

N° 1112.

HONGRIE ET ROUMANIE

Convention concernant la répartition des biens des départements (comitats), villes et villages, dont l'ancien territoire a été fractionné par la frontière fixée à la suite du Traité de Trianon, signée à Bucarest, le 16 avril 1924.

HUNGARY AND ROUMANIA

Convention concerning the Allocation of the Property of Counties (Comitats), Towns and Villages whose Former Territory has been divided by the Frontier fixed in consequence of the Treaty of Trianon, signed at Bucharest, April 16, 1924.

¹ TRADUCTION. — TRANSLATION.

NO. 1112. — CONVENTION ² BETWEEN HUNGARY AND ROUMANIA CONCERNING THE ALLOCATION OF THE PROPERTY OF COUNTIES (COMITATS), TOWNS AND VILLAGES WHOSE FORMER TERRITORY HAS BEEN DIVIDED BY THE FRONTIER FIXED IN CONSEQUENCE OF THE TREATY OF TRIANON, SIGNED AT BUCHAREST, APRIL 16, 1924.

French official text communicated by the "Chargé des Affaires" of the Royal Hungarian Delegation accredited to the League of Nations. The registration of this Convention took place February 27, 1926.

HIS MOST SERENE HIGHNESS THE REGENT OF HUNGARY and HIS MAJESTY THE KING OF ROUMANIA, being desirous of reaching, in conformity with Article 256 of the Treaty of Trianon, an agreement for the allocation of the property of the counties, towns and villages, whose territory has been divided by the frontier fixed in consequence of the above-mentioned Treaty,

Have decided to conclude a Convention for this purpose, and have appointed as their Plenipotentiaries :

HIS MOST SERENE HIGHNESS THE REGENT OF HUNGARY :

M. R. DE WODIANER, Envoy Extraordinary and Minister Plenipotentiary ;

HIS MAJESTY THE KING OF ROUMANIA :

M. Nicolas N. FILODOR, Envoy Extraordinary and Minister Plenipotentiary, Secretary-General of the Royal Ministry for Foreign Affairs ;

Who, having communicated their full powers, found in good and due form, have agreed on the following Articles :

Article 1.

Partitioned counties, towns and villages, shall be taken to mean the counties (comitats), towns and villages whose former administrative area has been divided by the frontier fixed in consequence of the Treaty of Trianon.

The present Convention shall not apply to counties (comitats), towns and villages, whose former administration area has been partitioned by that frontier between the two Contracting Parties and a third State. The allocation of property belonging to these counties (comitats), towns and villages shall be settled by conventions between all the States concerned.

¹ Traduit par le Secrétariat de la Société des Nations.

¹ Translated by the Secretariat of the League of Nations.

² See No. 1106, page 325, Vol. XLV of this Series. The exchange of ratifications took place at Budapest, December 3, 1924.

Article 2.

The whole of the assets and liabilities constituting the property of the counties, towns and villages, referred to in Article 1, first paragraph, shall be subject to allocation.

Funds and foundations which are not the property of counties, towns or villages, but were or are administered by them, as also funds and foundations not exclusively for the benefit of those counties, towns and villages, shall not be subject to allocation.

The question of such funds and foundations shall be settled simultaneously with the question of funds and foundations in general. The Commissions provided for in Article 10 shall draw up a special list of funds and foundations excluded from allocation.

Similarly, the archives of counties, towns and villages, funds administered on behalf of minors and persons not in possession of their civil rights, and the reserves of these funds, shall not be subject to the present allocation, but shall be allocated under special Conventions.

Article 3.

Assets and liabilities constituting the property to be allocated shall be valued on the basis of their condition (whether defined by inventory or not) as at October 31, 1918. For the allocation of funds and foundations the final account for the financial year 1918 shall be taken as basis.

In making the valuation and determining the allocation, expenditure and investments of public utility made after the dates referred to and in the common interest of the two separated parts, as also alterations in the inventory, if the latter are due not to the fault of the party in possession but to accident or *vis major* (except alterations resulting from the domestic legislation and civil administrative measures of the two Contracting Parties), shall be taken into account.

Article 4.

The allocation of the assets and liabilities constituting the property of counties, towns and villages shall be proportionate to the direct taxes levied in 1914 in the respective territories of the two separated parts. In establishing this proportion, direct taxes shall be taken to mean the taxes used in 1914 as a basis for the assessment of the county and communal additional taxes.

There shall also be added to the above the land-tax on property (built over or otherwise) levied in 1914 on immovable property belonging to counties, towns and villages, but situated outside their administrative areas. In fixing the proportion for the allocation, these land-taxes shall be placed to the credit account of that part of the divided area which belongs to the Contracting Party in whose territory the taxed immovable property is situated.

In calculating the above-mentioned proportion, the taxes levied in incorporated towns situated in the territory of a partitioned county shall be disregarded.

Article 5.

The allocation of the assets of counties, towns and villages shall be made in the proportion fixed in Article 4.

Within the limits of this proportion, allocation shall be carried out in kind as far as possible.

I. In conformity with the principle of allocation in kind, immovable property shall be attributed to that separated part in whose territory it is situated. Immovable property situated outside the area of a partitioned county, town or village shall be attributed to the Contracting Party in whose territory such property is situated.

Immovable property allocated in kind shall be valued in conformity with the provisions of Article 7, and there shall be placed to the charge of the separated part to which such property is allocated the proportionate share due to the other part. Compensation and sums placed to the charge of the respective parts shall be paid in conformity with the provisions of Article 8.

II. Should the allocation of movable property in kind prove to be impossible or involve difficulty, the movable property to be allocated may, if the two parties agree, be bought up by one of the separated parts or sold. If the property is bought up, the provisions of second paragraph of Section I shall apply. The price obtained shall be allocated between the two parts in the proportion fixed in Article 4.

Movable property which forms an appurtenance to immovable property shall be allocated with the immovable property, its value being included in the account when allocation takes place.

Movable property of special interest to one of the separated parts (such as portraits, books, seals, shields, arms, flags and other similar objects) may be bought by that part if both separated parts agree.

III. Debts reckoned in old crowns shall be allocated in the proportion laid down in Article 4.

In the relations of the separated parts with debtors, the parts shall be regarded for the purpose of allocating the respective shares in the debt as Hungarian or Roumanian nationals according as their territory belongs to Hungary or to Roumania.

The respective shares in the debts thus allocated shall be fixed in conformity with the provisions of the Convention on the release of deposits and the settlement of debts and claims in former Austrian or Hungarian crowns.

The personal conditions (nationality and domicile) defined in the above-mentioned Convention shall be held to be combined in the person of the separated part to which the debt is due, in conformity with second sub-paragraph of the present paragraph.

Article 6.

The liabilities of counties, towns and villages shall be allocated in the proportion laid down in Article 4.

Debts specially secured on one of the properties to be allocated shall be taken over by the separated part to which the property constituting the security is attributed in virtue of Article 5. Debts contracted for the purchase, construction, upkeep, improvement, etc., of any of the properties to be allocated shall be regarded as debts specially secured, and shall be taken over by the separated part to which the property in question is attributed in virtue of Article 5. The total debts to be met by the other separated part in virtue of first paragraph shall be deducted from the share due to that part in the property which has been made the security, or in respect of which the debt has been contracted.

The separated part which, in virtue of the preceding paragraphs, takes over the whole debt or a portion thereof, shall alone be responsible for the debt taken over, and shall be regarded in its relations with the creditors as a Hungarian or a Roumanian national, according as the territory belongs to Hungary or to Roumania.

The respective shares in the debt thus allocated, reckoned in former crowns, shall be determined in conformity with the provisions of the Convention on the release of deposits and the settlement of debts and claims in former Austrian or Hungarian crowns. The portion of the debts referred to in second paragraph assumed by the other part shall be settled in the currency in (and to the extent to) which payment would have been made by that part if it had continued to be responsible for the portion of the debt.

The personal conditions (nationality and domicile) defined in the above-mentioned Convention shall be held to be combined in the person of the separated part which has become the debtor, in conformity with third paragraph of the present Article.

Should the immovable property which has been made security for the debts referred to in second paragraph have been intersected by the frontier fixed under the Treaty of Trianon, or should

several immovable properties have been made security, some being situated in Hungarian territory and others in territory ceded to Roumania under the above-mentioned Treaty, the amount of the debt to be allocated shall be divided between the two portions of the immovable property, or between the immovable properties situated respectively in Hungarian territory and in territory ceded to Roumania. The amount of the debt to be allocated shall be divided in proportion to the net profits entered in the land register, or, failing such entry, in proportion to the value of the immovable properties in question (See Article 7).

The provisions of the preceding paragraph shall also apply to debts contracted for the purchase, construction, upkeep, improvement, etc., of the properties to be allocated.

The allocation between the two separated parts of debts divided in conformity with the two preceding paragraphs shall be effected in accordance with the provisions of second paragraph.

The Commissions appointed to carry out the present Convention, and the Court of Arbitration and the umpire provided for in Article 10, shall notify the creditors concerned of the decisions they may take regarding the allocation of the debts. This information shall be communicated by registered letter within fifteen days following the date on which the decision was taken.

Article 7.

Assets and liabilities constituting the property to be allocated shall be valued in conformity with the following principles :

(1) Immovable property not built over shall be valued in the currency of the State in which it is situated. The valuation shall be based on the average market prices current at the time of valuation in the district in which the immovable property is situated. Account shall also be taken of prices offered and asked in the neighbourhood, even in the territory of the other Party.

(2) Immovable property built over shall, in general, be valued in accordance with the provisions of paragraph 1.

If, however, the value of built-over property cannot thus be fixed, the valuation shall be based on the price of the land, the material, and the constructional costs, in the currency of the Party in whose territory the property is situated.

(3) Movable property shall be valued on the basis of the average market prices current at the time of valuation. The valuation shall be made in the currency of the Party in whose territory the property is situated.

(4) Claims and debts shall be entered in the account in the currency in (and to the total amount at) which they have been settled in conformity with the provisions of Article 5, paragraph III, or Article 6.

With a view to adjusting the two sets of accounts, the valuations made in accordance with the preceding provisions shall be converted into United States dollars.

Valuations in lei shall be converted at the average rate of exchange quoted on the Bucharest Exchange during the fifteen days previous to the date of valuation, and valuations in Hungarian crowns at the average rate of exchange quoted during the same period on the Budapest Exchange.

Article 8.

Valuation and allocation shall be carried out separately for each partitioned county, town and village.

When the valuation and allocation have been completed, the competent Commissions (Article 10) shall, as a separate operation, strike a balance between the sums owed and owing on either side included in the account and converted into dollars.

The final settlement shall be made simultaneously for all the partitioned counties, towns and villages.

Each Contracting Party shall designate for this purpose a Central Organ for its territory. These Central Organs shall act as the mandatories of the separated parts belonging to each of the Contracting Parties.

Within eight days as from the completion of the individual allocations in each county, town and village, the Commissions shall furnish each Central Organ with a statement of the debts and claims as established in conformity with second paragraph.

Where the property of a town or village is allocated entirely in kind, the competent Commission shall communicate its decision to the Central Organs for their information. In such case settlement as between the Central Organs will not be necessary.

Within fifteen days following the receipt of the last statement, the Central Organs shall get into communication, and shall conjointly establish a total and final balance of the balances established individually for each county, town and village, by the above-mentioned Commissions.

The Central Organ which is the debtor shall pay the balance for which it is responsible, either in dollars or in the currency of the Central Organ to which the money is owed. The debtor Organ may choose between these two methods of payment.

The balance due shall be converted into the currency of the creditor Central Organ at the average rates of exchange quoted on the Zurich Exchange during the month previous to the payment of the balance. Should one of the currencies in which the adjustment of accounts and payment are to be effected not be quoted on the Zurich Exchange, the Central Organs shall agree to select another Exchange.

Payment shall be made, without any reduction, direct to the creditor Central Organ within six months following the date on which the balance is established.

Article 9.

The Contracting Parties reserve the right to arrange, if necessary, for the representation of the separated parts situated in their respective territories.

The appointed representative shall, on behalf of the separated part which he represents, perform all legal acts involved in carrying out the provisions of the present Convention. The legal acts performed by this representative shall be binding on the separated part or on the assign of the part, which he represents.

As regards property and debts allocated in conformity with the provisions of the present Convention, the separated parts or their assigns shall become the legal successors, in proportion to the allocation, to the rights and obligations of the partitioned counties, towns or villages, as regards third parties, in connection with the said property and debts.

The legal relations resulting for separated parts from the allocation of the property of counties, towns and villages, and from the execution of the present Convention, shall be subject, so far as they are not regulated by the present Convention, to the domestic law of the Contracting Party in whose territory the separated part is situated.

Article 10.

Valuation and allocation shall be effected separately in the case of each county, town and village, by one or several special Commissions.

Each Commission shall consist of four members, one appointed by each Contracting Party and one by each separated part of the county, town or village in question.

The Commissions shall be entitled to consult an expert or experts.

The decisions of each Commission must be unanimous. If opinions are divided, the dispute shall be submitted to a Court of Arbitration consisting of two members, one appointed by the Royal

Roumanian Government and the other by the Royal Hungarian Government. Should the Court of Arbitration be unable to reach a unanimous decision, it shall choose an umpire.

Should it prove impossible to agree on an umpire, the Contracting Parties shall apply for the appointment of an umpire to *the Minister* of the Interior of the Swiss Confederation.

The unanimous awards of the Commissions and the Court of Arbitration, as also the awards of the umpire, shall be final, and the Contracting Parties shall proceed to carry them into effect.

The Commissions and the Court of Arbitration must be constituted at the latest within one month following the coming into force of the present Convention.

The Commissions shall begin their work without delay and must conclude it within six months following the date of their appointment. The Court of Arbitration shall render its awards not later than two months after the completion of the work of the Commissions.

The costs of this procedure shall be borne by the counties, towns and villages concerned, in the proportion fixed for the allocation of the property.

The Contracting Parties mutually undertake to grant to the Commissions and the Court of Arbitration all assistance and all facilities required, and to furnish them, within one month after receiving a request, with the official data necessary to enable them to pursue their enquiries.

Article 11.

The deposits referred to in the Convention on the release of deposits and the settlement of debts and claims in former Austrian or Hungarian crowns shall be handed over, wholly or in part, to the separated part to which they have, wholly or in part, been allocated in virtue of the present Convention.

They shall be delivered in conformity with the provisions of the Convention referred to in the preceding paragraph. The nationality and domicile of the separated parts shall be determined in conformity with sub-paragraphs of paragraph III of Article 5.

Article 12.

The present Convention shall be ratified, and the ratifications shall be exchanged at Budapest as soon as possible. It shall come into force on the date of the exchange of ratifications.

In faith whereof the respective Plenipotentiaries have signed the Convention and affixed their seals thereto.

Done at Bucharest in two original copies on April 16, 1924.

(L. S.) (Signed) R. DE WODIANER.

(L. S.) (Signed) N. N. FILODOR.