

# Hungary

## ESTABLISHING FRIENDLY RELATIONS

*Treaty signed at Budapest August 29, 1921; relevant parts of treaty of peace signed at Trianon June 4, 1920*

*Senate advice and consent to ratification, with understandings, October 18, 1921<sup>2</sup>*

*Ratified by the President of the United States, with understandings, October 21, 1921*

*Ratified by Hungary December 12, 1921*

*Ratifications exchanged at Budapest December 17, 1921*

*Entered into force December 17, 1921*

*Proclaimed by the President of the United States December 20, 1921*

*Revived (after World War II) March 9, 1948,<sup>3</sup> pursuant to article 10 of treaty of peace signed at Paris February 10, 1947<sup>4</sup>*

42 Stat. 1951; Treaty Series 660

### TREATY WITH HUNGARY

#### The United States of America and Hungary:

Considering that the United States, acting in conjunction with its co-belligerents, entered into an Armistice with Austria-Hungary on November 3, 1918,<sup>5</sup> in order that a Treaty of Peace might be concluded;

Considering that the former Austro-Hungarian Monarchy ceased to exist and was replaced in Hungary by a national Hungarian Government;

<sup>1</sup> For agreements between the United States and the Emperor of Austria, King of Hungary (before 1870), see *ante*, vol. 5, p. 202, AUSTRIA; for agreements between the United States and Austria-Hungary, see *ante*, vol. 5, p. 429, AUSTRIA-HUNGARY.

<sup>2</sup> The U.S. understandings were that "the United States shall not be represented or participate in any body, agency or commission, nor shall any person represent the United States as a member of any body, agency or commission in which the United States is authorized to participate by this Treaty, unless and until an Act of the Congress of the United States shall provide for such representation or participation" and that "the rights and advantages which the United States is entitled to have and enjoy under this Treaty embrace the rights and advantages of nationals of the United States specified in the Joint Resolution or in the provisions of the Treaty of Trianon to which this Treaty refers."

<sup>3</sup> *Department of State Bulletin*, Mar. 21, 1948, p. 382.

<sup>4</sup> TIAS 1651, *ante*, vol. 4, p. 457.

<sup>5</sup> *Ante*, vol. 2, p. 1.

Considering that the Treaty of Trianon to which Hungary is a party was signed on June 4, 1920, and came into force according to the terms of its Article 364, but has not been ratified by the United States;

Considering that the Congress of the United States passed a Joint Resolution, approved by the President July 2, 1921,<sup>6</sup> which reads in part as follows:

*“Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, . . .*

*“That the state of war declared to exist between the Imperial and Royal Austro-Hungarian Government and the United States of America by the joint resolution of Congress approved December 7, 1917,<sup>7</sup> is hereby declared at an end.*

*“Sec. 4. That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 3, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Saint Germain-en-Laye or the treaty of Trianon, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of any Act or Acts of Congress; or otherwise.*

*“Sec. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government, or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said governments respectively, of all persons, wheresoever domiciled, who owe permanent allegiance*

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<sup>6</sup> 42 Stat. 105.

<sup>7</sup> 40 Stat. 429.

to the United States of America and who have suffered, through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise, and also shall have granted to persons owing permanent allegiance to the United States of America most-favored-nation treatment, whether the same be national or otherwise, in all matters affecting residence, business, profession, trade, navigation, commerce and industrial property rights, and until the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively confirmed to the United States of America all fines, forfeitures, penalties, and seizures imposed or made by the United States of America during the war, whether in respect to the property of the Imperial German Government or German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian nationals, and shall have waived any and all pecuniary claims against the United States of America.”

Being desirous of establishing securely friendly relations between the two Nations;

Have for that purpose appointed their plenipotentiaries;

The President of the United States of America, U. Grant-Smith, Commissioner of the United States to Hungary, and Hungary, Count Nicholas Banffy, Royal Hungarian Minister for Foreign Affairs;

Who, having communicated their full powers, found to be in good and due form, have agreed as follows:

#### ARTICLE I

Hungary undertakes to accord to the United States, and the United States shall have and enjoy, all the rights, privileges, indemnities, reparations or advantages specified in the aforesaid Joint Resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the Treaty of Trianon which the United States shall fully enjoy notwithstanding the fact that such Treaty has not been ratified by the United States. The United States, in availing itself of the rights and advantages stipulated in the provisions of that Treaty, will do so in a manner consistent with the rights accorded to Hungary under such provisions.

## ARTICLE II

With a view to defining more particularly the obligations of Hungary under the foregoing Article with respect to certain provisions in the Treaty of Trianon, it is understood and agreed between the High Contracting Parties:

(1) That the rights and advantages stipulated in that Treaty for the benefit of the United States, which it is intended the United States shall have and enjoy, are those defined in Parts V, VI, VIII, IX, X, XI, XII, and XIV.

(2) That the United States shall not be bound by the provisions of Part I of that Treaty, nor by any provisions of that Treaty including those mentioned in paragraph (1) of this Article, which relate to the Covenant of the League of Nations, nor shall the United States be bound by any action taken by the League of Nations, or by the Council or by the Assembly thereof, unless the United States shall expressly give its assent to such action.

(3) That the United States assumes no obligations under or with respect to the provisions of Part II, Part III, Part IV and Part XIII of that Treaty.

(4) That, while the United States is privileged to participate in the Reparation Commission, according to the terms of Part VIII of that Treaty, and in any other commission established under the Treaty or under any agreement supplemental thereto, the United States is not bound to participate in any such commission unless it shall elect to do so.

(5) That the periods of time to which reference is made in Article 364 of the Treaty of Trianon shall run, with respect to any act or election on the part of the United States, from the date of the coming into force of the present Treaty.

## ARTICLE III

The present Treaty shall be ratified in accordance with the constitutional forms of the High Contracting Parties and shall take effect immediately on the exchange of ratifications which shall take place as soon as possible at Budapest.

IN WITNESS WHEREOF, the respective plenipotentiaries have signed this Treaty and have hereunto affixed their seals.

Done in duplicate in Budapest, this 29th day of August, 1921.

U. GRANT SMITH [SEAL]  
*Commissioner of the United States to Hungary*

COUNT NICHOLAS BÁNFFY [SEAL]  
*Royal Hungarian Minister for Foreign Affairs*

## RELEVANT PARTS OF TREATY OF TRIANON

## PART V

## MILITARY, NAVAL AND AIR CLAUSES

In order to render possible the initiation of a general limitation of the armaments of all nations, Hungary undertakes strictly to observe the military, naval and air clauses which follow.

## SECTION I

*Military Clauses*

## CHAPTER I

## GENERAL

## ARTICLE 102

Within three months of the coming into force of the present Treaty, the military forces of Hungary shall be demobilised to the extent prescribed hereinafter.

## ARTICLE 103

Universal compulsory military service shall be abolished in Hungary. The Hungarian Army shall in future only be constituted and recruited by means of voluntary enlistment.

## CHAPTER II

## EFFECTIVES AND CADRES OF THE HUNGARIAN ARMY

## ARTICLE 104

The total number of military forces in the Hungarian Army shall not exceed 35,000 men, including officers and depot troops.

Subject to the following limitations, the formations composing the Hungarian Army shall be fixed in accordance with the wishes of Hungary:

(1) The effectives of units must be fixed between the maximum and minimum figures shown in Table IV annexed to this Section.

(2) The proportion of officers, including the personnel of staffs and special services, shall not exceed one-twentieth of the total effectives with the colours, and that of non-commissioned officers shall not exceed one-fifteenth of the total effectives with the colours.

(3) The number of machine guns, guns and howitzers shall not exceed per thousand men of the total effectives with the colours those fixed in Table V annexed to this Section.

The Hungarian Army shall be devoted exclusively to the maintenance of order within the territory of Hungary, and to the control of her frontiers.

#### ARTICLE 105

The maximum strength of the Staffs and of all formations which Hungary may be permitted to raise are given in the Tables annexed to this Section; these figures need not be exactly followed, but must not be exceeded.

All other organisations for the command of troops or for preparation for war are forbidden.

#### ARTICLE 106

All measures of mobilisation, or appertaining to mobilisation, are forbidden.

In no case must formations, administrative services or staffs include supplementary cadres.

The carrying out of any preparatory measures with a view to requisitioning animals or other means of military transport is forbidden.

#### ARTICLE 107

The number of gendarmes, customs officers, foresters, members of the local or municipal police or other like officials may not exceed the number of men employed in a similar capacity in 1913 within the boundaries of Hungary as fixed by the present Treaty. The Principal Allied and Associated Powers may however increase this number should the Commission of Control referred to in Article 137, after examination on the spot, consider it to be insufficient.

The number of these officials shall not be increased in the future except as may be necessary to maintain the same proportion between the number of officials and the total population in the localities or municipalities which employ them.

These officials, as well as officials employed in the railway service, must not be assembled for the purpose of taking part in any military exercises.

#### ARTICLE 108

Every formation of troops not included in the Tables annexed to this Section is forbidden. Such other formations as may exist in excess of the 35,000 effectives authorised shall be suppressed within the period laid down by Article 102.

### CHAPTER III

#### RECRUITING AND MILITARY TRAINING

#### ARTICLE 109

All officers must be regulars (*officers de carrière*). Officers now serving who are retained in the Army must undertake the obligation to serve in it up to the age of 40 years at least. Officers now serving who do not join the new

army will be released from all military obligations; they must not take part in any military exercises, whether theoretical or practical.

Officers newly appointed must undertake to serve on the active list for 20 consecutive years at least.

The number of officers discharged for any reason before the expiration of their term of service must not exceed in any year one twentieth of the total of officers provided for in Article 104. If this proportion is unavoidably exceeded, the resulting shortage must not be made good by fresh appointments.

#### ARTICLE 110

The period of enlistment for non-commissioned officers and privates must be for a total period of not less than 12 consecutive years, including at least 6 years with the colours.

The proportion of men discharged before the expiration of the period of their enlistment for reasons of health or as a result of disciplinary measures or for any other reasons must not in any year exceed one twentieth of the total strength fixed by Article 104. If this proportion is unavoidably exceeded, the resulting shortage must not be made good by fresh enlistments.

#### CHAPTER IV

##### SCHOOLS, EDUCATIONAL ESTABLISHMENTS, MILITARY CLUBS AND SOCIETIES

#### ARTICLE 111

The number of students admitted to attend the courses in military schools shall be strictly in proportion to the vacancies to be filled in the cadres of officers. The students and the cadres shall be included in the effectives fixed by Article 104.

Consequently all military schools not required for this purpose shall be abolished.

#### ARTICLE 112

Educational establishments, other than those referred to in Article 111, as well as all sporting and other clubs, must not occupy themselves with any military matters.

#### CHAPTER V

##### ARMAMENT, MUNITIONS AND MATERIAL

#### ARTICLE 113

On the expiration of three months from the coming into force of the present Treaty, the armament of the Hungarian Army shall not exceed the figures fixed per thousand men in Table V annexed to this Section.

Any excess in relation to effectives shall only be used for such replacements as may eventually be necessary.

#### ARTICLE 114

The stock of munitions at the disposal of the Hungarian Army shall not exceed the amounts fixed in Table V annexed to this Section.

Within three months from the coming into force of the present Treaty the Hungarian Government shall deposit any existing surplus of armament and munitions in such places as shall be notified to it by the Principal Allied and Associated Powers.

No other stock, depot or reserve of munitions shall be formed.

#### ARTICLE 115

The manufacture of arms, munitions and war material shall only be carried on in one single factory, which shall be controlled by and belong to the State, and whose output shall be strictly limited to the manufacture of such arms, munitions and war material as is necessary for the military forces and armaments referred to in Articles 104, 107, 113 and 114. The Principal Allied and Associated Powers may however authorise such manufacture, for such a period as they may think fit, in one or more other factories to be approved by the Commission of Control referred to in Article 137.

The manufacture of sporting weapons is not forbidden, provided that sporting weapons manufactured in Hungary taking ball cartridge are not of the same calibre as that of military weapons used in any European army.

Within three months from the coming into force of the present Treaty, all other establishments for the manufacture, preparation, storage or design of arms, munitions or any other war material shall be closed down or converted to purely commercial uses.

Within the same length of time, all arsenals shall also be closed down, except those to be used as depots for the authorised stocks of munitions, and their staffs discharged.

#### ARTICLE 116

The plant of any establishments or arsenals in excess of the amount required for the manufacture authorised shall be rendered useless or converted to purely commercial purposes in accordance with the decisions of the Military Inter-Allied Commission of Control referred to in Article 137.

#### ARTICLE 117

Within three months from the coming into force of the present Treaty all arms, munitions and war material, including any kind of anti-aircraft material, of whatever origin, existing in Hungary in excess of the quantity authorised shall be handed over to the Principal Allied and Associated Powers.

Delivery shall take place at such points in Hungarian territory as may be appointed by the said Powers, who shall also decide on the disposal of such material.

#### ARTICLE 118

The importation into Hungary of arms, munitions and war material of all kinds is strictly forbidden.

The manufacture for foreign countries and the exportation of arms, munitions and war material shall also be forbidden.

#### ARTICLE 119

The use of flame throwers, asphyxiating, poisonous or other gases, and all similar liquids, materials or devices being prohibited, their manufacture and importation are strictly forbidden in Hungary.

Material specially intended for the manufacture, storage or use of the said products or devices is equally forbidden.

The manufacture and importation into Hungary of armoured cars, tanks or any similar machines suitable for use in war are equally forbidden.

TABLE I—*Composition and Maximum Effectives of an Infantry Division*

Units	Maximum Effectives of each unit	
	Officers	Men
Headquarters of an Infantry Division . . . . .	25	70
Headquarters of Divisional Infantry . . . . .	5	50
Headquarters of Divisional Artillery . . . . .	4	30
3 Regiments of Infantry (on the basis of 65 officers and 2,000 men per regiment) <sup>1</sup> . . . . .	195	6,000
1 Squadron . . . . .	6	160
1 Battalion of Trench Artillery (3 Companies) . . . . .	14	500
1 Battalion of Pioneers <sup>2</sup> . . . . .	14	500
Regiment Field Artillery <sup>3</sup> . . . . .	80	1,200
1 Battalion Cyclists (comprising 3 Companies) . . . . .	18	450
1 Signal Detachment <sup>4</sup> . . . . .	11	330
Divisional medical corps . . . . .	28	550
Divisional parks and trains . . . . .	14	940
<b>Total for an Infantry Division . . . . .</b>	<b>414</b>	<b>10,780</b>

<sup>1</sup> Each Regiment comprises 3 Battalions of Infantry. Each Battalion comprises 3 Companies of Infantry and 1 Machine gun Company.

<sup>2</sup> Each Battalion comprises 1 Headquarters, 2 Pioneer Companies, 1 Bridging Section, 1 Searchlight Section.

<sup>3</sup> Each Regiment comprises 1 Headquarters, 3 Groups of Field or Mountain Artillery, comprising 8 Batteries; each Battery comprising 4 guns or howitzers (field or mountain).

<sup>4</sup> This Detachment comprises 1 Telegraph and Telephone detachment, 1 Listening Section, 1 Carrier Pigeon Section.

TABLE II—*Composition and Maximum Effectives for a Cavalry Division*

Units	Maximum number authorised	Maximum Effectives of each unit	
		Officers	Men
Headquarters of a Cavalry Division . . . . .	1	15	50
Regiment of Cavalry <sup>1</sup> . . . . .	6	30	720
Group of Field Artillery (3 Batteries) . . . . .	1	30	430
Group of motor machine guns and armoured cars <sup>2</sup> . . . . .	1	4	80
Miscellaneous services . . . . .		30	500
Total for a Cavalry Division . . . . .		259	5,380

<sup>1</sup> Each Regiment comprises 4 Squadrons.

<sup>2</sup> Each group comprises 9 fighting cars, each carrying 1 gun, 1 machine gun, and 1 spare machine gun, 4 communication cars, 2 small lorries for stores, 7 lorries, including 1 repair lorry, 4 motor cycles.

NOTE.—The large Cavalry Units may include a variable number of regiments and be divided into independent brigades within the limit of the effectives laid down above.

TABLE III—*Composition and Maximum Effectives for a Mixed Brigade*

Units	Maximum Effectives of each unit	
	Officers	Men
Headquarters of a Brigade . . . . .	10	50
2 Regiments of Infantry <sup>1</sup> . . . . .	130	4,000
1 Cyclist Battalion (3 Companies) . . . . .	18	450
1 Cavalry Squadron . . . . .	5	100
1 Group Field or Mountain Artillery (3 Batteries) . . . . .	20	400
1 Trench Mortar Company . . . . .	5	150
Miscellaneous services . . . . .	10	200
Total for Mixed Brigade . . . . .	198	5,350

<sup>1</sup> Each Regiment comprises 3 Battalions of Infantry. Each Battalion comprises 3 Companies of Infantry and 1 Machine gun Company.

TABLE IV—*Minimum Effectives of Units whatever organisation is adopted in the Army*

[Divisions, Mixed Brigades, etc.]

Units	Maximum Effectives (for reference)		Minimum Effectives	
	Officers	Men	Officers	Men
Infantry Division . . . . .	414	10,780	300	8,000
Cavalry Division . . . . .	259	5,380	180	3,650
Mixed Brigade . . . . .	198	5,350	140	4,250
Regiment of Infantry . . . . .	65	2,000	52	1,600
Battalion of Infantry . . . . .	16	650	12	500
Company of Infantry or Machine Guns . . . . .	3	160	2	120
Cyclist Group . . . . .	18	450	12	300
Regiment of Cavalry . . . . .	30	720	20	450
Squadron of Cavalry . . . . .	6	160	3	100
Regiment of Artillery . . . . .	80	1,200	60	1,000
Battery of Field Artillery . . . . .	4	150	2	120
Company of Trench Mortars . . . . .	3	150	2	100
Battalion of Pioneers . . . . .	14	500	8	300
Battery of Mountain Artillery . . . . .	5	320	3	200

TABLE V—*Maximum Authorised Armaments and Munition Supplies*

Material	Quantity for 1,000 men	Amount of Munitions per arm (rifles, guns, etc.)
Rifles or Carbines <sup>1</sup> .....	1, 150	500 rounds.
Machine guns, heavy or light.....	15	10,000 rounds.
Trench Mortars, light.....	} 2	{ 1,000 rounds.
Trench Mortars, medium.....		
Guns or howitzers (field or mountain).....	3	1,000 rounds.

<sup>1</sup> Automatic rifles or carbines are counted as light machine guns.

N. B.—No heavy gun, *i. e.*, of a calibre greater than 105 mm., is authorised.

## SECTION II

*Naval Clauses*

## ARTICLE 120

From the date of the coming into force of the present Treaty all Austro-Hungarian warships, submarines included, are declared to be finally surrendered to the Principal Allied and Associated Powers.

All the monitors, torpedo boats and armed vessels of the Danube Flotilla will be surrendered to the Principal Allied and Associated Powers.

Hungary will, however, have the right to maintain on the Danube for the use of the river police three patrol boats to be selected by the Commission referred to in Article 138 of the present Treaty. The Principal Allied and Associated Powers may increase this number should the said Commission, after examination on the spot, consider it to be insufficient.

## ARTICLE 121

The Austro-Hungarian auxiliary cruisers and fleet auxiliaries enumerated below will be disarmed and treated as merchant ships:

<i>Bosnia</i>	<i>Gastein</i>
<i>Gablonz</i>	<i>Helouan</i>
<i>Carolina</i>	<i>Graf Wurmbbrand</i>
<i>Lussin</i>	<i>Pelikan</i>
<i>Teodo</i>	<i>Herkules</i>
<i>Nixe</i>	<i>Pola</i>
<i>Gigante</i>	<i>Najade</i>
<i>Africa</i>	<i>Baron Bruck</i>
<i>Tirol</i>	<i>Elizabet</i>
<i>Argentina</i>	<i>Metcavich</i>
<i>Pluto</i>	<i>Baron Call</i>
<i>President Wilson (ex Kaiser Franz Joseph)</i>	<i>Gaea</i>
<i>Trieste</i>	<i>Cyclop</i>
<i>Dalmat</i>	<i>Vesta</i>
<i>Persia</i>	<i>Nymphé</i>
<i>Prince Hohenlohe</i>	<i>Buffel</i>

## ARTICLE 122

All warships, including submarines, now under construction in Hungarian ports, or in ports which previously belonged to the Austro-Hungarian Monarchy, shall be broken up.

The work of breaking up these vessels will be commenced as soon as possible after the coming into force of the present treaty.

The mine-layer tenders under construction at Porto-re may, however, be preserved if the Naval Inter-Allied Commission of Control and the Reparation Commission consider that for economic reasons their employment for commercial purposes is desirable. In that event the vessels will be handed over to the Reparation Commission, which will assess their value, and will credit such value, in whole or in part, to Hungary, or as the case may require to Austria, on the reparation account.

#### ARTICLE 123

Articles, machinery and material arising from the breaking up of Austro-Hungarian warships of all kinds, whether surface vessels or submarines, may not be used except for purely industrial or commercial purposes.

They may not be sold or disposed of to foreign countries.

#### ARTICLE 124

The construction or acquisition of any submarine, even for commercial purposes, shall be forbidden in Hungary.

#### ARTICLE 125

All arms, ammunition and other naval war material, including mines and torpedoes, which belonged to Austria-Hungary at the date of the signature of the Armistice of November 3, 1918, are declared to be finally surrendered to the Principal Allied and Associated Powers.

#### ARTICLE 126

Hungary is held responsible for the delivery (Articles 120 and 125), the disarmament (Article 121), the demolition (Article 122), as well as the disposal (Article 121) and the use (Article 123) of the objects mentioned in the preceding Articles only so far as these remain in her own territory.

#### ARTICLE 127

During the three months following the coming into force of the present Treaty, the Hungarian high-power wireless telegraphy station at Budapest shall not be used for the transmission of messages concerning naval, military or political questions of interest to Hungary, or any State which has been allied to Austria-Hungary in the war, without the assent of the Principal Allied and Associated Powers. This station may be used for commercial purposes, but only under the supervision of the said Powers, who will decide the wave-length to be used.

During the same period Hungary shall not build any more high-power

wireless telegraphy stations in her own territory or that of Austria, Germany, Bulgaria or Turkey.

## SECTION III

*Air Clauses*

## ARTICLE 128

The armed forces of Hungary must not include any military or naval air forces.

No dirigible shall be kept.

## ARTICLE 129

Within two months from the coming into force of the present Treaty, the personnel of the air forces on the rolls of the Hungarian land and sea forces shall be demobilised.

## ARTICLE 130

Until the complete evacuation of Hungarian territory by the Allied and Associated troops the aircraft of the Allied and Associated Powers shall enjoy in Hungary freedom of passage through the air, freedom of transit and of landing.

## ARTICLE 131

During the six months following the coming into force of the present Treaty, the manufacture, importation and exportation of aircraft, parts of aircraft, engines for aircraft, and parts of engines for aircraft shall be forbidden in all Hungarian territory.

## ARTICLE 132

On the coming into force of the present Treaty, all military and naval aeronautical material must be delivered by Hungary and at her expense to the Principal Allied and Associated Powers.

Delivery must be effected at such places as the Governments of the said Powers may select, and must be completed within three months.

In particular, this material will include all items under the following heads which are or have been in use or were designed for warlike purposes:

Complete aeroplanes and seaplanes, as well as those being manufactured, repaired or assembled.

Dirigibles able to take the air, being manufactured, repaired or assembled.

Plant for the manufacture of hydrogen.

Dirigible sheds and shelters of every kind for aircraft.

Pending their delivery, dirigibles will, at the expense of Hungary, be maintained inflated with hydrogen; the plant for the manufacture of hydrogen, as

well as the sheds for dirigibles, may, at the discretion of the said Powers, be left to Hungary until the time when the dirigibles are handed over.

Engines for aircraft.

Nacelles and fuselages.

Armament (guns, machine guns, light machine guns, bomb-dropping apparatus, torpedo apparatus, synchronisation apparatus, aiming apparatus).

Munitions (cartridges, shells, bombs loaded or unloaded, stocks of explosives or of material for their manufacture).

Instruments for use on aircraft.

Wireless apparatus and photographic or cinematograph apparatus for use on aircraft.

Component parts of any of the items under the preceding heads.

The material referred to above shall not be removed without special permission from the said Governments.

#### SECTION IV

#### *Inter-Allied Commissions of Control*

##### ARTICLE 133

All the Military, Naval and Air Clauses contained in the present Treaty for the execution of which a time limit is prescribed shall be executed by Hungary under the control of Inter-Allied Commissions specially appointed for this purpose by the Principal Allied and Associated Powers.

The above-mentioned Commissions will represent the Principal Allied and Associated Powers in dealing with the Hungarian Government in all matters concerning the execution of the Military, Naval and Air Clauses. They will communicate to the Hungarian authorities the decisions which the Principal Allied and Associated Powers have reserved the right to take or which the execution of the said Clauses may necessitate.

##### ARTICLE 134

The Inter-Allied Commissions of Control may establish their organisations at Budapest and shall be entitled, as often as they think desirable, to proceed to any point whatever in Hungarian territory, or to send a sub-commission, or to authorise one or more of their members to go, to any such point.

##### ARTICLE 135

The Hungarian Government must furnish to the Inter-Allied Commissions of Control all such information and documents as the latter may deem necessary to ensure the execution of their mission, and all means (both in personnel and in material) which the above-mentioned Commissions may need to ensure the complete execution of the Military, Naval or Air Clauses.

The Hungarian Government must attach a qualified representative to each Inter-Allied Commission of Control with the duty of receiving from the latter any communications which it may have to address to the Hungarian Government, and furnishing it with, or procuring, all information or documents demanded.

#### ARTICLE 136

The upkeep and cost of the Commissions of Control and the expense involved by their work shall be borne by Hungary.

#### ARTICLE 137

It will be the special duty of the Military Inter-Allied Commission of Control to receive from the Hungarian Government the notifications relating to the location of the stocks and depots of munitions, and the location of the works or factories for the production of arms, munitions and war material and their operations.

It will take delivery of the arms, munitions, war material and plant intended for war construction, will select the points where such delivery is to be effected, and will supervise the works of destruction, and rendering things useless, or of transformation of material, which are to be carried out in accordance with the present Treaty.

#### ARTICLE 138

It will be the special duty of the Naval Inter-Allied Commission of Control to proceed to the building yards and to supervise the breaking-up of the ships which are under construction there, to take delivery of arms, munitions, and naval war material, and to supervise the destruction and breaking-up provided for.

The Hungarian Government must furnish to the Naval Inter-Allied Commission of Control all such information and documents as the Commission may deem necessary to ensure the complete execution of the Naval Clauses, in particular the designs of the warships, the composition of their armaments, the details and models of the guns, munitions, torpedoes, mines, explosives, wireless telegraphic apparatus, and in general everything relating to naval war material, as well as all legislative or administrative documents or regulations.

#### ARTICLE 139

It will be the special duty of the Aeronautical Inter-Allied Commission of Control to make an inventory of the aeronautical material which is actually in the possession of the Hungarian Government, to inspect aeroplane, balloon and motor manufactories, and factories producing arms, munitions and explosives capable of being used by aircraft, to visit all aerodromes, sheds, landing grounds, parks and depots which are now in Hungarian territory,

and to authorise where necessary a removal of material and to take delivery of such material.

The Hungarian Government must furnish to the Aeronautical Inter-Allied Commission of Control all such information and legislative, administrative or other documents which the Commission may consider necessary to ensure the complete execution of the Air Clauses, and, in particular, a list of the personnel belonging to all the air services of Hungary and of the existing material, as well as of that in process of manufacture or on order, and a list of all establishments working for aviation, of their positions, and of all sheds and landing grounds.

#### SECTION V

#### *General Articles*

#### ARTICLE 140

After the expiration of a period of three months from the coming into force of the present Treaty, the Hungarian laws must have been modified and shall be maintained by the Hungarian Government in conformity with this Part of the present Treaty.

Within the same period all the administrative or other measures relating to the execution of this Part must have been taken by the Hungarian Government.

#### ARTICLE 141

The following portions of the Armistice of November 3, 1918: paragraphs 2 and 3 of Chapter I (Military Clauses), paragraphs 2, 3, 6 of Chapter I of the annexed Protocol (Military Clauses), remain in force so far as they are not inconsistent with the above stipulations.

#### ARTICLE 142

Hungary undertakes, from the coming into force of the present Treaty, not to accredit nor to send to any foreign country any military, naval or air mission, nor to allow any such mission to leave her territory; Hungary further agrees to take the necessary measures to prevent Hungarian nationals from leaving her territory to enlist in the Army, Navy or Air service of any foreign Power, or to be attached to such Army, Navy or Air service for the purposes of assisting in the military, naval or air training thereof, or generally for the purpose of giving military, naval or air instruction in any foreign country.

The Allied and Associated Powers undertake, so far as they are concerned, that from the coming into force of the present Treaty they will not enrol in nor attach to their armies or naval or air forces any Hungarian national for the purpose of assisting in the military training of such armies or naval or air forces, or otherwise employ any such Hungarian national as military, naval or aeronautic instructor.

The present provision does not, however, affect the right of France to recruit for the Foreign Legion in accordance with French military laws and regulations.

ARTICLE 143

So long as the present Treaty remains in force, Hungary undertakes to submit to any investigation which the Council of the League of Nations, acting if need be by a majority vote, may consider necessary.

PART VI

PRISONERS OF WAR AND GRAVES

SECTION I

*Prisoners of War*

ARTICLE 144

The repatriation of Hungarian prisoners of war and interned civilians shall take place as soon as possible after the coming into force of the present Treaty, and shall be carried out with the greatest rapidity.

ARTICLE 145

The repatriation of Hungarian prisoners of war and interned civilians shall, in accordance with Article 144, be carried out by a Commission composed of representatives of the Allied and Associated Powers on the one part and of the Hungarian Government on the other part.

For each of the Allied and Associated Powers a Sub-Commission composed exclusively of representatives of the interested Power and of delegates of the Hungarian Government shall regulate the details of carrying into effect the repatriation of prisoners of war.

ARTICLE 146

From the time of their delivery into the hands of the Hungarian authorities, the prisoners of war and interned civilians are to be returned without delay to their homes by the said authorities.

Those among them who before the war were habitually resident in territory occupied by the troops of the Allied and Associated Powers are likewise to be sent to their homes, subject to the consent and control of the military authorities of the Allied and Associated armies of occupation.

ARTICLE 147

The whole cost of repatriation from the moment of starting shall be borne by the Hungarian Government, who shall also provide means of transport

and working personnel as considered necessary by the Commission referred to in Article 145.

#### ARTICLE 148

Prisoners of war and interned civilians awaiting disposal or undergoing sentence for offences against discipline shall be repatriated irrespective of the completion of their sentence or of the proceedings pending against them.

This stipulation shall not apply to prisoners of war and interned civilians punished for offences committed subsequent to January 1, 1920.

During the period pending their repatriation, all prisoners of war and interned civilians shall remain subject to the existing regulations, more especially as regards work and discipline.

#### ARTICLE 149

Prisoners of war and interned civilians who are awaiting trial or undergoing sentence for offences other than those against discipline may be detained.

#### ARTICLE 150

The Hungarian Government undertakes to admit to its territory without distinction all persons liable to repatriation.

Prisoners of war or other Hungarian nationals who do not desire to be repatriated may be excluded from repatriation; but the Allied and Associated Governments reserve to themselves the right either to repatriate them or to take them to a neutral country or to allow them to reside in their own territories.

The Hungarian Government undertakes not to institute any exceptional proceedings against these persons or their families nor to take any repressive or vexatious measures of any kind whatsoever against them on this account.

#### ARTICLE 151

The Allied and Associated Governments reserve the right to make the repatriation of Hungarian prisoners of war or Hungarian nationals in their hands conditional upon the immediate notification and release by the Hungarian Government of any prisoners of war and other nationals of the Allied and Associated Powers who are still held in Hungary against their will.

#### ARTICLE 152

The Hungarian Government undertakes:

(1) to give every facility to Commissions to enquire into the cases of those who cannot be traced; to furnish such Commissions with all necessary means of transport; to allow them access to camps, prisons, hospitals and all other places; and to place at their disposal all documents whether public or private which would facilitate their enquiries;

(2) to impose penalties upon any Hungarian officials or private persons who have concealed the presence of any nationals of any of the Allied or Associated Powers, or who have neglected to reveal the presence of any such after it had come to their knowledge.

#### ARTICLE 153

The Hungarian Government undertakes to restore without delay from the date of the coming into force of the present Treaty all articles, money, securities and documents which have belonged to nationals of the Allied and Associated Powers and which have been retained by the Hungarian authorities.

#### ARTICLE 154

The High Contracting Parties waive reciprocally all repayment of sums due for the maintenance of prisoners of war in their respective territories.

#### SECTION II

##### *Graves*

#### ARTICLE 155

The Allied and Associated Governments and the Hungarian Government will cause to be respected and maintained the graves of the soldiers and sailors buried in their respective territories.

They agree to recognise any Commission appointed by the several Governments for the purpose of identifying, registering, caring for or erecting suitable memorials over the said graves, and to facilitate the discharge of its duties.

Furthermore, they agree to afford, so far as the provisions of their laws and the requirements of public health allow, every facility for giving effect to requests that the bodies of their soldiers and sailors may be transferred to their own country.

#### ARTICLE 156

The graves of prisoners of war and interned civilians who are nationals of the different belligerent States and have died in captivity shall be properly maintained in accordance with Article 155 of the present Treaty.

The Allied and Associated Governments on the one part and the Hungarian Government on the other part reciprocally undertake also to furnish to each other:

(1) a complete list of those who have died, together with all information useful for identification;

(2) all information as to the number and positions of the graves of all those who have been buried without identification.

. . . . .

PART VIII  
REPARATION

SECTION I

*General Provisions*

ARTICLE 161

The Allied and Associated Governments affirm and Hungary accepts the responsibility of Hungary and her allies for causing the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Austria-Hungary and her allies.

ARTICLE 162

The Allied and Associated Governments recognise that the resources of Hungary are not adequate, after taking into account the permanent diminutions of such resources which will result from other provisions of the present Treaty, to make complete reparation for such loss and damage.

The Allied and Associated Governments, however, require, and Hungary undertakes, that she will make compensation as hereinafter determined for damage done to the civilian population of the Allied and Associated Powers and to their property during the period of the belligerency of each as an Allied and Associated Power against Hungary by the said aggression by land, by sea and from the air, and in general all damage as defined in Annex I hereto.

ARTICLE 163

The amount of such damage for which compensation is to be made by Hungary shall be determined by an Inter-Allied Commission to be called the *Reparation Commission* and constituted in the form and with the powers set forth in the present Treaty, particularly in Annexes II–V inclusive hereto. The Commission is the same as that provided for under Article 233 of the Treaty with Germany,<sup>8</sup> subject to any modifications resulting from the present Treaty. The Commission shall constitute a Section to consider the special questions raised by the application of the present Treaty; this Section shall have consultative power only, except in cases in which the Commission shall delegate to it such powers as may be deemed convenient.

The Reparation Commission shall consider the claims and give to the Hungarian Government a just opportunity to be heard.

The Commission shall concurrently draw up a schedule of payments

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<sup>8</sup> For treaty of peace with Germany signed at Versailles June 28, 1919, see *ante*, vol. 2, p. 43.

prescribing the time and manner for securing and discharging by Hungary, within thirty years dating from May 1, 1921, that part of the debt which shall have been assigned to her after the Commission has decided whether Germany is in a position to pay the balance of the total amount of claims presented against Germany and her allies and approved by the Commission. If, however, within the period mentioned, Hungary fails to discharge her obligations, any balance remaining unpaid may, within the discretion of the Commission, be postponed for settlement in subsequent years or may be handled otherwise in such manner as the Allied and Associated Governments acting in accordance with the procedure laid down in this Part of the present Treaty shall determine.

#### ARTICLE 164

The Reparation Commission shall, after May 1, 1921, from time to time consider the resources and capacity of Hungary, and, after giving her representatives a just opportunity to be heard, shall have discretion to extend the date and to modify the form of payments such as are to be provided for in accordance with Article 163, but not to cancel any part except with the specific authority of the several Governments represented on the Commission.

#### ARTICLE 165

Hungary shall pay in the course of the year 1920 and the first four months of 1921, in such installments and in such manner (whether in gold, commodities, ships, securities or otherwise) as the Reparation Commission may lay down, a reasonable sum which shall be determined by the Commission. Out of this sum the expenses of the armies of occupation subsequent to the Armistice of November 3, 1918, provided for by Article 181, shall first be met, and such supplies of food and raw materials as may be judged by the Governments of the Principal Allied and Associated Powers essential to enable Hungary to meet her obligations for reparation may also, with the approval of the said Governments, be paid for out of the above sum. The balance shall be reckoned towards the liquidation of the amount due for reparation. Hungary shall further deposit bonds as prescribed in paragraph 12 (c) of Annex II hereto.

#### ARTICLE 166

Hungary further agrees to the direct application of her economic resources to reparation as specified in Annexes III, IV and V relating respectively to merchant shipping, to physical restoration and to raw material; provided always that the value of the property transferred and any services rendered by her under these Annexes, assessed in the manner therein prescribed, shall be credited to her towards the liquidation of her obligations under the above Articles.

## ARTICLE 167

The successive instalments, including the above sum, paid over by Hungary in satisfaction of the above claims will be divided by the Allied and Associated Governments in proportions which have been determined upon by them in advance on a basis of general equity and the rights of each.

For the purposes of this division the value of the credits referred to in Article 173 and in Annexes III, IV and V shall be reckoned in the same manner as cash payments made in the same year.

## ARTICLE 168

In addition to the payments mentioned above, Hungary shall effect, in accordance with the procedure laid down by the Reparation Commission, restitution in cash of cash taken away, seized or sequestered, and also restitution of animals, objects of every nature and securities taken away, seized or sequestered in the cases in which it proves possible to identify them on territory belonging to, or during the execution of the present Treaty in the possession of, Hungary or her allies.

## ARTICLE 169

The Hungarian Government undertakes to make forthwith the restitution contemplated in Article 168 and to make the payments and deliveries contemplated in Articles 163, 164, 165 and 166.

## ARTICLE 170

The Hungarian Government recognises the Commission provided for by Article 163 as the same may be constituted by the Allied and Associated Governments in accordance with Annex II, and agrees irrevocably to the possession and exercise by such Commission of the power and authority given to it under the present Treaty.

The Hungarian Government will supply to the Commission all the information which the Commission may require relative to the financial situation and operations and to the property, productive capacity and stocks, and current production of raw materials and manufactured articles of Hungary and her nationals, and further, any information relative to the military operations of the war of 1914–1919 which, in the judgment of the Commission, may be necessary.

The Hungarian Government shall accord to the members of the Commission and its authorised agents the same rights and immunities as are enjoyed in Hungary by duly accredited diplomatic agents of friendly Powers.

Hungary further agrees to provide for the salaries and the expenses of the Commission and of such staff as it may employ.

## ARTICLE 171

Hungary undertakes to pass, issue and maintain in force any legislation, orders and decrees that may be necessary to give complete effect to these provisions.

## ARTICLE 172

The provisions in this Part of the present Treaty shall not affect in any respect the provisions of Sections III and IV of Part X (Economic Clauses) of the present Treaty.

## ARTICLE 173

The following shall be reckoned as credits to Hungary in respect of her reparation obligations:

- (a) any final balance in favour of Hungary under Sections III and IV of Part X (Economic Clauses) of the present Treaty;
- (b) amounts due to Hungary in respect of transfers provided for in Part IX (Financial Clauses) and in Part XII (Ports, Waterways and Railways);
- (c) all amounts which, in the judgment of the Reparation Commission, should be credited to Hungary on account of any other transfers under the present Treaty of property, rights, concessions or other interests.

In no case, however, shall credit be given for property restored in accordance with Article 168.

## ARTICLE 174

The transfer of the Hungarian submarine cables, in the absence of any special provision in the present Treaty, is regulated by Annex VI hereto.

## ANNEX I

Compensation may be claimed from Hungary in accordance with Article 162 above in respect of the total damage under the following categories:

- (1) Damage to injured persons and to surviving dependants by personal injury to or death of civilians caused by acts of war, including bombardment or other attacks on land, on sea or from the air, and of the direct consequences thereof and of all operations of war by the two groups of belligerents wherever arising.
- (2) Damage caused by Hungary or her allies to civilian victims of acts of cruelty, violence or maltreatment (including injuries to life or health as a consequence of imprisonment, deportation, internment or evacuation, of exposure at sea, or of being forced to labour) wherever arising, and to the surviving dependants of such victims.
- (3) Damage caused by Hungary or her allies in their own territory or in occupied or invaded territory to civilian victims of all acts injurious to health

or capacity to work or to honour, as well as to the surviving dependants of such victims.

(4) Damage caused by any kind of maltreatment of prisoners of war.

(5) As damage caused to the peoples of the Allied and Associated Powers, all pensions or compensations in the way of pensions to naval and military victims of war, including members of the air force, whether mutilated, wounded, sick or invalided, and to the dependants of such victims, the amount due to the Allied and Associated Governments being calculated for each of them as being the capitalised cost of such pensions and compensations at the date of the coming into force of the present Treaty on the basis of the scales in force in France on May 1, 1919.

(6) The cost of assistance by the Governments of the Allied and Associated Powers to prisoners of war, to their families and dependants.

(7) Allowances by the Governments of the Allied and Associated Powers to the families and dependants of mobilised persons or persons serving with the forces, the amount due to them for each calendar year in which hostilities occurred being calculated for each Government on the basis of the average scale for such payments in force in France during that year.

(8) Damage caused to civilians by being forced by Hungary or her allies to labour without just remuneration.

(9) Damage in respect of all property, wherever situated, belonging to any of the Allied or Associated States or their nationals, with the exception of naval or military works or materials, which has been carried off, seized, injured or destroyed by the acts of Hungary or her allies on land, on sea or from the air, or damage directly in consequence of hostilities or of any operations of war.

(10) Damage in the form of levies, fines and other similiar exactions imposed by Hungary or her allies upon the civilian population.

## ANNEX II

### 1

The Commission referred to in Article 163 shall be called the "Reparation Commission" and is hereafter referred to as "the Commission."

### 2

The Delegates to this Commission shall be appointed by the United States of America, Great Britain, France, Italy, Japan, Belgium, Greece, Poland, Roumania, the Serb-Croat-Slovene State and Czecho-Slovakia. The United States of America, Great Britain, France, Italy, Japan and Belgium shall each appoint a Delegate. The other five Powers shall appoint a Delegate to represent them all under the conditions indicated in the second subparagraph of paragraph 3 hereafter. At the time when each Delegate is appointed there shall also be appointed an Assistant Delegate, who will take his place

in case of illness or necessary absence, but at other times will only have the right to be present at the proceedings without taking any part therein.

On no occasion shall Delegates of more than five of the above Powers have the right to take part in the proceedings of the Commission and to record their votes. The Delegates of the United States, Great Britain, France and Italy shall have this right on all occasions. The Delegate of Belgium shall have this right on all occasions other than those referred to below. The Delegate of Japan will have this right when questions relating to damage at sea are under consideration. The Delegate representing the five remaining Powers mentioned above shall have this right when questions relating to Austria, Hungary or Bulgaria are under consideration.

Each of the Governments represented on the Commission shall have the right to withdraw after giving twelve months' notice to the Commission and confirming it six months after the date of the original notification.

## 3

Such of the Allied and Associated Powers as may be interested shall have the right to name a Delegate to be present and act as assessor only while their respective claims and interests are under examination or discussion, but without the right to vote.

The Section to be established by the Commission under Article 163 shall include representatives of the following Powers: the United States of America, Great Britain, France, Italy, Greece, Poland, Roumania, the Serb-Croat-Slovene State and Czecho-Slovakia. This composition of the Section shall in no way prejudice the admissibility of any claims. In voting the representatives of the United States of America, Great Britain, France and Italy shall each have two votes.

The representatives of the five remaining Powers mentioned above shall appoint a Delegate to represent them all, who shall sit on the Reparation Commission in the circumstances described in paragraph 2 of the present Annex. This Delegate, who shall be appointed for one year, shall be chosen successively from the nationals of each of the said five Powers.

## 4

In case of death, resignation or recall of any Delegate, Assistant Delegate or Assessor, a successor to him shall be nominated as soon as possible.

## 5

The Commission shall have its principal permanent bureau in Paris, and shall hold its first meeting in Paris as soon as practicable after the coming into force of the present Treaty, and thereafter will meet in such place or places and at such time as may be deemed convenient and as may be necessary for the most expeditious discharge of its duties.

## 6

At its first meeting the Commission shall elect from among the Delegates referred to above a Chairman and a Vice-Chairman, who shall hold office for a year and shall be eligible for re-election. If a vacancy in the chairmanship or vice-chairmanship should occur during the annual period, the Commission shall proceed to a new election for the remainder of the said period.

## 7

The Commission is authorised to appoint all necessary officers, agents and employees who may be required for the execution of its functions, and to fix their remuneration; to constitute the Sections or Committees, whose members need not necessarily be members of the Commission, and to take all executive steps necessary for the purpose of discharging its duties; and to delegate authority and discretion to officers, agents, Sections and Committees.

## 8

All the proceedings of the Commission shall be private unless on particular occasions the Commission shall otherwise determine for special reasons.

## 9

The Commission shall be required, if the Hungarian Government so desire, to hear within a period which it will fix from time to time evidence and arguments on the part of Hungary on any questions connected with her capacity to pay.

## 10

The Commission shall consider the claims and give to the Hungarian Government a just opportunity to be heard, but not to take any part whatever in the decisions of the Commission. The Commission shall afford a similar opportunity to the allies of Hungary when it shall consider that their interests are in question.

## 11

The Commission shall not be bound by any particular code or rules of law or by any particular rule of evidence or of procedure, but shall be guided by justice, equity and good faith. Its decisions must follow the same principles and rules in all cases where they are applicable. It will establish rules relating to methods of proof of claims. It may act on any trustworthy modes of computation.

## 12

The Commission shall have all the powers conferred upon it and shall exercise all the functions assigned to it by the present Treaty.

The Commission shall, in general, have wide latitude as to its control and handling of the whole reparation problem as dealt with in this Part, and shall have authority to interpret its provisions. Subject to the provisions of the present Treaty, the Commission is constituted by the several Allied and Associated Governments referred to in paragraphs 2 and 3 above as the exclusive agency of the said Governments respectively for receiving, selling, holding and distributing the reparation payments to be made by Hungary under this Part of the present Treaty. The Commission must comply with the following conditions and provisions:

(a) Whatever part of the full amount of the proved claims is not paid in gold or in ships, securities, commodities or otherwise, Hungary shall be required, under such conditions as the Commission may determine, to cover by way of guarantee by an equivalent issue of bonds, obligations or otherwise, in order to constitute an acknowledgment of the said part of the debt.

(b) In periodically estimating Hungary's capacity to pay, the Commission shall examine the Hungarian system of taxation, first, to the end that the sums for reparation which Hungary is required to pay shall become a charge upon all her revenues prior to that for the service or discharge of any domestic loan, and, secondly, so as to satisfy itself that in general the Hungarian scheme of taxation is fully as heavy proportionately as that of any of the Powers represented on the Commission.

The Reparation Commission shall receive instructions to take account of: (1) the actual economic and financial position of Hungarian territory as delimited by the present Treaty, and (2) the diminution of its resources and of its capacity for payment resulting from the clauses of the present Treaty. As long as the position of Hungary is not modified the Commission shall take account of these considerations in fixing the final amount of the obligations to be imposed on Hungary, the payments by which these are to be discharged, and any postponement of payment of interest which may be asked for by Hungary.

(c) The Commission shall, as provided in Article 165, take from Hungary, by way of security for and acknowledgment of her debt, gold bearer bonds free of all taxes or charges of every description established or to be established by the Hungarian Government or by any authorities subject to it. These bonds will be delivered at any time that may be judged expedient by the Commission, and in three portions, of which the respective amounts will be also fixed by the Commission (the crowns gold being payable in conformity with Article 197, Part IX (Financial Clauses) of the present Treaty):

(1) A first issue in bearer bonds payable not later than May 1, 1921, without interest. There shall be specially applied to the amortisation of these bonds the payments which Hungary is pledged to make in conformity with Article 165, after deduction of the sums used for the reimbursement

of the expenses of the armies of occupation and other payments for food-stuffs and raw materials. Such bonds as may not have been redeemed by May 1, 1921, shall then be exchanged for new bonds of the same type as those provided for below (paragraph 12, (c) 2).

(2) A second issue in bearer bonds bearing interest at 2½ per cent. between 1921 and 1926, and thereafter at 5 per cent. with an additional 1 per cent. for amortisation beginning in 1926 on the whole amount of the issue.

(3) An undertaking in writing to issue, when, but not until, the Commission is satisfied that Hungary can meet the interest and sinking fund obligations, a further instalment of bearer bonds bearing interest at 5 per cent., the time and mode of payment of principal and interest to be determined by the Commission.

The dates for the payment of interest, the manner of employing the amortisation fund and all other questions relating to the issue, management and regulation of the bond issue shall be determined by the Commission from time to time.

Further issues by way of acknowledgment and security may be required as the Commission subsequently determines from time to time.

In case the Reparation Commission should proceed to fix definitely and no longer provisionally the sum of the common charges to be borne by Hungary as a result of the claims of the Allied and Associated Powers, the Commission shall immediately annul all bonds which may have been issued in excess of this sum.

(d) In the event of bonds, obligations or other evidence of indebtedness issued by Hungary by way of security for or acknowledgment of her reparation debt being disposed of outright, not by way of pledge, to persons other than the several Governments in whose favour Hungary's original indebtedness was created, an amount of such reparation indebtedness shall be deemed to be extinguished corresponding to the nominal value of the bonds, etc., so disposed of outright, and the obligation of Hungary in respect of such bonds shall be confined to her liabilities to the holders of the bonds, as expressed upon their face.

(e) The damage for repairing, reconstructing and re-building property situated in the invaded and devastated districts, including re-installation of furniture, machinery and other equipment, will be calculated according to the cost at the date when the work is done.

(f) Decisions of the Commission relating to the total or partial cancellation of the capital or interest of any of the verified debt of Hungary must be accompanied by a statement of its reasons.

### 13

As to voting the Commission will observe the following rules:

When a decision of the Commission is taken, the votes of all the Delegates

entitled to vote, or in the absence of any of them, of their assistant Delegates, shall be recorded. Abstention from voting is to be treated as a vote against the proposal under discussion. Assessors shall have no vote.

On the following questions unanimity is necessary.

(a) Questions involving the sovereignty of any of the Allied and Associated Powers, or the cancellation of the whole or any part of the debt or obligations of Hungary;

(b) Questions of determining the amount and conditions of bonds or other obligations to be issued by the Hungarian Government and of fixing the time and manner for selling, negotiating or distributing such bonds;

(c) Any postponement, total or partial, beyond the end of 1930, of the payment of instalments falling due between May 1, 1921, and the end of 1926 inclusive;

(d) Any postponement, total or partial, of any instalments falling due after 1926 for a period exceeding three years;

(e) Questions of applying in any particular case a method of measuring damages different from that which has been previously applied in a similar case;

(f) Questions of the interpretation of the provisions of this Part of the present Treaty.

All other questions shall be decided by the vote of the majority.

In the case of any difference of opinion among the Delegates, which cannot be solved by reference to their Governments, upon the question whether a given case is one which requires a unanimous vote for its decision or not, such difference shall be referred to the immediate arbitration of some impartial person to be agreed upon by their Governments, whose award the Allied and Associated Governments agree to accept.

14

Decisions of the Commission, in accordance with the powers conferred upon it, shall forthwith become binding and may be put into immediate execution without further proceedings.

15

The Commission shall issue to each of the interested Powers in such form as the Commission shall fix:

(1) a certificate stating that it holds for the account of the said Power bonds of the issues mentioned above, the said certificate on the demand of the Power concerned being divisible into a number of parts not exceeding five;

(2) from time to time certificates stating the goods delivered by Hungary

on account of her reparation debt which it holds for the account of the said Power.

Such certificates shall be registered and, upon notice to the Commission, may be transferred by endorsement.

When bonds are issued for sale or negotiation, and when goods are delivered by the Commission, certificates to an equivalent value must be withdrawn.

## 16

Interest shall be debited to Hungary as from May 1, 1921, in respect of her debt as determined by the Commission, after allowing for sums already covered by cash payments or their equivalent by bonds issued to the Commission or under Article 173.

The rate of interest shall be 5 per cent. unless the Commission shall determine at some future time that circumstances justify a variation of this rate.

The Commission, in fixing on May 1, 1921, the total amount of the debt of Hungary, may take account of interest due on sums arising out of reparation and of material damage as from November 11, 1918, or any later date that may be fixed by the Commission, up to May 1, 1921.

## 17

In case of default by Hungary in the performance of any obligation under this Part of the present Treaty, the Commission will forthwith give notice of such default to each of the interested Powers and may make such recommendations as to the action to be taken in consequence of such default as it may think necessary.

## 18

The measures which the Allied and Associated Powers shall have the right to take, in the case of voluntary default by Hungary, and which Hungary agrees not to regard as acts of war, may include economic and financial prohibitions and reprisals, and in general such other measures as the respective Governments may determine to be necessary in the circumstances.

## 19

Payments required to be made in gold or its equivalent on account of the proved claims of the Allied and Associated Powers may at any time be accepted by the Commission in the form of chattels, properties, commodities, businesses, rights, concessions within or without Hungarian territory, ships, bonds, shares or securities of any kind or currencies of Hungary or other States, the value of such substitutes for gold being fixed at a fair and just amount by the Commission itself.

## 20

The Commission in fixing or accepting payment in specified properties or rights shall have due regard for any legal or equitable interests of the Allied and Associated Powers or of neutral Powers or of their nationals therein.

## 21

No member of the Commission shall be responsible, except to the Government appointing him, for any action or omission as such member. No one of the Allied and Associated Governments assumes any responsibility in respect of any other Government.

## 22

Subject to the provisions of the present Treaty this Annex may be amended by the unanimous decision of the Governments, represented from time to time upon the Commission.

## 23

When all the amounts due from Hungary and her allies under the present Treaty or the decisions of the Commission have been discharged, and all sums received, or their equivalents, have been distributed to the Powers interested, the Commission shall be dissolved.

## ANNEX III

## 1

Hungary recognises the right of the Allied and Associated Powers to the replacement ton for ton (gross tonnage) and class for class of all merchant ships and fishing boats lost or damaged owing to the war.

Nevertheless and in spite of the fact that the tonnage of Hungarian shipping at present in existence is much less than that lost by the Allied and Associated Powers in consequence of the aggression of Austria-Hungary and her allies, the right thus recognised will be enforced on the Hungarian ships and boats under the following conditions:

The Hungarian Government on behalf of themselves, and so as to bind all other persons interested, cede to the Allied and Associated Governments the property in all merchant ships and fishing boats belonging to nationals of the former Kingdom of Hungary.

## 2

The Hungarian Government will, within two months of the coming into force of the present Treaty, deliver to the Reparation Commission all the ships and boats mentioned in paragraph 1.

## 3

The ships and boats in paragraph 1 include all ships and boats which (a) fly or may be entitled to fly the Austro-Hungarian merchant flag and are registered in a port of the former Kingdom of Hungary, or (b) are owned by any national, company or corporation of the former Kingdom of Hungary, or by any company or corporation belonging to a country other than an Allied or Associated country and under the control or direction of nationals of the former Kingdom of Hungary, or (c) are now under construction (1) in the former Kingdom of Hungary, (2) in other than Allied or Associated countries for the account of any national, company or corporation of the former Kingdom of Hungary.

## 4

For the purpose of providing documents of title for the ships and boats to be handed over as above mentioned, the Hungarian Government will:

(a) deliver to the Reparation Commission in respect of each vessel a bill of sale or other document of title evidencing the transfer to the Commission of the entire property in the vessel, free from all encumbrances, charges and liens of all kinds, as the Commission may require;

(b) take all measures that may be indicated by the Reparation Commission for ensuring that the ships themselves shall be placed at its disposal.

## 5

Hungary undertakes to restore in kind and in normal condition of upkeep to the Allied and Associated Powers within two months of the coming into force of the present Treaty in accordance with procedure to be laid down by the Reparation Commission any boats and other movable appliances belonging to inland navigation which, since July 28, 1914, have by any means whatever come into her possession or into the possession of her nationals and which can be identified.

With a view to make good the loss in inland navigation tonnage from whatever cause arising which has been incurred during the war by the Allied and Associated Powers, and which cannot be made good by means of the restitution prescribed above, Hungary agrees to cede to the Reparation Commission a portion of the Hungarian river fleet up to the amount of the loss mentioned above, provided that such cession shall not exceed 20 per cent. of the river fleet as it existed on November 3, 1918.

The conditions of this cession shall be settled by the arbitrators referred to in Article 284, Part XII (Ports, Waterways and Railways) of the present Treaty, who are charged with the settlement of difficulties relating to the apportionment of river tonnage resulting from the new international régime

applicable to certain river systems or from the territorial changes affecting those systems.

## 6

Hungary agrees to take any measures that may be indicated to her by the Reparation Commission for obtaining a full title to the property in all ships which have, during the war, been transferred or are in process of transfer to neutral flags without the consent of the Allied and Associated Governments.

## 7

Hungary waives all claims of any description against the Allied and Associated Governments and their nationals in respect of the detention, employment, loss or damage of any Hungarian ships or boats.

## 8

Hungary renounces all claims to vessels or cargoes sunk by or in consequence of naval action and subsequently salvaged in which any of the Allied or Associated Governments or their nationals may have any interest either as owners, charterers, insurers or otherwise, notwithstanding any decree of condemnation which may have been made by a Prize Court of the former Austro-Hungarian Monarchy or of its allies.

## ANNEX IV

## 1

The Allied and Associated Powers require and Hungary undertakes that in part satisfaction of her obligations expressed in this Part she will, as hereinafter provided, devote her economic resources directly to the physical restoration of the invaded areas of the Allied and Associated Powers to the extent that these Powers may determine.

## 2

The Allied and Associated Governments may file with the Reparation Commission lists showing:

- (a) animals, machinery, rolling-stock, equipment, tools and like articles of a commercial character which have been seized, consumed or destroyed by Hungary, or destroyed in direct consequence of military operations, and which such Governments, for the purpose of meeting immediate and urgent needs, desire to have replaced by animals and articles of the same nature which are in being in Hungarian territory at the date of the coming into force of the present Treaty;
- (b) reconstruction materials (such as stones, bricks, refractory bricks,

tiles, wood, window glass, steel, lime, cement), machinery, heating apparatus, furniture and like articles of a commercial character, which the said Governments desire to have produced and manufactured in Hungary and delivered to them to permit of the restoration of the invaded areas.

## 3

The lists relating to the articles mentioned in paragraph 2 (*a*) above shall be filed within three months after the coming into force of the present Treaty.

The lists shall contain all such details as are customary in commercial contracts dealing with the subject-matter, including specifications, dates of delivery (but not extending over more than four years) and places of delivery, but not prices or value, which shall be fixed as hereinafter provided by the Commission.

## 4

Immediately upon the filing of such lists with the Commission, the Commission shall consider the amount and number of the materials and animals mentioned in the lists provided for above which are to be required of Hungary.

In reaching a decision on this matter the Commission shall take into account such domestic requirements of Hungary as it deems essential for the maintenance of Hungarian social and economic life, the prices and dates at which similar articles can be obtained in the Allied and Associated countries as compared with those to be fixed for Hungarian articles, and the general interest of the Allied and Associated Governments that the industrial life of Hungary be not so disorganised as to affect adversely the ability of Hungary to perform the other acts of reparation stipulated for.

Machinery, rolling-stock, equipment, tools and like articles of a commercial character in actual industrial use are not, however, to be demanded of Hungary unless there is no free stock of such articles respectively which is not in use and is available, and then not in excess of 30 per cent. of the quantity of such articles in use in any one establishment or undertaking.

The Commission shall give representatives of the Hungarian Government an opportunity and a time to be heard as to their capacity to furnish the said materials, articles and animals.

The decision of the Commission shall thereupon and at the earliest possible moment be communicated to the Hungarian Government and to the several interested Allied and Associated Governments.

The Hungarian Government undertakes to deliver the materials, articles and animals as specified in the said communication, and the interested Allied and Associated Governments severally agree to accept the same, providing they conform to the specification given or are not, in the judgment of the Commission, unfit to be utilised in the work of reparation.

## 5

The Commission shall determine the value to be attached to the materials, articles and animals to be delivered in accordance with the foregoing, and the Allied or Associated Power receiving the same agrees to be charged with such value, and the amount thereof shall be treated as a payment by Hungary to be divided in accordance with Article 167 of the present Treaty.

In cases where the right to require physical restoration as above provided is exercised, the Commission shall ensure that the amount to be credited against the reparation obligation of Hungary shall be fair value for work done or material supplied by Hungary, and that the claim made by the interested Power in respect of the damage so repaired by physical restoration shall be discharged to the extent of the proportion which the damage thus repaired bears to the whole of the damage thus claimed for.

## 6

In order to meet the immediate needs of the countries whose livestock has been seized, consumed or destroyed, the Allied and Associated Powers may present to the Reparation Commission immediately after the coming into force of the present Treaty lists of the livestock which they desire to have delivered to them within three months from the coming into force of the present Treaty, as an immediate advance on account of the animals referred to in paragraph 2 above.

The Reparation Commission shall decide in what numbers such livestock shall be delivered within the above period of three months, and Hungary agrees to make such deliveries in accordance with the decisions of the Commission.

The Commission will distribute the livestock so delivered between the Powers concerned, taking into account the immediate needs of each of these Powers and the extent to which these needs have been met by the Treaties concluded between the Allied and Associated Powers on the one hand and Austria and Bulgaria on the other hand.

The animals delivered shall be of average health and condition.

If the animals so delivered cannot be identified as animals taken away or seized, the value of such animals shall be credited against the reparation obligations of Hungary in accordance with paragraph 5 of this Annex.

## ANNEX V

## 1

Hungary shall give, as partial reparation, to the Allied and Associated Governments severally an option during the five years following the coming into force of the present Treaty for the annual delivery of the raw materials hereinafter enumerated, the amounts delivered to bear the same relation to

their annual importations of these materials before the war from Austria-Hungary as the resources of Hungary as now delimited by the present Treaty bear to the resources before the war of the former Austro-Hungarian Monarchy:

Timber and timber manufactures;  
Iron and iron alloys.

Hungary shall also give, as partial reparation, to the Allied and Associated Powers an option for the annual delivery during the five years following the coming into force of the present Treaty of a quantity of steam coal from the Pecs mine. This quantity will be periodically determined by the Reparation Commission, which will dispose of it for the benefit of the Serb-Croat-Slovene State in conditions fixed by the Commission.

2

The price paid for the products referred to in the preceding paragraph shall be the same as the price paid by Hungarian nationals under the same conditions of shipment to the Hungarian frontier and shall be subject to any advantages which may be accorded similar products furnished to Hungarian nationals.

3

The foregoing options shall be exercised through the intervention of the Reparation Commission, which, subject to the specific provisions hereof, shall have power to determine all questions relative to procedure and qualities and quantities of products and the times and modes of delivery and payment. In giving notice to the Hungarian Government of the foregoing options, the Commission shall give at least 120 days notice of deliveries to be made after July 1, 1920, and at least 30 days notice of deliveries to be made between the coming into force of the present Treaty and July 1, 1920. If the Commission shall determine that the full exercise of the foregoing options would interfere unduly with the industrial requirements of Hungary, the Commission is authorised to postpone or to cancel deliveries and in so doing to settle all questions of priority.

ANNEX VI

Hungary renounces on her own behalf and on behalf of her nationals in favour of Italy all rights, titles or privileges of whatever nature in any submarine cables or portions of cables connecting Italian territory, including any territories which may be assigned to Italy in accordance with the present Treaty.

Hungary also renounces on her own behalf and on behalf of her nationals in favour of the Principal Allied and Associated Powers all rights, titles and

privileges of whatever nature in the submarine cables, or portions thereof, connecting the territories ceded by Hungary under the terms of the present Treaty to the various Allied and Associated Powers.

The States concerned shall provide for the upkeep of the installations and the proper working of the said cables.

As regards the cable from Trieste to Corfu, the Italian Government shall enjoy in its relations with the company owning this cable the same position as that held by the Austro-Hungarian Government.

The value of the cables or portions of cables referred to in the first two paragraphs of the present Annex, calculated on the basis of the original cost, less a suitable allowance for depreciation, shall be credited to Hungary in the reparation account.

## SECTION II

### *Special Provisions*

#### ARTICLE 175

In carrying out the provisions of Article 168, Hungary undertakes to surrender to each of the Allied and Associated Powers respectively all records, documents, objects of antiquity and of art, and all scientific and bibliographical material taken away from the invaded territories, whether they belong to the State or to provincial, communal, charitable or ecclesiastical administrations or other public or private institutions.

#### ARTICLE 176

Hungary shall in the same manner restore objects of the same nature as those referred to in Article 175 which may have been taken away since June 1, 1914, from the ceded territories, with the exception of objects bought from private owners.

The Reparation Commission will apply to these objects the provisions of Article 191, Part IX (Financial Clauses), of the present Treaty, if these are appropriate.

#### ARTICLE 177

Hungary will give up to each of the Allied and Associated Governments respectively all the records, documents and historical material possessed by public institutions which may have a direct bearing on the history of the ceded territories and which have been removed since January 1, 1868. This last-mentioned period, as far as concerns Italy, shall be extended to the date of the proclamation of the Kingdom (1861).

With regard to all objects or documents of an artistic, archaeological, scientific or historic character forming part of collections which formerly belonged to the Government or the Crown of the Austro-Hungarian Monarchy

and are not otherwise provided for in the present Treaty, Hungary undertakes:

(a) to negotiate, when required, with the States concerned for an amicable arrangement whereby any portion thereof or any objects or documents belonging thereto which ought to form part of the intellectual patrimony of the said States may be returned to their country of origin on terms of reciprocity, and

(b) for twenty years, unless a special arrangement is previously arrived at, not to alienate or disperse any of the said collections or to dispose of any of the above objects, but at all times to ensure their safety and good condition and to make them available, together with inventories, catalogues and administrative documents relating to the said collections, at all reasonable times to students who are nationals of any of the Allied and Associated Powers.

Reciprocally, Hungary will be entitled to apply to the said States, particularly to Austria, in order to negotiate, in the conditions mentioned above, the necessary arrangements for the return to Hungary of the collections, documents and objects referred to above, to which the guarantees referred to in paragraph (b) will apply.

#### ARTICLE 178

The new States arising out of the former Austro-Hungarian Monarchy and the States which receive part of the territory of that Monarchy undertake to give up to the Hungarian Government the records, documents and material dating from a period not exceeding twenty years which have a direct bearing on the history or administration of the territory of Hungary and which may be found in the territories transferred.

#### ARTICLE 179

Hungary acknowledges that she remains bound, as regards Italy, to execute in full the obligations referred to in Article 15 of the Treaty of Zurich of November 10, 1859, in Article 18 of the Treaty of Vienna of October 3, 1866, and in the Convention of Florence of July 14, 1868, concluded between Italy and Austria-Hungary, in so far as the Articles referred to have not in fact been executed in their entirety, and in so far as the documents and objects in question are situated in the territory of Hungary or her allies.

### PART IX

#### FINANCIAL CLAUSES

#### ARTICLE 180

Subject to such exceptions as the Reparation Commission may make, the first charge upon all the assets and revenues of Hungary shall be the cost of

reparation and all other costs arising under the present Treaty or any treaties or agreements supplementary thereto, or under arrangements concluded between Hungary and the Allied and Associated Powers during the Armistice signed on November 3, 1918.

Up to May 1, 1921, the Hungarian Government shall not export or dispose of, and shall forbid the export or disposal of, gold without the previous approval of the Allied and Associated Powers acting through the Reparation Commission.

#### ARTICLE 181

There shall be paid by Hungary, subject to the fifth paragraph of this Article, the total cost of all armies of the Allied and Associated Governments occupying territory within the boundaries of Hungary as defined by the present Treaty from the date of the signature of the Armistice of November 3, 1918, including the keep of men and beasts, lodging and billeting, pay and allowances, salaries and wages, bedding, heating, lighting, clothing, equipment, harness and saddlery, armament and rolling-stock, air services, treatment of sick and wounded, veterinary and remount services, transport services of all sorts (such as by rail, sea, or river, motor-lorries), communications and correspondence, and, in general, the cost of all administrative or technical services the working of which is necessary for the training of troops and for keeping their numbers up to strength and preserving their military efficiency.

The cost of such liabilities under the above heads, so far as they relate to purchases or requisitions by the Allied and Associated Governments in the occupied territory, shall be paid by the Hungarian Government to the Allied and Associated Governments in crowns or any legal currency of Hungary which may be substituted for crowns.

In cases where an Allied Government, in order to make such purchases or requisitions in the occupied territory, has incurred expenditure in a currency other than crowns, such expenditure shall be reimbursed in any legal Hungarian currency at the rate of exchange current at the date of reimbursement, or at an agreed rate.

All other of the above costs shall be paid in the currency of the country to which the payment is due.

The above stipulations will apply to military operations carried out after November 3, 1918, to such extent as the Reparation Commission shall consider necessary, and the Reparation Commission shall have, so far as these operations are concerned, full power to decide all questions, especially those relating to:

(a) the costs of the armies engaged in such operations, particularly the determination of their nature and amount, the portion of such costs to be charged to Hungary, the manner and currency in which such portion is to

be paid, and any possible arrangements as regards preference or priority in connection with such payment;

(*b*) the requisitioning in the course of the operations of property and securities of every description, particularly the possible classification of any portion of such property or securities as war booty, the valuation of such property or securities, the extent to which restitution should be made, debiting on the reparation account of the sum representing the property or securities not restored against the Power in possession thereof, the method of payment (in cash or as a set-off on the reparation account) of the sums so debited, and the dates on which such payment or set-off is to be made.

#### ARTICLE 182

Hungary confirms the surrender of all material handed over or to be handed over to the Allied and Associated Powers in accordance with the Armistice of November 3, 1918, or any supplementary agreements, and recognizes the title of the Allied and Associated Powers to such material.

There shall be credited to Hungary, against the sums due from her to the Allied and Associated Powers for reparation, the value, as assessed by the Reparation Commission, of such of the above material for which, as having non-military value, credit should, in the judgment of the Reparation Commission, be allowed to Hungary.

Property belonging to the Allied and Associated Governments or their nationals restored or surrendered under the Armistice Agreements in specie shall not be credited to Hungary.

#### ARTICLE 183

The priority of the charges established by Article 180 shall, subject to the qualifications made below, be as follows:

(*a*) the cost of the armies of occupation, as defined under Article 181, during the Armistice;

(*b*) the cost of any armies of occupation, as defined under Article 181, after the coming into force of the present Treaty;

(*c*) the cost of reparation arising out of the present Treaty or any treaties or conventions supplementary thereto;

(*d*) the cost of all other obligations incumbent on Hungary under the Armistice Agreements or under the present Treaty or any treaties or conventions supplementary thereto.

The payment for such supplies of food and raw material for Hungary and such other payments as may be judged by the Principal Allied and Associated Powers to be essential to enable Hungary to meet her obligations in respect of reparation shall have priority to the extent and upon the condi-

tions which have been or may be determined by the Governments of the said Powers.

The payment of the costs of the armies employed in the operations effected after November 3, 1918, shall have priority to the extent and upon the conditions fixed by the Reparation Commission in accordance with the provisions of Article 181.

#### ARTICLE 184

The right of each of the Allied and Associated Powers to dispose of enemy assets and property within its jurisdiction at the date of the coming into force of the present Treaty is not affected by the foregoing provisions.

#### ARTICLE 185

Nothing in the foregoing provisions shall prejudice in any manner charges or mortgages lawfully effected in favour of the Allied and Associated Powers or their nationals respectively before the date at which a state of war existed between Austria-Hungary and the Allied or Associated Power concerned by the former Hungarian Government or by nationals of the former Kingdom of Hungary on assets in their ownership at that date, except in so far as variations of such charges or mortgages are specifically provided for under the terms of the present Treaty or any treaties or conventions supplementary thereto.

#### ARTICLE 186

1. Each of the States to which territory of the former Austro-Hungarian Monarchy is transferred, and each of the States arising from the dismemberment of that Monarchy, including Hungary, shall, in so far as territory is assigned to it in accordance with the present Treaty, assume responsibility for a portion of the debt of the former Hungarian Government which is specifically secured on railways or other property, and which was in existence on July 28, 1914. The portion to be so assumed by each State shall be such portion as in the opinion of the Reparation Commission represents the secured debt in respect of the railways and other properties transferred to that State under the terms of the present Treaty or any treaties or agreements supplementary thereto.

The amount of the liability in respect of secured debt so assumed by each State other than Hungary shall be valued by the Reparation Commission, on such basis as the Commission may consider equitable, and the value so ascertained shall be deducted from the amount payable by the State in question to Hungary in respect to property of the former or existing Hungarian Government which the State acquires with the territory. Each State shall be solely responsible in respect of that portion of the secured debt for which it assumes responsibility under the terms of this Article, and holders of the debt

for which responsibility is assumed by States other than Hungary shall have no recourse against the Government of any other State.

Any property which was specifically pledged to secure any debt referred to in this Article shall remain specifically pledged to secure the new debt. But in case the property so pledged is situated as the result of the present Treaty in more than one State, that portion of the property which is situated in a particular State shall constitute the security only for that part of the debt which is apportioned to that State, and not for any other part of the debt.

For the purposes of the present Article there shall be regarded as secured debt payments due by the former Hungarian Government in connection with the purchase of railways or similar property; the distribution of the liability for such payments will be determined by the Reparation Commission in the same manner as in the case of secured debt.

Debts for which the responsibility is transferred under the terms of this Article shall be expressed in terms of the currency of the State assuming the responsibility, if the original debt was expressed in terms of Austro-Hungarian paper currency. For the purposes of this conversion the currency of the assuming State shall be valued in terms of Austro-Hungarian paper kronen at the rate at which those kronen were exchanged into the currency of the assuming State by that State when it first substituted its own currency for Austro-Hungarian kronen. The basis of this conversion of the currency unit in which the bonds are expressed shall be subject to the approval of the Reparation Commission, which shall, if it thinks fit, require the State effecting the conversion to modify the terms thereof. Such modification shall only be required if, in the opinion of the Commission, the foreign exchange value of the currency unit or units substituted for the currency unit in which the old bonds are expressed is substantially less at the date of the conversion than the foreign exchange value of the original currency unit.

If the original Hungarian debt was expressed in terms of a foreign currency or foreign currencies, the new debt shall be expressed in terms of the same currency or currencies.

If the original Hungarian debt was expressed in terms of Austro-Hungarian gold coin, the new debt shall be expressed in terms of equivalent amounts of pounds sterling and gold dollars of the United States of America, the equivalents being calculated on the basis of the weight and the fineness of gold of the three coins as enacted by law on January 1, 1914.

Any foreign exchange options, whether at fixed rates or otherwise, embodied explicitly or implicitly in the old bonds shall be embodied in the new bonds also.

2. Each of the States to which territory of the former Austro-Hungarian Monarchy is transferred, and each of the States arising from the dismemberment of that Monarchy, including Hungary, shall assume responsibility for a portion of the unsecured bonded debt of the former Hungarian Government

as it stood on July 28, 1914, calculated on the basis of the ratio between the average for the three financial years 1911, 1912, 1913, of such revenues of the territory distributed in accordance with the present Treaty and the average for the same years of such revenues of the whole of the former Hungarian territories as in the judgment of the Reparation Commission are best calculated to represent the financial capacity of the respective territories. In making the above calculation, the revenues of Bosnia and Herzegovina shall not be included. Nevertheless, when there existed before July 28, 1914, financial agreements relating to the unsecured bonded debt of the former Hungarian Government, the Reparation Commission may take such agreements into consideration when effecting the division of this debt between the States mentioned above.

The responsibilities in respect of bonded debt to be assumed under the terms of this Article shall be discharged in the manner laid down in the Annex hereto.

The Hungarian Government shall be solely responsible for all the liabilities of the former Hungarian Government incurred by it prior to July 28, 1914, other than those evidenced by the bonds, bills, securities, and currency notes which are specifically provided for under the terms of the present Treaty.

Neither the provisions of this Article nor the provisions of the Annex hereto shall apply to securities of the former Hungarian Government deposited with the Austro-Hungarian Bank as security for the currency notes issued by that bank.

#### ANNEX

The amount of the former unsecured Hungarian Government bonded debt, the responsibility for which is to be distributed under the provisions of Article 186, shall be the amount of that debt as it stood on July 28, 1914.

Each State assuming responsibility for the former unsecured Hungarian Government bonded debt shall, within three months of the coming into force of the present Treaty, if it has not already done so, stamp with the stamp of its own Government all the bonds of that debt existing in its own territory. The distinguishing numbers of the bonds so stamped shall be recorded and shall be furnished, together with the other records of the stamping, to the Reparation Commission.

Holders of bonds within the territory of a State which is required to stamp old Hungarian bonds under the terms of this Annex shall, from the date of the coming into force of the present Treaty, be creditors in respect to these bonds of that State only, and they shall have no recourse against the Government of any other State.

Each State which, under the terms of Article 186, is required to assume responsibility for a portion of the old unsecured Hungarian Government debt, and which has ascertained by means of stamping the old Hungarian bonds

that the bonds of any particular issue of such old Hungarian bonds held within its territory were smaller in amount than the amount of that issue for which, in accordance with the assessment of the Reparation Commission, it is held responsible, shall deliver to the Reparation Commission new bonds equal in amount to the difference between the amount of the issue for which it is responsible and the amount of the same issue recorded as held within its own territory. Such new bonds shall be of such denominations as the Reparation Commission may require. They shall carry the same rights as regards interest and amortisation as the old bonds for which they are substituted, and in all other respects the conditions of the new bonds shall be fixed subject to the approval of the Reparation Commission.

If the original bond was expressed in terms of Austro-Hungarian paper currency, the new bond by which it is replaced shall be expressed in terms of the currency of the State issuing the new bond and for the purpose of this currency conversion, the currency of the new State shall be valued in terms of Austro-Hungarian paper kronen at the rate at which those kronen were exchanged for the currency of the new State by that State when it first substituted its own currency for Austro-Hungarian paper kronen. The basis of this conversion of the currency unit in which the bonds are expressed shall be subject to the approval of the Reparation Commission, which shall, if it thinks fit, require the State effecting the conversion to modify the terms thereof. Such modification shall only be required if, in the opinion of the Commission, the foreign exchange value of the currency unit or units substituted for the currency unit in which the old bonds are expressed is substantially less at the date of the conversion than the foreign exchange value of the original currency unit.

If the original bond was expressed in terms of a foreign currency or foreign currencies, the new bond shall be expressed in terms of the same currency or currencies. If the original bond was expressed in terms of Austro-Hungarian gold coin, the new bond shall be expressed in terms of equivalent amounts of pounds sterling and gold dollars of the United States of America, the equivalents being calculated on the basis of the weight and fineness of gold of the three coins as enacted by law on January 1, 1914.

Any foreign exchange options, whether at fixed rates or otherwise, embodied explicitly or implicitly in the old bonds shall be embodied in the new bonds also.

Each State which under the terms of Article 186 is required to assume responsibility for a portion of the old unsecured Hungarian Government debt, which has ascertained by means of stamping the old Hungarian bonds that the bonds of any particular issue of such old Hungarian bonds held within its territory were larger in amount than the amount of that issue for which it is held responsible in accordance with the assessment of the Reparation Commission, shall receive from the Reparation Commission its due proportionate

share of each of the new issues of bonds issued in accordance with the provisions of this Annex.

Holders of unsecured bonds of the old Hungarian Government debt held outside the boundaries of the States to which territory of the former Austro-Hungarian Monarchy is transferred, or States arising out of the dismemberment of that Monarchy, including Hungary, shall deliver through the agency of their respective Governments to the Reparation Commission the bonds which they hold, and in exchange therefor the Reparation Commission shall deliver to them certificates entitling them to their due proportionate share of each of the new issues of bonds corresponding to and issued in exchange for their surrendered bonds under the provisions of this Annex.

The share of each State or private holder entitled to a share in any new issue of bonds issued in accordance with the provisions of this Annex shall bear such proportion to the total amount of bonds of that new issue as the holding of the State or private owner in question of the old issue of bonds bears to the total amount of the old issue presented to the Reparation Commission for exchange into new bonds in accordance with the provisions of this Annex.

The Reparation Commission shall, if it think fit, arrange with the holders of the new bonds provided for by this Annex a consolidation loan of each debtor State, the bonds of which loan shall be substituted for the various different issues of new bonds on such terms as may be agreed upon by the Commission and the bondholders.

The State assuming liability for any bond of the former Hungarian Government shall assume any liability attaching to the bond in respect of unpaid coupons or sinking fund instalments accrued since the date of the coming into force of the present Treaty.

In addition to the former unsecured Hungarian Government bonded debt to be divided as above, there shall also be divided among the several States, in the same proportion, the amount of the former unsecured Austrian Government bonded debt which represents the liability of the former Hungarian Government for that debt, as provided by the additional Convention relating to the contribution of the countries of the Sacred Hungarian Crown to the charges of the general debt of the Austro-Hungarian State approved by the Austro-Hungarian Law of December 30, 1907, B. L. I., No. 278.

Each State which, in virtue of the present Treaty, assumes responsibility for a part of this Austrian debt shall deliver to the Reparation Commission new securities for an amount equal to the part of the above-mentioned Austrian debt which is attributed to it.

The terms of these securities shall be fixed by the Reparation Commission. They shall be such as to represent as exactly as possible the terms of the former Austrian securities for which these securities are to be substituted. The new securities will be delivered to the States or holders of Austrian securities, who will have the right to a portion of each of the new issues made

in accordance with the provisions of the Annex to Article 203 of the Treaty with Austria.

#### ARTICLE 187

1. In case the new boundaries of any States, as laid down by the present Treaty, shall divide any local area which was a single unit for borrowing purposes and which had a legally constituted public debt, such debt shall be divided between the new divisions of the area in a proportion to be determined by the Reparation Commission in accordance with the principles laid down for the reapportionment of Government debts under Article 186 of the present Treaty, and the responsibility so assumed shall be discharged in such a manner as the Reparation Commission shall determine.

2. The public debt of Bosnia and Herzegovina shall be regarded as the debt of a local area and not as part of the public debt of the former Austro-Hungarian Monarchy.

#### ARTICLE 188

Within two months of the coming into force of the present Treaty, each one of the States to which territory of the former Austro-Hungarian Monarchy is transferred in accordance with the present Treaty, and each one of the States arising from the dismemberment of that Monarchy, including Hungary, shall, if it has not already done so, stamp with the stamp of its own Government the securities of various kinds which are separately provided for, representing the bonded war debt of the former Hungarian Government as legally constituted prior to October 31, 1918, and existing in their respective territories.

The securities thus stamped shall be withdrawn and replaced by certificates, their distinguishing numbers shall be recorded, and any securities withdrawn, together with the documents recording the transaction, shall be sent to the Reparation Commission.

The stamping and replacement of a security by a certificate under the provisions of this Article shall not imply that the State so stamping and replacing a security thereby assumes or recognises any obligation in respect of it, unless the State in question desires that the stamping and replacement should have this implication.

The aforementioned States, with the exception of Hungary, shall be free from any obligation in respect of the war debt of the former Hungarian Government, wherever that debt may be held, but neither the Governments of those States nor their nationals shall have recourse under any circumstances whatever against any other States, including Hungary, in respect of the war debt bonds of which they or their nationals are the beneficial owners.

The war debt of the former Hungarian Government which was prior to the signature of the present Treaty in the beneficial ownership of nationals or Governments of States other than those to which territory of the former

Austro-Hungarian Monarchy is assigned in accordance with the present Treaty shall be a charge upon the Hungarian Government only, and no one of the other States aforementioned shall be held responsible for any part thereof.

The provisions of this Article shall not apply to the securities of the former Hungarian Government deposited by that Government with the Austro-Hungarian Bank as security for the currency notes of the said bank.

The Hungarian Government shall be solely responsible for all liabilities of the former Hungarian Government incurred during the war, other than those evidenced by the bonds, bills, securities and currency notes which are specifically provided for under the terms of the present Treaty.

#### ARTICLE 189

1. Within two months of the coming into force of the Treaty with Austria, each one of the States to which territory of the former Austro-Hungarian Monarchy is transferred, and each one of the States arising from the dismemberment of that Monarchy, including Austria and Hungary, shall, if it has not already done so, stamp with the stamp of its own Government the currency notes of the Austro-Hungarian Bank existing in its territory.

2. Within twelve months of the coming into force of the Treaty with Austria, each one of the States to which territory of the former Austro-Hungarian Monarchy is transferred, and each one of the States arising from the dismemberment of that Monarchy, including Austria and Hungary, shall replace, as it may think fit, the stamped notes referred to above by its own or a new currency.

3. The Governments of such States as have already converted the currency notes of the Austro-Hungarian Bank by stamping or by the issue of their own or a new currency, and in carrying out this operation have withdrawn, without stamping them, a portion or all of the currency notes circulating in their territory, shall either stamp the notes so withdrawn or hold them at the disposal of the Reparation Commission.

4. Within fourteen months of the coming into force of the Treaty with Austria, those Governments which have replaced notes of the bank by their own or new currency, in accordance with the provisions of this Article, shall transfer to the Reparation Commission all the notes, stamped or unstamped, of the bank which have been withdrawn in the course of this replacement.

5. All notes transferred to the Reparation Commission under the provisions of this Article shall be dealt with by that Commission in accordance with the provisions of the Annex hereto.

6. The Austro-Hungarian Bank shall be liquidated as from the day succeeding the day of the signature of the Treaty with Austria.

7. The liquidation shall be conducted by receivers specially appointed for that purpose by the Reparation Commission. In conducting the liquida-

tion of the bank, the receivers shall follow the rules laid down in the Statutes or other valid instruments regulating the constitution of the bank, subject, however, to the special provisions of this Article. In the case of any doubt arising as to the interpretation of the rules concerning the liquidation of the bank, whether laid down in these Articles and Annexes or in the Statutes of the bank, the decision of the Reparation Commission or any arbitrator appointed by it for that purpose shall be final.

8. The currency notes issued by the bank subsequent to October 27, 1918, shall have a claim on the securities issued by the former or existing Austrian and Hungarian Governments and deposited with the bank by those Governments as security for these notes, but they shall not have a claim on any other assets of the bank.

9. The currency notes issued by the bank on or prior to October 27, 1918 (in so far as they are entitled to rank at all in conformity with this Article), shall all rank equally as claims against all the assets of the bank, other than the Austrian and Hungarian Government securities deposited as security for the various note issues.

10. The securities deposited by the former or existing Austrian and Hungarian Governments with the bank as security for the currency notes issued on or prior to October 27, 1918, shall be cancelled in so far as they represent the notes converted in the territory of the former Austro-Hungarian Monarchy as it existed on July 28, 1914, by States to which territory of that Monarchy is transferred or by States arising from the dismemberment of that Monarchy, including Austria and Hungary.

11. The remainder of the securities deposited by the former or existing Austrian and Hungarian Governments with the bank as security for the currency notes issued on or prior to October 27, 1918, shall be retained in force as security for, and in so far as they represent, the notes issued on or prior to October 27, 1918, which on June 15, 1919, were outside the limits of the former Austro-Hungarian Monarchy, that is to say, firstly, all notes of this description which are presented to the Reparation Commission in accordance with paragraph 4 of this Article, and secondly all notes of this description which may be held elsewhere and are presented to the receivers of the bank in accordance with the Annex hereto.

12. No claims on account of any other currency notes issued on or prior to October 27, 1918, shall rank either against the general assets of the bank or against the securities deposited by the former or existing Austrian or Hungarian Governments as security for the notes, and any balance of such securities remaining after the amount of securities mentioned in paragraphs 10 and 11 has been calculated and deducted shall be cancelled.

13. All securities deposited by the former or existing Austrian and Hungarian Governments with the bank as security for currency note issues and which are maintained in force shall be the obligations respectively of the Governments of Austria and Hungary only and not of any other States.

14. The holders of currency notes of the Austro-Hungarian Bank shall have no recourse against the Governments of Austria or Hungary or any other Government in respect of any loss which they may suffer as the result of the liquidation of the bank.

15. Nevertheless, if any difficulties should arise owing to the date of the signature of the present Treaty, the dates at which any of the operations laid down by this Article are to be carried out may be altered by the Reparation Commission.

#### ANNEX

##### 1

The respective Governments, when transmitting to the Reparation Commission all the currency notes of the Austro-Hungarian Bank withdrawn by them from circulation in accordance with the terms of Article 189, shall also deliver to the Commission all the records showing the nature and amounts of the conversions which they have effected.

##### 2

The Reparation Commission, after examining the records, shall deliver to the said Governments separate certificates stating the total amount of currency notes which the Governments have converted:

- (a) within the boundaries of the former Austro-Hungarian Monarchy as it existed on July 28, 1914,
- (b) elsewhere.

These certificates will entitle the bearer to lodge a claim with the receivers of the bank for currency notes thus converted which are entitled to share in the assets of the bank.

##### 3

After the liquidation of the bank is completed, the Reparation Commission shall destroy the notes thus withdrawn.

##### 4

No notes issued on or prior to October 27, 1918, wherever they may be held, will rank as claims against the bank unless they are presented through the Government of the country in which they are held.

#### ARTICLE 190

Each one of the States to which territory of the former Austro-Hungarian Monarchy is transferred, and each one of the States arising from the dismemberment of that Monarchy, including Hungary, shall deal as it thinks

fit with the petty or token coinage of the former Austro-Hungarian Monarchy existing in its territory.

No such State shall have any recourse under any circumstances, on behalf either of itself or of its nationals, against any other State with regard to such petty or token coinage.

#### ARTICLE 191

States to which territory of the former Austro-Hungarian Monarchy is transferred and States arising from the dismemberment of that Monarchy shall acquire all property and possessions situated within their territories belonging to the former or existing Hungarian Government.

For the purposes of this Article, the property and possessions of the former or existing Hungarian Government shall be deemed to include the property of the former Kingdom of Hungary and the interests of that Kingdom in the joint property of the Austro-Hungarian Monarchy, as well as all the property of the Crown and the private property of members of the former Royal Family of Austria-Hungary.

These States shall, however, have no claim to any property of the former or existing Government of Hungary situated outside their own respective territories.

The value of such property and possessions acquired by States other than Hungary shall be fixed by the Reparation Commission and placed by that Commission to the credit of Hungary and to the debit of the State acquiring such property on account of the sums due for reparation. The Reparation Commission shall deduct from the value of the public property thus acquired an amount proportionate to the contribution in money, land, or material made directly by any province or commune or other autonomous local authority towards the cost of such property.

Without prejudice to Article 186 relating to secured debt, in the case of each State acquiring property under the provisions of this Article, the amount placed to the credit of Hungary and to the debit of the said State in accordance with the preceding paragraph shall be reduced by the value of the amount of the liability in respect of the unsecured debt of the former Hungarian Government assumed by that State under the provisions of Article 186 which, in the opinion of the Reparation Commission, represents expenditure upon the property so acquired. The value shall be fixed by the Reparation Commission on such basis as the Commission may consider equitable.

Property of the former and existing Hungarian Government shall be deemed to include a share of the real property in Bosnia-Herzegovina of all descriptions for which, under Article 5 of the Convention of February 26, 1909, the Government of the former Austro-Hungarian Monarch paid £T.2,500,000 to the Ottoman Government. Such share shall be proportionate to the share which the former Kingdom of Hungary contributed to

the above payment, and the value of this share, as assessed by the Reparation Commission, shall be credited to Hungary on account of reparation.

As exception to the above there shall be transferred without payment :

(1) the property and possessions of provinces, communes and other local autonomous institutions of the former Austro-Hungarian Monarchy, including those in Bosnia-Herzegovina which did not belong to the former Austro-Hungarian Monarchy;

(2) schools and hospitals the property of the former Austro-Hungarian Monarchy.

Further, any building or other property situated in the respective territories transferred to the States referred to in the first paragraph whose principal value lies in its historic interest and associations, and which formerly belonged to the Kingdom of Bohemia, the Kingdom of Croatia-Slavonia-Dalmatia, Bosnia-Herzegovina, the Republic of Ragusa, the Venetian Republic, or the Episcopal Principalities of Trient and Bressanone, may, subject to the approval of the Reparation Commission, be transferred to the Government entitled thereto without payment.

#### ARTICLE 192

Hungary renounces, so far as she is concerned, all rights accorded to her or her nationals by treaties, conventions or agreements, of whatsoever kind, to representation upon or participation in the control or administration of commissions, state banks, agencies or other financial or economic organisations of an international character exercising powers of control or administration and operating in any of the Allied or Associated States, or in Germany, Austria, Bulgaria or Turkey, or in the dependencies of these States, or in the former Russian Empire.

#### ARTICLE 193

1. Hungary engages to recognise the transfer provided for in Article 210 of the Treaty with Austria of the sum in gold deposited in the Austro-Hungarian Bank in the name of the Council of the Administration of the Ottoman Public Debt as security for the first issue of Turkish Government currency notes.

2. Without prejudice to Article 227, Part X (Economic Clauses) of the present Treaty, Hungary renounces, so far as she is concerned, any benefit disclosed by the Treaties of Bucharest and Brest-Litovsk and by the Treaties supplementary thereto.

Hungary undertakes to transfer either to Roumania or to the Principal Allied and Associated Powers, as the case may be, all monetary instruments, specie, securities and negotiable instruments or goods which she has received under the aforesaid Treaties.

3. The sums of money and all securities, instruments and goods, of whatsoever nature, to be delivered, paid or transferred under the provisions of this Article, shall be disposed of by the Principal Allied and Associated Powers in a manner hereafter to be determined by those Powers.

4. Hungary recognises any transfer of gold provided for by Article 259 (5) of the Treaty of Peace concluded at Versailles on June 28, 1919, between the Allied and Associated Powers and Germany, and any transfer of claims provided for by Article 261 of that Treaty.

#### ARTICLE 194

Without prejudice to the renunciation of any rights by Hungary on behalf of herself or of her nationals in the other provisions of the present Treaty, the Reparation Commission may, within one year from the coming into force of the present Treaty, demand that Hungary become possessed of any rights and interests of her nationals in any public utility undertaking or in any concession operating in Russia, Turkey, Germany, Austria or Bulgaria, or in the possessions or dependencies of these States, or in any territory formerly belonging to Hungary or her allies to be transferred by Hungary or her allies to any State, or to be administered by a mandatory under any Treaty entered into with the Allied and Associated Powers, and may require that the Hungarian Government transfer, within six months of the date of demand, to the Reparation Commission all such rights and interests and any similar rights and interests owned by the former or existing Hungarian Government.

Hungary shall be responsible for indemnifying her nationals so dispossessed, and the Reparation Commission shall credit Hungary on account of sums due for reparation with such sums in respect of the value of the transferred rights and interests as may be assessed by the Reparation Commission, and Hungary shall, within six months from the coming into force of the present Treaty, communicate to the Reparation Commission all such rights and interests, whether already granted, contingent or not yet exercised, and shall renounce on behalf of herself and her nationals in favour of the Allied and Associated Powers all such rights and interests which have not been so communicated.

#### ARTICLE 195

Hungary undertakes to refrain from preventing or impeding such acquisition by the German, Austrian, Bulgarian or Turkish Governments of any rights and interests of German, Austrian, Bulgarian, and Turkish nationals in public utility undertakings or concessions operating in Hungary as may be required by the Reparation Commission under the terms of the Treaties of Peace or supplementary treaties or conventions concluded between the Allied and Associated Powers and the German, Austrian, Bulgarian and Turkish Governments respectively.

## ARTICLE 196

Hungary undertakes to transfer to the Allied and Associated Powers any claims to payment or reparation by Germany, Austria, Bulgaria or Turkey in favour of the former or existing Hungarian Governments, and in particular any claims which may arise now or hereafter in the fulfilment of undertakings made from July 28, 1914, to the coming into force of the present Treaty.

The value of such claims shall be assessed by the Reparation Commission, and shall be transferred to the Reparation Commission for the credit of Hungary on account of the sums due for reparation.

## ARTICLE 197

Any monetary obligation arising out of the present Treaty and expressed in terms of gold kronen shall, unless some other arrangement is specifically provided for in any particular case under the terms of the present Treaty or of treaties or conventions supplementary thereto, be payable at the option of the creditors in pounds sterling payable in London, gold dollars of the United States of America payable in New York, gold francs payable in Paris, or gold lire payable in Rome.

For the purposes of this Article, the gold coins mentioned above shall be defined as being of the weight and fineness of gold as enacted by law on January 1, 1914.

## ARTICLE 198

Any financial adjustments, such as those relating to any banking and insurance companies, savings banks, postal savings banks, land banks, mortgage companies or other similar institutions, operating within the territory of the former Austro-Hungarian Monarchy, necessitated by the partition of that Monarchy and the resettlement of public debts and currency provided for by these Articles, shall be regulated by agreement between the various Governments concerned in such a manner as shall best secure equitable treatment to all the parties interested. In case the Governments concerned are unable to come to an agreement on any question arising out of this financial adjustment, or in case any Government is of opinion that its nationals have not received equitable treatment, the Reparation Commission shall, on the application of any one of the Governments concerned, appoint an arbitrator or arbitrators, whose decision shall be final.

## ARTICLE 199

The Hungarian Government shall be under no liability in respect of civil or military pensions granted to nationals of the former Kingdom of Hungary who have been recognised as nationals of other States or who become so under the provisions of the present Treaty.

PART X  
ECONOMIC CLAUSES

SECTION I

*Commercial Relations*

CHAPTER I

CUSTOMS REGULATIONS, DUTIES AND RESTRICTIONS

ARTICLE 200

Hungary undertakes that goods the produce or manufacture of any one of the Allied or Associated States imported into Hungarian territory, from whatsoever place arriving, shall not be subjected to other or higher duties or charges (including internal charges) than those to which the like goods the produce or manufacture of any other such State or of any other foreign country are subject.

Hungary will not maintain or impose any prohibition or restriction on the importation into Hungarian territory of any goods the produce or manufacture of the territories of any one of the Allied or Associated States, from whatsoever place arriving, which shall not equally extend to the importation of the like goods the produce or manufacture of any other such State or of any other foreign country.

ARTICLE 201

Hungary further undertakes that, in the matter of the régime applicable on importation, no discrimination against the commerce of any of the Allied and Associated States as compared with any other of the said States or any other foreign country shall be made, even by indirect means, such as customs regulations or procedure, methods of verification or analysis, conditions of payment of duties, tariff classification or interpretation, or the operation of monopolies.

ARTICLE 202

In all that concerns exportation, Hungary undertakes that goods, natural products or manufactured articles, exported from Hungarian territory to the territories of any one of the Allied or Associated States, shall not be subjected to other or higher duties or charges (including internal charges) than those paid on the like goods exported to any other such State or to any other foreign country.

Hungary will not maintain or impose any prohibition or restriction on the exportation of any goods sent from her territory to any one of the Allied or Associated States which shall not equally extend to the exportation of the

like goods, natural products or manufactured articles, sent to any other such State or to any other foreign country.

#### ARTICLE 203

Every favour, immunity, or privilege in regard to the importation, exportation or transit of goods granted by Hungary to any Allied or Associated State or to any other foreign country whatever shall simultaneously and unconditionally, without request and without compensation, be extended to all the Allied and Associated States.

#### ARTICLE 204

By way of exception to the provisions of Article 270, Part XII (Ports, Waterways and Railways), products in transit by the ports which before the war were situated in territory of the former Austro-Hungarian Monarchy shall, for a period of three years from the coming into force of the present Treaty, enjoy on importation into Hungary reductions of duty corresponding with and in proportion to those applied to such products under the Austro-Hungarian Customs Tariff of the year 1906, when imported by such ports.

#### ARTICLE 205

Notwithstanding the provisions of Articles 200 to 203, the Allied and Associated Powers agree that they will not invoke these provisions to secure the advantage of any arrangements which may be made by the Hungarian Government with the Governments of Austria or of the Czecho-Slovak State for the accord of a special customs régime to certain natural or manufactured products which both originate in and come from those countries, and which shall be specified in the arrangements, provided that the duration of these arrangements does not exceed a period of five years from the coming into force of the present Treaty.

#### ARTICLE 206

During the first six months after the coming into force of the present Treaty, the duties imposed by Hungary on imports from Allied and Associated States shall not be higher than the most favourable duties which were applied to imports into the former Austro-Hungarian Monarchy on July 28, 1914.

During a further period of thirty months after the expiration of the first six months this provision shall continue to be applied exclusively with regard to the importation of fruits (fresh and dried); fresh vegetables, olive oil, eggs, pigs and pork products, and live poultry, in so far as such products enjoyed at the above mentioned date (July 28, 1914) rates conventionalised by Treaties with the Allied or Associated Powers.

## ARTICLE 207

1. Special agreements shall be made between Poland and the Czecho-Slovak State and Hungary as to the supply of coal, including lignite, food-stuffs and raw materials reciprocally.

2. Pending the conclusion of such agreements, but in no case during more than five years from the coming into force of the present Treaty, the Czecho-Slovak State and Poland undertake that no export duty or other restrictions of any kind shall be imposed on the export to Hungary of coal or lignite up to a reasonable quantity to be fixed, failing agreement between the States concerned, by the Reparation Commission. In fixing this quantity the Reparation Commission shall take into account all the circumstances, including the quantities both of coal and of lignite which passed before the war between present Hungarian territory on the one hand and Silicia and the territory of the former Austrian Empire transferred to the Czecho-Slovak State and Poland in accordance with the Treaties of Peace on the other hand, as well as the quantities now available for export from those countries. Hungary shall in return furnish to the Czecho-Slovak State and Poland supplies of the lignite, foodstuffs and raw materials referred to in paragraph 1 in accordance with the decisions of the Reparation Commission.

3. The Czecho-Slovak State and Poland further undertake during the same period to take such steps as may be necessary to ensure that coal, including lignite, shall be available for sale to purchasers in Hungary on terms as favourable as are applicable to like products sold under similar conditions to purchasers in the Czecho-Slovak State or Poland respectively or in any other country.

4. The provisions of paragraphs 2 and 3 prohibiting export duties or restrictions and determining the conditions of sale shall also apply to the supply of lignite by Hungary to Poland and the Czecho-Slovak State.

5. In case of disagreement in the execution or interpretation of any of the above provisions, the Reparation Commission shall decide.

6. In order to permit mutual assistance between Poland, Roumania, the Serb-Croat-Slovene State, Czecho-Slovakia, Hungary and Austria, in regard to products hitherto exchanged between the territories of these States, which are indispensable to their industry or trade, negotiations shall be undertaken, on the initiative of any of these States, within six months from the coming into force of the present Treaty with a view to the conclusion with any other of the said States of separate conventions in conformity with the provisions of the present Treaty, and in particular of Articles 200 to 205.

At the end of this period any State which has requested such a convention without succeeding in concluding it may apply to the Reparation Commission and request it to accelerate the conclusion of such convention.

## ARTICLE 208

1. Special agreements shall be made between Hungary and Austria as to the supply of foodstuffs, raw materials and manufactured articles reciprocally.

2. Pending the conclusion of such agreements, but in no case during more than five years from the coming into force of the present Treaty, Hungary undertakes that no export duty or other restrictions of any kind shall be imposed on the export to Austria of foodstuffs of every description produced in Hungarian territory, up to a reasonable quantity to be fixed, failing agreement between the States concerned, by the Reparation Commission. In fixing this quantity, the Reparation Commission shall take into account all the circumstances, and in particular the production and requirements of the two countries concerned. Austria shall in return furnish to Hungary supplies of the raw materials and manufactured articles referred to in paragraph 1 in accordance with the decisions of the Reparation Commission.

3. Hungary further undertakes during the same period to take such steps as may be necessary to ensure that any such products shall be available for sale to purchasers in Austria on terms as favourable as are applicable to like products sold under similar conditions to purchasers in Hungary or in any other country.

4. In case of disagreement in the execution or interpretation of any of the above provisions the Reparation Commission shall decide.

## CHAPTER II

## SHIPPING

## ARTICLE 209

The High Contracting Parties agree to recognise the flag flown by the vessels of any Contracting Party having no sea-coast, which are registered at some one specified place situated in its territory; such place shall serve as the port of registry of such vessels.

## CHAPTER III

## UNFAIR COMPETITION

## ARTICLE 210

1. Hungary undertakes to adopt all the necessary legislative and administrative measures to protect goods the produce or manufacture of any one of the Allied and Associated Powers from all forms of unfair competition in commercial transactions.

Hungary undertakes to prohibit and repress by seizure and by other appropriate remedies the importation, exportation, manufacture, distribution, sale or offering for sale in her territory of all goods bearing upon themselves

or their usual get-up or wrappings any marks, names, devices, or descriptions whatsoever which are calculated to convey directly or indirectly a false indication of the origin, type, nature or special characteristics of such goods.

2. Hungary undertakes, on condition that reciprocity is accorded in these matters, to respect any law, or any administrative or judicial decision given in conformity with such law, in force in any Allied or Associated State and duly communicated to her by the proper authorities, defining or regulating the right to any regional appellation in respect of wine or spirits produced in the State to which the region belongs or the conditions under which the use of any such appellation may be permitted; and the importation, exportation, manufacture, distribution, sale or offering for sale of products or articles bearing regional appellations inconsistent with such law or order shall be prohibited by Hungary and repressed by the measures prescribed in paragraph 1 of this Article.

#### CHAPTER IV

##### TREATMENT OF NATIONALS OF ALLIED AND ASSOCIATED POWERS

##### ARTICLE 211

Hungary undertakes:

(*a*) not to subject the nationals of the Allied and Associated Powers to any prohibition in regard to the exercise of occupations, professions, trade and industry, which shall not be equally applicable to all aliens without exception;

(*b*) not to subject the nationals of the Allied and Associated Powers in regard to the rights referred to in paragraph (*a*) to any regulation or restriction which might contravene directly or indirectly the stipulations of the said paragraph, or which shall be other or more disadvantageous than those which are applicable to nationals of the most favoured nation;

(*c*) not to subject the nationals of the Allied and Associated Powers, their property, rights or interests, including companies and associations in which they are interested, to any charge, tax or impost, direct or indirect, other or higher than those which are or may be imposed on her own nationals or their property, rights or interests;

(*d*) not to subject the nationals of any one of the Allied and Associated Powers to any restriction which was not applicable on July 1, 1914, to the nationals of such Powers unless such restriction is likewise imposed on her own nationals.

##### ARTICLE 212

The nationals of the Allied and Associated Powers shall enjoy in Hungarian territory a constant protection for their persons and for their property, rights and interests, and shall have free access to the courts of law.

## ARTICLE 213

Hungary undertakes to recognise any new nationality which has been or may be acquired by her nationals under the laws of the Allied and Associated Powers, and in accordance with the decisions of the competent authorities of these Powers pursuant to naturalisation laws or under treaty stipulations, and to regard such persons as having, in consequence of the acquisition of such new nationality, in all respects severed their allegiance to their country of origin.

## ARTICLE 214

The Allied and Associated Powers may appoint consuls-general, consuls, vice-consuls and consular agents in Hungarian towns and ports. Hungary undertakes to approve the designation of the consuls-general, consuls, vice-consuls and consular agents, whose names shall be notified to her, and to admit them to the exercise of their functions in conformity with the usual rules and customs.

## CHAPTER V

## GENERAL ARTICLES

## ARTICLE 215

The obligations imposed on Hungary by Chapter I above shall cease to have effect five years from the date of the coming into force of the present Treaty, unless otherwise provided in the text, or unless the Council of the League of Nations shall, at least twelve months before the expiration of that period, decide that these obligations shall be maintained for a further period with or without amendment.

Nevertheless it is agreed that unless the League of Nations decides otherwise an Allied or Associated Power shall not after the expiration of three years from the coming into force of the present Treaty be entitled to require the fulfilment by Hungary of the provisions of Articles 200, 201, 202 or 203 unless that Power accords correlative treatment to Hungary.

Article 211 shall remain in operation, with or without amendment, after the period of five years for such further period, if any, not exceeding five years, as may be determined by a majority of the Council of the League of Nations.

## ARTICLE 216

If the Hungarian Government engages in international trade, it shall not in respect thereof have or be deemed to have any rights, privileges or immunities of sovereignty.

## SECTION II

*Treaties*

## ARTICLE 217

From the coming into force of the present Treaty and subject to the provisions thereof, the multilateral Treaties, Conventions and Agreements of an economic or technical character concluded by the former Austro-Hungarian Monarchy and enumerated below and in the subsequent Articles shall alone be applied as between Hungary and those of the Allied and Associated Powers party thereto:

(1) Conventions of March 14, 1884,<sup>9</sup> December 1, 1886,<sup>10</sup> and March 23, 1887,<sup>10</sup> and Final Protocol of July 7, 1887,<sup>11</sup> regarding the protection of submarine cables.

(2) Convention of October 11, 1909, regarding the international circulation of motor cars.

(3) Agreement of May 15, 1886, regarding the sealing of railway trucks subject to customs inspection, and Protocol of May 18, 1907.

(4) Agreement of May 15, 1886, regarding the technical standardisation of railways.

(5) Convention of July 5, 1890, regarding the publication of customs tariffs and the organisation of an International Union for the publication of customs tariffs.<sup>12</sup>

(6) Convention of April 25, 1907, regarding the raising of the Turkish customs tariff.

(7) Convention of March 14, 1857, for the redemption of toll dues on the Sound and Belts.

(8) Convention of June 22, 1861, for the redemption of the Stade Toll on the Elbe.

(9) Convention of July 16, 1863, for the redemption of the toll dues on the Scheldt.

(10) Convention of October 29, 1888, regarding the establishment of a definite arrangement guaranteeing the free use of the Suez Canal.

(11) Conventions of September 23, 1910, respecting the unification of certain regulations regarding collisions<sup>13</sup> and salvage at sea.<sup>14</sup>

(12) Convention of December 21, 1904, regarding the exemption of hospital ships from dues and charges in ports.<sup>15</sup>

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<sup>9</sup> TS 380, *ante*, vol. 1, p. 89.

<sup>10</sup> TS 380-2, *ante*, vol. 1, p. 112.

<sup>11</sup> TS 380-3, *ante*, vol. 1, p. 114.

<sup>12</sup> TS 384, *ante*, vol. 1, p. 172.

<sup>13</sup> 1911 For. Rel. 19.

<sup>14</sup> TS 576, *ante*, vol. 1, p. 780.

<sup>15</sup> TS 459, *ante*, vol. 1, p. 430.

(13) Convention of September 26, 1906, for the suppression of night-work for women.

(14) Conventions of May 18, 1904,<sup>16</sup> and May 4, 1910, regarding the suppression of the White Slave Traffic.

(15) Convention of May 4, 1910, regarding the suppression of obscene publications.<sup>17</sup>

(16) Sanitary Convention of December 3, 1903, and the preceding Conventions signed on January 30, 1892, April 15, 1893, April 3, 1894, and March 19, 1897.

(17) Convention of May 20, 1875, regarding the unification and improvement of the metric system.<sup>18</sup>

(18) Convention of November 29, 1906, regarding the unification of pharmacopœial formulæ for potent drugs.<sup>19</sup>

(19) Convention of November 16 and 19, 1885, regarding the establishment of a concert pitch.

(20) Convention of June 7, 1905, regarding the creation of an International Agricultural Institute at Rome.<sup>20</sup>

(21) Conventions of November 3, 1881, and April 15, 1889, regarding precautionary measures against phylloxera.

(22) Convention of March 19, 1902, regarding the protection of birds useful to agriculture.

(23) Convention of June 12, 1902, regarding the guardianship of minors.

#### ARTICLE 218

From the coming into force of the present Treaty the High Contracting Parties shall apply the conventions and agreements hereinafter mentioned, in so far as concerns them, Hungary undertaking to comply with the special stipulations contained in this Article.

#### *Postal Conventions*

Conventions and agreements of the Universal Postal Union concluded at Vienna, July 4, 1891.<sup>21</sup>

Conventions and agreements of the Postal Union signed at Washington, June 15, 1897.<sup>22</sup>

Conventions and agreements of the Postal Union signed at Rome, May 26, 1906.<sup>23</sup>

<sup>16</sup> TS 496, *ante*, vol. 1, p. 424.

<sup>17</sup> TS 559, *ante*, vol. 1, p. 748.

<sup>18</sup> TS 378, *ante*, vol. 1, p. 39.

<sup>19</sup> TS 510, *ante*, vol. 1, p. 568.

<sup>20</sup> TS 489, *ante*, vol. 1, p. 436.

<sup>21</sup> *Ante*, vol. 1, p. 188.

<sup>22</sup> *Ante*, vol. 1, p. 206.

<sup>23</sup> *Ante*, vol. 1, p. 492.

*Telegraphic Conventions*

International Telegraphic Conventions signed at St. Petersburg, July 10/22, 1875.

Regulations and Tariffs drawn up by the International Telegraphic Conference, Lisbon, June 11, 1908.

Hungary undertakes not to refuse her assent to the conclusion by the new States of the special arrangements referred to in the Conventions and Agreements relating to the Universal Postal Union and to the International Telegraphic Union, to which the said new States have adhered or may adhere.

## ARTICLE 219

From the coming into force of the present Treaty the High Contracting Parties shall apply, in so far as concerns them, the International Radio-Telegraphic Conventions of July 5, 1912,<sup>24</sup> Hungary undertaking to comply with the provisional regulations which will be indicated to her by the Allied and Associated Powers.

If within five years after the coming into force of the present Treaty a new convention regulating international radio-telegraphic communications should have been concluded to take the place of the Convention of July 5, 1912, this new convention shall bind Hungary, even if Hungary should refuse either to take part in drawing up the convention, or subscribe thereto.

This new convention will likewise replace the provisional regulations in force.

## ARTICLE 220

The International Convention of Paris of March 20, 1883,<sup>25</sup> for the protection of industrial property, revised at Washington on June 2, 1911,<sup>26</sup> and the Agreement of April 14, 1891, concerning the international registration of trade marks shall be applied as from the coming into force of the present Treaty, in so far as they are not affected or modified by the exceptions and restrictions resulting therefrom.

## ARTICLE 221

From the coming into force of the present Treaty the High Contracting Parties shall apply, in so far as concerns them, the Convention of the Hague of July 17, 1905, relating to civil procedure. This provision, however, will not apply to France, Portugal and Roumania.

## ARTICLE 222

Hungary undertakes, within twelve months of the coming into force of the present Treaty, to adhere in the prescribed form to the International Con-

<sup>24</sup> TS 581, *ante*, vol. 1, p. 883.

<sup>25</sup> TS 379, *ante*, vol. 1, p. 80.

<sup>26</sup> TS 579, *ante*, vol. 1, p. 791.

vention of Berne of September 9, 1886, for the protection of literary and artistic works, revised at Berlin on November 13, 1908, and completed by the Additional Protocol signed at Berne on March 20, 1914, relating to the protection of literary and artistic works.

Until her adherence, Hungary undertakes to recognise and protect by effective measures and in accordance with the principles of the said Convention the literary and artistic works of nationals of the Allied and Associated Powers.

In addition, and irrespective of the above-mentioned adherence, Hungary undertakes to continue to assure such recognition and such protection, to all literary and artistic works of the nationals of each of the Allied and Associated Powers to an extent at least as great as upon July 28, 1914, and upon the same conditions.

#### ARTICLE 223

Hungary undertakes to adhere to the following Conventions:

- (1) Convention of September 26, 1906, for the suppression of the use of white phosphorus in the manufacture of matches.
- (2) Convention of December 31, 1913, regarding the unification of commercial statistics.

#### ARTICLE 224

Each of the Allied or Associated Powers, being guided by the general principles or special provisions of the present Treaty, shall notify to Hungary the bilateral agreements of all kinds which were in force between her and the former Austro-Hungarian Monarchy, and which she wishes should be in force as between her and Hungary.

The notification referred to in the present Article shall be made either directly or through the intermediary of another Power. Receipt thereof shall be acknowledged in writing by Hungary. The date of the coming into force shall be that of the notification.

The Allied and Associated Powers undertake among themselves not to apply as between themselves and Hungary any agreements which are not in accordance with the terms of the present Treaty.

The notification shall mention any provisions of the said agreements which, not being in accordance with the terms of the present Treaty, shall not be considered as coming into force.

In case of any difference of opinion, the League of Nations will be called on to decide.

A period of six months from the coming into force of the present Treaty is allowed to the Allied and Associated Powers within which to make the notification.

Only those bilateral agreements which have been the subject of such a

notification shall be put in force between the Allied and Associated Powers and Hungary.

The above rules apply to all bilateral agreements existing between any Allied and Associated Powers signatories to the present Treaty and Hungary, even if the said Allied and Associated Powers have not been in a state of war with Hungary.

#### ARTICLE 225

Hungary hereby recognizes that all treaties, conventions or agreements concluded by her, or by the former Austro-Hungarian Monarchy, with Germany, Austria, Bulgaria or Turkey since August 1, 1914, until the coming into force of the present Treaty, are of no effect.

#### ARTICLE 226

Hungary undertakes to secure to the Allied and Associated Powers, and to the officials and nationals of the said Powers, the enjoyment of all the rights and advantages of any kind which she, or the former Austro-Hungarian Monarchy, may have granted to Germany, Austria, Bulgaria or Turkey, or to the officials and nationals of these States by treaties, conventions or arrangements concluded before August 1, 1914, so long as those treaties, conventions or arrangements are in force.

The Allied and Associated Powers reserve the right to accept or not the enjoyment of these rights and advantages.

#### ARTICLE 227

Hungary recognises that all treaties, conventions or arrangements which she, or the former Austro-Hungarian Monarchy, concluded with Russia, or with any State or Government of which the territory previously formed a part of Russia, or with Roumania, before July 28, 1914, or after that date until the coming into force of the present Treaty, are of no effect.

#### ARTICLE 228

Should an Allied or Associated Power, Russia, or a State or Government of which the territory formerly constituted a part of Russia, have been forced since July 28, 1914, by reason of military occupation or by any other means or for any other cause, to grant or to allow to be granted by the act of any public authority, concessions, privileges and favours of any kind to the former Austro-Hungarian Monarchy, or to Hungary or to an Hungarian national, such concessions, privileges and favours are *ipso facto* annulled by the present Treaty.

No claims or indemnities which may result from this annulment shall be charged against the Allied or Associated Powers or the Powers, States, Governments or public authorities which are released from their engagements by the present Article.

## ARTICLE 229

From the coming into force of the present Treaty Hungary undertakes, so far as she is concerned, to give the Allied and Associated Powers and their nationals the benefit *ipso facto* of the rights and advantages of any kind which she or the former Austro-Hungarian Monarchy has granted by treaties, conventions or arrangements to non-belligerent States or their nationals since July 28, 1914, until the coming into force of the present Treaty, so long as those treaties, conventions or arrangements are in force for Hungary.

## ARTICLE 230

Those of the High Contracting Parties who have not yet signed, or who have signed but not yet ratified, the Opium Convention signed at The Hague on January 23, 1912,<sup>27</sup> agree to bring the said Convention into force, and for this purpose to enact the necessary legislation without delay and in any case within a period of twelve months from the coming into force of the present Treaty.

Furthermore, they agree that ratification of the present Treaty should in the case of Powers which have not yet ratified the Opium Convention be deemed in all respects equivalent to the ratification of that Convention and to the signature of the Special Protocol which was opened at The Hague in accordance with the resolutions adopted by the Third Opium Conference in 1914 for bringing the said Convention into force.

For this purpose the Government of the French Republic will communicate to the Government of the Netherlands a certified copy of the protocol of the deposit of ratifications of the present Treaty, and will invite the Government of the Netherlands to accept and deposit the said certified copy as if it were a deposit of ratifications of the Opium Convention and a signature of the Additional Protocol of 1914.

## SECTION III

*Debts*

## ARTICLE 231

There shall be settled through the intervention of Clearing Offices to be established by each of the High Contracting Parties within three months of the notification referred to in paragraph (e) hereafter the following classes of pecuniary obligations:

(1) Debts payable before the war and due by a national of one of the Contracting Powers, residing within its territory, to a national of an Opposing Power, residing within its territory;

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<sup>27</sup> TS 612, *ante*, vol. 1, p. 855.

(2) Debts which became payable during the war to nationals of one Contracting Power residing within its territory and arose out of transactions or contracts with the nationals of an Opposing Power, resident within its territory, of which the total or partial execution was suspended on account of the existence of a state of war;

(3) Interest which has accrued due before and during the war to a national of one of the Contracting Powers in respect of securities issued or taken over by an Opposing Power, provided that the payment of interest on such securities to the nationals of that Power or to neutrals has not been suspended during the war;

(4) Capital sums which have become payable before and during the war to nationals of one of the Contracting Powers in respect of securities issued by one of the Opposing Powers, provided that the payment of such capital sums to nationals of that Power or to neutrals has not been suspended during the war.

In the case of interest or capital sums payable in respect of securities issued or taken over by the former Austro-Hungarian Government the amount to be credited and paid by Hungary will be the interest or capital in respect only of the debt for which Hungary is liable in accordance with Part IX (Financial Clauses) of the present Treaty, and the principles laid down by the Reparation Commission.

The proceeds of liquidation of enemy property, rights and interests mentioned in Section IV and in the Annex thereto will be accounted for through the Clearing Offices, in the currency and at the rate of exchange hereinafter provided in paragraph (*d*), and disposed of by them under the conditions provided by the said Section and Annex.

The settlements provided for in this Article shall be effected according to the following principles and in accordance with the Annex to this Section:

(*a*) Each of the High Contracting Parties shall prohibit, as from the coming into force of the present Treaty, both the payment and the acceptance of payment of such debts, and also all communications between the interested parties with regard to the settlement of the said debts otherwise than through the Clearing Offices;

(*b*) Each of the High Contracting Parties shall be respectively responsible for the payment of such debts due by its nationals, except in the cases where before the war the debtor was in a state of bankruptcy or failure, or had given formal indication of insolvency, or where the debt was due by a company whose business has been liquidated under emergency legislation during the war;

(*c*) The sums due to the nationals of one of the High Contracting Parties by the nationals of an Opposing State will be debited to the Clearing Office of the country of the debtor, and paid to the creditor by the Clearing Office of the country of the creditor;

(*d*) Debts shall be paid or credited in the currency of such one of the Allied and Associated Powers, their colonies or protectorates, or the British Dominions or India, as may be concerned. If the debts are payable in some other currency they shall be paid or credited in the currency of the country concerned, whether an Allied or Associated Power, Colony, Protectorate, British Dominion or India, at the pre-war rate of exchange.

For the purpose of this provision the pre-war rate of exchange shall be defined as the average cable transfer rate prevailing in the Allied or Associated country concerned during the month immediately preceding the outbreak of war between the said country concerned and Austria-Hungary.

If a contract provides for a fixed rate of exchange governing the conversion of the currency in which the debt is stated into the currency of the Allied or Associated country concerned, then the above provisions concerning the rate of exchange shall not apply.

In the case of the new States of Poland and the Czecho-Slovak State, the currency in which and the rate of exchange at which debts shall be paid or credited shall be determined by the Reparation Commission provided for in Part VIII, unless they shall have been previously settled by agreement between the States interested;

(*e*) The provisions of this Article and of the Annex hereto shall not apply as between Hungary on the one hand and any one of the Allied and Associated Powers, their colonies or protectorates, or any one of the British Dominions or India on the other hand, unless within a period of one month from the deposit of the ratification of the present Treaty by the Power in question, or of the ratification on behalf of such Dominion or of India, notice to that effect is given to Hungary by the Government of such Allied or Associated Power or of such Dominion or of India as the case may be;

(*f*) The Allied and Associated Powers which have adopted this Article and the Annex hereto may agree between themselves to apply them to their respective nationals established in their territory so far as regards matters between their nationals and Hungarian nationals. In this case the payments made by application of this provision will be subject to arrangements between the Allied and Associated Clearing Offices concerned.

#### ANNEX

##### 1

Each of the High Contracting Parties will, within three months from the notification provided for in Article 231, paragraph (*e*), establish a Clearing Office for the collection and payment of enemy debts.

Local Clearing Offices may be established for any particular portion of the territories of the High Contracting Parties. Such local Clearing Offices may perform all the functions of a central Clearing Office in their respective

districts, except that all transactions with the Clearing Office in the Opposing State must be effected through the central Clearing Office.

## 2

In this Annex the pecuniary obligations referred to in the first paragraph of Article 231 are described as "enemy debts," the persons from whom the same are due as "enemy debtors," the persons to whom they are due as "enemy creditors," the Clearing Office in the country of the creditor is called the "Creditor Clearing Office," and the Clearing Office in the country of the debtor is called the "Debtor Clearing Office."

## 3

The High Contracting Parties will subject contraventions of paragraph (a) of Article 231 to the same penalties as are at present provided by their legislation for trading with the enemy. Those who have not prohibited trading with the enemy will enact provisions punishing the above-mentioned contraventions with severe penalties. The High Contracting Parties will similarly prohibit within their territory all legal process relating to payment of enemy debts, except in accordance with the provisions of this Annex.

## 4

The Government guarantee specified in paragraph (b) of Article 231 shall take effect whenever, for any reason, a debt shall not be recoverable, except in a case where at the date of the outbreak of war the debt was barred by the laws of prescription in force in the country of the debtor, or where the debtor was at that time in a state of bankruptcy or failure or had given formal indication of insolvency, or where the debt was due by a company whose business has been liquidated under emergency legislation during the war. In such case the procedure specified by this Annex shall apply to payment of the dividends.

The terms "bankruptcy" and "failure" refer to the application of legislation providing for such juridical conditions. The expression "formal indication of insolvency" bears the same meaning as it has in English law.

## 5

Creditors shall give notice to the Creditor Clearing Office within six months of its establishment of debts due to them, and shall furnish the Clearing Office with any documents and information required of them.

The High Contracting Parties will take all suitable measures to trace and punish collusion between enemy creditors and debtors. The Clearing Offices will communicate to one another any evidence and information which might help the discovery and punishment of such collusion.

The High Contracting Parties will facilitate as much as possible postal and telegraphic communication at the expense of the parties concerned and through the intervention of the Clearing Offices between debtors and creditors desirous of coming to an agreement as to the amount of their debt.

The Creditor Clearing Office will notify the Debtor Clearing Office of all debts declared to it. The Debtor Clearing Office will, in due course, inform the Creditor Clearing Office which debts are admitted and which debts are contested. In the latter case, the Debtor Clearing Office will give the grounds for the non-admission of debt.

## 6

When a debt has been admitted, in whole or in part, the Debtor Clearing Office will at once credit the Creditor Clearing Office with the amount admitted, and at the same time notify it of such credit.

## 7

The debt shall be deemed to be admitted in full and shall be credited forthwith to the Creditor Clearing Office unless within three months from the receipt of the notification or such longer time as may be agreed to by the Creditor Clearing Office notice has been given by the Debtor Clearing Office that it is not admitted.

## 8

When the whole or part of a debt is not admitted the two Clearing Offices will examine into the matter jointly and will endeavour to bring the parties to an agreement.

## 9

The Creditor Clearing Office will pay to the individual creditor the sums credited to it out of the funds placed at its disposal by the Government of its country and in accordance with the conditions fixed by the said Government, retaining any sums considered necessary to cover risks, expenses or commissions.

## 10

Any person having claimed payment of an enemy debt which is not admitted in whole or in part shall pay to the Clearing Office, by way of fine, interest at 5 per cent. on the part not admitted. Any person having unduly refused to admit the whole or part of a debt claimed from him shall pay, by way of fine, interest at 5 per cent. on the amount with regard to which his refusal shall be disallowed.

Such interest shall run from the date of expiration of the period provided for in paragraph 7 until the date on which the claim shall have been disallowed or the debt paid.

Each Clearing Office shall in so far as it is concerned take steps to collect the fines above provided for, and will be responsible if such fines cannot be collected.

The fines will be credited to the other Clearing Office, which shall retain them as a contribution towards the cost of carrying out the present provisions.

## 11

The balance between the Clearing Offices shall be struck every three months and the credit balance paid in cash by the debtor State within one month.

Nevertheless, any credit balances which may be due by one or more of the Allied and Associated Powers shall be retained until complete payment shall have been effected of the sums due to the Allied or Associated Powers or their nationals on account of the war.

## 12

To facilitate discussion between the Clearing Offices each of them shall have a representative at the place where the other is established.

## 13

Except for special reasons all discussions in regard to claims will, so far as possible, take place at the Debtor Clearing Office.

## 14

In conformity with Article 231, paragraph (*b*), the High Contracting Parties are responsible for the payment of the enemy debts owing by their nationals.

The Debtor Clearing Office will therefore credit the Creditor Clearing Office with all debts admitted, even in case of inability to collect them from the individual debtor. The Governments concerned will, nevertheless, invest their respective Clearing Offices with all necessary powers for the recovery of debts which have been admitted.

## 15

Each Government will defray the expenses of the Clearing Office set up in its territory, including the salaries of the staff.

## 16

Where the two Clearing Offices are unable to agree whether a debt claimed is due, or in case of a difference between an enemy debtor and an enemy creditor or between the Clearing Offices, the dispute shall either be referred to arbitration if the parties so agree under conditions fixed by agree-

ment between them, or referred to the Mixed Arbitral Tribunal provided for in Section VI hereafter.

At the request of the Creditor Clearing Office the dispute may, however, be submitted to the jurisdiction of the Courts of the place of domicile of the debtor.

## 17

Recovery of sums found by the Mixed Arbitral Tribunal, the Court, or the Arbitration Tribunal to be due shall be effected through the Clearing Offices as if these sums were debts admitted by the Debtor Clearing Office.

## 18

Each of the Governments concerned shall appoint an agent who will be responsible for the presentation to the Mixed Arbitral Tribunal of the cases conducted on behalf of its Clearing Office. This agent will exercise a general control over the representatives or counsel employed by its nationals.

Decisions will be arrived at on documentary evidence, but it will be open to the Tribunal to hear the parties in person, or according to their preference by their representatives approved by the two Governments, or by the agent referred to above, who shall be competent to intervene along with the party or to re-open and maintain a claim abandoned by the same.

## 19

The Clearing Offices concerned will lay before the Mixed Arbitral Tribunal all the information and documents in their possession, so as to enable the Tribunal to decide rapidly on the cases which are brought before it.

## 20

Where one of the parties concerned appeals against the joint decision of the two Clearing Offices he shall make a deposit against the costs, which deposit shall only be refunded when the first judgment is modified in favour of the appellant and in proportion to the success he may attain, his opponent in case of such a refund being required to pay an equivalent proportion of the costs and expenses. Security accepted by the Tribunal may be substituted for a deposit.

A fee of 5 per cent. of the amount in dispute shall be charged in respect of all cases brought before the Tribunal. This fee shall, unless the Tribunal directs otherwise, be borne by the unsuccessful party. Such fee shall be added to the deposit referred to. It is also independent of the security.

The Tribunal may award to one of the parties a sum in respect of the expenses of the proceedings.

Any sum payable under this paragraph shall be credited to the Clearing Office of the successful party as a separate item.

## 21

With a view to the rapid settlement of claims, due regard shall be paid in the appointment of all persons connected with the Clearing Offices or with the Mixed Arbitral Tribunal to their knowledge of the language of the other country concerned.

Each of the Clearing Offices will be at liberty to correspond with the other and to forward documents in its own language.

## 22

Subject to any special agreement to the contrary between the Governments concerned, debts shall carry interest in accordance with the following provisions:

Interest shall not be payable on sums of money due by way of dividend, interest, or other periodical payments which themselves represent interest on capital.

The rate of interest shall be 5 per cent. per annum, except in cases where, by contract, law or custom, the creditor is entitled to payment of interest at a different rate. In such cases the rate to which he is entitled shall prevail.

Interest shall run from the date of commencement of hostilities (or, if the sum of money to be recovered fell due during the war, from the date at which it fell due) until the sum is credited to the Clearing Office of the creditor.

Sums due by way of interest shall be treated as debts admitted by the Clearing Offices and shall be credited to the Creditor Clearing Office in the same way as such debts.

## 23

Where by decision of the Clearing Offices or the Mixed Arbitral Tribunal a claim is held not to fall within Article 231, the creditor shall be at liberty to prosecute the claim before the Courts or to take such other proceedings as may be open to him.

The presentation of a claim to the Clearing Office suspends the operation of any period of prescription.

## 24

The High Contracting Parties agree to regard the decisions of the Mixed Arbitral Tribunal as final and conclusive, and to render them binding upon their nationals.

## 25

In any case where a Creditor Clearing Office declines to notify a claim to the Debtor Clearing Office, or to take any step provided for in this Annex intended to make effective in whole or in part a request of which it has received due notice, the enemy creditor shall be entitled to receive from the Clearing Office a certificate setting out the amount of the claim, and shall

then be entitled to prosecute the claim before the Courts or to take such other proceedings as may be open to him.

## SECTION IV

*Property, Rights and Interests*

## ARTICLE 232

I. The question of private property, rights and interests in an enemy country shall be settled according to the principles laid down in this Section and to the provisions of the Annex hereto.

(a) The exceptional war measures and measures of transfer (defined in paragraph 3 of the Annex hereto) taken in the territory of the former Kingdom of Hungary with respect to the property, rights and interests of nationals of Allied or Associated Powers, including companies and associations in which they are interested, when liquidation has not been completed, shall be immediately discontinued or stayed and the property, rights and interests concerned restored to their owners.

(b) Subject to any contrary stipulations which may be provided for in the present Treaty, the Allied and Associated Powers reserve the right to retain and liquidate all property, rights and interests which belong at the date of the coming into force of the present Treaty to nationals of the former Kingdom of Hungary, or companies controlled by them, and are within the territories, colonies, possessions and protectorates of such Powers (including territories ceded to them by the present Treaty) or which are under the control of those powers.

The liquidation shall be carried out in accordance with the laws of the Allied or Associated State concerned, and the owner shall not be able to dispose of such property, rights or interests nor to subject them to any charge without the consent of that State.

Persons who within six months of the coming into force of the present Treaty show that they have acquired *ipso facto* in accordance with its provisions the nationality of an Allied or Associated Power, including those who under Article 62 obtain such nationality with the consent of the competent authorities or in virtue of previous rights of citizenship (*pentinenza*), will not be considered as nationals of the former Kingdom of Hungary within the meaning of this paragraph.

(c) The price or the amount of compensation in respect of the exercise of the right referred to in paragraph (b) will be fixed in accordance with the methods of sale or valuation adopted by the laws of the country in which the property has been retained or liquidated.

(d) As between the Allied and Associated Powers and their nationals on the one hand and nationals of the former Kingdom of Hungary on the

other hand, as also between Hungary on the one hand and the Allied and Associated Powers and their nationals on the other hand, all the exceptional war measures, or measures of transfer, or acts done or to be done in execution of such measures as defined in paragraphs 1 and 3 of the Annex hereto shall be considered as final and binding upon all persons except as regards the reservations laid down in the present Treaty.

(*e*) The nationals of Allied and Associated Powers shall be entitled to compensation in respect of damage or injury inflicted upon their property, rights or interests, including any company or association in which they are interested, in the territory of the former Kingdom of Hungary, by the application either of the exceptional war measures or measures of transfer mentioned in paragraphs 1 and 3 of the Annex hereto. The claims made in this respect by such nationals shall be investigated, and the total of the compensation shall be determined by the Mixed Arbitral Tribunal provided for in Section VI or by an arbitrator appointed by that Tribunal. This compensation shall be borne by Hungary, and may be charged upon the property of nationals of the former Kingdom of Hungary, or companies controlled by them, as defined in paragraph (*b*), within the territory or under the control of the claimant's State. This property may be constituted as a pledge for enemy liabilities under the conditions fixed by paragraph 4 of the Annex hereto. The payment of this compensation may be made by the Allied or Associated State, and the amount will be debited to Hungary.

(*f*) Whenever a national of an Allied or Associated Power is entitled to property which has been subjected to a measure of transfer in the territory of the former Kingdom of Hungary and expresses a desire for its restitution, his claim for compensation in accordance with paragraph (*e*) shall be satisfied by the restitution of the said property if it still exists in specie.

In such case Hungary shall take all necessary steps to restore the evicted owner to the possession of his property, free from all encumbrances or burdens with which it may have been charged after the liquidation, and to indemnify all third parties injured by the restitution.

If the restitution provided for in this paragraph cannot be effected, private agreements arranged by the intermediation of the Powers concerned or the Clearing Offices provided for in the Annex to Section III may be made, in order to secure that the national of the Allied or Associated Power may secure compensation for the injury referred to in paragraph (*e*) by the grant of advantages or equivalents which he agrees to accept in place of the property, rights or interests of which he was deprived.

Through restitution in accordance with this Article, the price or the amount of compensation fixed by the application of paragraph (*e*) will be reduced by the actual value of the property restored, account being taken of compensation in respect of loss of use or deterioration.

(*g*) The rights conferred by paragraph (*f*) are reserved to owners who are nationals of Allied or Associated Powers within whose territory legislative

measures prescribing the general liquidation of enemy property, rights or interests were not applied before the signature of the Armistice.

(*h*) Except in cases where, by application of paragraph (*f*), restitutions in species have been made, the net proceeds of sales of enemy property, rights or interests wherever situated carried out either by virtue of war legislation, or by application of this Article, and in general all cash assets of enemies, other than proceeds of sales of property or cash assets in Allied or Associated countries belonging to persons covered by the last sentence of paragraph (*b*) above, shall be dealt with as follows:

(1) As regards Powers adopting Section III and the Annex thereto, the said proceeds and cash assets shall be credited to the Power of which the owner is a national, through the Clearing Office established thereunder; any credit balance in favour of Hungary resulting therefrom shall be dealt with as provided in Article 173, Part VIII (Reparation) of the present Treaty.

(2) As regards Powers not adopting Section III and the Annex thereto, the proceeds of the property, rights and interests, and the cash assets, of the nationals of Allied or Associated Powers held by Hungary shall be paid immediately to the person entitled thereto or to his Government; the proceeds of the property, rights and interests, and the cash assets, of nationals of the former Kingdom of Hungary, or companies controlled by them, as defined in paragraph (*b*), received by an Allied or Associated Power shall be subject to disposal by such Power in accordance with its laws and regulations and may be applied in payment of the claims and debts defined by this Article or paragraph 4 of the Annex hereto. Any such property, rights and interests or proceeds thereof or cash assets not used as above provided may be retained by the said Allied or Associated Power, and if retained, the cash value thereof shall be dealt with as provided in Article 173, Part VIII (Reparation) of the present Treaty.

(*i*) Subject to the provisions of Article 250, in the case of liquidations effected in new States, which are signatories of the present Treaty as Allied and Associated Powers, or in States which are not entitled to share in the reparation payments to be made by Hungary, the proceeds of liquidations effected by such States shall, subject to the rights of the Reparation Commission under the present Treaty, particularly under Articles 165, Part VIII (Reparation) and 194, Part IX (Financial Clauses), be paid direct to the owner. If, on the application of that owner, the Mixed Arbitral Tribunal provided for by Section VI of this Part, or an arbitrator appointed by that Tribunal, is satisfied that the conditions of the sale or measures taken by the Government of the State in question outside its general legislation were unfairly prejudicial to the price obtained, they shall have discretion to award to the owner equitable compensation to be paid by that State.

(*j*) Hungary undertakes to compensate her nationals in respect of the sale or retention of their property, rights or interests in Allied or Associated States.

(*k*) The amount of all taxes or imposts on capital levied or to be levied by Hungary on the property, rights and interests of the nationals of the Allied or Associated Powers from November 3, 1918, until three months from the coming into force of the present Treaty, or, in the case of property, rights or interests which have been subjected to exceptional measures of war, until restitution in accordance with the present Treaty, shall be restored to the owners.

II. Subject to the preceding provisions, all measures other than those above referred to taken by the *de jure* or *de facto* authorities in the territory of the former Kingdom of Hungary between November 3, 1918, and the coming into force of the present Treaty, and causing injury to the property, rights and interests of the Allied and Associated Powers or their nationals, including companies and associations in which they were interested, are declared null and void.

The provisions of paragraphs (*a*), (*e*), (*f*), (*h*) and (*k*) above apply to property, rights and interests which belong to nationals of the Allied and Associated Powers, including companies and associations in which they were interested, and which have been the subject of injurious measures such as expropriation, confiscation, seizure, requisition, destruction or deterioration effected as the result either of laws or regulations or of acts of violence on the part of the *de jure* or *de facto* authorities which have existed in Hungary, or of the Hungarian population.

III. Companies and associations include in particular the Orthodox Greek communities established in Buda-Pesth and other Hungarian towns, as well as pious and other foundations, when nationals of the Allied and Associated Powers are interested in such communities or foundations.

IV. No forfeiture on account of failure to complete any formality or make any declaration imposed by Hungarian laws or decrees promulgated since the Armistice and before the coming into force of the present Treaty shall be valid as against nationals of the Allied and Associated Powers, including companies and associations in which they were interested.

#### ARTICLE 233

Hungary undertakes, with regard to the property, rights and interests, including companies and associations in which they were interested, restored to nationals of Allied and Associated Powers in accordance with the provisions of Article 232:

(*a*) to restore and maintain, except as expressly provided in the present Treaty, the property, rights and interests of the nationals of Allied or Associated Powers in the legal position obtaining in respect of the property, rights and interests of nationals of the former Kingdom of Hungary under the laws in force before the war;

(*b*) not to subject the property, rights or interests of the nationals of the Allied or Associated Powers to any measures in derogation of property rights which are not applied equally to the property, rights and interests of Hungarian nationals, and to pay adequate compensation in the event of the application of these measures.

## ANNEX

## 1

In accordance with the provisions of Article 232, paragraph (*d*), the validity of vesting orders and of orders for the winding up of businesses or companies, and of any other orders, directions, decisions or instructions of any court or any department of the Government of any of the High Contracting Parties made or given, or purporting to be made or given, in pursuance of war legislation with regard to enemy property, rights and interests is confirmed. The interests of all persons shall be regarded as having been effectively dealt with by any order, direction, decision or instruction dealing with property in which they may be interested, whether or not such interests are specifically mentioned in the order, direction, decision or instruction. No question shall be raised as to the regularity of a transfer of any property, rights or interests dealt with in pursuance of any such order, direction, decision or instruction. Every action taken with regard to any property, business or company, whether as regards its investigation, sequestration, compulsory administration, use, requisition, supervision or winding up, the sale or management of property, rights or interests, the collection or discharge of debts, the payment of costs, charges or expenses, or any other matter whatsoever, in pursuance of orders, directions, decisions or instructions of any court or of any department of the Government of any of the High Contracting Parties, made or given, or purporting to be made or given, in pursuance of war legislation with regard to enemy property, rights or interests, is confirmed. Provided that the provisions of this paragraph shall not be held to prejudice the titles to property heretofore acquired in good faith and for value and in accordance with the laws of the country in which the property is situated by nationals of the Allied and Associated Powers.

The provisions of this paragraph do not apply to such of the above-mentioned measures as have been taken by the former Austro-Hungarian Government in invaded or occupied territory, nor to such of the above-mentioned measures as have been taken by Hungary or the Hungarian authorities since November 3, 1918, all of which measures shall be void.

## 2

No claim or action shall be made or brought against any Allied or Associated Power or against any person acting on behalf of or under the direction

of any legal authority or department of the Government of such a Power by Hungary or by any Hungarian national or by or on behalf of any national of the former Kingdom of Hungary wherever resident in respect of any act or omission with regard to his property, rights or interests during the war or in preparation for the war. Similarly no claim or action shall be made or brought against any person in respect of any act or omission under or in accordance with the exceptional war measures, laws or regulations of any Allied or Associated Power.

## 3

In Article 232 and this Annex the expression "exceptional war measures" includes measures of all kinds, legislative, administrative, judicial or others, that have been taken or will be taken hereafter with regard to enemy property, and which have had or will have the effect of removing from the proprietors the power of disposition over their property, though without affecting the ownership, such as measures of supervision, of compulsory administration, and of sequestration; or measures which have had or will have as an object the seizure of, the use of, or the interference with enemy assets, for whatsoever motive, under whatsoever form or in whatsoever place. Acts in the execution of these measures include all detentions, instructions, orders or decrees of Government departments or courts applying these measures to enemy property, as well as acts performed by any person connected with the administration or the supervision of enemy property, such as the payment of debts, the collecting of credits, the payment of any costs, charges or expenses, or the collecting of fees.

Measures of transfer are those which have affected or will affect the ownership of enemy property by transferring it in whole or in part to a person other than the enemy owner, and without his consent, such as measures directing the sale, liquidation or devolution of ownership in enemy property, or the cancelling of titles or securities.

## 4

All property, rights and interests of nationals of the former Kingdom of Hungary within the territory of any Allied or Associated Power and the net proceeds of their sale, liquidation or other dealing therewith may be charged by that Allied or Associated Power in the first place with payment of amounts due in respect of claims by the nationals of that Allied or Associated Power with regard to their property, rights and interests, including companies and associations in which they are interested, in territory of the former Kingdom of Hungary or debts owing to them by Hungarian nationals, and with payment of claims growing out of acts committed by the former Austro-Hungarian Government or by any Hungarian authorities since July 28, 1914, and before that Allied or Associated Power entered into the war. The amount of such claims may be assessed by an arbitrator appointed by M. Gustave Ador,

if he is willing, or if no such appointment is made by him, by an arbitrator appointed by the Mixed Arbitral Tribunal provided for in Section VI. They may be charged in the second place with payment of the amounts due in respect of claims by the nationals of such Allied or Associated Power with regard to their property, rights and interests in the territory of other enemy Powers, in so far as those claims are otherwise unsatisfied.

## 5

Notwithstanding the provisions of Article 232, where immediately before the outbreak of war a company incorporated in an Allied or Associated State had rights in common with a company controlled by it and incorporated in Hungary to the use of trade-marks in third countries, or enjoyed the use in common with such company of unique means of reproduction of goods or articles for sale in third countries, the former company shall alone have the right to use these trade-marks in third countries to the exclusion of the Hungarian company, and these unique means of reproduction shall be handed over to the former company, notwithstanding any action taken under war legislation in force in the Austro-Hungarian Monarchy with regard to the latter company or its business, industrial property or shares. Nevertheless, the former company, if requested, shall deliver to the latter company derivative copies permitting the continuation of reproduction of articles for use in Hungary.

## 6

Up to the time when restitution is carried out in accordance with Article 232, Hungary is responsible for the conservation of property, rights and interests of the nationals of Allied or Associated Powers, including companies and associations in which they are interested, that have been subjected by her to exceptional war measures.

## 7

Within one year from the coming into force of the present Treaty the Allied or Associated Powers will specify the property, rights and interests over which they intend to exercise the right provided in Article 232, paragraph (f).

## 8

The restitution provided in Article 232 will be carried out by order of the Hungarian Government or of the authorities which have been substituted for it. Detailed accounts of the action of administrators shall be furnished to the interested persons by the Hungarian authorities upon request, which may be made at any time after the coming into force of the present Treaty.

## 9

Until completion of the liquidation provided for by Article 232, paragraph (*b*), the property, rights and interests of the persons referred to in that paragraph will continue to be subject to exceptional war measures that have been or will be taken with regard to them.

## 10

Hungary will, within six months from the coming into force of the present Treaty, deliver to each Allied or Associated Power all securities, certificates, deeds or other documents of title held by its nationals and relating to property, rights or interests situated in the territory of that Allied or Associated Power, including any shares, stock, debentures, debenture stock or other obligations of any company incorporated in accordance with the laws of that Power.

Hungary will at any time on demand of any Allied or Associated Power furnish such information as may be required with regard to the property, rights and interests of Hungarian nationals within the territory of such Allied or Associated Power, or with regard to any transactions concerning such property, rights or interests effected since July 1, 1914.

## 11

The expression "cash assets" includes all deposits or funds established before or after the existence of a state of war, as well as all assets coming from deposits, revenues, or profits collected by administrators, sequestrators, or others from funds placed on deposit or otherwise, but does not include sums belonging to the Allied or Associated Powers or to their component States, Provinces or Municipalities.

## 12

All investments wheresoever effected with the cash assets of nationals of the High Contracting Parties, including companies and associations in which such nationals were interested, by persons responsible for the administration of enemy properties or having control over such administration, or by order of such persons or of any authority whatsoever, shall be annulled. These cash assets shall be accounted for irrespective of any such investment.

## 13

Within one month from the coming into force of the present Treaty, or on demand at any time, Hungary will deliver to the Allied and Associated Powers all accounts, vouchers, records, documents and information of any kind which may be within Hungarian territory, and which concern the property, rights and interests of the nationals of those Powers, including companies and as-

sociations in which they are interested, that have been subjected to an exceptional war measure, or to a measure of transfer either in the territory of the former Kingdom of Hungary or in territory occupied by that Kingdom or its allies.

The controllers, supervisors, managers, administrators, sequestrators, liquidators and receivers shall be personally responsible under guarantee of the Hungarian Government for the immediate delivery in full of these accounts and documents, and for their accuracy.

#### 14

The provisions of Article 232 and this Annex relating to property, rights and interests in an enemy country, and the proceeds of the liquidation thereof, apply to debts, credits and accounts, Section III regulating only the method of payment.

In the settlement of matters provided for in Article 232 between Hungary and the Allied or Associated Powers, their colonies or protectorates, or any one of the British Dominions or India, in respect of any of which a declaration shall not have been made that they adopt Section III, and between their respective nationals, the provisions of Section III respecting the currency in which payment is to be made and the rate of exchange and of interest shall apply unless the Government of the Allied or Associated Power concerned shall within six months of the coming into force of the present Treaty notify Hungary that one or more of the said provisions are not to be applied.

#### 15

The provisions of Article 232 and this Annex apply to industrial, literary and artistic property which has been or will be dealt with in the liquidation of property, rights, interests, companies or businesses under war legislation by the Allied or Associated Powers, or in accordance with stipulations of Article 232, paragraph (b).

#### SECTION V

#### *Contracts, Prescriptions, Judgments*

#### ARTICLE 234

(a) Any contract concluded between enemies shall be regarded as having been dissolved as from the time when any two of the parties became enemies, except in respect of any debt or other pecuniary obligation arising out of any act done or money paid thereunder, and subject to the exceptions and special rules with regard to particular contracts or classes of contracts contained herein or in the Annex hereto.

(b) Any contract of which the execution shall be required in the general interest, within six months from the date of the coming into force of the present Treaty, by the Government of the Allied or Associated Power of

which one of the parties is a national, shall be excepted from dissolution under this Article.

When the execution of the contract thus kept alive would, owing to the alteration of trade conditions, cause one of the parties substantial prejudice the Mixed Arbitral Tribunal provided for by Section VI shall be empowered to grant to the prejudiced party equitable compensation.

(*c*) Having regard to the provisions of the constitution and law of the United States of America and of Japan, neither the present Article, nor Article 235, nor the Annex hereto shall apply to contracts made between nationals of these States and nationals of the former Kingdom of Hungary; nor shall Article 240 apply to the United States of America or its nationals.

(*d*) The present Article and the Annex hereto shall not apply to contracts the parties to which became enemies by reason of one of them being an inhabitant of territory of which the sovereignty has been transferred, if such party shall acquire under the present Treaty the nationality of an Allied or Associated Power, nor shall they apply to contracts between nationals of the Allied and Associated Powers between whom trading has been prohibited by reason of one of the parties being in Allied or Associated territory in the occupation of the enemy.

(*e*) Nothing in the present Article or the Annex hereto shall be deemed to invalidate a transaction lawfully carried out in accordance with a contract between enemies if it has been carried out with the authority of one of the belligerent Powers.

#### ARTICLE 235

(*a*) All periods of prescription, or limitation of right of action, whether they began to run before or after the outbreak of war, shall be treated in the territory of the High Contracting Parties, so far as regards relations between enemies, as having been suspended for the duration of the war. They shall begin to run again at earliest three months after the coming into force of the present Treaty. This provision shall apply to the period prescribed for the presentation of interest or dividend coupons or for the presentation for repayment of securities drawn for repayment or repayable on any other ground.

(*b*) Where, on account of failure to perform any act or comply with any formality during the war, measures of execution have been taken in the territory of the former Kingdom of Hungary to the prejudice of a national of an Allied or Associated Power, the claim of such national shall, if the matter does not fall within the competence of the Courts of an Allied or Associated Power, be heard by the Mixed Arbitral Tribunal provided for by Section VI.

(*c*) Upon the application of any interested person who is a national of an Allied or Associated Power the Mixed Arbitral Tribunal shall order the restoration of the rights which have been prejudiced by the measures of execution referred to in paragraph (*b*), wherever, having regard to the particular circumstances of the case, such restoration is equitable and possible.

If such restoration is inequitable or impossible the Mixed Arbitral Tribunal may grant compensation to the prejudiced party to be paid by the Hungarian Government.

(*d*) Where a contract between enemies has been dissolved by reason either of failure on the part of either party to carry out its provisions or of the exercise of a right stipulated in the contract itself the party prejudiced may apply to the Mixed Arbitral Tribunal for relief. The Tribunal will have the powers provided for in paragraph (*c*).

(*e*) The provisions of the preceding paragraphs of this Article shall apply to the nationals of Allied and Associated Powers who have been prejudiced by reason of measures referred to above taken by the authorities of the former Hungarian Government in invaded or occupied territory, if they have not been otherwise compensated.

(*f*) Hungary shall compensate any third party who may be prejudiced by any restitution or restoration ordered by the Mixed Arbitral Tribunal under the provisions of the preceding paragraphs of this Article.

(*g*) As regards negotiable instruments, the period of three months provided under paragraph (*a*) shall commence as from the date on which any exceptional regulations applied in the territories of the interested Power with regard to negotiable instruments shall have definitely ceased to have force.

#### ARTICLE 236

As between enemies no negotiable instrument made before the war shall be deemed to have become invalid by reason only of failure within the required time to present the instrument for acceptance or payment or to give notice of non-acceptance or non-payment to drawers or indorsers or to protest the instrument, nor by reason of failure to complete any formality during the war.

Where the period within which a negotiable instrument should have been presented for acceptance or for payment, or within which notice of non-acceptance or non-payment should have been given to the drawer or indorser, or within which the instrument should have been protested, has elapsed during the war, and the party who should have presented or protested the instrument or have given notice of non-acceptance or non-payment has failed to do so during the war, a period of not less than three months from the coming into force of the present Treaty shall be allowed within which presentation, notice of non-acceptance or non-payment or protest may be made.

#### ARTICLE 237

Judgments given by the Courts of an Allied or Associated Power in all cases which, under the present Treaty, they are competent to decide, shall be recognised in Hungary as final, and shall be enforced without it being necessary to have them declared executory.

If a judgment or measure of execution in respect of any dispute which may

have arisen has been given during the war by a judicial authority of the former Kingdom of Hungary against a national of an Allied or Associated Power, or a company or association in which one of such nationals was interested, in a case in which either such national or such company or association was not able to make their defence, the Allied and Associated national who has suffered prejudice thereby shall be entitled to recover compensation to be fixed by the Mixed Arbitral Tribunal provided for in Section VI.

At the instance of the national of the Allied or Associated Power the compensation above-mentioned may, upon order to that effect of the Mixed Arbitral Tribunal, be effected where it is possible by replacing the parties in the situation which they occupied before the judgment was given by the Hungarian Court.

The above compensation may likewise be obtained before the Mixed Arbitral Tribunal by the nationals of Allied or Associated Powers who have suffered prejudice by judicial measures taken in invaded or occupied territories, if they have not been otherwise compensated.

#### ARTICLE 238

For the purpose of Sections III, IV, V and VII, the expression "during the war" means for each Allied or Associated Power the period between the commencement of the state of war between that Power and the former Austro-Hungarian Monarchy and the coming into force of the present Treaty.

#### ANNEX

##### I. *General Provisions*

###### 1

Within the meaning of Articles 234, 235 and 236, the parties to a contract shall be regarded as enemies when trading between them shall have been prohibited by or otherwise became unlawful under laws, orders or regulations to which one of those parties was subject. They shall be deemed to have become enemies from the date when such trading was prohibited or otherwise became unlawful.

###### 2

The following classes of contracts are excepted from dissolution by Article 234 and, without prejudice to the rights contained in Article 232(b), remain in force subject to the application of domestic laws, orders or regulations made during the war by the Allied and Associated Powers and subject to the terms of the contracts:

(a) Contracts having for their object the transfer of estates or of real or personal property where the property therein had passed or the object had been delivered before the parties became enemies;

- (b) Leases and agreements for leases of land and houses;
- (c) Contracts of mortgage, pledge or lien;
- (d) Concessions concerning mines, quarries or deposits;
- (e) Contracts between individuals or companies and States, provinces, municipalities or other similar juridical persons charged with administrative functions, and concessions granted by States, provinces, municipalities or other similar juridical persons charged with administrative functions.

## 3

If the provisions of a contract are in part dissolved under Article 234, the remaining provisions of that contract shall, subject to the same application of domestic laws as is provided for in paragraph 2, continue in force if they are severable, but where they are not severable the contract shall be deemed to have been dissolved in its entirety.

II. *Provisions Relating to Certain Classes of Contracts*

STOCK EXCHANGE AND COMMERCIAL EXCHANGE CONTRACTS

## 4

(a) Rules made during the war by any recognised Exchange or Commercial Association providing for the closure of contracts entered into before the war by an enemy are confirmed by the High Contracting Parties, as also any action taken thereunder, provided:

- (1) that the contract was expressed to be made subject to the rules of the Exchange or Association in question;
- (2) that the rules applied to all persons concerned;
- (3) that the conditions attaching to the closure were fair and reasonable.

(b) The preceding paragraphs shall not apply to rules made during the occupation by Exchanges or Commercial Associations in the districts occupied by the enemy.

(c) The closure of contracts relating to cotton "futures," which were closed as on July 31, 1914, under the decision of the Liverpool Cotton Association, is also confirmed.

SECURITY

## 5

The sale of a security held for an unpaid debt owing by an enemy shall be deemed to have been valid irrespective of notice to the owner if the creditor acted in good faith and within reasonable care and prudence, and no claim by the debtor on the ground of such sale shall be admitted.

This stipulation shall not apply to any sale of securities effected by an enemy during the occupation in regions invaded or occupied by the enemy.

#### NEGOTIABLE INSTRUMENTS

##### 6

As regards Powers which adopt Section III and the Annex thereto the pecuniary obligations existing between enemies and resulting from the issue of negotiable instruments shall be adjusted in conformity with the said Annex by the instrumentality of the Clearing Offices, which shall assume the rights of the holder as regards the various remedies open to him.

##### 7

If a person has either before or during the war become liable upon a negotiable instrument in accordance with an undertaking given to him by a person who has subsequently become an enemy, the latter shall remain liable to indemnify the former in respect of his liability notwithstanding the outbreak of war.

#### III. *Contracts of Insurance*

##### 8

Contracts of insurance entered into by any person with another person who subsequently became an enemy will be dealt with in accordance with the following paragraphs.

#### FIRE INSURANCE

##### 9

Contracts for the insurance of property against fire entered into by a person interested in such property with another person who subsequently became an enemy shall not be deemed to have been dissolved by the outbreak of war, or by the fact of the person becoming an enemy, or on account of the failure during the war and for a period of three months thereafter to perform his obligations under the contract, but they shall be dissolved at the date when the annual premium becomes payable for the first time after the expiration of a period of three months after the coming into force of the present Treaty.

A settlement shall be effected of unpaid premiums which became due during the war or of claims for losses which occurred during the war.

##### 10

Where by administrative or legislative action an insurance against fire effected before the war has been transferred during the war from the original

to another insurer, the transfer will be recognised and the liability of the original insurer will be deemed to have ceased as from the date of the transfer. The original insurer will, however, be entitled to receive on demand full information as to the terms of the transfer, and if it should appear that these terms were not equitable they shall be amended so far as may be necessary to render them equitable.

Furthermore, the insured shall, subject to the concurrence of the original insurer, be entitled to retransfer the contract to the original insurer as from the date of the demand.

#### LIFE INSURANCE

##### 11

Contracts of life insurance entered into between an insurer and a person who subsequently became an enemy shall not be deemed to have been dissolved by the outbreak of war, or by the fact of the person becoming an enemy.

Any sum which during the war became due upon a contract deemed not to have been dissolved under the preceding provision shall be recoverable after the war with the addition of interest at five per cent. per annum from the date of its becoming due up to the day of payment.

Where the contract has lapsed during the war owing to non-payment of premiums, or has become void from breach of the conditions of the contract, the assured or his representatives or the persons entitled shall have the right at any time within twelve months of the coming into force of the present Treaty to claim from the insurer the surrender value of the policy at the date of its lapse or avoidance.

Where the contract has lapsed during the war owing to non-payment of premiums the payment of which has been prevented by the enforcement of measures of war, the assured or his representative or the persons entitled shall have the right to restore the contract on payment of the premiums with interest at five per cent. per annum within three months from the coming into force of the present Treaty.

##### 12

Where contracts of life insurance have been entered into by a local branch of an insurance company established in a country which subsequently became an enemy country, the contract shall, in the absence of any stipulation to the contrary in the contract itself, be governed by the local law, but the insurer shall be entitled to demand from the insured or his representatives the refund of sums paid on claims made or enforced under measures taken during the war, if the making or enforcement of such claims was not in accordance with the terms of the contract itself or was not consistent with the laws or treaties existing at the time when it was entered into.

## 13

In any case where by the law applicable to the contract the insurer remains bound by the contract notwithstanding the non-payment of premiums until notice is given to the insured of the termination of the contract, he shall be entitled, where the giving of such notice was prevented by the war, to recover the unpaid premiums with interest at five per cent. per annum from the insured.

## 14

Insurance contracts shall be considered as contracts of life assurance for the purpose of paragraphs 11 to 13 when they depend on the probabilities of human life combined with the rate of interest for the calculation of the reciprocal engagements between the two parties.

## MARINE INSURANCE

## 15

Contracts of marine insurance including time policies and voyage policies entered into between an insurer and a person who subsequently became an enemy shall be deemed to have been dissolved on his becoming an enemy, except in cases where the risk undertaken in the contract had attached before he became an enemy.

Where the risk has not attached, money paid by way of premium or otherwise shall be recoverable from the insurer.

Where the risk had attached effect shall be given to the contract notwithstanding the party becoming an enemy, and sums due under the contract either by way of premiums or in respect of losses shall be recoverable after the coming into force of the present Treaty.

In the event of any agreement being come to for the payment of interest on sums due before the war to or by the nationals of States which have been at war and recovered after the war, such interest shall in the case of losses recoverable under contracts of marine insurance run from the expiration of a period of one year from the date of the loss.

## 16

No contract of marine insurance with an insured person who subsequently became an enemy shall be deemed to cover losses due to belligerent action by the Power of which the insurer was a national or by the allies or associates of such Power.

## 17

Where it is shown that a person who had before the war entered into a contract of marine insurance with an insurer who subsequently became an enemy entered after the outbreak of war into a new contract covering the

same risk with an insurer who was not an enemy, the new contract shall be deemed to be substituted for the original contract as from the date when it was entered into, and the premiums payable shall be adjusted on the basis of the original insurer having remained liable on the contract only up till the time when the new contract was entered into.

#### OTHER INSURANCE

### 18

Contracts of insurance entered into before the war between an insurer and a person who subsequently became an enemy, other than contracts dealt with in paragraphs 9 to 17, shall be treated in all respects on the same footing as contracts of fire insurance between the same persons would be dealt with under the said paragraphs.

#### RE-INSURANCE

### 19

All treaties of re-insurance with a person who became an enemy shall be regarded as having been abrogated by the person becoming an enemy, but without prejudice in the case of life or marine risks which had attached before the war to the right to recover payment after the war for sums due in respect of such risks.

Nevertheless if, owing to invasion, it has been impossible for the re-insured to find another re-insurer, the treaty shall remain in force until three months after the coming into force of the present Treaty.

Where a re-insurance treaty becomes void under this paragraph, there shall be an adjustment of accounts between the parties in respect both of premiums paid and payable and of liabilities for losses in respect of life or marine risks which had attached before the war. In the case of risks other than those mentioned in paragraphs 11 to 17 the adjustments of accounts shall be made as at the date of the parties becoming enemies without regard to claims for losses which may have occurred since that date.

### 20

The provisions of the preceding paragraph will extend equally to re-insurances existing at the date of the parties becoming enemies of particular risks undertaken by the insurer in a contract of insurance against any risks other than life or marine risks.

### 21

Re-insurance of life risks effected by particular contracts and not under any general treaty remain in force.

## 22

In case of a re-insurance effected before the war of a contract of marine insurance, the cession of a risk which had been ceded to the re-insurer shall, if it had attached before the outbreak of war, remain valid and effect be given to the contract notwithstanding the outbreak of war; sums due under the contract of re-insurance in respect either of premiums or of losses shall be recoverable after the war.

## 23

The provisions of paragraphs 16 and 17 and the last part of paragraph 15 shall apply to contracts for the re-insurance of marine risks.

## SECTION VI

*Mixed Arbitral Tribunal*

## ARTICLE 239

(a) Within three months from the coming into force of the present Treaty, a Mixed Arbitral Tribunal shall be established between each of the Allied and Associated Powers on the one hand and Hungary on the other hand. Each such Tribunal shall consist of three members. Each of the Governments concerned shall appoint one of these members. The President shall be chosen by agreement between the two Governments concerned.

In case of failure to reach agreement, the President of the Tribunal and two other persons, either of whom may in case of need take his place, shall be chosen by the Council of the League of Nations, or, until this is set up, by M. Gustave Ador if he is willing. These persons shall be nationals of Powers that have remained neutral during the war.

If in case there is a vacancy a Government does not proceed within a period of one month to appoint as provided above a member of the Tribunal, such member shall be chosen by the other Government from the two persons mentioned above other than the President.

The decision of the majority of the members of the Tribunal shall be the decision of the Tribunal.

(b) The Mixed Arbitral Tribunals established pursuant to paragraph (a) shall decide all questions within their competence under Sections III, IV, V and VII.

In addition, all questions, whatsoever their nature, relating to contracts concluded before the coming into force of the present Treaty between nationals of the Allied and Associated Powers and Hungarian nationals shall be decided by the Mixed Arbitral Tribunal, always excepting questions which, under the laws of the Allied, Associated or Neutral Powers, are within the jurisdiction of the national courts of those Powers. Such questions shall be decided by the national courts in question, to the exclusion of the Mixed

Arbital Tribunal. The party who is a national of an Allied or Associated Power may nevertheless bring the case before the Mixed Arbitral Tribunal if this is not prohibited by the laws of his country.

(*c*) If the number of cases justifies it, additional members shall be appointed and each Mixed Arbitral Tribunal shall sit in divisions. Each of these divisions will be constituted as above.

(*d*) Each Mixed Arbitral Tribunal will settle its own procedure except in so far as it is provided in the following Annex, and is empowered to award the sums to be paid by the loser in respect of the costs and expenses of the proceedings.

(*e*) Each Government will pay the remuneration of the member of the Mixed Arbitral Tribunal appointed by it and of any agent whom it may appoint to represent it before the Tribunal. The remuneration of the President will be determined by special agreement between the Governments concerned; and this remuneration and the joint expenses of each Tribunal will be paid by the two Governments in equal moieties.

(*f*) The High Contracting Parties agree that their courts and authorities shall render to the Mixed Arbitral Tribunals direct all the assistance in their power, particularly as regards transmitting notices and collecting evidence.

(*g*) The High Contracting Parties agree to regard the decisions of the Mixed Arbitral Tribunal as final and conclusive, and to render them binding upon their nationals.

#### ANNEX

##### 1

Should one of the members of the Tribunal either die, retire or be unable for any reason whatever to discharge his functions, the same procedure will be followed for filling the vacancy as was followed for appointing him.

##### 2

The Tribunal may adopt such rules of procedure as shall be in accordance with justice and equity and decide the order and time at which each party must conclude its arguments, and may arrange all formalities required for dealing with the evidence.

##### 3

The agent and counsel of the parties on each side are authorised to present orally and in writing to the Tribunal arguments in support or in defence of each case.

##### 4

The Tribunal shall keep record of the questions and cases submitted and the proceedings thereon, with the dates of such proceedings.

## 5

Each of the Powers concerned may appoint a secretary. These secretaries shall act together as joint secretaries of the Tribunal and shall be subject to its direction. The Tribunal may appoint and employ any other necessary officer or officers to assist in the performance of its duties.

## 6

The Tribunal shall decide all questions and matters submitted upon such evidence and information as may be furnished by the parties concerned.

## 7

The High Contracting Parties agree to give the Tribunal all facilities and information required by it for carrying out its investigations.

## 8

The language in which the proceedings shall be conducted shall, unless otherwise agreed, be English, French, Italian or Japanese, as may be determined by the Allied or Associated Power concerned.

## 9

The place and time for the meetings of each Tribunal shall be determined by the President of the Tribunal.

## ARTICLE 240

Whenever a competent court has given or gives a decision in a case covered by Sections III, IV, V or VII, and such decision is inconsistent with the provisions of such Sections, the party who is prejudiced by the decision shall be entitled to obtain redress which shall be fixed by the Mixed Arbitral Tribunal. At the request of the national of an Allied or Associated Power, the redress may, whenever possible, be effected by the Mixed Arbitral Tribunal directing the replacement of the parties in the position occupied by them before the judgment was given by the court of the former Kingdom of Hungary.

## SECTION VII

*Industrial Property*

## ARTICLE 241

Subject to the stipulations of the present Treaty, rights of industrial, literary and artistic property, as such property is defined by the International Conventions of Paris and of Berne, mentioned in Articles 220 and 222, shall be re-established or restored, as from the coming into force of the present

Treaty, in the territories of the High Contracting Parties, in favour of the persons entitled to the benefit of them at the moment when the state of war commenced, or their legal representatives. Equally, rights which, except for the war, would have been acquired during the war in consequence of an application made for the protection of industrial property, or the publication of a literary or artistic work, shall be recognised and established in favour of those persons who would have been entitled thereto, from the coming into force of the present Treaty.

Nevertheless, all acts done by virtue of the special measures taken during the war under legislative, executive or administrative authority of any Allied or Associated Power in regard to the rights of nationals of the former Kingdom of Hungary in industrial, literary or artistic property shall remain in force and shall continue to maintain their full effect.

No claim shall be made or action brought by Hungary or Hungarian nationals or by or on behalf of nationals of the former Kingdom of Hungary in respect of the use during the war by the Government of any Allied or Associated Power, or by any persons acting on behalf or with the assent of such Government of any rights in industrial, literary or artistic property, nor in respect of the sale, offering for sale, or use of any products, articles or apparatus whatsoever to which such rights applied.

Unless the legislation of any one of the Allied or Associated Powers in force at the moment of the signature of the present Treaty otherwise directs, sums due or paid in respect of the property of persons referred to in Article 232 (*b*) in virtue of any act or operation resulting from the execution of the special measures mentioned in the second paragraph of this Article shall be dealt with in the same way as other sums due to such persons are directed to be dealt with by the present Treaty; and sums produced by any special measures taken by the Government of the former Kingdom of Hungary in respect of rights in industrial, literary or artistic property belonging to the nationals of the Allied or Associated Powers shall be considered and treated in the same way as other debts due from Hungarian nationals.

Each of the Allied and Associated Powers reserves to itself the right to impose such limitations, conditions or restrictions on rights of industrial, literary or artistic property (with the exception of trademarks) acquired before or during the war, or which may be subsequently acquired in accordance with its legislation, by Hungarian nationals, whether by granting licences, or by the working, or by preserving control over their exploitation, or in any other way, as may be considered necessary for national defence, or in the public interest, or for assuring the fair treatment by Hungary of the rights of industrial, literary and artistic property held in Hungarian territory by its nationals, or for securing the due fulfillment of all the obligations undertaken by Hungary in the present Treaty. As regards rights of industrial, literary and artistic property acquired after the coming into force of the present Treaty,

the right so reserved by the Allied and Associated Powers shall only be exercised in cases where these limitations, conditions or restrictions may be considered necessary for national defence or in the public interest.

In the event of the application of the provisions of the preceding paragraph by any Allied or Associated Power, there shall be paid reasonable indemnities or royalties, which shall be dealt with in the same way as other sums due to Hungarian nationals are directed to be dealt with by the present Treaty.

Each of the Allied or Associated Powers reserves the right to treat as void and of no effect any transfer in whole or in part of or other dealing with rights of or in respect of industrial, literary or artistic property effected after July 28, 1914, or in the future, which would have the result of defeating the objects of the provisions of this Article.

The provisions of this Article shall not apply to rights in industrial, literary or artistic property which have been dealt with in the liquidation of businesses or companies under war legislation by the Allied or Associated Powers, or which may be so dealt with by virtue of Article 232, paragraph (*b*).

#### ARTICLE 242

A minimum of one year after the coming into force of the present Treaty shall be accorded to the nationals of the High Contracting Parties, without extension fees or other penalty, in order to enable such persons to accomplish any act, fulfil any formality, pay any fees, and generally satisfy any obligation prescribed by the laws or regulations of the respective States relating to the obtaining, preserving or opposing rights to, or in respect of, industrial property either acquired before July 28, 1914, or which, except for the war, might have been acquired since that date as a result of an application made before the war or during its continuance, but nothing in this Article shall give any right to re-open interference proceedings in the United States of America where a final hearing has taken place.

All rights in, or in respect of, such property which may have lapsed by reason of any failure to accomplish any act, fulfil any formality, or make any payment, shall revive, but subject in the case of patents and designs to the imposition of such conditions as each Allied or Associated Power may deem reasonably necessary for the protection of persons who have manufactured or made use of the subject-matter of such property while the rights had lapsed. Further, where rights to patents or designs belonging to Hungarian nationals are revived under this Article, they shall be subject in respect of the grant of licences to the same provisions as would have been applicable to them during the war, as well as to all the provisions of the present Treaty.

The period from July 28, 1914, until the coming into force of the present Treaty shall be excluded in considering the time within which a patent should

be worked or a trade mark or design used, and it is further agreed that no patent, registered trade mark or design in force on July 28, 1914, shall be subject to revocation or cancellation by reason only of the failure to work such patent or use such trade mark or design for two years after the coming into force of the present Treaty.

#### ARTICLE 243

The rights of priority provided by Article 4 of the International Convention for the Protection of Industrial Property of Paris of March 20, 1883, revised at Washington in 1911, or by any other Convention or Statute, for the filing or registration of applications for patents or models of utility, and for the registration of trade marks, designs and models which had not expired on July 28, 1914, and those which have arisen during the war, or would have arisen but for the war, shall be extended by each of the High Contracting Parties in favour of all nationals of the other High Contracting Parties for a period of six months after the coming into force of the present Treaty.

Nevertheless, such extension shall in no way affect the right of any of the High Contracting Parties or of any person who before the coming into force of the present Treaty was *bonâ fide* in possession of any rights of industrial property conflicting with rights applied for by another who claims rights of priority in respect of them, to exercise such rights by itself or himself personally, or by such agents or licensees as derived their rights from it or him before the coming into force of the present Treaty; and such persons shall not be amenable to any action or other process of law in respect of infringement.

#### ARTICLE 244

No action shall be brought and no claim made by nationals of the former Kingdom of Hungary, or by persons residing or carrying on business within the territory of that Kingdom on the one part, and on the other part by persons residing or carrying on business in the territory of the Allied or Associated Powers, or persons who are nationals of such Powers respectively, or by any one deriving title during the war from such persons, by reason of any action which has taken place within the territory of the other party between the date of the existence of a state of war and that of the coming into force of the present Treaty, which might constitute an infringement of the rights of industrial property or rights of literary and artistic property, either existing at any time during the war or revived under the provisions of Articles 242 and 243.

Equally, no action for infringement of industrial, literary or artistic property rights by such persons shall at any time be permissible in respect of the sale or offering for sale for a period of one year after the signature of the present Treaty in the territories of the Allied or Associated Powers on the

one hand or Hungary on the other, of products or articles manufactured, or of literary or artistic works published, during the period between the existence of a state of war and the signature of the present Treaty, or against those who have acquired and continue to use them. It is understood, nevertheless, that this provision shall not apply when the possessor of the rights was domiciled or had an industrial or commercial establishment in the districts occupied by the Austro-Hungarian armies during the war.

This Article shall not apply as between the United States of America on the one hand and Hungary on the other.

#### ARTICLE 245

Licences in respect of industrial, literary or artistic property concluded before the war between nationals of the Allied or Associated Powers or persons residing in their territory or carrying on business therein, on the one part, and nationals of the former Kingdom of Hungary, on the other part, shall be considered as cancelled as from the date of the existence of a state of war between the former Austro-Hungarian Monarchy and the Allied or Associated Power. But, in any case, the former beneficiary of a contract of this kind shall have the right, within a period of six months after the coming into force of the present Treaty, to demand from the proprietor of the rights the grant of a new licence, the conditions of which, in default of agreement between the parties, shall be fixed by the duly qualified tribunal in the country under whose legislation the rights had been acquired, except in the case of licences held in respect of rights acquired under the law of the former Kingdom of Hungary. In such cases the conditions shall be fixed by the Mixed Arbitral Tribunal referred to in Section VI of this Part. The tribunal may, if necessary, fix also the amount which it may deem just should be paid by reason of the use of the rights during the war.

No licence in respect of industrial, literary or artistic property, granted under the special war legislation of any Allied or Associated Power, shall be affected by the continued existence of any licence entered into before the war, but shall remain valid and of full effect, and a licence so granted to the former beneficiary of a licence entered into before the war shall be considered as substituted for such licence.

Where sums have been paid during the war in respect of the rights of persons referred to in Article 232 (*b*) by virtue of a licence or agreement concluded before the war in respect of rights of industrial property or for the reproduction or the representation of literary, dramatic or artistic works, these sums shall be dealt with in the same manner as other debts or credits of such persons as provided by the present Treaty.

This Article shall not apply as between the United States of America on the one hand and Hungary on the other.

## SECTION VIII

*Special Provisions Relating to Transferred Territory*

## ARTICLE 246

Of the individuals and juridical persons previously nationals of the former Kingdom of Hungary, including Bosnia-Herzegovinians, those who acquire *ipso facto* under the present Treaty the nationality of an Allied or Associated Power are designated in the provisions which follow by the expression "nationals of the former Kingdom of Hungary"; the remainder are designated by the expression "Hungarian nationals."

## ARTICLE 247

The inhabitants of territories transferred by virtue of the present Treaty shall, notwithstanding this transfer and the change of nationality consequent thereon, continue to enjoy in Hungary all the rights in industrial, literary and artistic property to which they were entitled under the legislation in force at the time of the transfer.

## ARTICLE 248

The questions concerning the nationals of the former Kingdom of Hungary, as well as Hungarian nationals, their rights, privileges and property, which are not dealt with in the present Treaty, or in the Treaty prepared for the purpose of regulating certain immediate relations between the States to which territory of the former Austro-Hungarian Monarchy has been transferred, or arising from the dismemberment of that Monarchy, shall form the subject of special conventions between the States concerned, including Hungary; such conventions shall not in any way conflict with the provisions of the present Treaty.

For this purpose it is agreed that within three months from the coming into force of the present Treaty a Conference of delegates of the States in question shall take place.

## ARTICLE 249

The Hungarian Government shall without delay restore to nationals of the former Kingdom of Hungary their property, rights and interests situated in Hungarian territory.

The amount of taxes and imposts on capital which have been levied or increased on the property, rights and interests of nationals of the former Kingdom of Hungary since November 3, 1918, or which shall be levied or increased until restitution in accordance with the provisions of the present Treaty, or, in the case of property, rights and interests which have not been subjected to exceptional measures of war, until three months from the coming into force of the present Treaty, shall be returned to the owners.

The property, rights and interests restored shall not be subject to any tax levied in respect of any other property or any other business owned by the same person after such property had been removed from Hungary or such business had ceased to be carried on therein.

If taxes of any kind have been paid in anticipation in respect of property, rights and interests removed from Hungary, the proportion of such taxes paid for any period subsequent to the removal of the property, rights and interests in question shall be returned to the owners.

Cash assets shall be paid in the currency and at the rate of exchange provided for in the case of debts under Articles 231 (*d*) and 254.

Legacies, donations and funds given or established in the former Kingdom of Hungary for the benefit of nationals of that Kingdom shall be placed by Hungary, so far as the funds in question are in her territory, at the disposition of the Allied or Associated Power of which the persons in question are now, or become, under the provisions of the present Treaty, or of any Treaties concluded for the purpose of completing the present settlement, nationals, in the conditions in which these funds were on July 28, 1914, taking account of payments properly made for the purpose of the trust.

Where under the terms of family trusts which continue to be administered by the Hungarian State the rights of the beneficiaries are subject to their retaining Hungarian nationality, the presumptive beneficiaries will retain their right to pensions, expenses of education, dowries and similar privileges, even if they acquire now or subsequently, under the present Treaty or any Treaties concluded for the purpose of completing the present settlement, the nationality of one of the States to which territory of the former Kingdom of Hungary is transferred by the said Treaties.

Where in consequence of the extinction of a family in whose favour such a trust had been constituted the funds would revert to the Hungarian State or to an institution of that State, such right of succession will pass to the State to which the last beneficiary belonged.

#### ARTICLE 250

Notwithstanding the provisions of Article 232 and the Annex to Section IV the property, rights and interests of Hungarian nationals or companies controlled by them situated in the territories which formed part of the former Austro-Hungarian Monarchy shall not be subject to retention or liquidation in accordance with these provisions.

Such property, rights and interests shall be restored to their owners freed from any measure of this kind, or from any other measure of transfer, compulsory administration or sequestration, taken since November 3, 1918, until the coming into force of the present Treaty, in the condition in which they were before the application of the measures in question.

Claims made by Hungarian nationals under this Article shall be submitted to the Mixed Arbitral Tribunal provided for by Article 239.

The property, rights and interests here referred to do not include property which is the subject of Article 191, Part IX (Financial Clauses).

Nothing in this Article shall affect the provisions laid down in Part VIII (Reparation) Section I, Annex III as to property of Hungarian nationals in ships and boats.

#### ARTICLE 251

All contracts for the sale of goods for delivery by sea concluded before January 1, 1917, between nationals of the former Kingdom of Hungary of the one part and the administrations of the former Austro-Hungarian Monarchy, Hungary, or Bosnia-Herzegovina, or Hungarian nationals of the other part shall be annulled, except in respect of any debt or other pecuniary obligations arising out of any act done or money paid thereunder. All other contracts between such parties which were made before November 1, 1918, and were in force at that date shall be maintained.

#### ARTICLE 252

With regard to prescriptions, limitations and forfeitures in the transferred territories, the provisions of Articles 235 and 236 shall be applied with substitution for the expression "outbreak of war" of the expression "date, which shall be fixed by administrative decision of each Allied or Associated Power, at which relations between the parties became impossible in fact or in law," and for the expression "duration of the war" of the expression "period between the date above indicated and that of the coming into force of the present Treaty."

#### ARTICLE 253

Hungary undertakes not to impede in any way the transfer of property, rights or interests belonging to a company incorporated in accordance with the laws of the former Austro-Hungarian Monarchy, in which Allied or Associated nationals are interested, to a company incorporated in accordance with the laws of any other Power, to facilitate all measures necessary for giving effect to such transfer, and to render any assistance which may be required for effecting the restitution to Allied or Associated nationals, or to companies in which they are interested, of their property, rights or interests whether in Hungary or in transferred territory.

#### ARTICLE 254

Section III, except Article 231 (*d*), shall not apply to the debts contracted between Hungarian nationals and nationals of the former Kingdom of Hungary.

Subject to the special provisions laid down in Article 231 (*d*) for the case of the new States, these debts shall be paid in the legal currency at the time of payment of the State of which the national of the former Kingdom of

Hungary has become a national, and the rate of exchange applicable shall be the average rate quoted on the Geneva Exchange during the two months preceding November 1, 1918.

#### ARTICLE 255

Insurance companies whose principal place of business was in territory which previously formed part of the former Austro-Hungarian Monarchy shall have the right to carry on their business in Hungarian territory for a period of ten years from the coming into force of the present Treaty, without the rights which they previously enjoyed being affected in any way by the change of nationality.

During the above period the operations of such companies shall not be subjected by Hungary to any higher tax or charge than shall be imposed on the operations of national companies. No measure in derogation of their rights of property shall be imposed upon them which is not equally applied to the property, rights or interests of Hungarian insurance companies; adequate compensation shall be paid in the event of the application of any such measures.

These provisions shall only apply so long as Hungarian insurance companies previously carrying on business in the transferred territories, even if their principal place of business was outside such territories, are reciprocally accorded a similar right to carry on their business therein.

After the period of ten years above referred to, the provisions of Article 211 of the present Treaty shall apply in regard to the Allied and Associated companies in question.

The provisions of this Article shall apply similarly to co-operative societies, provided that the legal position of such societies places upon their members effective responsibility for all operations and contracts within the objects of such societies.

#### ARTICLE 256

Special agreements will determine the division of the property of associations or public corporations carrying on their functions in territory which is divided in consequence of the present Treaty.

#### ARTICLE 257

States to which territory of the former Austro-Hungarian Monarchy is transferred, and States arising from the dismemberment of that Monarchy, shall recognize and give effect to rights of industrial, literary and artistic property in force in the territory at the time when it passes to the State in question, or re-established or restored in accordance with the provisions of Article 241 of the present Treaty. These rights shall remain in force in that territory for the same period as that for which they would have remained in force under the law of the former Austro-Hungarian Monarchy.

A special convention shall determine all questions relative to the records, registers and copies in connection with the protection of industrial, literary or artistic property, and fix their eventual transmission or communication by the Offices of the former Austro-Hungarian Monarchy to the Offices of the States to which are transferred territory of the said Monarchy and to the Offices of new States.

#### ARTICLE 258

Without prejudice to other provisions of the present Treaty, the Hungarian Government undertakes so far as it is concerned to hand over to any Power to which territory of the former Austro-Hungarian Monarchy is transferred, or which arises from the dismemberment of that Monarchy, such portion of the reserves accumulated by the Governments or the administrations of the former Austro-Hungarian Monarchy, or by public or private organizations under their control, as is attributable to the carrying on of Social or State Insurance in such territory.

The Powers to which these funds are handed over must apply them to the performance of the obligations arising from such insurances.

The conditions of the delivery will be determined by special conventions to be concluded between the Hungarian Government and the Governments concerned.

In case these special conventions are not concluded in accordance with the above paragraph within three months after the coming into force of the present Treaty, the conditions of transfer shall in each case be referred to a Commission of five members, one of whom shall be appointed by the Hungarian Government, one by the other interested Government and three by the Governing Body of the International Labour Office from the nationals of other States. This Commission shall by a majority vote within three months after appointment adopt recommendations for submission to the Council of the League of Nations, and the decisions of the Council shall forthwith be accepted as final by Hungary and the other Government concerned.

#### ARTICLE 259

The provisions of the present Section referring to the relations between Hungary or Hungarian nationals and the nationals of the former Kingdom of Hungary apply to relations of the same nature between Hungary or Hungarian nationals and the nationals of the former Austrian Empire referred to in Article 263 of the Treaty of Peace with Austria.<sup>28</sup>

Reciprocally the provisions of Section VIII of Part X of the said Treaty referring to the relations between Austria or Austrian nationals and the nationals of the former Austrian Empire apply to relations of the same nature between Austria or Austrian nationals and the nationals of the former Kingdom of Hungary referred to in Article 246 of the present Treaty.

<sup>28</sup> TS 659, *ante*, vol. 5, p. 215.

PART XI  
AERIAL NAVIGATION

ARTICLE 260

The aircraft of the Allied and Associated Powers shall have full liberty of passage and landing over and in the territory of Hungary, and shall enjoy the same privileges as Hungarian aircraft, particularly in case of distress.

ARTICLE 261

The aircraft of the Allied and Associated Powers shall, while in transit to any foreign country whatever, enjoy the right of flying over the territory of Hungary without landing, subject always to any regulations which may be made by Hungary, and which shall be applicable equally to the aircraft of Hungary and to those of the Allied and Associated countries.

ARTICLE 262

All aerodromes in Hungary open to national public traffic shall be open for the aircraft of the Allied and Associated Powers, and in any such aerodrome such aircraft shall be treated on a footing of equality with Hungarian aircraft as regards charges of every description, including charges for landing and accommodation.

ARTICLE 263

Subject to the present provisions, the rights of passage, transit and landing provided for in Articles 260, 261 and 262 are subject to the observance of such regulations as Hungary may consider it necessary to enact, but such regulations shall be applied without distinction to Hungarian aircraft and to those of the Allied and Associated countries.

ARTICLE 264

Certificates of nationality, airworthiness, or competency and licences, issued or recognised as valid by any of the Allied or Associated Powers, shall be recognised in Hungary as valid and as equivalent to the certificates and licences issued by Hungary.

ARTICLE 265

As regards internal commercial air traffic, the aircraft of the Allied and Associated Powers shall enjoy in Hungary the most-favoured nation treatment.

ARTICLE 266

Hungary undertakes to enforce the necessary measures to ensure that all Hungarian aircraft flying over her territory shall comply with the Rules as to lights and Signals, Rules of the Air and Rules for Air Traffic on and in

the neighbourhood of aerodromes, which have been laid down in the Convention relative to Aerial Navigation concluded between the Allied and Associated Powers.

ARTICLE 267

The obligations imposed by the preceding provisions shall remain in force until January 1, 1923, unless before that date Hungary shall have been admitted into the League of Nations or shall have been authorised by consent of the Allied and Associated Powers to adhere to the Convention relative to Aerial Navigation concluded between those Powers.

PART XII

PORTS, WATERWAYS AND RAILWAYS

SECTION I

*General Provisions*

ARTICLE 268

Hungary undertakes to grant freedom of transit through her territories on the routes most convenient for international transit, either by rail, navigable waterway or canal, to persons, goods, vessels, carriages, wagons and mails coming from or going to the territories of any of the Allied and Associated Powers, whether contiguous or not.

Such persons, goods, vessels, carriages, wagons and mails shall not be subjected to any transit duty or to any undue delays or restrictions, and shall be entitled in Hungary to national treatment as regards charges, facilities and all other matters.

Goods in transit shall be exempt from all customs or other similar duties.

All charges imposed on transport in transit shall be reasonable, having regard to the conditions of the traffic. No charge, facility or restriction shall depend directly or indirectly on the ownership or on the nationality of the ship or other means of transport on which any part of the through journey has been, or is to be, accomplished.

ARTICLE 269

Hungary undertakes neither to impose nor to maintain any control over transmigration traffic through her territories beyond measures necessary to ensure that passengers are *bonâ fide* in transit; nor to allow any shipping company or any other private body, corporation or person interested in the traffic to take any part whatever in, or to exercise any direct or indirect influence over, any administrative service that may be necessary for this purpose.

ARTICLE 270

Hungary undertakes to make no discrimination or preference, direct or indirect, in the duties, charges and prohibitions relating to importations into

or exportations from her territories, or, subject to the special engagements contained in the present Treaty, in the charges and conditions of transport of goods or persons entering or leaving her territories, based on the frontier crossed; or on the kind, ownership or flag of the means of transport (including aircraft) employed; or on the original or immediate place of departure of the vessel, wagon or aircraft, or other means of transport employed, or its ultimate or intermediate destination, or on the route of or places of transshipment on the journey; or on whether the goods are imported or exported directly through a Hungarian port or indirectly through a foreign port; or on whether the goods are imported or exported by land or by air.

Hungary particularly undertakes not to establish against the ports and vessels of any of the Allied and Associated Powers any surtax or any direct or indirect bounty for export or import by Hungarian ports or ships, or by those of another Power, for example by means of combined tariffs. She further undertakes that persons or goods passing through a port or using a vessel of any of the Allied and Associated Powers shall not be subjected to any formality or delay whatever to which such persons or goods would not be subjected if they passed through a Hungarian port or a port of any other Power, or used a Hungarian vessel or a vessel of any other Power.

#### ARTICLE 271

All necessary administrative and technical measures shall be taken to expedite, as much as possible, the transmission of goods across the Hungarian frontiers and to ensure their forwarding and transport from such frontiers, irrespective of whether such goods are coming from or going to the territories of the Allied and Associated Powers or are in transit from or to those territories, under the same material conditions in such matters as rapidity of carriage and care *en route* as are enjoyed by other goods of the same kind carried on Hungarian territory under similar conditions of transport.

In particular, the transport of perishable goods shall be promptly and regularly carried out, and the customs formalities shall be effected in such a way as to allow the goods to be carried straight through by trains which make connection.

#### ARTICLE 272

The seaports of the Allied and Associated Powers are entitled to all favours and to all reduced tariffs granted on Hungarian railways or navigable waterways for the benefit of any port of another Power.

#### ARTICLE 273

Hungary may not refuse to participate in the tariffs or combinations of tariffs intended to secure for ports of any of the Allied and Associated Powers advantages similar to those granted by Hungary to the ports of any other Power.

## HUNGARY

## SECTION II

*Navigation*

## CHAPTER I

## FREEDOM OF NAVIGATION

## ARTICLE 274

The nationals of any of the Allied and Associated Powers, as well as their vessels and property, shall enjoy in all Hungarian ports and on the inland navigation routes of Hungary the same treatment in all respects as Hungarian nationals, vessels and property.

In particular, the vessels of any one of the Allied or Associated Powers shall be entitled to transport goods of any description, and passengers, to or from any ports or places in Hungarian territory to which Hungarian vessels may have access, under conditions which shall not be more onerous than those applied in the case of national vessels; they shall be treated on a footing of equality with national vessels as regards port and harbour facilities and charges of every description, including facilities for stationing, loading and unloading, and duties and charges of tonnage, harbour, pilotage, lighthouse, quarantine, and all analogous duties and charges of whatsoever nature, levied in the name of or for the profit of the Government, public functionaries, private individuals, corporations or establishments of any kind.

In the event of Hungary granting a preferential régime to any of the Allied or Associated Powers or to any foreign Power, this régime shall be extended immediately and unconditionally to all the Allied and Associated Powers.

There shall be no impediment to the movement of persons or vessels other than those arising from prescriptions concerning customs, police, sanitation, emigration and immigration, and those relating to the import and export of prohibited goods. Such regulations must be reasonable and uniform and must not impede traffic unnecessarily.

## CHAPTER II

## CLAUSES RELATING TO THE DANUBE

1. *General Clauses relative to River Systems declared International*

## ARTICLE 275

The following river is declared international: the Danube from Ulm; together with all navigable parts of this river system which naturally provide more than one State with access to the sea, with or without transshipment from one vessel to another, as well as lateral canals and channels constructed

either to duplicate or to improve naturally navigable sections of the specified river system or to connect two naturally navigable sections of the same river.

Any part of the above-mentioned river system which is not included in the general definition may be declared international by an agreement between the riparian States.

#### ARTICLE 276

On the waterways declared to be international in the preceding Article, the nationals, property and flags of all Powers shall be treated on a footing of perfect equality, no distinction being made, to the detriment of the nationals, property or flag of any Power, between them and the nationals, property or flag of the riparian State itself or of the most favoured nation.

#### ARTICLE 277

Hungarian vessels shall not be entitled to carry passengers or goods by regular service between the ports of any Allied or Associated Power without special authority from such Power.

#### ARTICLE 278

Where such charges are not precluded by any existing convention, charges varying on different sections of a river may be levied on vessels using the navigable channels or their approaches, provided that they are intended solely to cover equitably the cost of maintaining in a navigable condition, or of improving, the river and its approaches, or to meet expenditure incurred in the interests of navigation. The schedule of such charges shall be calculated on the basis of such expenditure and shall be posted up in the ports. These charges shall be levied in such manner as to render any detailed examination of cargoes unnecessary, except in cases of suspected fraud or contravention.

#### ARTICLE 279

The transit of vessels, passengers and goods on these waterways shall be effected in accordance with the general conditions prescribed for transit in Section I above.

When the two banks of an international river are within the same State goods in transit may be placed under seal or in the custody of customs agents. When the river forms a frontier, goods and passengers in transit shall be exempt from all customs formalities; the loading and unloading of goods, and the embarkation and disembarkation of passengers, shall only take place in the ports specified by the riparian State.

#### ARTICLE 280

No dues of any kind other than those provided for in this Part shall be levied along the course or at the mouth of these waterways. This provision

shall not prevent the fixing by the riparian States of customs, local octroi or consumption duties, or the creation of reasonable and uniform charges levied in the ports, in accordance with public tariffs, for the use of cranes, elevators, quays, warehouses and other similar constructions.

#### ARTICLE 281

In default of any special organisation for carrying out the works connected with the upkeep and improvement of the international portion of a navigable system, each riparian State shall be bound to take the necessary measures to remove any obstacle or danger to navigation and to ensure the maintenance of good conditions of navigation.

If a State neglects to comply with this obligation any riparian State, or any State represented on the International Commission, may appeal to the tribunal instituted for this purpose by the League of Nations.

#### ARTICLE 282

The same procedure shall be followed in the case of a riparian State undertaking any works of a nature to impede navigation in the international section. The tribunal mentioned in the preceding Article shall be entitled to enforce the suspension or suppression of such works, making due allowance in its decision for all rights in connection with irrigation, water-power, fisheries and other national interests, which, with the consent of all the riparian States or of all the States represented on the International Commission, shall be given priority over the requirements of navigation.

Appeal to the tribunal of the League of Nations does not require the suspension of the works.

#### ARTICLE 283

The régime set out in Articles 276 and 278 to 282 above shall be superseded by one to be laid down in a General Convention drawn up by the Allied and Associated Powers, and approved by the League of Nations, relating to the waterways recognised in such Convention as having an international character. This Convention shall apply in particular to the whole or part of the above-mentioned river system of the Danube, and such other parts of that river system as may be covered by a general definition.

Hungary undertakes, in accordance with the provisions of Article 314, to adhere to the said General Convention.

#### ARTICLE 284

Hungary shall cede to the Allied and Associated Powers concerned, within a maximum period of three months from the date on which notification shall

be given her, a proportion of the tugs and vessels remaining registered in the ports of the river system referred to in Article 275 after the deduction of those surrendered by way of restitution or reparation. Hungary shall in the same way cede material of all kinds necessary to the Allied and Associated Powers concerned for the utilisation of that river system.

The number of the tugs and vessels, and the amount of the material so ceded, and their distribution, shall be determined by an arbitrator or arbitrators nominated by the United States of America, due regard being had to the legitimate needs of the parties concerned, and particularly to the shipping traffic during the five years preceding the war.

All craft so ceded shall be provided with their fittings and gear, shall be in a good state of repair and in condition to carry goods, and shall be selected from among those most recently built.

Wherever the cessions made under the present Article involve a change of ownership, the arbitrator or arbitrators shall determine the rights of the former owners as they stood on October 15, 1918, and the amount of the compensation to be paid to them, and shall also direct the manner in which such payment is to be effected in each case. If the arbitrator or arbitrators find that the whole or part of this sum will revert directly or indirectly to States from whom reparation is due, they shall decide the sum to be placed under this head to the credit of the said States.

As regards the Danube the arbitrator or arbitrators referred to in this Article will also decide all questions as to the permanent allocation and the conditions thereof of the vessels whose ownership or nationality is in dispute between States.

Pending final allocation the control of these vessels shall be vested in a Commission consisting of representatives of the United States of America, the British Empire, France and Italy, who will be empowered to make provisional arrangements for the working of these vessels in the general interest by any local organisation, or failing such arrangements by themselves, without prejudice to the final allocation.

As far as possible these provisional arrangements will be on a commercial basis, the net receipts by the Commission for the hire of these vessels being disposed of as directed by the Reparation Commission.

(2) *Special Clauses relating to the Danube*

ARTICLE 285

The European Commission of the Danube reassumes the powers it possessed before the war. Nevertheless, as a provisional measure, only representatives of Great Britain, France, Italy and Roumania shall constitute this Commission.

## ARTICLE 286

From the point where the competence of the European Commission ceases, the Danube system referred to in Article 275 shall be placed under the administration of an International Commission composed as follows:

- Two representatives of German riparian States;
- One representative of each other riparian State;
- One representative of each non-riparian State represented in the future on the European Commission of the Danube.

If certain of these representatives cannot be appointed at the time of the coming into force of the present Treaty, the decisions of the Commission shall nevertheless be valid.

## ARTICLE 287

The International Commission provided for in the preceding Article shall meet as soon as possible after the coming into force of the present Treaty, and shall undertake provisionally the administration of the river in conformity with the provisions of Articles 276 and 278 to 282, until such time as a definitive statute regarding the Danube is concluded by the Powers nominated by the Allied and Associated Powers.

The decisions of this International Commission shall be taken by a majority vote. The salaries of the Commissioners shall be fixed and paid by their respective countries.

As a provisional measure any deficit in the administrative expenses of this International Commission shall be borne equally by the States represented on the Commission.

In particular this Commission shall regulate the licensing of pilots, charges for pilotage and the administration of the pilot service.

## ARTICLE 288

Hungary agrees to accept the régime which shall be laid down for the Danube by a Conference of the Powers nominated by the Allied and Associated Powers, which shall meet within one year after the coming into force of the present Treaty, and at which Hungarian representatives may be present.

Until such time as a definite statute regarding the Danube is concluded, the International Commission provided for in Article 286 shall have provisionally under its control the equipment, buildings and installations used for carrying out and maintaining works on the section of the Danube between Turnu-Severin and Moldava. The final allocation of the equipment, buildings and installations shall be determined by the Conference provided for in the preceding paragraph.

Hungary renounces all interest in and all control over the said equipment, buildings and installations.

#### ARTICLE 289

The mandate given by Article 57 of the Treaty of Berlin of July 13, 1878, to Austria-Hungary, and transferred by her to Hungary, to carry out works at the Iron Gates, is abrogated. The Commission entrusted with the administration of this part of the river shall lay down provisions for the settlement of accounts subject to the financial provisions of the present Treaty. Charges which may be necessary shall in no case be levied by Hungary.

#### ARTICLE 290

Should the Czecho-Slovak State, the Serb-Croat-Slovene State or Roumania, with the authorisation of or under mandate from the International Commission, undertake maintenance, improvement, weir, or other works on a part of the river system which forms a frontier, these States shall enjoy on the opposite bank, and also on the part of the bed which is outside their territory, all necessary facilities for the survey, execution and maintenance of such works.

#### ARTICLE 291

Hungary shall be obliged to make to the European Commission of the Danube all restitutions, reparations and indemnities for damages inflicted on the Commission during the war.

### CHAPTER III

#### HYDRAULIC SYSTEM

#### ARTICLE 292

In default of any provisions to the contrary, when as the result of the fixing of a new frontier the hydraulic system (canalisation, inundations, irrigation, drainage, or similar matters) in a State is dependent on works executed within the territory of another State, or when use is made on the territory of a State, in virtue of pre-war usage, of water or hydraulic power, the source of which is on the territory of another State, an agreement shall be made between the States concerned to safeguard the interests and rights acquired by each of them.

Unless otherwise provided, when use is made for municipal or domestic purposes in one State of electricity or water, the source of which as the result of the fixing of a new frontier is on the territory of another State, an agreement shall be made between the States concerned to safeguard the interests and rights acquired by each of them. Pending an agreement, central electric stations and waterworks shall be required to continue the supply up to an

amount corresponding to the undertakings and contracts in force on November 3, 1918.

Failing an agreement in the case of either of the above paragraphs, and subject to the provisions of Article 293, the matter shall be regulated by an arbitrator appointed by the Council of the League of Nations.

#### ARTICLE 293

In view of the application of Article 292 to the territories of the former Kingdom of Hungary forming the Basin of the Danube, excluding the Basin of the Olt, as well as for the exercise of the powers provided for below, there shall be set up, in the common interest of the States possessing sovereignty over the territories in question, a permanent technical Hydraulic System Commission, composed of one representative of each of the States territorially concerned and a chairman appointed by the Council of the League of Nations.

This Commission shall bring about the conclusion, and supervise and, in urgent cases, ensure the carrying out, of the agreements provided for in Article 292; it shall maintain and improve, particularly as regards deforestation and afforestation, the uniform character of the hydraulic system, as well as of the services connected therewith, such as the hydrometric service and the service of information as to the rising of the waters. It shall also study questions relating to navigation, excepting those falling within the competence of the Commission for regulating the navigation of the Upper Danube, which it shall refer to the said Commission, and it shall give special consideration to fishery interests. The Commission shall in addition undertake all works or schemes and shall establish all services with which it may be charged by the unanimous consent of the interested States.

The Hydraulic System Commission shall meet within three months from the coming into force of the present Treaty; it shall draw up a regulation as to its functions and procedure, which will be subject to approval by the States concerned.

Any disputes which may arise out of the matters dealt with in this Article shall be settled as provided by the League of Nations.

#### SECTION III

#### *Railways*

#### CHAPTER I

#### FREEDOM OF TRANSIT TO THE ADRIATIC FOR HUNGARY

#### ARTICLE 294

Free access to the Adriatic Sea is accorded to Hungary, who with this object will enjoy freedom of transit over the territories and in the ports severed from the former Austro-Hungarian Monarchy.

Freedom of transit is the freedom defined in Article 268 until such time as a General Convention on the subject shall have been concluded between the Allied and Associated Powers, whereupon the dispositions of the new Convention shall be substituted therefor.

Special conventions between the States or Administrations concerned will lay down the conditions of the exercise of the right accorded above, and will settle in particular the method of using the ports and the free zones existing in them, and the railways ordinarily giving access thereto, the establishment of international (joint) services and tariffs, including through tickets and way-bills, and the maintenance of the Convention of Berne of October 14, 1890, and its supplementary provisions until its replacement by a new Convention.

Freedom of transit will extend to postal, telegraphic and telephonic services.

## CHAPTER II

### CLAUSES RELATING TO INTERNATIONAL TRANSPORT

#### ARTICLE 295

Goods coming from the territories of the Allied and Associated Powers and going to Hungary, or in transit through Hungary from or to the territories of the Allied and Associated Powers, shall enjoy on the Hungarian railways as regards charges to be collected (rebates and drawbacks being taken into account), facilities, and all other matters, the most favourable treatment applied to goods of the same kind carried on any Hungarian lines, either in internal traffic, or for export, import or in transit, under similar conditions of transport, for example as regards length of route. The same rule shall be applied, on the request of one or more of the Allied and Associated Powers, to goods specially designated by such Power or Powers coming from Hungary and going to their territories.

International tariffs established in accordance with the rates referred to in the preceding paragraph and involving through way-bills shall be established when one of the Allied and Associated Powers shall require it from Hungary.

However, without prejudice to the provisions of Articles 272 and 273, Hungary undertakes to maintain on her own lines the régime of tariffs existing before the war as regards traffic to Adriatic and Black Sea ports, from the point of view of competition with North German ports.

#### ARTICLE 296

From the coming into force of the present Treaty the High Contracting Parties shall renew, in so far as concerns them and under the reserves indicated in the second paragraph of the present Article, the Conventions and

Arrangements signed at Berne on October 14, 1890, September 20, 1893, July 16, 1895, June 16, 1898, and September 19, 1906, regarding the transportation of goods by rail.

If within five years from the date of the coming into force of the present Treaty a new Convention for the transportation of passengers, luggage and goods by rail shall have been concluded to replace the Berne Convention of October 14, 1890, and the subsequent additions referred to above, this new Convention and the supplementary provisions for international transport by rail which may be based on it shall bind Hungary, even if she shall have refused to take part in the preparation of the Convention or to subscribe to it. Until a new Convention shall have been concluded, Hungary shall conform to the provisions of the Berne Convention and the subsequent additions referred to above and to the current supplementary provisions.

#### ARTICLE 297

Hungary shall be bound to co-operate in the establishment of through ticket services (for passengers and their luggage) which shall be required by any of the Allied and Associated Powers to ensure their communication by rail with each other and with all other countries by transit across the territories of Hungary; in particular Hungary shall, for this purpose, accept trains and carriages coming from the territories of the Allied and Associated Powers and shall forward them with a speed at least equal to that of her best long-distance trains on the same lines. The rates applicable to such through services shall not in any case be higher than the rates collected on Hungarian internal services for the same distance, under the same conditions of speed and comfort.

The tariffs applicable under the same conditions of speed and comfort to the transportation of emigrants going to or coming from ports of the Allied and Associated Powers and using the Hungarian railways shall not be at a higher kilometric rate than the most favourable tariffs (drawbacks and rebates being taken into account) enjoyed on the said railways by emigrants going to or coming from any other ports.

#### ARTICLE 298

Hungary shall not apply specially to such through services, or to the transportation of emigrants going to or coming from ports of the Allied and Associated Powers, any technical, fiscal or administrative measures, such as measures of customs examination, general police, sanitary police, and control, the result of which would be to impede or delay such services.

#### ARTICLE 299

In case of transport partly by rail and partly by internal navigation, with or without through way-bill, the preceding Articles shall apply to the part of the journey performed by rail.

## CHAPTER III

## ROLLING-STOCK

## ARTICLE 300

Hungary undertakes that Hungarian wagons shall be fitted with apparatus allowing:

(1) of their inclusion in goods trains on the lines of such of the Allied and Associated Powers as are parties to the Berne Convention of May 15, 1886, as modified on May 18, 1907, without hampering the action of the continuous brake which may be adopted in such countries within ten years of the coming into force of the present Treaty, and

(2) of the inclusion of wagons of such countries in all goods trains on Hungarian lines.

The rolling-stock of the Allied and Associated Powers shall enjoy on the Hungarian lines the same treatment as Hungarian rolling-stock as regards movement, upkeep and repairs.

## CHAPTER IV

## TRANSFERS OF RAILWAY LINES

## ARTICLE 301

Subject to any special provisions concerning the transfer of ports, waterways and railways situated in the territories transferred under the present Treaty, and to the financial conditions relating to the concessionaires and the pensioning of the personnel, the transfer of railways will take place under the following conditions:

(1) The works and installations of all the railroads shall be handed over complete and in good condition.

(2) When a railway system possessing its own rolling-stock is handed over in its entirety by Hungary to one of the Allied and Associated Powers, such stock shall be handed over complete, in accordance with the last inventory before November 3, 1918, and in a normal state of upkeep.

(3) As regards lines without any special rolling-stock, the distribution of the stock existing on the system to which these lines belong shall be made by Commissions of experts designated by the Allied and Associated Powers, on which Hungary shall be represented. These Commissions shall have regard to the amount of the material registered on these lines in the last inventory before November 3, 1918, to the length of track (sidings included), and the nature and amount of the traffic. These Commissions shall also specify the locomotives, carriages and wagons to be handed over in each case; they shall decide upon the conditions of their acceptance, and shall make the

provisional arrangements necessary to ensure their repair in Hungarian workshops.

(4) Stocks of stores, fittings and plant shall be handed over under the same conditions as the rolling-stock.

The provisions of paragraphs 3 and 4 above shall be applied to the lines of former Russian Poland converted by the Austro-Hungarian authorities to the normal gauge, such lines being regarded as detached from the Austrian and Hungarian State systems.

## CHAPTER V

### PROVISIONS RELATING TO CERTAIN RAILWAY LINES

#### ARTICLE 302

When, as a result of the fixing of new frontiers, a railway connection between two parts of the same country crosses another country, or a branch line from one country has its terminus in another, the conditions of working, if not specifically provided for in the present Treaty, shall be laid down in a convention between the railway administrations concerned. If the administrations cannot come to an agreement as to the terms of such convention, the points of difference shall be decided by Commissions of experts composed as provided in the preceding Article.

In particular, the convention as to the working of the line between Csata and Losoncz shall provide for the direct passage in each direction through Hungarian territory of Czecho-Slovak trains with Czecho-Slovak traction and Czecho-Slovak train crews. Nevertheless, unless otherwise agreed, this right of passage shall lapse either on the completion of a direct connection wholly in Czecho-Slovak territory between Csata and Losoncz or at the expiration of fifteen years from the coming into force of the present Treaty, whichever may occur first.

Similarly, the convention as to the working of the portion in Hungarian territory of the line from Nagyszalonta through Békéscsaba to Arad and to Kisjenő shall provide for the direct passage in each direction through Hungarian territory of Roumanian trains with Roumanian traction and Roumanian train crews. Unless otherwise agreed this right of passage shall lapse either on the completion of a direct connection wholly in Roumanian territory between the Nagyszalonta-Békéscsaba and the Kisjenő-Békéscsaba lines or at the expiration of ten years from the coming into force of the present Treaty.

The establishment of all the new frontier stations between Hungary and the contiguous Allied and Associated States, as well as the working of the lines between those stations, shall be settled by agreements similarly concluded.

## ARTICLE 303

In order to assure to the town and district of Gola in Serb-Croat-Slovene territory the use of the station of Gola in Hungarian territory and of the railway serving the same, and in order to ensure the free use to Serb-Croat-Slovene traffic of direct railway connection between the Csáktornya-Nagy-Kanisza line and the Zágráb-Gyékenyés line during the time required for the completion of a direct railway in Serb-Croat-Slovene territory between the above lines, the conditions of working of the station of Gola and of the railway from Kotor to Barcz shall be laid down in a convention between the Hungarian and Serb-Croat-Slovene railway administrations concerned. If these administrations cannot come to an agreement as to the terms of such convention, the points of difference shall be decided by the competent Commission of experts referred to in Article 301 of the present Treaty.

## ARTICLE 304

With the object of ensuing regular utilization of the railroads of the former Austro-Hungarian Monarchy owned by private companies which, as a result of the stipulations of the present Treaty, will be situated in the territory of several States, the administrative and technical re-organisation of the said lines shall be regulated in each instance by an agreement between the owning company and the States territorially concerned.

Any differences on which agreement is not reached, including questions relating to the interpretation of contracts concerning the expropriation of the lines, shall be submitted to arbitrators designated by the Council of the League of Nations.

This arbitration may, as regards the South Austrian Railway Company, be required either by the Board of Management or by the Committee representing the bondholders.

## ARTICLE 305

Within a period of five years from the coming into force of the present Treaty, the Czecho-Slovak State may require the improvement of the Bratislava (Pressburg)-Nagy-Kanisza line on Hungarian territory.

The expenses shall be divided in proportion to the advantages derived by the interested States. Failing agreement, such division shall be made by an arbitrator appointed by the League of Nations.

## ARTICLE 306

In view of the importance to the Czecho-Slovak State of free communication between that State and the Adriatic, Hungary recognises the right of the Czecho-Slovak State to run its own trains over the sections included within her territory of the following lines:

(1) from Bratislava (Pressburg) towards Fiume via Sopron, Szombathely and Mura-Keresztur, and a branch from Mura-Keresztur towards Pragerhof;

(2) from Bratislava (Pressburg) towards Fiume via Hegyeshalon, Csorna, Hegyfalú, Zalaber, Zalaszentiván, Mura-Keresztur, and the branch lines from Hegyfalú to Szombathely and from Mura-Keresztur to Pragerhof.

On the application of either party, the route to be followed by the Czecho-Slovak trains may be modified either permanently or temporarily by mutual agreement between the Czecho-Slovak Railway Administration and those of the railways over which the running powers are exercised.

#### ARTICLE 307

The trains for which the running powers are used shall not engage in local traffic, except by agreement between the State traversed and the Czecho-Slovak State.

Such running powers will include, in particular, the right to establish running sheds with small shops for minor repairs to locomotives and rolling-stock, and to appoint representatives where necessary to supervise the working of Czecho-Slovak trains.

The technical, administrative and financial conditions under which the rights of the Czecho-Slovak State shall be exercised shall be laid down in a Convention between the railway administration of the Czecho-Slovak State and the railway administrations of the Hungarian systems concerned. If the administrations cannot come to an agreement on the terms of this Convention, the points of difference shall be decided by an arbitrator nominated by Great Britain, and his decisions shall be binding on all parties.

In the event of disagreement as to the interpretation of the Convention or of difficulties arising unprovided for in the Convention, the same form of arbitration will be adopted until such time as the League of Nations may lay down some other procedure.

### CHAPTER VI

#### TRANSITORY PROVISION

#### ARTICLE 308

Hungary shall carry out the instructions given her, in regard to transport, by an authorised body acting on behalf of the Allied and Associated Powers:

(1) for the carriage of troops under the provisions of the present Treaty, and of material, ammunition and supplies for army use;

(2) as a temporary measure, for the transportation of supplies for certain regions, as well as for the restoration, as rapidly as possible, of the normal conditions of transport, and for the organisation of postal and telegraphic services.

## CHAPTER VII

## TELEGRAPHS AND TELEPHONES

## ARTICLE 309

Notwithstanding any contrary stipulations in existing treaties, Hungary undertakes to grant freedom of transit for telegraphic correspondence and telephonic communications coming from or going to any one of the Allied and Associated Powers, whether neighbours or not, over such lines as may be most suitable for international transit and in accordance with the tariffs in force. This correspondence and these communications shall be subjected to no delay or restriction; they shall enjoy in Hungary national treatment in regard to every kind of facility and especially in regard to rapidity of transmission. No payment, facility or restriction shall depend directly or indirectly on the nationality of the transmitter or the addressee.

## ARTICLE 310

In view of the geographical situation of the Czecho-Slovak State, Hungary agrees to the following modifications in the International Telegraph and Telephone Conventions referred to in Article 218, Part X (Economic Clauses) of the present Treaty:

(1) On the demand of the Czecho-Slovak State, Hungary shall provide and maintain trunk telegraph lines across Hungarian territory.

(2) The annual rent to be paid by the Czecho-Slovak State for each of such lines will be calculated in accordance with the provisions of the above-mentioned Conventions, but unless otherwise agreed shall not be less than the sum which would be payable under those Conventions for the number of messages laid down in those Conventions as conferring the right to demand a new trunk line, taking as a basis the reduced tariff provided for in Article 23, paragraph 5, of the International Telegraph Convention as revised at Lisbon.

(3) So long as the Czecho-Slovak State shall pay the above minimum annual rent of a trunk line:

(a) The line shall be reserved exclusively for transit traffic to and from the Czecho-Slovak State;

(b) The faculty given to Hungary by Article 8 of the International Telegraph Convention of July 22, 1875, to suspend international telegraph services shall not apply to that line.

(4) Similar provisions will apply to the provision and maintenance of trunk telephone circuits, but the rent payable by the Czecho-Slovak State for a trunk telephone circuit shall, unless otherwise agreed, be double the rent payable for a trunk telegraph line.

(5) The particular lines to be provided, together with any necessary administrative, technical and financial conditions not provided for in existing International Conventions or in this Article, shall be fixed by a further convention between the States concerned. In default of agreement on such convention they will be fixed by an arbitrator appointed by the Council of the League of Nations.

(6) The stipulations of the present Article may be varied at any time by agreement between Hungary and the Czecho-Slovak State. After the expiration of ten years from the coming into force of the present Treaty the conditions under which the Czecho-Slovak State shall enjoy the rights conferred by this Article may, in default of agreement by the parties, be modified at the request of either party by an arbitrator designated by the Council of the League of Nations.

(7) In case of any dispute between the parties as to the interpretation either of this Article or of the convention referred to in paragraph 5, this dispute shall be submitted for decision to the Permanent Court of International Justice to be established by the League of Nations.

#### SECTION IV

#### *Disputes and Revision of Permanent Clauses*

##### ARTICLE 311

Disputes which may arise between interested Powers with regard to the interpretation and application of this Part of the present Treaty shall be settled as provided by the League of Nations.

##### ARTICLE 312

At any time the League of Nations may recommend the revision of such of the above Articles as relate to a permanent administrative régime.

##### ARTICLE 313

The stipulations in Articles 268 to 274, 277, 295, 297 to 299 and 309 shall be subject to revision by the Council of the League of Nations at any time after three years from the coming into force of the present Treaty.

Failing such revision, no Allied or Associated Power can claim after the expiration of the above period of three years the benefit of any of the stipulations in the Articles enumerated above on behalf of any portion of its territories in which reciprocity is not accorded in respect to such stipulations. The period of three years during which reciprocity cannot be demanded may be prolonged by the Council of the League of Nations.

The benefit of the stipulations mentioned above cannot be claimed by States to which territory of the former Austro-Hungarian Monarchy has been transferred, or which have arisen out of the dismemberment of that

Monarchy, except upon the footing of giving in the territory passing under their sovereignty in virtue of the present Treaty reciprocal treatment to Hungary.

## SECTION V

*Special Provision*

## ARTICLE 314

Without prejudice to the special obligations imposed on her by the present Treaty for the benefit of the Allied and Associated Powers, Hungary undertakes to adhere to any General Conventions regarding the international régime of transit, waterways, ports or railways which may be concluded by the Allied and Associated Powers, with the approval of the League of Nations, within five years of the coming into force of the present Treaty.

## PART XIV

## MISCELLANEOUS PROVISIONS

## ARTICLE 356

Hungary undertakes to recognize and to accept the conventions made or to be made by the Allied and Associated Powers or any of them with any other Power as to the traffic in arms and in spirituous liquors, and also as to the other subjects dealt with in the General Acts of Berlin of February 26, 1885, and of Brussels of July 2, 1890,<sup>29</sup> and the conventions completing or modifying the same.

## ARTICLE 357

The High Contracting Parties declare and place on record that they have taken note of the Treaty signed by the Government of the French Republic on July 17, 1918, with His Serene Highness the Prince of Monaco defining the relations between France and the Principality.

## ARTICLE 358

The High Contracting Parties, while they recognize the guarantees stipulated by the Treaties of 1815, and especially by the Act of November 20, 1815, in favour of Switzerland, the said guarantees constituting international obligations for the maintenance of peace, declare nevertheless that the provisions of these treaties, conventions, declarations and other supplementary Acts concerning the neutralised zone of Savoy, as laid down in paragraph 1 of Article 92 of the Final Act of the Congress of Vienna and in paragraph 2 of Article 3 of the Treaty of Paris of November 20, 1815, are no longer

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<sup>29</sup> TS 383, *ante*, vol. 1, p. 134.

consistent with present conditions. For this reason the High Contracting Parties take note of the agreement reached between the French Government and the Swiss Government for the abrogation of the stipulations relating to this zone which are and remain abrogated.

The High Contracting Parties also agree that the stipulations of the Treaties of 1815 and of the other supplementary Acts concerning the free zones of Upper Savoy and the Gex district are no longer consistent with present conditions, and that it is for France and Switzerland to come to an agreement together with a view to settling between themselves the status of these territories under such conditions as shall be considered suitable by both countries.

## ANNEX

### I

The Swiss Federal Council has informed the French Government on May 5, 1919, that after examining the provisions of Article 435 of the Peace conditions presented to Germany by the Allied and Associated Powers in a like spirit of sincere friendship it has happily reached the conclusion that it was possible to acquiesce in it under the following conditions and reservations:

(1) The neutralized zone of Haute-Savoie:

(a) It will be understood that as long as the Federal Chambers have not ratified the agreement come to between the two Governments concerning the abrogation of the stipulations in respect to the neutralized zone of Savoy, nothing will be definitely settled, on one side or the other, in regard to this subject.

(b) The assent given by the Swiss Government to the abrogation of the above mentioned stipulations presupposes, in conformity with the text adopted, the recognition of the guarantees formulated in favour of Switzerland by the Treaties of 1815 and particularly by the Declaration of November 20, 1815.

(c) The agreement between the Governments of France and Switzerland for the abrogation of the above mentioned stipulations will only be considered as valid if the Treaty of Peace contains this Article in its present wording. In addition the Parties to the Treaty of Peace should endeavour to obtain the assent of the signatory Powers of the Treaties of 1815 and of the Declaration of November 20, 1815, which are not signatories of the present Treaty of Peace.

(2) Free zone of Haute-Savoie and the district of Gex:

(a) The Federal Council makes the most express reservations to the interpretation to be given to the statement mentioned in the last paragraph

of the above Article for insertion in the Treaty of Peace, which provides that "the stipulations of the Treaties of 1815 and other supplementary acts concerning the free zones of Haute-Savoie and the Gex district are no longer consistent with present conditions." The Federal Council would not wish that its acceptance of the above wording should lead to the conclusion that it would agree to the suppression of a system intended to give neighbouring territory the benefit of a special regime which is appropriate to the geographical and economical situation and which has been well tested.

In the opinion of the Federal Council the question is not the modification of the customs system of the zones as set up by the Treaties mentioned above, but only the regulation in a manner more appropriate to the economic conditions of the present day of the terms of the exchange of goods between the regions in question. The Federal Council has been led to make the preceding observations by the perusal of the draft Convention concerning the future constitution of the zones which was annexed to the note of April 26 from the French Government. While making the above reservations the Federal Council declares its readiness to examine in the most friendly spirit any proposals which the French Government may deem it convenient to make on the subject.

(b) It is conceded that the stipulations of the Treaties of 1815 and other supplementary acts relative to the free zones will remain in force until a new arrangement is come to between France and Switzerland to regulate matters in this territory.

## II

The French Government have addressed to the Swiss Government, on May 18, 1919, the following note in reply to the communication set out in the preceding paragraph:

In a note dated May 5 the Swiss Legation in Paris was good enough to inform the Government of the French Republic that the Federal Government adhered to the proposed Article to be inserted in the Treaty of Peace between the Allied and Associated Governments and Germany.

The French Government have taken note with much pleasure of the agreement thus reached, and, at their request, the proposed Article, which had been accepted by the Allied and Associated Governments, has been inserted under No. 435 in the Peace Conditions presented to the German Plenipotentiaries.

The Swiss Government in their Note of May 5 on this subject, have expressed various views and reservations.

Concerning the observations relating to the free zones of Haute-Savoie and the Gex district, the French Government have the honour to observe that the provisions of the last paragraph of Article 435 are so clear that their purport cannot be misapprehended, especially where it implies that no other

Power but France and Switzerland will in future be interested in that question.

The French Government, on their part, are anxious to protect the interests of the French territories concerned, and, with that object, having their special situation in view, they bear in mind the desirability of assuring them a suitable customs régime and determining, in a manner better suited to present conditions, the methods of exchanges between these territories and the adjacent Swiss territories, while taking into account the reciprocal interests of both regions.

It is understood that this must in no way prejudice the right of France to adjust her customs line in this region in conformity with her political frontier, as is done on the other portions of her territorial boundaries, and as was done by Switzerland long ago on her own boundaries in this region.

The French Government are pleased to note on this subject in what a friendly disposition the Swiss Government take this opportunity of declaring their willingness to consider any French proposal dealing with the system to be substituted for the present régime of the said free zones, which the French Government intend to formulate in the same friendly spirit.

Moreover, the French Government have no doubt that the provisional maintenance of the régime of 1815 as to the free zones referred to in the above mentioned paragraph of the Note from the Swiss Legation of May 5, whose object is to provide for the passage from the present régime to the conventional régime, will cause no delay whatsoever in the establishment of the new situation which has been found necessary by the two Governments. This remark applies also to the ratification by the Federal Chambers, dealt with in paragraph 1 (*a*) of the Swiss note of May 5, under the heading "Neutralized zone of Haute-Savoie."

#### ARTICLE 359

The Allied and Associated Powers agree that where Christian religious missions were being maintained by Hungarian societies or persons in territory belonging to them, or of which the government is entrusted to them in accordance with the present Treaty, the property which these missions or missionary societies possessed, including that of trading societies whose profits were devoted to the support of missions, shall continue to be devoted to missionary purposes. In order to ensure the due execution of this undertaking, the Allied and Associated Governments will hand over such property to boards of trustees appointed by or approved by the Governments and composed of persons holding the faith of the mission whose property is involved.

The Allied and Associated Governments, while continuing to maintain full control as to the individuals by whom the missions are conducted, will safeguard the interests of such missions.

Hungary, taking note of the above undertaking, agrees to accept all ar-

rangements made or to be made by the Allied or Associated Government concerned for carrying on the work of the said missions or trading societies and waives all claims on their behalf.

#### ARTICLE 360

Without prejudice to the provisions of the present Treaty, Hungary undertakes not to put forward directly or indirectly against any Allied or Associated Power, signatory of the present Treaty, any pecuniary claim based on events which occurred at any time before the coming into force of the present Treaty.

The present stipulation will bar completely and finally all claims of this nature, which will be thenceforward extinguished, whoever may be the parties in interest.

#### ARTICLE 361

Hungary accepts and recognizes as valid and binding all decrees and orders concerning Austro-Hungarian ships and Hungarian goods and all orders relating to the payment of costs made by any Prize Court of any of the Allied or Associated Powers, and undertakes not to put forward any claim arising out of such decrees or orders on behalf of any Hungarian national.

The Allied and Associated Powers reserve the right to examine in such manner as they may determine all decisions and orders of Austro-Hungarian Prize Courts, whether affecting the property rights of nationals of those Powers or of neutral Powers. Hungary agrees to furnish copies of all the documents constituting the record of the cases, including the decisions and orders made, and to accept and give effect to the recommendations made after such examination of the cases.

#### ARTICLE 362

The High Contracting Parties agree that, in the absence of a subsequent agreement to the contrary, the Chairman of any Commission established by the present Treaty shall in the event of an equality of votes be entitled to a second vote.

#### ARTICLE 363

Except where otherwise provided in the present Treaty, in all cases where the Treaty provides for the settlement of a question affecting particularly certain States by means of a special Convention to be concluded between the States concerned, it is understood by the High Contracting Parties that difficulties arising in this connection shall, until Hungary is admitted to membership of the League of Nations, be settled by the Principal Allied and Associated Powers.

## ARTICLE 364

In the present Treaty the expression "former Kingdom of Hungary" includes Bosnia and Herzegovina except where the text implies the contrary. This provision shall not prejudice the rights and obligations of Austria in such territory.

The present Treaty, in French, in English, and in Italian, shall be ratified. In case of divergence, the French text shall prevail, except in Parts I (Covenant of the League of Nations) and XIII (Labour), where the French and English texts shall be of equal force.

The deposit of ratifications shall be made at Paris as soon as possible.

Powers of which the seat of the Government is outside Europe will be entitled merely to inform the Government of the French Republic through their diplomatic representative at Paris that their ratification has been given; in that case they must transmit the instrument of ratification as soon as possible.

A first procès-verbal of the deposit of ratifications will be drawn up as soon as the Treaty has been ratified by Hungary on the one hand, and by three of the Principal Allied and Associated Powers on the other hand.

From the date of this first procès-verbal the Treaty will come into force between the High Contracting Parties who have ratified it. For the determination of all periods of time provided for in the present Treaty this date will be the date of the coming into force of the Treaty.

In all other respects the Treaty will enter into force for each Power at the date of the deposit of its ratification.

The French Government will transmit to all the signatory Powers a certified copy of the procès-verbaux of the deposit of ratifications.

IN FAITH WHEREOF the above-named Plenipotentiaries have signed the present Treaty.

DONE at Trianon, the fourth day of June, one thousand nine hundred and twenty, in a single copy which will remain deposited in the archives of the French Republic, and of which authenticated copies will be transmitted to each of the Signatory Powers.

## PROTOCOL

With a view to indicating precisely the conditions in which certain provisions of the Treaty of even date are to be carried out, it is agreed by the HIGH CONTRACTING PARTIES that:

1. The list of persons to be handed over to the Allied and Associated Governments by Hungary, under the second paragraph of Article 157, shall be communicated to the Hungarian Government within a month from the coming into force of the Treaty;
2. The Reparation Commission referred to in Article 170 and para-

graphs 2, 3 and 4 of Annex IV, and the Special Section provided for in Article 163, cannot require trade secrets or other confidential information to be divulged;

3. From the signature of the Treaty, and within the ensuing four months, Hungary will be entitled to submit for examination by the Allied and Associated Powers documents and proposals in order to expedite the work connected with reparation, and thus to shorten the investigation and to accelerate the decisions;

4. Proceedings will be taken against persons who have committed punishable offences in the liquidation of Hungarian property, and the Allied and Associated Powers will welcome any information or evidence which the Hungarian Government can furnish on this subject.

Done in French, in English and in Italian, of which the French text shall prevail in case of divergence, at Trianon, the fourth day of June, one thousand nine hundred and twenty.

#### DECLARATION

With a view to minimizing the losses arising from the sinking of ships and cargoes in the course of the war, and to facilitating the recovery of ships and cargoes which can be salvaged and the adjustment of the private claims arising with regard thereto, the Hungarian Government undertakes to supply all the information in its power which may be of assistance to the Governments of the Allied and Associated Powers, or to their nationals, with regard to vessels sunk or damaged by the Hungarian naval forces during the period of hostilities.

This declaration made in French, in English and in Italian, of which the French text shall prevail in case of divergence, at Trianon, the fourth day of June, one thousand nine hundred and twenty.