

Indemnity agreements applicable to property owned by foreigners and nationalised by Poland

The Polish government, following the practice of states at the time, assumed the burden of compensating foreigners for their property seized after World War II. Poland entered into the relevant international agreements with states whose property had been seized. These agreements applied to the property of natural persons – citizens of foreign states – as well as to the assets of legal persons owned by natural persons. Compensation was awarded for property, rights, and financial interests taken over by the Polish State Treasury from persons who were citizens of countries parties to such agreements on the day of their entry into force. **The Polish government transferred to the governments of foreign states a global amount of money to satisfy the claims of entities referred to above. These states assumed full responsibility for the payment of the relevant compensations. Once the respective agreements were performed, Poland has been released from all obligations arising from the seizure of foreign property. As of then, the only recourse remaining to the persons concerned was to assert their claims against the relevant states parties to the indemnity agreements.** Grounds for asserting such claims should be sought solely under the domestic law of such states. In light of the norms of common international law applicable at the time, the amount of compensation and the procedure for transferring it to the citizens whose property was seized by foreign states, were regulated solely by domestic law. **It should be added that Poland's discharge from its obligation to indemnify the persons concerned became legally effective whether or not such persons had asserted their claims.**

Parties entering into agreements knew that the payment of compensation corresponding to the full value of the property taken over by a state ravaged by war is not economically feasible. So the right balance was sought between the real value of the seized property and the state's ability to pay. Nonetheless, by entering into these agreements, the states consented to the negotiated amounts that went to finance their citizens' compensation claims.

Poland signed bilateral indemnity agreements with 12 states: France, Denmark, Switzerland, Sweden, the United Kingdom, Norway, the United States, Belgium and Luxembourg, Greece, the Netherlands, Austria and Canada. Indemnifications awarded pursuant to these agreements, as a rule, were paid in cash and in instalments. Denmark was paid 5.7 million Danish kroner over a 15-year period; Switzerland and the Kingdom of Liechtenstein – 53.5 million Swiss francs in 13 instalments, Sweden – 116 million Swedish kroner in 17 instalments, the United States – 40 million US dollars in 20 instalments, Austria – 71.5 million Austrian schillings in 12 instalments, Canada – 1.225 million Canadian dollars in 7 instalments, the UK – 5.465 million pounds, Greece – 230 thousand US dollars, the Netherlands – 9.05 million Dutch florins, Belgium and the Duchy of Luxembourg – 600 million Belgian francs. A different form of settlement was agreed to with France, pursuant to which Poland provided in-kind indemnification in the form of 65-million-US-dollars'-worth of hard coal deliveries, and with Norway, with which Poland had a mutual compensation agreement offsetting Polish property in Norway against Norwegian property in Poland. It should be noted that no agreement was signed with Germany or the Axis countries. Given the enormous scale of Poland's reparation claims against aggressor states for the property Poland had lost, German assets located in Poland were treated as rightful reparations.

The entry into and the actual performance of the agreements – in the legal and international aspects – closed the issue of compensations for foreigners' property nationalised in Poland. It should be noted that Poland has performed its contractual obligations and transferred the full agreed amounts to the relevant countries.