

No. 3251

**CANADA
and
FRANCE**

Convention (with annexes) relating to the terms of compensation of Canadian interests in nationalized gas and electricity undertakings. Signed at Paris, on 26 January 1951

Official text: French.

Registered by Canada on 12 April 1956.

**CANADA
et
FRANCE**

Convention (avec annexes) relative aux modalités d'indemnisation des intérêts canadiens dans les entreprises de gaz et d'électricité nationalisées. Signée à Paris, le 26 janvier 1951

Texte officiel français.

Enregistrée par le Canada le 12 avril 1956.

[TRANSLATION¹ — TRADUCTION²]

No. 3251. CONVENTION³ BETWEEN THE CANADIAN GOVERNMENT AND THE FRENCH GOVERNMENT RELATING TO THE TERMS OF COMPENSATION OF CANADIAN INTERESTS IN NATIONALIZED GAS AND ELECTRICITY UNDERTAKINGS. SIGNED AT PARIS, ON 26 JANUARY 1951

The Canadian Government and the French Government, having regard to the effects of the French laws and decrees relating to the nationalization of gas and electricity undertakings on the rights of Canadian holders of shares and interests in nationalized undertakings and also of direct Canadian owners of nationalized gas and electricity installations, have agreed as follows :

1. The French Government undertakes to accord to Canadian nationals who are holders of shares and interests in nationalized undertakings and also to direct owners of nationalized gas and electricity installations who apply therefor the terms of compensation defined in the Terms of Settlement⁴ annexed hereto.

2. The French Government shall accord to the Canadian Government most-favoured-nation treatment in respect of the compensation of such holders and owners of Canadian nationality.

If the French Government, in particular, accord to another Government for the benefit of its nationals compensation with respect to similar shares and interests in the form of payments in French francs of larger sums or compensation bearing a higher rate of interest or discharged by a smaller number of annual payments or enjoying special transfer facilities, the Canadian Government shall be entitled to claim on behalf of its nationals the substitution to the terms of the present Agreement the corresponding terms of compensation granted to the nationals of that other Government.

Such substitution would apply in respect of Canadian credits which had not been redeemed at the date of the option.

If this option is exercised it shall apply to all Canadian holders and owners and not merely to some of them.

3. The Canadian Government undertakes, provided that the French Government carries out the obligations assumed by it under this Agreement

¹ Translation by the Government of Canada.

² Traduction du Gouvernement canadien.

³ Came into force on 26 January 1951, the date of signature, in accordance with paragraph 5.

⁴ See p. 69 of this volume.

and the Terms of Settlement annexed thereto, not to recognize, nor to refer to any international tribunal, nor to support by diplomatic action, any claims which may be made by Canadian physical or juridical persons on the basis of Law No. 46,628 of April 8, 1946, and the laws and decrees relating thereto.

4. Any dispute arising from the interpretation or the application of this Agreement which cannot be settled by direct negotiation between the two governments shall be submitted to arbitration. In that event each of the Contracting Governments shall appoint an arbitrator.

If, within a period of two months from the date on which the case has been referred to the two arbitrators, the latter have not agreed upon a solution, the two Governments shall by mutual agreement appoint a third arbitrator. Failing agreement on such appointment within a further period of one month, the President of the International Court of Justice shall be requested to appoint such an arbitrator.

The decision of the arbitrators shall be final and binding for both parties. It shall be given within a period of not more than six months from the date of appointment of the third arbitrator.

5. This Agreement shall enter into force on the date of its signature.

DONE in duplicate at Paris on January 26, 1951.

For the Canadian Government :
George P. VANIER

For the French Government
Robert SCHUMAN

TERMS OF SETTLEMENT ACCORDED BY THE FRENCH GOVERNMENT FOR
COMPENSATION TO CANADIAN CLAIMANTS AFFECTED BY LAW
No. 46-628 OF APRIL 8, 1946, RELATING TO THE NATIONALIZATION
OF GAS AND ELECTRICITY AND BY THE LAWS AND DECREES
RELATING THERETO

PART I—DECLARATION OF ACCEPTANCE

Article 1

The provisions of the present Terms of Settlement shall apply to Canadian physical or juridical persons who are entitled to compensation under the Law of April 8, 1946, and the Laws and Decrees relating thereto and who file before May 31, 1951, a declaration accepting the present Terms of Settlement with the authority in Canada designated by the Canadian Government with the agreement of the French Government. After that date compensation in respect of nationalization shall be governed solely by the provisions of the French laws and decrees.

Canadian nationals making such a declaration shall provide the authority in Canada or any person designated by it with evidence that the rights to which they lay claim

belonged on January 1st, 1946, and since then without interruption to Canadian physical or juridical persons in accordance with the rules set forth in the Annex hereto establishing the means of giving effect to the present Terms of Settlement.

The provisions of the present Terms of Settlement shall also apply to Canadian physical or juridical persons producing evidence :

1. that after January 1st, 1946, they have exercised rights to subscribe securities as of right or rights of allotment relating to interests which belonged to them before that date ;
2. that in the case of securities acquired between January 1st, 1946, and April 8, 1946, the ownership of such securities was not French at any time during that period ;
3. that the title to the securities was conveyed to them owing to death having occurred during the period mentioned in sub-paragraph 2 above.

The French Government excludes from the application of the present Agreement :

- (a) Canadian juridical persons more than 25 % of whose capital is held by enemy interests.
- (b) Canadian juridical persons in which the rights to more than 50 % of the capital belong to French interests.

Article 2

The authority in Canada designated in accordance with the provisions of Article 1 shall communicate to the French Ministry of Finance, once every month and for the first time one month after the signature of this Agreement, a list of the interests which have been properly declared. Such list shall include particulars on the companies and the categories of securities concerned.

PART II—METHOD OF CALCULATING THE AMOUNT OF COMPENSATION AND ISSUANCE OF CREDIT VOUCHERS

Article 3

Compensation to Canadian claimants under the present Terms of Settlement shall be calculated on the basis determined by Articles 10, 11, 12 and 14 of the Law of April 8, 1946, as completed or amended by the Laws and Decrees relating thereto.

The Commissions established by the Decree of August 14, 1947, shall be requested to proceed as quickly as possible with the valuation of undertakings whose securities are not listed on a Stock Exchange and in which Canadian nationals have substantial interests.

Article 4

Canadian claimants having declared their interests in accordance with the provisions of Part I shall deliver to the Caisse Nationale de l'Énergie (hereinafter called C.N.E.) for the account of the Caisse Autonome d'Amortissement (hereinafter called C.A.A.) the shares in electricity and gas undertakings which have been nationalized, and the documents of title to nationalized installations, together with all rights to income, interest and dividends accruing from June 15, 1950, against

(1) the issuance of one or more credit vouchers created by the C.A.A. payable in seven annual instalments bearing the rights and benefits provided by the present Terms of Settlement ;

and

(2) the issuance, where appropriate, of a document establishing the right of Canadian claimants to receive from C.N.E. a document of title to that part of the assets of the private undertaking retroceded under Article 15 of the Law of April 8, 1946.

The deposit of the shares declared and the issuance of credit vouchers shall be carried out in the manner and form provided in the annex hereto establishing the means of giving effect to the present Terms of Settlement ; the form of credit voucher shall also be determined in accordance with that annex.

Each credit voucher issued in the name of a Canadian claimant shall be deposited by the C.A.A. with a bank chosen by the claimant and approved by the French Ministry of Finance.

As soon as the C.N.E. has issued Bonds in accordance with the provisions of the Law of April 8, 1946, the C.N.E. shall remit to the C.A.A. bonds of a nominal value equivalent in accordance with the terms of that law to the value of those interests in nationalized electricity and gas enterprises which C.A.A. holds in pursuance of paragraph (1) of this Article. A complete list of the serial numbers of these bonds shall be communicated by the C.A.A. to each of the approved banks mentioned above.

Article 5

As the total value of the compensation payable has not as yet been finally established, the nominal value of the compensation shall, upon the issue of the credit vouchers by C.A.A., be calculated as accurately as possible for unquoted securities, and for quoted securities shall be based upon the valuations made by *Électricité de France* for the payment of interest instalments paid out in 1950. As soon as *Électricité de France* is in a position to establish the final and exact total value of compensation due to Canadian holders of credit vouchers, the C.A.A. shall adjust the nominal value of the credit vouchers to the new exact total.

When the shareholders of a company have received compensation before the private assets have been restored to the liquidator of the firm, C.A.A. shall remit through the authorized French bank referred to in Paragraph 5 of Article 4 above, to holders of credit vouchers a number of C.N.E. bonds corresponding to the value of the private assets ; the bank shall be responsible for the allotment of these bonds among the Canadian holders and in the case of a fraction of less than one tenth of a bond held by one bearer only, for the allotment of the amount in cash resulting from the sale of the above-mentioned bonds.

PART III— RIGHTS PERTAINING TO CREDIT VOUCHERS—THEIR REPAYMENT—ASSIGNMENT OR USE AS SECURITY

Article 6

Credit vouchers issued to Canadian claimants shall from June 1st, 1950, bear interest at the rate of 3 % and additional interest at variable rates as provided in Article 13 of the Law of April 8, 1946, and in Article 4 of the Law of August 12, 1948.

Both the fixed interest and the additional interest payable in accordance with the preceding paragraph of this Article to Canadian holders of credit vouchers who are not French residents shall be transferable in accordance with the provisions of any Payments Agreement in force, under the terms and in accordance with the general principles governing stock transfers.

If any additional interest is paid as part of the Premium on Redemption mentioned hereunder, such additional interest shall not be transferable and shall be credited to Canadians Reinvestment Account mentioned in Article 11.

Credit vouchers issued to Canadian claimants shall also carry the right to the Premium on Redemption provided for in Article 4 of the Law of August 12, 1948.

Article 7

The total value of the credit vouchers whether provisional or final shall be subject, in respect both of capital and of fixed interest, to an exchange guarantee based on the rate of exchange between the French franc and the U.S.A. dollar as it was in Paris on April 8, 1946, i.e., at the rate of 119·10 French francs for one dollar.

Payments in redemption of capital shall be made in French francs and shall take account of the said exchange guarantee.

The C.A.A. shall make an annual redemption payment equal to one-seventh of the total value of each credit voucher.

If, however, in any year more than one-seventh of the Bonds mentioned at the end of Article 4 are paid off as a result of drawing by lot, the credit vouchers shall be redeemed by an equivalent amount at the due date for redemption payments in the following year. Thereafter, redemption payments in respect of credit vouchers shall be made in as many fractions of the total principal sum remaining unredeemed as there are remaining due dates.

At the due date of any redemption payment, the nominal amount in French francs of this redemption payment shall be multiplied by the quotient obtained by dividing by 119·10 the rate of exchange of the U.S. dollar on the free exchange-market in Paris on the due date concerned. If there is no quotation of the U.S. dollar on that date the rate used shall be the first quotation on the free exchange-market on the last market day. If on the date concerned the quotation of the U.S. dollar on the free market in Paris has been cancelled, the French Government shall seek in agreement with the Canadian Government a conversion basis which would provide Canadian holders of credit vouchers with benefits equivalent to those which would have accrued from the foregoing provisions of this Article.

Each redemption payment shall be made as soon as possible after each of the due dates mentioned in Article 9 below and not later than fifteen days after such date.

Should any redemption payment be delayed it will be made on the first or the fifteenth day of the month; the rate of exchange provided for in the fifth paragraph of this Article shall be that of the immediately preceding fifteenth or first day of the month. In this case both fixed and additional interests shall continue to accrue till the date of payment in accordance with the provisions of Article 6. With regard to fixed interest the basis of calculation for the application of the exchange-guarantee shall be the same as for the principal.

Any Canadian holder of a credit voucher shall be entitled at the due date of each redemption payment to request that one-third, two-thirds or the whole of the redemption payment be deferred at his option to one or several of the later due dates.

If the whole or part of a redemption payment is deferred the corresponding amount of the Premium on Redemption shall also be carried forward and there shall be no alteration in the amount of either payment.

The option mentioned above shall be final with respect to the due date to which it relates and shall be exercised in accordance with the procedure provided for in the annex¹ hereto establishing the means of giving effect to the present Terms of Settlement.

If a Canadian holder of credit vouchers does not draw the total amount of his due redemption payments, the French Government may nevertheless pay to him, or cause to be paid to him on each due date, the whole or any part of the redemption due to him on the date concerned.

Amounts carried forward at the request of a Canadian holder of credit vouchers under the above provisions shall only yield interest at the fixed rate of 3 %, without any exchange-guarantee, transferable in accordance with the provisions of Article 6.

Article 8

In effecting redemption in accordance with the provisions of Article 7, account shall be taken of the exchange-guarantee provided for in Article 7 and the redemption premium provided for in Article 6. The latter shall at the time of any redemption payment be the subject of a payment on account corresponding in amount to the redemption premium allowed in respect of the C.N.E. bonds drawn by lot for redemption on the due date.

If the redemption by drawing by lots has not yet begun at any of the due dates set for redemption payments, the payment on account of the redemption premium shall be calculated as accurately as possible by the methods provided for in Article 13 of the Law of April 8, 1946, as modified by Article 4 of the Law of August 12, 1948. At the expiry of the period of redemption the C.A.A. shall make a final adjustment of the redemption premium by distributing, in proportion to the nominal value of the original Canadian-owned credit vouchers as adjusted in accordance with the provisions of Article 5 above, an amount equal to the difference between :

- (a) the total amount of the redemption premiums allotted to the C.A.A. by the C.N.E. on the bonds corresponding to the total initial value of the credit vouchers issued to Canadian claimants which have been drawn by lots for redemption, plus the total of the product obtained by multiplying the highest premium paid during the seven-year period by the number of bonds which have not been drawn, and
- (b) the total amount of the redemption premiums paid on account by the C.A.A. to Canadian holders of credit vouchers during the period of redemption increased where appropriate by the amount of additional variable interest granted to such Canadian holders as part of the redemption premium.

¹ See p. 85 of this volume.

Article 9

The first redemption payment shall be made as soon as possible after the delivery for exchange of the shares and documents of title mentioned in paragraph (1) of Article 4. The French authorities shall not, however, be required to make this payment before March 1st, 1951.

The amount of this first redemption payment shall continue to bear interest, fixed and additional, in accordance with the provisions of Articles 6 and 7 from June 1st, 1950, until the date of its payment. Such interest shall only accrue until June 1st, 1951 unless payment becomes overdue.

The payment of such interest shall be made at the same time as the first redemption payment.

A second redemption payment shall be made on June 1st, 1951, and subsequent payments on June 1st of each year, the last payment to be made on June 1st, 1956.

Payments of interest shall fall due on the same day as redemption payments.

When the nominal value of the original credit vouchers has been readjusted in accordance with the provisions of Article 5, the payment of the amount of the readjustment shall be made in as many equal annual payments as there remain due dates for the redemption payments to Canadian holders of credit vouchers, and the provisions of Article 7 relating to the exchange guarantee shall apply thereto.

Any arrears of interest, whether fixed or variable, due on the amount of the readjustment shall be paid at the due date for redemption payments next following the final determination of the total value of the credit vouchers. Such interest shall be transferable in accordance with the provisions of Article 6.

Fixed interest accrued since June 1st, 1950, shall benefit from the exchange guarantee under the terms laid down in Article 7.

If, however, such arrears of interest are paid on several successive due dates by C.N.E., the provisions of the preceding paragraphs of this Article shall apply to the payments made at each of the successive and separate due dates.

Article 10

Credit vouchers may be assigned only to Canadian physical or juridical persons. They may, however, be transferred to non-Canadian persons with the authorization in each particular case of the French Office des Changes. In the case of transfer by inheritance the successor shall be entitled to the benefits provided for in the present Terms of Settlement.

Canadian holders of credit vouchers can, within the framework of the general French regulations concerning credit, apply to French banks or official credit agencies for facilities to realize annual payments which have not fallen due, and any Canadian holder making such an application shall not be treated differently on account of his nationality. For this purpose holders of credit vouchers may use their credit vouchers as security and guarantee the refunding of borrowed sums by assigning their rights to payment in respect of such credit vouchers.

"Canadian" Insurance Companies registered with the French authorities may include credit vouchers in their technical reserves and guarantee-deposits in accordance with existing French regulations on Insurance.

PART IV — PROVISIONS CONCERNING REINVESTMENT OF AMOUNTS RECEIVED AS COMPENSATION

Article 11

The capital value of the compensation, including the redemption premium, must be used or reinvested only in France. In order to facilitate the reinvestment of these funds in France they shall be transferred to an approved bank to the credit of accounts opened in the name of the Canadian nationals concerned. These accounts shall be called "Canadian Reinvestment Accounts".

A A general authorization to reinvest amounts credited to these amounts shall be granted by the French Office des Changes for the following transactions :

1. The purchase at a stock exchange of French securities quoted at a French stock exchange, with the exception of bonds redeemable within less than ten years from the date of purchase.

2. Subscriptions for French securities mentioned in subparagraph (1) of this paragraph at the time of an increase of capital.

3. Acquisition of non-quoted French securities provided such acquisition meets one of the following requirement :

(a) subscription to the capital of a French company upon the establishment of the company, and subscription to bonds and debentures redeemable in not less than ten years ;

(b) subscription as of right to an increase of capital ;

In accordance with the general authorization referred to above, securities acquired through the use of a "Canadian Reinvestment Account" or by means of the credit facilities provided for in paragraph (2) of Article 10, shall have the benefit, so far as the French exchange regulations are concerned, of the same treatment as to the former shares of the nationalized French companies.

4. Loans, provided that the loan agreement stipulates, exclusive of any other clauses :

(a) the rate of interest which shall not exceed by more than 1½ % the rate of the Bank of France on secured advances ;

(b) the duration of the loan ;

(c) eventually, mortgage guarantees and, in the case of companies of which at least 50 % of the capital is held by Canadian nationals, the deposit of French transferrable securities as a guarantee ;

(d) the physical or juridical persons who have guaranteed the repayment.

Repayment of any of the loans referred to above shall, when they fall due, be made by crediting "Canadian Reinvestment Accounts" unless such repayment is made after the expiry of the seventh year from the coming into force of the present Agreement. In such a case repayment shall be made by crediting a "compte d'attente".

5. Purchase of buildings, real estate, rights, and businesses situated in France and payment of expenses and repairs relative thereto.

6. Payment of expenses incurred by Canadian persons arising from investigations made in France with a view to carrying out transactions in accordance with the provisions of paragraph A.

Payment of promoters' expenses, in connection with the establishment of companies or with subscriptions to increases of capital, incurred in France by Canadian persons for the purpose of carrying out any transactions within the provisions of paragraph A.

7. Acquisition of the equipment required for commercial, industrial or agricultural undertakings of which the purchasers are, or may become, the owners in France.

8. Repayment of loans to Canadian persons made by French banks in order to allow the financing of investments in France, whether such loans have been made before the coming into force of this Agreement, or whether they are made in accordance with provisions of Article 10 above.

B Credit balances in "Canadian Reinvestment Accounts" shall be transferable in accordance with the provisions of paragraph (1) of Article 10, relating to credit vouchers. In the case of transfer by inheritance the successor shall be entitled to the rights and benefits provided by the present Terms of Settlement.

C Any transactions which do not fall within the general authorization set forth in paragraph A of this Article and which are not authorized generally by the French exchange control regulations must be specially authorized upon application to the French Office des Changes which shall reduce to a strict minimum the necessary formalities and delays.

PART V—FISCAL PROVISIONS

Article 12

The following transactions, carried out in accordance with the present Agreement, shall enjoy the fiscal immunities provided by Article 50 of Law No. 46-628 of April 8, 1946 :

a declaration of option accepting the provisions of the present Terms of Settlement ;
the transfer or delivery of securities of nationalized companies to the C.N.E. for the Account of C.A.A. ;

the creation of credit vouchers ;

the issue of credit vouchers by C.A.A. ;

the splitting or consolidation of credit vouchers.

The retrocession by C.A.A. to Canadian holders of credit vouchers of interest mentioned in Article 6 shall not give rise to the application of the proportional tax on income from transferable capital.

Article 13

Subject to any amendment to the existing French tax legislation, transfers of credit vouchers and of credit balances provided for in the present Terms of Settlement shall not be subject to the payment in France of registration fees if the documents of transfer are executed outside France, and the use of such documents in France for the notification

of the transfer to the debtor shall not give rise to the payment of the proportional registration fee which is applicable in France to documents of this nature.

PART VI—DEFINITIONS

Article 14

In the present Terms of Settlement and the annexes thereto, the expressions

1. "French and foreign securities" shall have the meaning defined by the Order of July 15, 1947, relating to the general derogations from the prohibitions laid down by Decree No. 47-1357 of July 15, 1947, and to detailed provisions regarding certain methods of application of that Decree. An extract from the Decree is annexed to the present Terms of Settlement.
 2. "France" shall mean the metropolitan territory of France and the other territories of the Franc monetary area (including the C.E.A. area).
 3. "Canadian persons" shall mean :
 - (a) physical persons who at the date on which they make the declaration provided for in Article 1 of this Agreement are citizens of Canada ;
 - (b) juridical persons incorporated or constituted under the laws in force in Canada.
- DONE in duplicate at Paris on January 26, 1951.

For the Canadian Government :
George P. VANIER

For the French Government :
Robert SCHUMAN

ANNEX ESTABLISHING THE MEANS OF GIVING EFFECT TO THE TERMS OF SETTLEMENT

PART I—DECLARATION OF TITLE OF OWNERSHIP

Article 1

Declarations may be made in respect of shares and interest in any of the *nationalized electricity and gas* undertakings mentioned in the list attached hereto and in respect of documents of title to nationalized installations.

PART II—PROOF OF OWNERSHIP

Article 2

The proof of the rights invoked and of their belonging to Canadian physical or juridical persons at the dates set in Article 1 of the Terms of Settlement¹ shall be required, in particular, in the case of

- (a) bearer shares deposited with la Caisse Centrale de Dépôts et de Virements de Titres (C.C.D.V.T.) (Central Fund for Deposit and Transfer of Securities) : by a certificate

¹ See p. 69 of this volume.

- issued by an authorized Canadian bank, or otherwise, by the French or foreign bank which has received the deposit ;
- (b) registered shares : by the production of the registered share certificate or a certificate from the Company establishing ownership ;
- (c) bearer shares still outstanding : by any form of evidence establishing that the present share holder fulfils the conditions required to enjoy the benefit of this Agreement. The official body referred to in Article 3 hereunder shall certify the accuracy of the entries in the declaration only after it has secured the agreement of the competent French authority concerning the evidence furnished ;
- (d) gas and electricity installations nationalized under the Law of April 8, 1946, of which Canadian physical or juridical persons are direct owners in accordance with the existing French regulations regarding concessions of public utilities in France : by a certificate of ownership issued by C.N.E. to the Canadian owners who have applied for it before May 31, 1951 : This certificate shall be equivalent to a title to nationalized installations.

Article 3

The official body designated by the Canadian Government in accordance with the provisions of Article 1 of the Terms of Settlement, shall check and verify the declarations made by Canadian physical or juridical persons referred to in Article 1 of the Terms of Settlement. The appropriate official shall affix his signature to such declarations.

PART III—SURRENDER OF SHARES AND INTERESTS IN NATIONALIZED UNDERTAKINGS AND ISSUANCE OF CREDIT VOUCHERS

Article 4

The exchange mentioned in Article 4 of the Terms of Settlement shall be :

by remittance, in the case of bearer shares still outstanding, registered shares, and documents of title to nationalized installations ;

by transfer through the Caisse Centrale de Dépôts et de Virements de Titres in the case of securities which may be circulated in France in this manner.

Remittance of documents of title to ownership shall be effected at the suit of the approved banks mentioned in the last paragraph of Article 4 of the Terms of Settlement. The banks may carry out the transfers only after having satisfied themselves that the declaration required by Article 1 of the Terms of Settlement has been made.

Article 5

The credit vouchers shall be created in a registered form. They shall include as many coupons, or stamp spaces, as may be necessary to record redemption transactions, and to provide for the payment of interest and of the redemption premium. In order to facilitate the exercise of the option mentioned in Article 7 of the Terms of Settlement, three coupons shall be provided for each of the seven annual redemption payments, marked with the year of redemption. A form of a credit voucher is annexed hereto.

PART IV—WAIVING OF ANNUAL REDEMPTION PAYMENTS IN ACCORDANCE WITH ARTICLE 7
OF THE TERMS OF SETTLEMENT

Article 6

Applications for the redemption of all or part of the annual instalments under Article 7 of the Terms of Settlement shall be made to the approved French bank with which the credit vouchers are deposited not less than two months before the date on which the redemption payment falls due.

The approved French banks shall, not later than one month before the due date, supply C.A.A. with a statement setting out :

1. The particulars, with relevant due dates, of the total value of Canadian-owned credit vouchers in their possession ;
2. The total value of Canadian-owned credit vouchers in their possession for which the annual redemption payment must be made on the due date concerned ;
3. The total value, with the relevant due dates, of Canadian-owned credit vouchers for which a partial redemption is being requested by the holders.

C.A.A. shall notify to the approved French banks, not later than fifteen days before the due date, the decision of the French Government with respect to the right of redemption referred to in paragraph (11) of Article 7 of the Terms of Settlement. On the relevant due date the approved French banks shall present for encashment those coupons which are then payable in respect of interest on and redemption of credit vouchers.

DONE in duplicate at Paris on January 26, 1951.

For the Canadian Government :
George P. VANIER

For the French Government :
Robert SCHUMAN

EXTRACT FROM THE ORDER OF JULY 15, 1947, CONCERNING THE GENERAL
DEROGATIONS FROM THE PROHIBITIONS LAID DOWN BY DECREE
No. 47-1357 OF JULY 15, 1947, AND DETAILED PROVISIONS CONCERNING
CERTAIN METHODS OF APPLICATION OF THAT DECREE

Article 1

...

- (9) *French transferable securities* means : transferable securities issued by a public juridical person belonging to the franc monetary area or by a private juridical person having their head office within the franc monetary area.
- (10) *Foreign transferable securities* means : transferable securities issued by a foreign public juridical person or by a private juridical person having their head office abroad.

Transferable securities issued by a French public juridical person or a private juridical person having their head office in France shall also be deemed to be foreign transferable securities if they are drawn up in a foreign currency.

ANNEX I

The French Government confirms that, in the case provided for in the last paragraph of Article 1 of the Terms of Settlement¹ annexed to the Franco-Canadian Agreement² of today's date, relating to the compensation offered to Canadian holders of shares and interests affected by the Law of April 8, 1946, the Decree of June 5, 1947, and the regulations relating thereto, it will be its own responsibility to notify to the competent Canadian authority any French interests representing more than 50 % of the capital of any Canadian juridical person referred to in the above-mentioned paragraph. Pending receipt of fuller information, it provisionally excludes from the application of the Terms of Settlement the juridical persons concerned.

In both cases provided for in the final paragraph of Article 1 of the Terms of Settlement the French Government undertakes to seek every means of effectively safeguarding the Canadian interests concerned, and to examine each case on its own merit.

G. P. V.

R. S.

ANNEX II

Notwithstanding Article 1 of the Terms of Settlement in respect of the compensation offered by the French Government to compensation creditors under Law No. 46-628 of April 8, 1946, on nationalization of Electricity and Gas and laws and decrees relating thereto, and notwithstanding Article 3 of the Provisions annexed to the said terms of Settlement, the following Companies :

Aluminum Limited, of Montreal,

Foreign Powers Securities Corporation, of Montreal,

are entitled to file with the Canadian Embassy in Paris, through the Royal Bank of Canada (France), their declaration accepting these Terms of Settlement, and to adduce all necessary relevant vouchers.

In addition, the aforesaid privilege will also apply to securities registered in the name of the Montreal Trust and owned by the Foreign Powers Securities Corporation.

G. P. V.

R. S.

ANNEX III

Under these Rules and Regulations, the interests belonging to enemy nationals are considered as enemy interests.

I. *The enemy countries are :*

Germany within its boundaries as of December 31, 1937.

Japan within its boundaries as of December 8, 1941 (exclusively of territories occupied by its military forces).

¹ See p. 69 of this volume.

² See p. 67 of this volume.

II. *Enemy nationals :*

Those citizens of one of the two above-mentioned countries, who are residing either in enemy territory or in a neutral country, or in allied territory, except when, in the latter case, their property has not been placed under custody or has been released from custody, are considered as enemy nationals.

III. *Change in nationality :*

German nationals who have acquired another nationality after September 1, 1939, are considered as enemy nationals unless they have acquired the nationality of an allied country before January 1, 1946, or have been granted permanent residence in that country.

IV. *Special cases :*

Stateless persons of German origin may not be considered as German nationals if the German Government had deprived them of this status before September 1, 1939.

G. P. V.

R. S.