of the administrator. He did not believe that this man was in a position to know the exact number of the cattle that had been taken. Furthermore, he thought the amounts claimed by Mrs. Watson extremely vague and also exaggerated, and he did not understand why the British Agent had not produced statements of experts and merchants to show the value of the lost property at the time the acts were committed.

3. The British Agent pointed out that he had produced abundant evidence from independent eye-witnesses, and he thought that there could be no doubt as to the facts. He attached much value to a letter of the Governor of the State of Sinaloa (reproduced in annex 1 of the Memorial), which showed very clearly that this high authority was satisfied that the acts of which claimant's husband had complained, were committed. As regards the value of the property, the British Agent thought the amounts absolutely fair and reasonable, and not in the least exaggerated.

4. The Commission have come to the conclusion that the ample corroboration to be found in the letters and depositions of independent witnesses leaves no doubt as to the exactness of the statement of the facts. All the witnesses declare that at the time mentioned by the claimant, Lieutenant-Colonel Sergio Pazuengo, who was then in charge of the garrison at Villa Unión, confiscated the entire harvest of beans of the Hacienda Barrón and that he imprisoned and intimidated the administrator. The witnesses also deposed that cattle, horses and mules were taken. They all agreed that the amount of the property confiscated and stolen could not have been less than stated by the claimant.

It is also certain—and acknowledged by the Mexican Agent—that Lieutenant-Colonel Pazuengo belonged to the Constitutionalist Army, in other words

to the Carrancista forces, who afterwards established a Government. They therefore fall within the terms of subdivision 2 of Article 3 of the Convention, and Mexico must be held responsible for their acts.

5. It will always be difficult, and in a majority of cases impossible, to ascertain the exact extent of losses suffered as a result of confiscation and robbery. The number of cart-loads of beans and of head of cattle taken may be subject to controversy. In this case the allegations regarding the items of loss have been confirmed, if not as far as the ultimate details, at least to a very great extent. Deponents all bear witness to the fact that during several days a number of large waggons were occupied in carrying away the beans. One of them declares that the greater part of the cattle and of the work oxen, some mules and horses, the stock of goods in the shop, and the cereals and fodder in storage were commandeered; another how he saw the cattle of the Hacienda were slowly but steadily growing less, until not a single head remained. And Mr. Felipe Vergara, the son of the then Administrator, who lived on the Hacienda and was employed as warehouseman in the store, gives a full account of the number of cattle appropriated, and of which a specification was drawn up as soon as possible.

The Commission see no reason why the quantities and numbers specified in the claim should not be deserving of confidence.

6. While it will hardly ever be practicable to reach complete exactitude in the determining of the volume of the losses, it will not be less difficult to arrive at an absolutely perfect estimate of their amount. The value of beans and cattle will of course depend upon their quality, and upon the current prices in the markets where their owner may be able to sell them. Those prices will be affected by the economic situation of the period, the rate of exchange for the national currency, by the possibilities of transport and exportation, and by the degree of stability and tranquillity prevailing at the time of the marketing.

The Commission do not feel themselves able to weigh all these factors separately and exactly after seventeen years have elapsed. But they feel justified in declaring that sufficient proof has been shown to adopt as fair and reasonable an amount of 8,000 pesos, Mexican national gold.

7. The Commission take this opportunity to lay down a rule regarding the currency in which their awards will be expressed.

It seems arbitrary to let such currency be dependent upon what is asked in the claim. There is no reason why gold pesos should be awarded in one case, silver pesos in another, Pounds Sterling in a third, and United States dollars in a fourth. The Commission, having also regard to Article 9 of the Convention, are of the opinion that the awards can be based upon no other money than the national and legal money of the State to be held liable for the payment. Awards will, for that reason, in future be made in Mexican national gold.

8. The Commission decide that the Government of the United Mexican States shall pay to the British Government on behalf of Mrs. Jessie Watson (*née* Louth) a sum of eight thousand Mexican pesos, oro nacional.

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WILLIAM McNEILL (GREAT BRITAIN) *v.* UNITED MEXICAN STATES

(*Decision No. 46, May 19, 1931. Pages 96-101.*)

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FAILURE TO SUPPRESS OR PUNISH.—EFFECT OF NON-PRODUCTION OF EVIDENCE BY RESPONDENT GOVERNMENT. When British Agent showed that the imprison-