

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

IN THE MATTER OF THE CLAIM OF

LONNIE FOSTER, JR.

Under the International Claims Settlement
Act of 1949, as amended

Claim No. HUNG-2-028

Decision No. HUNG-2-0103

PROPOSED DECISION

This claim in the asserted amount of \$19,880.00 against the Government of Hungary, under subsection 303(5), Title III of the International Claims Settlement Act of 1949, as amended, is based upon a payment by the United States Government to the Government of Hungary in connection with the aerial incident which is the subject of the note of December 10, 1952, by the Government of the United States to the Government of the Hungarian People's Republic. This note is referred to in Article 2, paragraph 4, of the Hungarian Claims Agreement of March 6, 1973, and \$125,000 of the funds provided under the Agreement are earmarked for payment to the United States in settlement of the incident. Claimant, LONNIE FOSTER, JR., seeks recovery of his United States taxes paid as a result of the incident.

Claimant states that he acquired United States nationality on July 5, 1933, by birth in the United States.

Under section 303, Title III of the International Claims Settlement Act of 1949, (69 Stat. 570 (1955)); 22 U.S.C. §§1641-1641q (1971), as amended by section (3) of Public Law 93-460, approved on October 20, 1974 (88 Stat. 1386 (1974)), and which implements certain provisions of the Hungarian Claims Agreement of March 6, 1973, (TIAS 7569), the Commission is given jurisdiction as follows:

The Commission shall receive and determine in accordance with applicable substantive law, including international law, the validity and amounts of claims of nationals of the United States against the . . . [Government of Hungary] . . . arising out of the failure to ---

(5) pay effective compensation for the nationalization, compulsory liquidation or other taking of property of nationals of the United States in Hungary, between August 9, 1955, and the date the United States-Hungarian Claims Agreement of March 6, 1973, enters into force.

Therefore, this new section of the Act does not confer jurisdiction upon the Commission to consider all claims which were settled and discharged under the Hungarian Claims Agreement of 1973, but rather, provides for limited class only, namely, those which arose between August 9, 1955, and March 6, 1973, as a result of the nationalization, compulsory liquidation or other taking of property.

Public Law 93-460 also amended section 310 of the Act, supra, as follows:

"(E) The Secretary of the Treasury is authorized and directed to deduct the sum of \$125,000 from the Hungarian Claims Fund and cover such amount into the Treasury to the credit of miscellaneous receipts in satisfaction of the claim of the United States referred to in article 2, paragraph 4 of the United States-Hungarian Claims Agreement of March 6, 1973. Such amount shall be deducted in annual installments over the period during which the Government of Hungary makes payments to the Government of the United States as provided in article 4 of the agreement."

However, the Commission finds that this provision is directed to the Secretary of the Treasury and is not a grant of authority to the Commission to consider any claims related to the aerial incident of 1951, referred to in article 2, paragraph 4, of the Hungarian Claims Agreement of 1973.

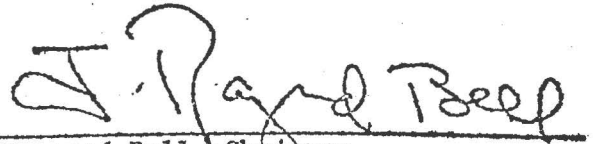
Therefore, the Commission concludes that it has no jurisdiction under Title III of the International Claims Settlement Act of 1949, as amended by Public Law 93-460, to consider this claim for recovery of taxes paid to the United States Government and assertedly arising out of the aerial incident of 1951.

Accordingly, this claim must be and it is hereby denied.

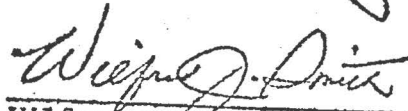
The Commission finds it unnecessary to make determinations with respect to other elements of this claim.

Dated at Washington, D.C.
and entered as the Proposed
Decision of the Commission.

16 JUL 1975



J. Raymond Bell, Chairman



Wilfred J. Smith, Commissioner

This is a true and correct copy of the decision
of the Commission which was entered as the final
decision on 27 AUG 1975



Executive Director

NOTICE: Pursuant to the Regulations of the Commission, if no objections are filed within 15 days after service or receipt of notice of this Proposed Decision, the decision will be entered as the Final Decision of the Commission upon the expiration of 30 days after such service or receipt of notice, unless the Commission otherwise orders. (FCSC Reg., 45 C.F.R. 531.5 (e) and (g), as amended.)