

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

**Economic Agreement. Signed at Buenos Aires, on 17  
September 1946**

**Exchange of notes (with annex) accepting the agreement of  
sale of the British-owned railways in Argentina as a  
satisfactory alternative method of fulfilling the purpose  
of part III of the above-mentioned economic Agreement.  
Buenos Aires, 13 February 1947**

*Official texts: English and Spanish.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on  
14 May 1951.*

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

**Accord économique. Signé à Buenos-Aires, le 17 septembre  
1946**

**Échange de notes (avec annexe) portant acceptation de  
l'accord sur la vente des chemins de fer britanniques en  
Argentine comme une méthode alternative satisfaisante  
permettant d'atteindre le but visé par la partie III  
de l'Accord économique susmentionné. Buenos-Aires,  
13 février 1947**

*Textes officiels anglais et espagnol.*

*Enregistrés par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le  
14 mai 1951.*

No. 1185. ECONOMIC AGREEMENT<sup>1</sup> BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE ARGENTINE GOVERNMENT. SIGNED AT BUENOS AIRES, ON 17 SEPTEMBER 1946

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The Undersigned, Plenipotentiaries appointed to this effect by their respective Governments, as a result of the negotiations carried out in this Capital between the Argentine and the British Missions, have reached an Agreement concerning the following questions, the attached texts of which form an integral part of the present instrument :

- (I) Payments
- (II) Meat
- (III) Railways
- (IV) The Negotiation of a Trade Treaty

The Argentine Government and the Government of the United Kingdom enter into an engagement to take the necessary steps to implement the Agreement referred to, as soon as possible.

(Signed) R. A. LEEPER  
(Signed) W. EADY

(Signed) Juan Atilio BRAMUGLIA  
(Signed) Ramón A. CEREIJO  
(Signed) Juan Carlos PICAZO ELORDY  
(Signed) Juan PISTARINI  
(Signed) Rolando LAGOMARSINO  
(Signed) Miguel MIRANDA

## (I) PAYMENTS

### I.—*Current Payments*

(1) Trade and financial payments between Argentina and the sterling area to continue to be settled in sterling.

(2) As from the date of this Agreement all sterling received by Argentina to be freely available for payment for current transactions anywhere. So long as the present technical difficulties temporarily preventing transfers of sterling to certain other countries subsist, this free availability can be exercised by transfer to American Account or, at the option of the Bank of England, into gold.

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<sup>1</sup> Came into force on 17 September 1946, by signature.

## II.—*Sterling Balances accumulated up to the date of this Agreement*

(1) As at the date of this Agreement, the spot balances of sterling accumulated on Argentine Special Accounts to be established.

(2) Argentina to be free to utilise part of this balance :

(a) to repatriate outstanding sterling public debt, national, provincial and municipal;

(b) to transfer to Brazil, subject to that country's agreement, an amount of up to £10 million;

(c) to repatriate British investments in Argentina.

(3) The sterling balance which Argentina maintains in London as established in II (1), as also the balance resulting therefrom once the operations in II (2) have been carried out, to continue to enjoy the existing gold guarantee.

(4) Interest on this balance to be  $\frac{1}{2}$  per cent. per annum; such interest to be freely available for current transactions.

(5) Of the said balance, Argentina, in each of the four years beginning as from the date of this Agreement, to be free to dispose of the sum of £5 million for payment for current transactions in accordance with I (2). At the end of this four-year period, further discussions on the balance to take place.

(6) If in any year the balance of payments with the Sterling Area were unfavorable to Argentina, Argentina may furthermore dispose freely, within the said Area, of its sterling balances for an amount equivalent to the deficit.

(7) The gold at present set aside in the name of the Banco Central de la República Argentina at the Bank of England (509,907.683 fine ounces) to be released.

## III.—*Forward Sterling*

The Argentine net sterling forward position as at the date of this Agreement to be established and all forward purchases of sterling established as being within that position to become freely available for current transactions as they mature. Pending maturity such net forward position to continue to enjoy the existing gold guarantee. Forward sterling operations after the date of this Agreement no longer to carry the gold guarantee.

## IV.—*Paraguay*

On and after the date of this Agreement, Paraguayan sterling purchased by the Banco Central de la República Argentina in accordance with the terms of the Tripartite Agreement to enjoy the facilities described in I.

## (II) MEAT

The British Government agrees as part of an integral agreement :

### 1. *Quantity and Period*

To purchase the exportable surplus from Argentina for four years from the 1st October, 1946, after providing for a reserve for sale by the Argentine Government to other markets of not more than 17 per cent. in the first year and 22 per cent. in the second year; the British Government to buy any balance which is not in fact sold by the Argentine Government to other markets.

### 2. *Allocations to other countries*

The Argentine Government agrees to honour the arrangements which have been current during the last year under which, if the British Government assigns quantities of meat from this sale to other countries, they will form the subject of separate arrangements through the intermediary of the Institute for the Promotion of Exchange between the Argentine Government and those countries in respect of payment, but will be subject as to price to the terms of this Agreement. The question of types and quantities to be shipped against such allocations to continue, as at present, to be a matter for settlement between the British Government and such other countries. It is understood that, if the Argentine Government is unwilling to provide any quantity of meat so assigned to other countries, these quantities will be included in the sale to the British Government.

### 3. *Categories*

The meats covered by this arrangement to include beef, veal, mutton, lamb, pig meat, and the offals thereof, frozen and/or chilled, and canned meats.

### 4. *Prices*

Prices as from 1st October, 1946, to exceed the prices of the First Bulk Contract by at least 45 per cent.; definitive prices to be fixed taking into consideration the results arrived at in the special discussions to be held between representatives of the British Government and the technical subcommission designated by the Argentine Commission.

### 5. *Clause of Revision*

The prices agreed will remain in force until 30th September, 1948, and shall also apply to subsequent shipments unless, before the end of June, 1948, in respect of the period commencing 1st October, 1948, and before the end

of June, 1949, in respect of the period commencing 1st October, 1949, either Government shall ask for reconsideration on substantial grounds.

In arriving at revised prices, which must of course be mutually agreed, it is agreed that full consideration will be given to prices ruling in other producing countries and that, besides the cost of production, any other relevant factors shall be taken into consideration, including the need to encourage production.

It is also agreed that the categories of meat to be purchased and the proportions to be reserved for other markets may be reviewed at the same dates and in respect of the same periods.

#### 6. *Single Payment*

In order to facilitate the adjustment to present costs of production the British Government will make a single cash payment of £5 million in "free sterling" to the Argentine Government represented by the Argentine Institution for the Promotion of Exchange.

#### 7. *Canned Meats*

Canned meats already bought and now in store to the account of the British Government and such further canned meats produced before the end of September, 1946, as may be due to be sold to the British Government under the terms of the arrangement that regulates the sale of meat up to 30th September, 1946, to be released for export by the Argentine Government as soon as ready for shipment.

### (III) RAILWAYS

(a) An Argentine Company to be formed with participation of either the Argentine State and/or of Argentine private individuals, for the purpose of acquiring and operating the assets, direct and indirect, of the British-owned Railway Companies, which are situated in Argentina, as set out in a schedule to be agreed. The new Company to accept responsibility for the rights and responsibilities of the British Companies, except that the new Company will not assume any responsibility in relation to the debentures issued by the British Companies.

(b) The Argentine Government to agree to set up a technical advisory sub-committee to meet representatives of the British Railway Companies before the end of October to agree the amount of the initial capital, the constitution of the new Company, the transfers, the basis of operation generally

and any further connected questions. It is the intention that the transfer should be completed by the 1st January, 1947, or as soon after as possible.

(c) The Argentine Government to grant the new Company exemption from all and any national, provincial and municipal taxes, present and future, and likewise will exempt the new Company from all and any customs-house duties, present and future, on the materials and articles for construction and working which it imports into Argentina. But this exemption from customs-house duties will not apply to materials and articles normally produced or manufactured in Argentina at the time of import. The payment of dividends by the new Company to the British Railway Companies or to any holding company or organisation formed by them for the purpose of receiving and distributing payments to be made with the same complete exemption from reduction for Argentine taxation as has hitherto applied to financial remittances of profits by the British Companies from Argentina to London.

(d) The whole of the initial capital of the new Company to be in shares denominated in Argentine pesos and ranking *pari passu* in all respects and to be allotted to the British Companies credited as fully paid as the purchase price for the assets to be acquired. The Argentine Government to reserve the right on giving reasonable notice to acquire at any time at par part or all of the shares of the new Company in the hands of any holder. The British Railway Companies to be entitled to buy and sell shares in the new Company on the market in Argentina.

(e) If, at any time, during the course of two consecutive years, the net income of the new Company shall not reach 4 per cent. per annum of the issued capital, the Argentine Government will adopt the measures necessary to permit the new Company to earn an annual net income at 4 % as a minimum. If in any year the net income exceeds 6 per cent. of the issued capital, the amount of such excess to be applied towards amortisation or redemption of the new Company's capital or for construction or extension to the Railways. If the net income available for distribution on the initial capital does not amount to 80 million pesos in any year, the amount of such deficiency will be made good to the holders of the initial capital by the Argentine Government. For the purpose of this paragraph it is understood that net income shall mean net income available for distribution after making provision for all outgoings, payments and contingent liabilities of whatever nature and an allowance for reserves required for renewals at rates to be agreed.

(f) The Argentine Government to provide to the new Company, in such manner as it may consider most convenient, 500 million pesos in cash over the period of the next five years, to be applied in the modernisation of the railway system. The new Company to issue new shares at par against the receipt of such sums. Such new shares to be of the same class as the shares of the initial capital except as regards the receipt of any difference for which the Argentine Government would be responsible under paragraph (e) when the annual net profits do not amount to 80 million pesos.

(g) No taxes, duties, fees or other charges to be payable by the new Company or the British Railway Companies which would ordinarily be due under national, provincial or municipal jurisdiction within the Argentine Republic in respect of the formation or incorporation of the new Company or in respect of cessions, transfers, notations and official publications required to be made under this Agreement.

(h) Upon approval being obtained as mentioned in the next paragraph and on the transfer being duly completed, the transfer to be deemed to take effect as from the 1st July, 1946. All the rights and obligations of the Argentine Government, the British Companies and the new Argentine Company under this Agreement to take effect as from that date.

(i) This Agreement is conditional on the approval of the shareholders of the British Companies being obtained in accordance with English Law and also on the approval of the Argentine Government in accordance with Argentine Law.

#### (IV) THE NEGOTIATION OF A TRADE TREATY

It is agreed that discussions should be initiated immediately to concert modifications to the Anglo-Argentine Trade Treaty recently expired. Pending the conclusion of those discussions, the provisions of the said Treaty to continue in force until the 31st December, 1946.

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EXCHANGE OF NOTES<sup>1</sup> ACCEPTING THE AGREEMENT OF SALE OF THE BRITISH-OWNED RAILWAYS IN ARGENTINA AS A SATISFACTORY ALTERNATIVE METHOD OF FULFILLING THE PURPOSE OF PART III OF THE ECONOMIC AGREEMENT OF 17 SEPTEMBER 1946. BUENOS AIRES, 13 FEBRUARY 1947

TRADUCTION — TRANSLATION  
ÉCHANGE DE NOTES<sup>1</sup> PORTANT ACCEPTATION DE L'ACCORD SUR LA VENTE DES CHEMINS DE FER BRITANNIQUES EN ARGENTINE COMME UNE MÉTHODE ALTERNATIVE SATISFAISANTE PERMETTANT D'ATTEINDRE LE BUT VISÉ PAR LA PARTIE III DE L'ACCORD ÉCONOMIQUE DU 17 SEPTEMBRE 1946. BUENOS-AIRES, 13 FÉVRIER 1947

## I

*His Majesty's Ambassador at Buenos Aires to the Argentine Minister for Foreign Affairs*

13th February, 1947

M. le Ministre,

I have the honour to refer to the agreement<sup>2</sup> concluded between the *Instituto Argentino de Promoción del Intercambio*, representing the Argentine Government, and the Mission representing the British-owned Railways in Argentina, and to inform your Excellency that His Majesty's Government accept that agreement as a satisfactory alternative method of fulfilling the purpose of Part III of the agreement concluded between the Argentine Government in the United Kingdom on 17th September, 1946.<sup>3</sup>

I avail, &c.

(Signed) R. A. LEEPER

<sup>1</sup> Came into force on 13 February 1947, with retroactive effect as from 1 July 1946, by the exchange of the said notes.

<sup>2</sup> See p. 68 of this Volume.

<sup>3</sup> See p. 48 of this Volume.

## I

*L'Ambassadeur de Grande-Bretagne à Buenos-Aires au Ministre des relations extérieures d'Argentine*

Le 13 février 1947

Monsieur le Ministre,

Me référant à l'accord<sup>2</sup> intervenu entre l'*Instituto Argentino de Promoción del Intercambio* (Institut argentin pour le développement des échanges), représentant le Gouvernement argentin, et la mission représentant les compagnies britanniques de chemins de fer argentins, j'ai l'honneur de faire savoir à Votre Excellence que le Gouvernement de Sa Majesté accepte cet accord comme une méthode alternative satisfaisante permettant d'atteindre le but visé par la partie III de l'Accord conclu le 17 septembre 1946<sup>3</sup> entre le Gouvernement argentin et le Gouvernement de Sa Majesté dans le Royaume-Uni.

Je saisis, etc.

(Signed) R. A. LEEPER

<sup>1</sup> Entré en vigueur par l'échange desdites notes, le 13 février 1947, avec effet rétroactif au 1er juillet 1946.

<sup>2</sup> Voir p. 84 de ce volume.

<sup>3</sup> Voir p. 60 de ce volume.



## II

SPANISH TEXT — TEXTE ESPAGNOL

Buenos Aires, Febrero 13 de 1947

Señor Embajador,

Tengo el honor de dirigirme a V.E. para referirme al Convenio concluido entre el Instituto Argentino de Promoción del Intercambio (I.A.P.I.), en representación del Gobierno Argentino, y la Delegación representante de las empresas ferroviarias británicas existentes en el país, a fin de comunicar a V.E. que mi Gobierno acepta ese Convenio como un método alternativo satisfactorio de cumplimentar el propósito del punto 3º del Convenio concluido entre el Gobierno argentino y el Gobierno de S.M. Británica en el Reino Unido, el 17 de setiembre de 1946.

Aprovecho, &amp;c.

(Firmado) Juan A. BRAMUGLIA

## II

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

*The Argentine Minister for Foreign Affairs to His Majesty's Ambassador at Buenos Aires*

Buenos Aires, 13th February, 1947

M. l'Ambassadeur,

I have the honour to refer your Excellency to the agreement concluded between the *Instituto Argentino de Promoción del Intercambio* (I.A.P.I.), representing the Argentine Government, and the delegation representing the British railway enterprises in this country, and to inform your Excellency that my Government accepts this agreement as a satisfactory alternative method of fulfilling the purpose of Part III of the agreement concluded between the Argentine Government and His Majesty's Government in the United Kingdom on 17th September, 1946.

I avail, &amp;c.

(Signed) Juan A. BRAMUGLIA

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

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

## II

TRADUCTION — TRANSLATION

*Le Ministre des relations extérieures d'Argentine à l'Ambassadeur de Sa Majesté à Buenos-Aires*

Buenos-Aires, le 13 février 1947

Monsieur l'Ambassadeur,

Me référant à l'Accord intervenu entre l'*Instituto Argentino de Promoción del Intercambio* (I.A.P.I.), représentant le Gouvernement argentin, et la mission représentant les compagnies britanniques de chemins de fer en Argentine, j'ai l'honneur de faire savoir à Votre Excellence que mon Gouvernement accepte cet Accord comme une méthode alternative satisfaisante permettant d'atteindre le but visé par la partie III de l'Accord conclu le 17 septembre 1946 entre le Gouvernement argentin et le Gouvernement de Sa Majesté dans le Royaume-Uni.

Je saisis, etc.

(Signé) Juan A. BRAMUGLIA

## ANNEX

## TEXT OF AGREEMENT OF SALE OF BRITISH-OWNED RAILWAYS IN ARGENTINA

BUENOS AIRES, 13th FEBRUARY, 1947

Between the British Owned Railway Companies in the Argentine Republic, represented in this document by Sir Montague Eddy, C.B.E., acting *ad referendum* to the Boards and General Meetings of the Companies mentioned, on the one hand, and the Argentine Government, represented in this document by señor Miguel Miranda, in his capacity as President of the Argentine Institute for the Promotion of Interchange and acting *ad referendum* to the Board of that Institute, on the other, it is agreed to enter into this purchase-sale contract subject to the clauses and conditions hereinafter stated :

I.—The parties to this agreement are the National Government of the Argentine Republic (hereinafter called "the Government"), on the one hand, and on the other the following British Owned Railway Companies in the Argentine Republic, namely : Buenos Ayres Great Southern Railway Company Limited, Buenos Ayres Western Railway Limited, Bahía Blanca and North Western Railway Company Limited, The Buenos Ayres Ensenada and South Coast Railway Company Limited, Buenos Ayres Midland Railway Company Limited, Central Argentine Railway Limited, Buenos Ayres and Pacific Railway Company Limited, Argentine Great Western Railway Company Limited, Villa María and Rufino Railway Company Limited, Entre Ríos Railways Company Limited, and Argentine North Eastern Railway Company Limited, which Companies are collectively called in this agreement "the British Companies."

2.—The Government, as purchaser, agrees with the British Companies, as vendors, to the purchase and sale of all the assets forming part of, connected with and/or destined for, directly and indirectly, the operation of the railway transport systems of the British Companies in the territory of the Argentine Republic as at 1st July, 1946. It is understood that the assets forming part of, connected with and/or destined for, directly and indirectly, the operation of the railway transport systems of the British Companies are particularly the following :—

- a) The railway lines, branches and sidings belonging to the British Companies, properties, buildings, real rights of usufruct or use, easements, mortgages, lands, fences, stations, service buildings, dwellings for staff, sheds, workshops with their respective tools, fixed installations, tracks, locomotives, traction equipment and rolling stock, ships, marine equipment, signalling apparatuses, tele-

graphs, telephones and other assets which formed part of the railway systems of the British Companies in the Argentine Republic as at 1st July, 1946.

- b) The stocks of materials and supplies of every kind, such as coal, firewood, fuel oil, rails, sleepers, spare parts, accessories and other articles, movable property and materials that may be in stock in the General Stores, depots and petty stores of the workshops of the locomotive sheds and of the permanent way. The materials and supplies hereinbefore mentioned comprise both the stocks in the Argentine Republic as at 30th June, 1946, and those that were outside its territory on that date, or which were on the way thereto in transit, in accordance with the inventories and other documents in the Argentine Republic as at 30th June, 1946.
- c) The properties and capital assets existing in the Argentine Republic of the following Companies incorporated in England, namely: South American Hotels Limited, Buenos Ayres Southern Dock Company Limited, Bahía Blanca Waterworks Limited and Litoral Transport Company Limited.
- d) The surplus lands, properties and buildings which do not form part of the track, stations or branches, and whose cost has been eliminated from the Capital Account of the British Companies by Decree of the Argentine Government, as also any land belonging to the British Companies whose incorporation in the said Capital Account has not been established by the Argentine Government.
- e) The shares or quotas of capital in the filial or subsidiary transport companies wholly-owned by the British Companies mentioned hereafter: Expreso Furlong—Empresa de Transportes Generales, S.A.; Transportes Cordilleranos, S.R.L.; Transportes Regionales Argentinos, S.R.L.; and Compañía Internacional de Transportes Automóviles, S.A.
- f) The shares or quotas of capital in the filial or subsidiary Companies, not being transport companies, wholly-owned by the British Companies, mentioned hereafter; Argentine Fruit Distributors, S.R.L.; S.A. Fomento del Norte Agrícola Ganadera e Inmobiliaria; and Sociedad de Consumos del F.C. Sud Ltda.
- g) The shares or quotas of capital owned by the British Companies in Companies which are not wholly-owned by the British Companies or any of them, mentioned hereafter: Cía. de Transportes Camineros, S.R.L.; El Cóndor, Empresa de Transportes, S.R.L.; El Valle, Empresa de Transportes, S.R.L.; Sociedad de Socorros Mutuos de Empleados y Obreros del Ferrocarril Gran Oeste Argentino; Cía. Muelles y Depósitos del Puerto de La Plata; S.A. Frigorífico de los Productores de Uvas de Exportar-Mendoza; Cía Tierras y Hoteles de Alta Gracia; Empresas Eléctricas de Bahía Blanca, S.A.; Depósitos Frigoríficos de San Juan, S.A.; Compañía Colonizadora de Tierras (Campo Besa); Savoy Hotel y Anexos de Tucumán (en liquidación); and Cía de Transportes Expreso Villalonga.
- h) The properties and capital assets of the Railway Petroleum Company and the building Paseo Colón 185 in the Federal Capital.

- 2) The Agricultural Light Railways belonging to the Buenos Ayres Great Southern Railway Company Limited.

3.—The assets to be transferred under this agreement shall not include the following :—

- a) The immovable properties of the British Companies which were the subject of expropriation proceedings for the ownership thereof instituted before 1st July, 1946.
- b) The credits in favour of the British Companies arising from the expropriation proceedings mentioned in the preceding sub-paragraph.
- c) The bonds and securities deposited by the British Companies with the Bank of the Argentine Nation or with any other authority, entity or person within the Argentine Republic as security for concessions, undertakings or conduct of employees, which bonds or securities shall be released to the individual British Companies concerned.
- d) All assets of the British Companies outside the territory of the Argentine Republic, except as mentioned in paragraph 2 b).
- e) The interests of the British Companies in the Compañía de Muelles y Depósitos Las Catalinas Limitada and the Compañía Argentina de Tierras e Industrias Limitada.

4.—It is likewise agreed that :—

- a) All cash in hand and all the securities and credits belonging to the British Companies or resulting from the operation of the Railways up to 30th June, 1946, inclusive, shall belong to or be liquidated for the benefit of the British Companies.
- b) Any sum of money or other assets that may result from lawsuits or proceedings in course of judgment or initiated subsequently, as a consequence of the operation of the Railways prior to the 30th June inclusive, shall belong to the British Companies.
- c) The Government shall pay to the British Companies in the shortest period possible after the ratification of this agreement all the amounts which are owed to them as at 30th June, 1946, for transports by official orders.
- d) All sums due in respect of freights of transport or sales of Capital assets initiated from 1st July, 1946, inclusive, shall be for the benefit of the Government, even though they may have been contracted by the British Companies before that date.
- e) The provisions of this paragraph in relation to the British Companies shall apply equally to the Companies and partnerships mentioned in paragraph 2 sub-paragraphs c) and h).

5.—The total price of all the assets mentioned in paragraph 2 is fixed at the sum of two thousand four hundred and eighty-two millions, five hundred thousand pesos national currency of legal tender (\$2,482,500,000 m/n). The said sum of \$2,482,500,000 m/n. (£150,000,000 pounds sterling) is made up as follows : \$2,242,525,000

(£135,500,000 pounds sterling) in respect of the payment of the price of the assets comprising the railway systems proper of the British Companies and \$239,975,000 (£14,500,000 pounds sterling) in respect of the payment of the price of all the other assets mentioned in paragraph 2. The Government undertakes in favour of the British Companies to make available at the Bank of England the sum of £150,000,000 pounds sterling on the date on which the said payment of \$2,482,500,000 is effected.

6.—It is agreed that the British Companies undertake :

- a) To transfer the properties and assets mentioned in paragraph 2, free of all fixed or floating charges created as security for any class of debentures, debenture stocks or loans issued or raised in England by the British Companies or any of them or by any of the Companies mentioned in paragraph 2 c) of this agreement. The British Companies shall, as soon as possible after the ratification of this agreement, take all the necessary steps to discharge and extinguish all such fixed and floating charges, and to cancel all registrations made in respect thereof in the Public Registries.
- b) To pay, satisfy, discharge and fulfil all the debts, liabilities, engagements and obligations due or becoming due in relation to the assets to be transferred under this agreement, arising from operations prior to 1st July, 1946, with the exception contained in paragraph 7 c).
- c) To renounce all claims against the National Government or against any Provincial or Municipal Government, or against any National, Provincial or Municipal entity arising from operations effected before 1st July, 1946.
- d) To effect all juristic acts and execute all documents, deeds and public instruments necessary to transfer to the Government the shares and quotas of capital mentioned in paragraph 2, sub-paragraphs e), f) and g), and to perform all the juristic acts and take all the extrajudicial and/or judicial actions and measures to procure the present owners to transfer to the Government the assets mentioned in paragraph 2 c).

7.—It is agreed that the Government undertakes :

- a) To take charge of the settlement and the eventual liability for all the lawsuits and proceedings initiated or capable of being initiated by the National Government or by any Provincial or Municipal Government, or by any National, Provincial or Municipal entity, against the British Companies or any of them, or against the Companies and partnerships mentioned in paragraph 2 c) and h), as a consequence of claims arising from operations before 1st July, 1946.
- b) To pay, satisfy, discharge and fulfil all the debts, liabilities, contracts, engagements and obligations due or becoming due in the Argentine Republic, in relation to the assets to be transferred under this agreement, always provided they have been incurred after 1st July, 1946.

- c) To pay, satisfy, fulfil and discharge all the debts, liabilities, contracts, engagements and obligations that may have been incurred inside or outside the Argentine Republic by the British Companies, before or after 1st July, 1946, in respect of materials, fuel, locomotives, rolling stock and other articles connected with the operation of the transport systems, that may have been ordered by the British Companies for consumption or use in the Argentine Republic, but which have not been delivered before 1st July, 1946.

8.—As from 1st July, 1946, it is deemed that the British Companies administer their respective railways and their wholly-owned filial or subsidiary undertakings, for the Government's account. All their engagements as from 1st July, 1946, and all the operations effected subsequent to that date, resulting from that administration, shall be for account of the Government or of the entity the Government may designate.

During the entire period that such administration lasts and which shall be carried out in the usual manner, it is specially understood that :—

- a) The British Companies and the Companies and partnerships mentioned in paragraph 2 c) and h) shall continue to administer their respective undertakings and the other assets to be transferred under this agreement and shall be entitled to develop, modernise and renew their respective railway systems and operating systems of other undertakings as it may seem best to them, in order to improve and maintain them and shall be entitled to place orders, incur expenditure and acquire lands and other properties and assets for those purposes.
- b) The British Companies shall not, without the consent of the Government and of its administrative bodies, carry out other operations than those normally necessary for working.
- c) The British Companies shall not, without the consent of the Government and of its administrative bodies, introduce any major modification in the organisation of the Companies.
- d) The British Companies shall be entitled to retain for their own account out of the gross receipts, as remuneration for the administration and as interest on the capital fixed in paragraph 5, a sum equivalent to  $\frac{1}{2}\%$  per annum on the total price to be paid as stipulated in the said paragraph 5.
- e) The activities and operations of the British Companies relating to the purposes mentioned in this paragraph shall not imply other responsibilities to the British Companies than those appertaining to an agent.
- f) All Capital works and improvements which the British Companies may have carried out subsequent to 1st July, 1946, shall be for the account of and remain for the benefit of the Government.

9.—This purchase and sale agreement shall become definite after the Boards of Directors and the General Meetings of Shareholders of the respective British Companies ratify it in accordance with the laws of England, and after the Board of the Argentine Institute for the Promotion of Interchange has approved the action taken. The ratifi-

cation of the Boards and General Meetings shall be delivered to the Argentine Government through the legal representatives of the British Companies in the Argentine Republic, who shall in turn be advised of the ratification by the Board of the Argentine Institute for the Promotion of Interchange of the action taken.<sup>1</sup>

10.—Once this agreement has been ratified by both parties, and on payment of the price mentioned in article 5, the transfer to the Government of the ownership of the assets, shares and quotas of capital mentioned in paragraph 2 shall operate *ipso jure* and with retroactive effect as from 1st July, 1946.

The transfer of the ownership of the immovable properties to the Government shall be recorded in public deed, which shall be authorised by the Chief Government Notary without need for prior certificates or any other formal requirements. Such deed shall refer to this agreement but shall not be required to contain specific or detailed references to the title-deeds of the properties to be transferred under this agreement. The Chief Government Notary shall record on each title-deed the pertinent note of transfer of ownership and such transfer of ownership shall be inscribed in the Property Registry of the Federal Capital and in the respective Registries of the Provinces without need for other certificates or any other formal requirements.

The procedure described above shall also be adopted in respect of the real rights constituted in favour of the British Companies or of the Companies and partnerships mentioned in paragraph 2 c) and h), and of the real rights affecting the immovable properties included in the transfer, all of which expressly remain the responsibility of the Argentine Government.

With the exception of the requirements hereinbefore mentioned, no other deed or instrument of transfer shall be required as between the British Companies and the Government or as between the owners of the properties and assets mentioned in paragraph 2 c) and h) and the Government, the transfer of which shall operate in accordance with the procedure provided for in this paragraph.

11.—The total price of \$2,482,500,000 national currency (£150,000,000) established in paragraph 5 shall be paid free of any kind of tax, reduction, contribution, duty, stamp duty, rate, charge or restriction of any kind whatsoever, whether National, Provincial or Municipal, existing or which may be created subsequent to the date of this agreement.

The Government undertakes to pay all the expenses which may be caused by the carrying out of the purchase and, in particular, all the expenses of deeds, Notaries, stamp duties, accountants and other experts who may be necessary, for both parties, so that the British Companies may receive the said sum of \$2,482,500,000 (£150,000,000 pounds sterling) without any deduction in these respects.

12.—As from the date of the signing of this agreement the British Companies place at the disposal of the Government all the books, documents and commercial documents they may possess in the Argentine Republic relating to the assets which

<sup>1</sup> The following information is provided in the United Kingdom Treaty Series No. 27 (1948), p. 12, footnote 3: "The Agreement was ratified by the British Railway Companies on 21st August, 1947, and by the Argentine Institute for the Promotion of Trade on 26th February, 1948."

are the object of the transfer mentioned on paragraph 2, as also all those referring to the working carried out for account of the purchaser as from 1st July, 1946.

The British Companies shall retain possession of the said books, documents and commercial documents, until such time as such possession may be necessary for the requirements of the services and the compliance with all the stipulations of this agreement. Subsequently, the British Companies shall likewise have the right to consult and take copies of such books, documents and commercial documents during a reasonable period.

13.—The British Companies undertake to constitute a legal and commercial representation, subject to the supervision of the Argentine Government and of its administrative bodies, in order to comply with the obligations which they undertake in accordance with this agreement. To this end, the Government shall make available, without any charge whatever, the use of the indispensable offices, furniture and equipment at the site of the existing administrations of the British Companies in the Argentine Republic.

14.—The staff of the British Companies whose monthly salaries as at 30th June, 1946, do not exceed \$1,000 paper (One thousand pesos) shall be retained in their positions by the purchaser. To this end, the monthly salary shall be understood to be the average of the total received in each Company by each employee during the last financial year, exclusive of travelling expenses and allowances for expenses.

The staff of the British Companies whose monthly salaries as at 30th June, 1946, exceed \$1,000 (One thousand pesos), whether or not they have written working or employment contracts, shall be respected by the Government in the enjoyment and exercise of the rights, benefits and/or privileges that may appear in their favour from the documentary records or evidence emanating from and certified by two high officials of the General Managements of the British Companies. This staff likewise includes even the General Managers (whether or not they are Directors of the British Companies), Accountants, Legal Advisers and others with technical or administrative specialisation. The Government shall contract, for a minimum period of five years, the permanent technical employees who are in the service of the British Companies in the Argentine Republic immediately prior to the date of definite transfer of the assets which are the object of this agreement, stipulating characteristics and conditions of employment similar to those ruling at that time.

Without prejudice to all the foregoing, the Government and the British Companies shall, as soon as possible, and prior to the effective transfer of all the assets which are the object of this agreement, enter into the complementary agreements which may be deemed most favourable in order to afford all the employees of the British Companies the maximum guarantee and stability in their positions, to the extent compatible with the obligations which the laws, usage and customs impose on employees to ensure efficiency and integrity in the proper fulfilment of their duties.

15.—Both parties agree and accept, for all judicial consequences arising from the stipulations of this contract, the jurisdiction of the Federal Courts of Justice of the Federal Capital, expressly renouncing any other jurisdiction which may appertain to them by reason of persons, matters or places.



16.—Finally, both parties wish to place on record expressly that this agreement is the result and final accord of the negotiations initially based on the Agreement entered into on 17th September, 1946, between the Government of the Argentine Republic and the Government of the United Kingdom, and is made with the knowledge of the Government of the United Kingdom for the purpose of giving that Agreement the new form which under the present circumstances has been considered as more convenient by the Argentine Government.

17.—Two originals are signed of this agreement of the same tenor and to the same purpose, one in Spanish and the other in English, both with their respective copies, which remain in the hands of both contracting parties, in the City of Buenos Aires on the thirteenth day of the month of February of 1947.

#### COMPLEMENTARY CLAUSE

The Purchase Price referred to in paragraph 5 shall be paid within thirty days from the ratification of this agreement by both parties as mentioned in paragraph 9.

(Signed) Montague J. EDDY

(Signed) Miguel MIRANDA