No. 8758

AUSTRIA
and
HUNGARY

Treaty concerning the settlement of outstanding financial questions (with Final Protocol and exchange of notes). Signed at Budapest, on 31 October 1964

Official texts: German and Hungarian.

Registered by Austria on 18 September 1967.

AUTRICHE
et
HONGRIE

Accord concernant le règlement de questions financières en suspens (avec Protocole final et échange de notes). Signé à Budapest, le 31 octobre 1964

Textes officiels allemand et hongrois.

Enregistré par l'Autriche le 18 septembre 1967.

[TRANSLATION — TRADUCTION]

No. 8758. TREATY[1] BETWEEN THE REPUBLIC OF AUSTRIA AND THE HUNGARIAN PEOPLE'S REPUBLIC CONCERNING THE SETTLEMENT OF OUTSTANDING FINANCIAL QUESTIONS. SIGNED AT BUDAPEST, ON 31 OCTOBER 1964

The Republic of Austria and the Hungarian People's Republic,

Desiring to reach an understanding on the financial and property questions remaining to be settled between the two States and specified in this Treaty, have agreed on the following provisions :

Article 1

(1) The Hungarian People's Republic shall pay to the Republic of Austria a lump sum of 87.5 million Austrian schillings :

(*a*) As compensation for losses of property, rights or interests in Hungary sustained, as a result of Hungarian nationalization, expropriation or other measures connected with the structural changes in the Hungarian national economy, by the Republic of Austria or by natural or juridical persons which possessed Austrian nationality at the time such measures were taken and possess Austrian nationality at the time of signature of this Treaty, in so far as the said property, rights or interests have by virtue of such measures come within the disposal of the Hungarian People's Republic ; the Hungarian People's Republic shall not, however, compensate an owner in respect of agricultural or forest property in excess of 100 cadastral yokes ;

(*b*) For the redemption of bonds held by Austrian natural or juridical persons on 27 April 1945 and at the time of signature of the Treaty against external loans issued by the Hungarian State, Hungarian public-law corporations and Hungarian enterprises and financial institutions and for the redemption of mortgage bonds issued by Hungarian financial institutions, payable outside Hungary and in foreign currency, which were held by Austrian natural or juridical persons on 27 April 1945 and are held by them at the time of signature of the Treaty.

(2) The above provisions shall similarly apply to the heirs of the persons therein referred to, where such heirs possess Austrian nationality at the time of signature of this Treaty.

[1] Came into force on 18 August 1967, the thirtieth day after the exchange of the instruments of ratification which took place at Vienna on 19 July 1967, in accordance with article 8.

Article 2

The payment in full of the lump sum referred to in article 1 shall extinguish the liability of the Hungarian People's Republic or of Hungarian natural or juridical persons vis-à-vis the Republic of Austria or the Austrian natural or juridical persons for whose compensation the lump sum referred to in article 1 is intended. Upon the extinction of that liability, the Republic of Austria shall consider that all claims in respect of which compensation is provided for in article 1 have been finally settled, whether or not they were put forward during the negotiations.

After the entry into force of this Treaty, the Republic of Austria shall not make or in any way support any claims against the Hungarian People's Republic in respect of which compensation is provided for in article 1 of this Treaty.

Article 3

The distribution of the lump sum specified in article 1 shall be the exclusive responsibility of the Republic of Austria.

Article 4

This Treaty shall not affect claims arising from trade and payments agreements in force between the Republic of Austria and the Hungarian People's Republic.

Article 5

After payment in full of the lump sum, the Republic of Austria shall deliver to the Hungarian People's Republic such securities and evidences of debt or title as are covered by the settlement under article 1 and are within the disposal of the Austrian Federal Government.

To facilitate the distribution of the lump sum, the Hungarian People's Republic shall so far as possible make available to the Republic of Austria such information, and in particular such documents relating to utilization and valuation, as may be necessary for verifying the applications made by Austrian claimants.

Article 6

This Treaty shall not apply to claims of Austrian natural or juridical persons arising from Hungarian legislative or administrative measures after its signature.

Article 7

The Hungarian People's Republic shall pay the lump sum referred to in article 1 to the Republic of Austria in the following manner :

The sum of 65 million Austrian schillings on the thirtieth day after the entry into force of the Treaty ;

The remaining sum of 22.5 million Austrian schillings within two years after the entry into force of the Treaty, in four equal instalments due on the last day of each half year.

The payment shall be credited to an account of the Republic of Austria at the Austrian National Bank and debited to the Hungarian dollar clearing account maintained at the Austrian National Bank in accordance with article 2 of the payments agreement of 11 March 1947 between the Republic of Austria and the Hungarian People's Republic.

Article 8

This Treaty shall be ratified. The exchange of the instruments of ratification shall take place at Vienna. The Treaty shall enter into force on the thirtieth day after the exchange of the instruments of ratification.

IN WITNESS WHEREOF the duly identified plenipotentiaries have signed this Treaty and have thereto affixed their seals.

DONE at Budapest on 31 October 1964, in duplicate in the German and Hungarian languages, both texts being equally authentic.

For the Republic of Austria :

KREISKY

For the Hungarian People's Republic :

PÉTER

FINAL PROTOCOL

At the time of signature of the Treaty between the Republic of Austria and the Hungarian People's Republic concerning the Settlement of Outstanding Financial Questions, concluded this day, agreement exists on the following points :

1. *Ad* article 5 :

The Government of the Hungarian People's Republic shall so far as possible make available upon the signing of the Treaty such information, and in particular such documents relating to utilization and valuation, as may, in accordance with article 5 of the Treaty concerning the Settlement of Outstanding Financial Questions, be necessary for verifying the applications made by Austrian claimants.

2. The Austrian Federal Government shall, upon specific request, inform the Governement of the Hungarian People's Republic whether and to what extent a particular person has been granted compensation in the course of the lump sum referred to in article 1 of the Treaty.

3. The ten exchanges of letters annexed to the Treaty concerning the Settlement of Outstanding Financial Questions shall constitute an integral part of the Treaty.

DONE at Budapest on 31 October 1964 in two original copies.

For the Republic of Austria:
KREISKY

For the Hungarian People's Republic:
PÉTER

EXCHANGE OF NOTES

I

Budapest, 31 October 1964

Sir,

I have the honour to confirm the understanding reached in the course of the negotiations relating to article 1, paragraph (1) (*b*), of the Treaty between the Republic of Austria and the Hungarian People's Republic concerning the Settlement of Outstanding Financial Questions, signed this day, to the effect that upon the completion of the distribution of the lump sum referred to in article 1 the Austrian Party will deliver through the diplomatic channel such bonds and mortgage bonds as may in the course of the distribution come within the disposal of the competent Austrian authorities. The Austrian Party will proceed on the basis that the nominal values involved will be approximately

$ 128,000,
£ 18,000,
29,000 Netherlands guilders, and
37,000 Swiss francs.

I should be grateful if you would signify your agreement to the above.

Accept, Sir, etc.

KREISKY

His Excellency Mr. János Péter
Minister for Foreign Affairs of the Hungarian People's Republic