

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON 25, D. C.

IN THE MATTER OF THE CLAIM OF

ALBERT C. SCHWARTING
1838 Randolph Street, N. W.
Washington 11, D. C.

Against the Government of Hungary

Under the International Claims Settlement
Act of 1949, as amended

Claim No. HUNG-20,524

Decision No. HUNG-327

GPO 16-72126-1

FINAL DECISION

The Commission issued its Proposed Decision on this claim on May 22, 1957, a certified copy of which was duly served upon the claimant. No objections or request for a hearing having been filed within twenty days after such service and general notice of the Proposed Decision having been given by posting for thirty days, it is

ORDERED that such Proposed Decision be and the same is hereby entered as the Final Decision on this claim, and it is further

ORDERED that the award granted therein be certified to the Secretary of the Treasury.

Dated at Washington, D. C.

JUL 17 1957

WJSM
Whitney Gilliland ^{WB}
Henry S. Clay ^{Secy.}
COMMISSIONERS

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Act of 1949, as Amended.

PROPOSED DECISION

This is a claim for one thousand three hundred and fifty dollars (\$1,350.00) under the provisions of Section 303(3) of the International Claims Settlement Act of 1949, as amended, against the Government of Hungary by ALBERT C. SCHWARTING, a citizen of the United States since his birth in the United States on December 17, 1910, for the failure of the said government to meet its contractual obligations.

The record shows that the bonds which are the subject of this claim have been owned by United States nationals from a date prior to September 1, 1939, and that claimant presently holds the said obligations in the principal amount of \$2,000.00, of the issue known as State Loan of the Kingdom of Hungary 1924, due February 1, 1944, bearing numbers M5361, D0521 and D0108, under the terms of which the Government of Hungary agreed to pay to holders the sum of thirty-seven dollars and fifty cents (\$37.50) for each \$1,000.00 in principal amount held, semiannually on February 1 and on August 1 of each year until the maturity date of the bond issue. The claimant's bonds bear a superimposed legend stating that "the holder of this bond is bound by the terms of the memorandum dated September 17, 1937 ... whereby (inter alia) the rate of interest is fixed at $4\frac{1}{2}$ per cent per annum, the final repayment date is postponed to August 1, 1979, and ..." Under the terms of the modified bond contract, therefore, the Government of Hungary agreed to make semiannual payments of twenty-two dollars and

fifty cents (\$22.50) to the holder for each \$1,000.00 in principal amount held.

It further appears that commencing with the payment which fell due on February 1, 1942, no payments on account of interest have been made to date by the Government of Hungary with respect to claimant's bonds.

Section 303(3) of the Act authorizes the Commission to receive and determine, among other claims, those based on the failure of the Government of Hungary to--

meet obligations expressed in currency of the United States arising out of contractual or other rights acquired by nationals of the United States prior to ... September 1, 1939, in the case of Hungary ... and which became payable prior to September 15, 1947.

Accordingly, the Commission has concluded that any award under the above provisions of the Act may include only unpaid amounts which by the terms of the bond contracts were payable prior to September 15, 1947, and may not include any amounts which became payable thereafter.

The record shows that the claimant purchased \$1,000.00 in principal amount of said bonds when in default on July 9, 1941 for the sum of one hundred sixty-five dollars and twenty cents (\$165.20). He purchased the second \$1,000.00 in principal amount of said bonds when in default on November 7, 1941 for the sum of one hundred thirty-nine dollars and eighty-eight cents (\$139.88).

Section 307 of the Act provides that--

The amount of any award made pursuant to this title based on a claim of a national of the United States other than the national of the United States to whom the claim originally accrued shall not exceed the amount of the actual consideration last paid therefor either prior to January 1, 1953, or between that date and the filing of the claim, whichever is less.

Thus, the Commission finds that from February 1, 1942 to September 15, 1947, the Government of Hungary failed to meet its obligations under claimant's bond contracts to make payments to him in an amount greater than the consideration paid by claimant for said bonds.

Accordingly, the Commission has concluded that pursuant to Section 307

of the Act, any award with respect to the claimant's bonds must not be in excess of the consideration paid therefor; namely, the sum of three hundred five dollars and eight cents (\$305.08).

A W A R D

On the above evidence and grounds, this claim is allowed and an award is hereby made to ALBERT C. SCHWARTING, claimant herein, in the amount of three hundred five dollars and eight cents (\$305.08).

Payment of the award herein shall not be construed to have divested claimant herein or the Government of the United States, on his behalf, of any rights against the Government of Hungary, for the unpaid balance of the claim, if any.

Dated at Washington, D. C.

MAY 22 1957

FOR THE COMMISSION:

Donald G. Benn
Donald G. Benn, Director
Balkan Claims Division

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