

ORIGINAL DOCUMENTS IN SAFE

Case No.

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☒ AWARD.

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CASE NO. 495

CHAMBER TWO

AWARD NO. 22-495-2

HOFFLAND HONEY CO.,

Claimant,

and

NATIONAL IRANIAN OIL CO.,

Respondent.

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داری دعاوی ایران - ایالات متحده
ثبت شد - FILED	
Date	۱۳۶۱ / ۱۱ / ۶ 26 JAN. 1983
No.	495-22 ۴۹۵-۲۲

AWARD

FACTS AND CONTENTIONS

Bruce Hoffland is a Wisconsin beekeeper, the sole owner and proprietor of Hoffland Honey Company ("Hoffland"). Hoffland, a corporation organized under the laws of Wisconsin, filed a claim with the Tribunal seeking \$2,866,122 from the National Iranian Oil Company ("NIOC") as damages alleged to arise out of certain "measures affecting property rights." Claims Settlement Declaration, Article II(1).

In particular, Hoffland alleged that it suffered financial losses through the damage to or destruction of some 36,140 colonies of its bees, losses occasioned by the use in Wisconsin of agriculturally-related chemicals derived in

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"significant majority ... from high grade Iranian oil...." Hoffland alleged that NIOC was responsible for exports of such oil to the United States; Hoffland acknowledged, at the same time, that it had no contractual relationship with NIOC. Hoffland submitted a letter dated 18 December 1981 from an official of the United States Department of Agriculture setting forth the numbers of damaged or destroyed colonies as checked by that Department from 1967 through 1980. The letter further attributes the "cause of [the] losses" to the use of "sevin," "lannate," "malathion," "cygon," and "Penn cop" on various crops.\* /

NIOC responded succinctly to Hoffland's claim. NIOC contended that even if "agri-chemicals manufactured for United States markets have been produced from Iranian oil," any damage suffered by Hoffland from their use was not "the direct result" of NIOC's action in selling the oil, and therefore did not arise out of a measure affecting Hoffland's property rights. Hoffland's response was that liability for losses occasioned by oil products should be assessed against the supplier of the crude oil itself, in particular because it has not found any remedy in its national courts.

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\* / For the purpose of this Award, we are willing to assume that the latter items are agri-chemicals, though no evidence was submitted to that effect.

no chemicals, the loss would not have occurred. The sales were thus a "cause, but not the proximate cause. What we do mean by the word 'proximate' is that, because of convenience, of public policy, of a rough sense of justice, the law arbitrarily declines to trace a series of events beyond a certain point." Palsgraf v. Long Island R. Co., 248 N.Y. 339, 162 N.E. 99 (1928) (Andrews, J., dissenting), reprinted in 59 A.L.R. 1253, 1261; see also Administrative Decision No. II, 7 R.I.A.A. 23, 29-30 (1923) of the Mixed Claims Commission (United States and Germany); H., L., and J. Mazeaud, Traité de la Responsabilité Civile, §§ 1417 et seq., 1666 et seq. (1970), Cour de Cass. Civ., 6 Jan. 1943 (Franck), 1945 D. Jur. 117 et note Tunc.

Finally, Hoffland's claim is essentially a political claim, and thus inherently incapable of judicial resolution. Hoffland admits, for example, that the use of the specific agri-chemicals in question has been sanctioned by United States "Environmental Protection Agency ruling[s] and Department of Agriculture recommendations." Hoffland further notes that questions of national economic policy may be implicated in any decisions concerning oil imports. While we are sympathetic to Hoffland's difficulties and understand its distress both at its losses and its inability to obtain compensation elsewhere, it is plain that the two Governments did not contemplate our intrusion into their political decisions in order to express our views, in monetary awards, as to the relative importance to each country of honey, corn, oil, and wheat.

The Tribunal therefore holds that Hoffland's claim must be dismissed for lack of jurisdiction. No costs of arbitration shall be awarded to either party.

AWARD

THE TRIBUNAL AWARDS AS FOLLOWS:

The claim of HOFFLAND HONEY CO. against the NATIONAL IRANIAN OIL CO. is hereby dismissed.

Each of the Parties shall bear its own costs of arbitrating this claim.

Dated, The Hague  
26 January 1983



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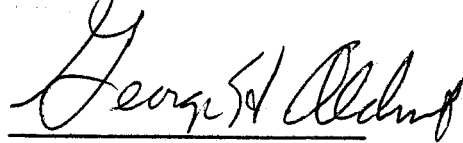
Pierre Bellet  
Chairman  
Chamber Two

In the name of God



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Shafie Shafeiei



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George H. Aldrich