



Treaty Series No. 21 (1931)

AGREEMENT

BETWEEN HIS MAJESTY'S GOVERNMENTS
IN THE UNITED KINGDOM AND
NEW ZEALAND AND
THE GOVERNMENT OF INDIA
AND
THE GOVERNMENT OF HUNGARY
in regard to the

Liquidation of Hungarian Property

WITH EXCHANGE OF NOTES

London, July 1, 1930

[Ratifications exchanged at Budapest, March 26, 1931]

Presented by the Secretary of State for Foreign Affairs
to Parliament by Command of His Majesty

LONDON:

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1931

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1930, have issued a certificate under the Treaty of Peace (Hungary) Order, 1921, that such property is subject to the charge created by the Order in Council, and have required the person or corporation in possession or control thereof, or from whom the same is due, to hand over or transfer the same to him, are included in the above-mentioned expression "liquid or liquidated or finally disposed of by retention or otherwise."

ARTICLE 7.

The arrangements now in force between the Administrator of Hungarian Property, the Royal Hungarian Clearing Office and certain Banks with regard to the clearing and allocation of the depots in the United Kingdom formerly held by or on behalf of such Banks, shall continue in force except that in lieu of credits being given on account of the persons to whom the securities are allocated by the said Banks for the value of the securities comprised in such depots and not realised at the date on which this Agreement comes into force, the securities themselves shall be handed over to the Banks concerned against an indemnity approved by the Administrator.

ARTICLE 8.

Before and as a condition of releasing or transferring any specific property, right or interest, the British Governments will be entitled to charge and be paid out of the property or the proceeds thereof the legal costs and other expenses incurred in connection with the said property, right and interest including the authorised fee of 2 per cent. on the value thereof to cover the services of the Custodian of Enemy Property and/or the Administrator of Hungarian Property.

ARTICLE 9.

The British Governments will, as from the date on which this Agreement comes into force, permit Hungarian nationals, the owners of rights of industrial, literary or artistic property in respect of which licences have been granted under the special measures taken during the war or in respect of which there have been licences or assignments subject to the conditions imposed in pursuance of Article 1 (XXVI) of the Treaty of Peace (Hungary) Order, 1921, or other similar legislative provisions to have the full benefit of those rights without prejudice, however, to the rights of any existing licencees or assignees under the said licences or assignments, and will take all necessary steps to give effect to the foregoing, and will not impose after the date on which this Agreement comes into force any further limitation, condition, or restriction in pursuance of the said Article 1 (XXVI) or Article 241 (5), (6) and (7) of the Treaty of Trianon subject only to the exercise of the right of the British Governments to impose such limitations, conditions or restrictions as may be considered

necessary for national defence or in the public interest. Any indemnities or royalties that may arise under paragraph (6) of Article 241 in the event of the application of the provisions of the preceding paragraph shall be paid to the Hungarian nationals entitled thereto and no longer dealt with as provided in paragraph (6).

ARTICLE 10.

Debts falling within Article 231 of the Treaty of Trianon shall be excluded from the scope of this Agreement and continue to be dealt with under the Clearing procedure, except in the case of the Dominion of New Zealand, which did not adopt Section III of Part X of the said Treaty. Debts which should have been claimed under Article 231, but for which no claim has been put forward by the Royal Hungarian Clearing Office, if recovered by the Administrator of Hungarian Property, subsequently to the date on which this Agreement comes into force, shall subject to the provisions of Articles 3 and 5 hereof, and subject to deduction of the usual charges and fees for collection, be treated as if they were Hungarian property, rights and interests to be released under this Agreement.

ARTICLE 11.

The property, rights and interests covered by this Agreement shall be confined to such property, rights and interests as were on the 26th July, 1921, within the United Kingdom of Great Britain and Northern Ireland, or within the Dominion of New Zealand, or the territory of India, or within the territory of any British Colony or Protectorate, or any Mandated area administered by the Government of the United Kingdom or the Government of New Zealand.

ARTICLE 12.

The present Agreement shall be a final settlement of all questions and claims relating to the retention and liquidation of Hungarian property, rights and interests or the proceeds thereof, in the United Kingdom of Great Britain and Northern Ireland, or within the Dominion of New Zealand, or the territory of India, or within the territory of any British Colony or Protectorate or any Mandated area administered by the Government of the United Kingdom or the Government of New Zealand, which became subject to exceptional war measures and/or to the rights of retention, liquidation and charge pursuant to the provisions of the Treaty of Trianon. The proceeds of liquidation of Hungarian property, rights and interests not released under the present Agreement or otherwise and not already credited, shall be credited as heretofore by the Clearing Office in the United Kingdom to the Royal Hungarian Clearing Office.

ARTICLE 13.

Nothing contained in the Agreements between the Hungarian Government and the Creditor Governments signed at Paris on the

28th April, 1930, relating to Hungary's obligations under the Treaty of Trianon, shall be deemed to interfere with or prejudice the rights accorded to Hungarian and British nationals under Part X of the said Treaty of the liability of Hungary to account for and make payment on account of the balance against Hungary as provided in Part X of the said Treaty as modified by the Agreements between the British and Hungarian Governments dated the 20th December, 1921,* the 11th December, 1923,† and the 17th October, 1925,‡ all of which Agreements are to continue in full force.

ARTICLE 14.

The present Agreement shall be ratified and shall come into force after the exchange of ratifications on the same date as the said Agreements with Hungary signed at Paris on the 28th day of April, 1930. Any delay in ratification on the part of any of the three first named Governments shall not prevent or delay the coming into force of this Agreement as between the remaining Governments signatories thereto.

Done in duplicate at London this first day of July, 1930.

For the Government of the
United Kingdom of Great
Britain and Northern
Ireland :

DANL. WILLIAMS.

For the Government of the
Kingdom of Hungary :

RUBIDO ZICHY.

For the Government of New
Zealand :

DANL. WILLIAMS.

For the Government of
India :

DANL. WILLIAMS.

* "Treaty Series No. 4 (1922)," Cmd. 1643.
† "Treaty Series No. 9 (1924)," Cmd. 2045.
‡ "Treaty Series No. 2 (1926)," Cmd. 2593.

No. 1.

Mr. Williams to Baron Ivan Rubido Zichy.

Your Excellency,

London, July 1, 1930.

WITH reference to the Agreement concluded this day between the Government of Great Britain and Northern Ireland, the Government of New Zealand and the Government of India and the Royal Hungarian Government relative to the release of Hungarian property consequent upon the Agreement (No. 1) with Hungary, signed at Paris on the 28th April, 1930, I have the honour, on the instructions of the first named three Governments, to inform you as follows:—

As to Article 1 of the Agreement, as you are aware instructions were given that as from the 1st February, 1930, no further sales or liquidations of Hungarian property, rights or interests within territories covered by the Agreement should be initiated. Although the date referred to in Article 1 of the Agreement for the purpose of ascertaining the property, rights and interests to be released is the date of the Agreement taking effect, it is the intention of the Governments which I represent that all Hungarian property, rights or interests which on the 1st February, 1930, were not liquid or liquidated or finally disposed of by retention or otherwise, and which do not come within any of the reservations contained in the Agreement, shall be released, including the net proceeds of such property, rights or interests which may have been sold since the said date.

2. With regard to the expression "liquid or liquidated or finally disposed of," I desire to place on record that it emerged in the course of the discussions leading up to the Agreement that the mere fact of a Vesting Order regarding any particular property having been made by the Governments which I represent, was not considered by those Governments as bringing such vested property within the above expression, and further, that those Governments did not consider that ordinary commercial debts not falling under Article 231 of the Treaty which had not been collected by the British Authorities came within the said expression.

3. With reference to Article 3, I note that the Royal Hungarian Government desire to place on record that in becoming parties to this Agreement they are not committing themselves to any view as to the validity of the actions or proceedings referred to in the said Article.

4. With reference to Article 7, I am instructed to state with regard to the securities agreed to be handed over under that Article, that in case it should be the fact that any securities which

would have come within the Article have been sold subsequently to the 31st January, 1930, the net proceeds of sale of the securities shall be handed over in lieu of the securities themselves.

5. Similarly, in regard to Article 9, although the provisions of that Article do not come into operation until the date on which this Agreement comes into force, I am instructed to state that it is the intention of the three first-named Governments that any royalties falling due after the 31st January, 1930, shall be released to the Hungarian nationals concerned, and in regard to Article 10, that it is their intention that the debts therein referred to as recovered by the Administrator subsequently to the date on which this Agreement comes into force, shall include such debts (if any) if recovered since the 31st January, 1930.

6. With reference to Article 8, I am instructed to state that the three first-named Governments will refrain from realising any property, right or interest for the purpose of satisfying the costs, expenses or fees referred to in the said Article until a request for payment of the sum due shall have been made to the owner concerned, and such owner shall have failed or neglected for a period of three calendar months to comply with the said request.

7. In regard to Egypt and the Sudan, I am instructed to refer to the Divesting Notices of the 13th February, 1926, and the 21st October, 1926, published in the "Official Journal" of the Egyptian Government for the 22nd February, 1926, and in the "Sudan Government Gazette" for the 15th November, 1926, respectively, which notices were mentioned in the course of the recent discussions, and to state that there remain no further property, rights or interests of Hungarian nationals in these countries available for release.

8. With reference to the Hungarian-owned securities, until recently the subject matter of the legal proceedings in the United States of America between the Public Trustee in the United Kingdom and the Alien Property Custodian in the United States and certain German nationals, I am instructed to refer to my letter of the 21st March last addressed to Dr. Andrew de Iklody-Szabo, the President of the Royal Hungarian Clearing Office, and to confirm that these legal proceedings having now been withdrawn and all claims of the British Government against the shares the subject matter of the Action released there is now no obstacle so far as the British Government is concerned in the way of a complete release in America to Hungarian nationals of any shares which were comprised in the said Action to which they may establish their title.

I have, &c.

DANL. WILLIAMS.

No. 2.

Baron Ivan Rubido Zichy to Mr. Williams.

Royal Hungarian Legation,

Sir,

London, July 1, 1930.

I BEG to acknowledge receipt of a letter of even date addressed by you to me and reading as follows:—

[As No. 1.]

Having taken notice of the above letter, I beg to inform you on behalf of my Government that I fully agree with its contents.

I have, &c.

RUBIDO ZICHY.
