

No. 2681

---

**UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND  
and  
HUNGARY**

**Exchange of notes constituting an agreement regarding  
the settlement of certain financial matters. London,  
19 August 1954**

*Official text: English.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on  
5 October 1954.*

---

**ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD  
et  
HONGRIE**

**Échange de notes constituant un accord relatif au règlement  
de certaines questions financières. Londres, 19 août 1954**

*Texte officiel anglais.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le  
5 octobre 1954.*

No. 2681. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE HUNGARIAN GOVERNMENT REGARDING THE SETTLEMENT OF CERTAIN FINANCIAL MATTERS. LONDON, 19 AUGUST 1954

---

I

*Sir Winston Churchill to the Hungarian Chargé d'Affaires at London*

Foreign Office, August 19, 1954

Sir,

I have the honour to refer to the discussions which have taken place recently between representatives of the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the United Kingdom Government") and the Government of the Hungarian People's Republic (hereinafter referred to as "the Hungarian Government") concerning the development of Anglo-Hungarian trade and the settlement both of financial questions outstanding between the two countries and claims against the Hungarian Government presented by the United Kingdom Government.

2. In the course of these discussions the Hungarian Government reaffirmed their intention to settle claims in respect of the nationalisation and expropriation of British property in Hungary and claims arising from the Treaty of Peace<sup>2</sup> with Hungary. They stated that in view of the low level of Hungary's sterling earnings they were not in a position to make any payment on account of outstanding debts and claims at the present time, but hoped to make some provision in this respect in twelve months' time, and that in the meantime they were prepared to examine all outstanding claims with a view to determining the total amount of debt and claims at the earliest possible date.

3. For their part the United Kingdom Government stated that they were willing to make arrangements, for a period not exceeding twelve months, for an expansion of Anglo-Hungarian trade as a preliminary to the negotiation of settlements in respect of all outstanding debts and claims due to or presented by the United Kingdom Government.

---

<sup>1</sup> Came into force on 19 August 1954, by the exchange of the said notes.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 41, p. 135.

4. I am to state that it is the understanding of the United Kingdom Government that in pursuance of these arrangements the Hungarian Government agree to commence negotiations on or before the 1st of September, 1955, for settlements in respect of—

- (a) bonded debt ; and all debts and obligations due to the United Kingdom Government and to British creditors, including short-term banking debts, Hungarian Treasury bills and commercial debts ;
- (b) claims of all kinds of the United Kingdom Government and of British claimants, including claims in respect of compensation for property nationalised or expropriated in Hungary and of claims arising from the Peace Treaty.

5. It is also the understanding of the United Kingdom Government that in furtherance of the provisions of paragraph 4 (b) above, the Hungarian Government agree to—

- (a) proceed with the examination and investigation of the claims therein mentioned which have already been presented by the United Kingdom Government and those which may be presented by the United Kingdom Government not later than the 1st of May, 1955 ;
- (b) assist the United Kingdom and British claimants in establishing the relevant facts and the amounts of the claims by providing, on the request of that Government, such evidence as is available in Hungary.

6. If the Hungarian Government confirm the understandings of the United Kingdom Government set out above, I have the honour to suggest that the present Note, together with your reply to that effect, should be regarded as constituting an agreement between the two Governments in this matter.

I have, &c.

For Sir Winston Churchill :

H. A. F. HOHLER

## II

### *The Hungarian Chargé d'Affaires at London to Sir Winston Churchill*

LEGATION OF THE HUNGARIAN PEOPLE'S REPUBLIC

London, 19th August, 1954

Sir,

I have the honour to acknowledge receipt of your Note of to-day's date which reads as follows :—

[See note I]

In reply I have the honour to confirm that the understandings of the Government of the United Kingdom of Great Britain and Northern Ireland set out above correspond with those of the Government of the Hungarian People's Republic, who agree that your Note, together with the present reply, should be regarded as constituting an agreement between the two Governments in this matter.

I have, &c.

Károly SZIGETI