

No. 918

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

**Payments Agreement (with exchange of notes). Signed at  
London, on 15 July 1947**

*Official texts : English and Spanish.*

*Registered by the United Kingdom of Great Britain and Northern Ireland  
on 2 October 1950.*

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

**Accord de paiement (avec échange de notes). Signé à  
Londres, le 15 juillet 1947**

*Textes officiels anglais et espagnol.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord  
le 2 octobre 1950.*

No. 918. PAYMENTS AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF URUGUAY. SIGNED AT LONDON, ON 15 JULY 1947

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The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as the Government of the United Kingdom) and the Government of Uruguay have agreed as follows :—

PART I.—CURRENT PAYMENTS

*Article 1*

Trade and financial payments between residents of Uruguay and residents of the sterling area shall continue to be settled in sterling.

*Article 2*

The Baneo de la República Oriental del Uruguay (hereinafter referred to as "the Bank of the Republic") shall quote buying and selling rates for sterling and for United States dollars which shall be related to one another at the Bank of England's middle rate for the United States dollar.

*Article 3*

The Bank of the Republic shall open a No. 1 Account with the Bank of England (hereinafter referred to as the No. 1 Account). This account shall be designated an Uruguayan Transferable Account.

*Article 4*

(i) Other accounts of the Bank of the Republic and of residents of Uruguay as may be agreed between the Bank of England and the Bank of the Republic shall also be designated Uruguayan Transferable Accounts.

(ii) Accounts of residents of Uruguay not so designated shall be known as Uruguayan Accounts.

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<sup>1</sup> Came into force on 12 February 1948, by the exchange of the instruments of ratification at London, in accordance with article 20.

*Article 5*

All sterling payments to residents of Uruguay which residents of the sterling area or outside the sterling area are permitted to make under the Exchange Control Regulations in force in the United Kingdom shall be made to Uruguayan Accounts or to Uruguayan Transferable Accounts.

*Article 6*

The Government of the United Kingdom shall not restrict the availability of sterling standing to the credit of—

- (a) any Uruguayan Transferable Account for making payments for current transactions to residents in any country;
- (b) any Uruguayan Account for making payments to residents in the sterling area or for transfer to an Uruguayan Transferable Account or to another Uruguayan Account.

*Article 7*

The Government of Uruguay shall not restrict the acceptance by residents of Uruguay of sterling at the disposal of residents outside Uruguay in settlement of payments for current transactions.

*Article 8*

(i) The Bank of the Republic shall, on the basis of the rates fixed under Article 2—

- (a) purchase, when required, sterling transferred to the credit of any Uruguayan Account against disbursement of the peso equivalent;
- (b) sell to residents of Uruguay such sterling at its disposal as may be required for any payments which residents of Uruguay are permitted to make to residents of the sterling area under the Exchange Control Regulations in force in Uruguay from time to time.

(ii) The Government of Uruguay shall not restrict the availability of any pesos arising from permitted current transactions and accruing to residents of the sterling area.

*Article 9*

Investment of sterling held on the No. 1 Account of the Bank of the Republic at the Bank of England shall be effected in agreement with the Bank of England.

*Article 10*

The net forward sterling position shall be established as at 14th July and all forward purchases of sterling shall be freely available, at maturity, for making payments for current transactions in any currency area in accordance with Article 6. Pending maturity, such net forward position shall continue to enjoy the existing gold guarantee.

## PART II.—ACCUMULATED STERLING BALANCES

*Article 11*

The Bank of the Republic shall open a No. 2 Account (hereinafter referred to as "the No. 2 Account") with the Bank of England to the credit of which shall be paid a sum equal to the sterling balances held by the Bank of the Republic at the close of business on 30th June 1947. This sum has been established at £17,000,000.

*Article 12*

The sums standing to the credit of the No. 2 Account shall continue to enjoy the existing gold guarantee, and shall earn interest at  $\frac{1}{2}$  % per annum. This interest shall be credited to the No. 1 Account.

*Article 13*

On the coming into force of this Agreement £1,000,000 shall be transferred from the No. 2 Account to the No. 1 Account; and one year thereafter a further sum of £700,000 shall be so transferred.

*Article 14*

There may be debited to the No. 2 Account any sums which are required—

- (a) for payment of the purchase price already agreed of La Sociedad Comercial de Montevideo (Montevideo Trams) (approximately £1,800,000);
- (b) for the purchase of buildings for the Uruguayan Embassy and the Consulate-General of Uruguay in the United Kingdom (up to £120,000); and
- (c) for the establishment of permanent bursaries for use in the United Kingdom (up to £130,000).

*Article 15*

A sum of £4,000,000 shall be earmarked in the No. 2 Account and shall be held in that Account unless the Government of Uruguay decides to conclude an Agreement for the purchase, before 31st December, 1948, of the transport undertakings in Uruguay owned by persons or companies resident in the United Kingdom. If the Government of Uruguay concludes such a purchase, and the Government of the United Kingdom is in agreement with the terms of the purchase contract, the said sum of £4,000,000 shall be made available towards meeting the purchase price of the said undertakings. If and to the extent that it is not used for this purpose, this sum shall be held in the No. 2 Account for the duration of the Agreement.

*Article 16*

A sum of £3,000,000 shall be earmarked in the No. 2 Account and shall be available towards the purchase of public utility undertakings (including transport undertakings) in Uruguay owned by persons or companies resident in the United Kingdom. If and to the extent that it is not used for this purpose, this sum shall be held in the No. 2 Account for the duration of the Agreement.

*Article 17*

The balance standing to the credit of the No. 2 Account, over and above the sums referred to in Articles 13, 14, 15 and 16 of this Agreement, shall be available as the Government of Uruguay shall determine, towards the purchase price of undertakings acquired under Articles 15 and 16 and for the repatriation of sterling loans of the Government of Uruguay. If an agreement is reached for the purchase before 31st December, 1948, of the transport undertakings in Uruguay owned by persons or companies resident in the United Kingdom an amount of £1,500,000 will be transferred from the available balance on the No. 2 Account to the No. 1 Account in equal yearly instalments from the date on which the purchase agreement is signed until July 1951.

## PART III.—GENERAL

*Article 18*

The Bank of England and the Bank of the Republic as agents of their respective Governments will maintain contact on all technical questions arising out of the Agreement.

*Article 19*

For the purposes of the present Agreement the expression "the sterling area" shall have the meaning from time to time assigned to it by the Exchange Control Regulations in force in the United Kingdom. After the coming into force in the United Kingdom of the Exchange Control Act, 1947, the expression "the sterling area" wherever it occurs in this Agreement shall be deemed to have been replaced by the expression "scheduled territories", which shall have the meaning from time to time assigned to it under the aforesaid Exchange Control Act, 1947.

*Article 20*

The present Agreement shall be ratified in accordance with the constitutional and legal procedure in force in the respective countries. The ratifications shall be exchanged as soon as possible in London. It shall come into force on the date of the exchange of the ratifications. It shall remain in force for five years from the date of its entry into force.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement and affixed thereto their seals.

DONE in duplicate at London, this fifteenth day of July, 1947, in English and Spanish, both texts being equally authentic.

[L.S.]	O. G. SARGENT
[L.S.]	Gustavo GALLINAL
[L.S.]	R. E. MACEachen
[L.S.]	G. A. DE POSADAS BELGRANO
[L.S.]	José A. QUADROS

## EXCHANGE OF NOTES

## I

*Señor Dr. Don Gustavo Gallinal to Mr. Ernest Bevin*

SPANISH TEXT — TEXTE ESPAGNOL

TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>

MISIÓN ECONÓMICA DEL URUGUAY

URUGUAYAN ECONOMIC MISSION

Londres, 14 de julio 1947

London, 14th July, 1947

Excelencia :

Your Excellency,

Nuestro sistema de transportes ferroviarios ha sido gravemente perjudicado a consecuencia de la situación creada por la guerra y ahora tendremos que encarar su reequipamiento. Conocemos las dificultades con que luchan los países que producen esos equipos para poder satisfacer las continuadas demandas de materiales. La solución de estos problemas es motivo de seria preocupación para el Gobierno del Uruguay.

Our system of railway transport has been seriously impaired by reason of the situation created by the war and now we shall have to undertake its re-equipment. We are aware of the difficulties with which the countries which produce that equipment have to contend to be able to satisfy the continuous demand for materials. The solution of these problems is the cause of serious preoccupation for the Government of Uruguay.

El Gobierno de Su Majestad, durante el desarrollo de las amistosas negociaciones que acaban de terminar satisfactoriamente para ambas partes, nos has demostrado preocuparse seriamente por el porvenir de los capitales británicos invertidos en el Uruguay en empresas de transporte ferroviario.

During the course of the friendly negotiations which have just ended satisfactorily for both parties, His Majesty's Government have shown that they are seriously preoccupied over the future of British capital invested in Uruguay in railway transport undertakings.

Hay, pues, problemas pendientes cuyo estudio interesa a ambos Gobiernos y sobre los cuales hemos conversado en el curso de las negociaciones, planteando para algunos de ellos la posibilidad de una solución

Thus, there are pending problems the examination of which is in the interest of both Governments and regarding which we have had discussions in the course of the negotiations and envisaged for some of

<sup>1</sup> Translation by the Government of the United Kingdom.

<sup>2</sup> Traduction du Gouvernement du Royaume-Uni.

en los artículos 15, 16 y 17 del Convenio, por lo cual me permito invitar a ese Gobierno a que en el corriente año envíe una Delegación al Uruguay para estudiar conjuntamente con los representantes de nuestro Gobierno, estos problemas en la seguridad de que ese estudio se hará con el amplio espíritu de comprensión y entendimiento que siempre ha presidido nuestras relaciones.

Aprovecho, &c.

(Firmado) Gustavo GALLINAL

them a solution under Articles 15, 16 and 17 of the Agreement. I therefore venture to invite His Majesty's Government to send, during the present year, a delegation to Uruguay to study these problems with the representatives of our Government, in the assurance that those investigations will be made in the broad spirit of understanding which has always governed our relations.

I have, &c.

(Signed) Gustavo GALLINAL

## II

*Mr. Ernest Bevin to Señor Dr. Don Gustavo Gallinal*

FOREIGN OFFICE, S.W. 1

14th July, 1947

Your Excellency,

I have the honour to acknowledge the receipt of your letter of 14th July, 1947, in which, after mentioning the desire of your Government to re-equip the Uruguayan railway transport system and referring to the anxiety which has been expressed on behalf of His Majesty's Government for the future of British capital invested in railway transport organisations in Uruguay, Your Excellency invites His Majesty's Government to send a delegation to Uruguay during the present year to study these problems in conjunction with representatives of the Uruguayan Government.

I have great pleasure in informing you in reply that His Majesty's Government will be very pleased to send a delegation to Uruguay for this purpose, and share the confidence expressed in Your Excellency's letter that their study of the problem will contribute to the friendly understanding and co-operation which is traditional between our two countries.

I have, &c.

(Signed) Ernest BEVIN