

JOHN UJVARI (UNITED STATES) *v.* HUNGARY

(June 28, 1929. Pages 121-122.)

In accordance with the rules of procedure of this Commission announced in Administrative Decision No. II the United States on behalf of the claimant, John Ujvari, an American national, seeks an interlocutory judgment for 245 kronen based upon certain interest coupons and talons appertaining to bonds owned by the claimant issued by the Kingdom of Hungary, which interest became due during the war period. Hungary admits the debt and that an interlocutory judgment as prayed should be entered save in respect to the coupons which matured between March 29, 1919, and December 31, 1919, aggregating in amount 17.50 kronen. With respect to this amount only Hungary challenges the jurisdiction of this Commission, contending that during the period mentioned the payment of interest on all Hungarian Government securities was suspended within the meaning of the proviso of paragraph (3) of article 231 of the Treaty of Trianon carried into the Treaty of Budapest, and therefore that the amount of interest so suspended does not constitute

¹ The Santissima Trinidad, 20 U. S. 283; Quock Ting *v.* United States, 140 U. S. 417; Wellman *v.* United States, 297 Fed. 925.

a debt within the meaning of the Treaty and of the decisions of this Commission construing it.¹

The Commissioner rejects this contention and holds that there was no general suspension during the war of the payment of interest on securities issued by the Kingdom of Hungary within the meaning of the Treaty clause invoked.²

The revolutionary régime of Bela Kun, which had temporarily forcibly usurped the administration of the Hungarian Government, issued a decree dated March 29, 1919, reading:

“The payment of matured coupons of all domestic securities is herewith suspended.”

This abortive attempt on the part of the Bela Kun régime through this decree to suspend interest payments accruing on the lawful obligations of Hungary was promptly repudiated by the *de jure* Government of Hungary on its resuming the exercise of its authority. This repudiation is embodied in article 9 of statute I of the year 1920 which declares “that all the people’s laws, ordinances, or decrees issued by the People’s Republic or by the Soviet Republic are void.”

In the light of this very proper action on the part of the present Government of Hungary which with the United States subsequently entered into the Treaty of Budapest, it does not now lie with Hungary through a plea to the jurisdiction of this Commission to seek to avoid the payment under the Treaty of an obligation otherwise confessedly binding upon it, on the ground that such obligation was, within the meaning of a provision of that Treaty, suspended by a decree which Hungary has formally and effectively denounced as void.

An interlocutory judgment will be entered herein for the amount prayed for in accordance with the rules of procedure prescribed by Administrative Decision No. II.