

**No. 8732**

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

**Loan Agreement (with exchange of notes). Signed at Buenos Aires, on 15 September 1966**

*Official texts: English and Spanish.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on 22 August 1967.*

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

**Accord de prêt (avec échange de notes). Signé à Buenos Aires, le 15 septembre 1966**

*Textes officiels anglais et espagnol.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 22 août 1967.*

No. 8732. LOAN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE ARGENTINE REPUBLIC. SIGNED AT BUENOS AIRES, ON 15 SEPTEMBER 1966

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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 the Argentine Republic (hereinafter referred to as "the Argentine Government");

Considering that the Government of the United Kingdom are desirous of joining with other Western European Governments and the Governments of Japan and the United States of America in providing assistance to the Argentine Republic by way of the refinancing of the Argentine Republic's medium-term commercial debts in order to assist the Argentine Government to provide the full amount of exchange required to meet all obligations which fell due between the 1st of January 1965 and the 31st of December 1965, both dates inclusive;

Have agreed as follows:

*Article I*

In this agreement, the expression "medium-term commercial debts" shall mean debts falling due between the 1st of January 1965 and the 31st of December 1965, both dates inclusive, from the Argentine Government or persons or corporations resident in the Argentine Republic to persons or corporations resident in the United Kingdom under contracts for the supply of goods or services or both concluded before the 1st of January 1965 and officially guaranteed which provide for payments to be made within a period exceeding six months from the date of delivery of the goods or satisfactory performance of the services undertaken under those contracts.

*Article II*

The Government of the United Kingdom shall make available to the Argentine Government a loan not exceeding £3,500,000 (three million, five hundred thousand pounds sterling), (hereinafter referred to as "the Refinance Loan") to assist the Argentine Government to provide the full amount of exchange required to meet

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<sup>1</sup> Came into force on 15 September 1966 by signature, in accordance with article VIII.

payments which fell due between the 1st of January 1965 and the 31st of December 1965, both dates inclusive, to the Government of the United Kingdom or persons or corporations resident in the United Kingdom.

### *Article III*

(1) The Refinance Loan shall be the financial assistance to be provided by the Government of the United Kingdom in respect of 60% of the instalments of principal on acknowledged medium-term commercial debts falling due during 1965 and paid during that year or on or before the 31st of March, 1966.

(2) The Loan shall be paid in instalments to the Argentine Government against evidence of payment to the creditors concerned. The instalments shall be paid monthly commencing one month from the date of this Agreement and ending three months from the date of this Agreement with a final payment not later than five months from the date of this Agreement.

### *Article IV*

The Argentine Government shall guarantee the free transferability into sterling of payments, including principal and interest, made in respect of all debts covered by this Agreement.

### *Article V*

(1) The Argentine Government shall pay interest to the Government of the United Kingdom on each instalment of the Refinance Loan at a rate to be determined by Her Majesty's Treasury having regard to the cost of borrowing by the Government of the United Kingdom at the date on which the instalment is advanced.

(2) Such interest shall be calculated on the balance of each instalment outstanding and shall be payable in sterling on the 31st of January, the 30th of April, the 31st of July and the 31st of October in each year; the first payment in respect of interest shall be made on the 31st of October 1966.

### *Article VI*

(1) The Argentine Government shall make repayment to the Government of the United Kingdom of the sums advanced under the Refinance Loan in accordance with Article III of this Agreement in twenty consecutive quarterly instalments on the 31st of January, the 30th of April, the 31st of July and the 31st of October of each year, commencing on the 31st of January 1968, the total amounts to be repaid in each year as follows:

<i>Year</i>	<i>Percentage</i>
1968 . . . . .	15
1969 . . . . .	20
1970 . . . . .	20
1971 . . . . .	20
1972 . . . . .	25
	100

(2) These amounts shall be applied in each case to the reduction of the oldest outstanding instalment.

#### *Article VII*

(1) If the Argentine Government shall at any time make arrangements for the settlement or refinance of medium-term commercial debts contracted before the 1st of January 1965, which they or persons or corporations resident in the Argentine Republic owe, and which fell due between the 1st of January 1965 and the 31st of December 1965, inclusive, to persons or corporations resident in the Federal Republic of Germany, France, Italy, Japan, The Netherlands, Switzerland, the United States of America or any other country to which the Argentine Republic owes medium-term commercial debts equivalent to or greater than the least amount so payable to any of the aforesaid countries, on terms which are more favourable to the creditors concerned than those provided for in this Agreement, the Argentine Government shall forthwith accord no less favourable terms for the settlement of medium-term commercial debts falling due to the United Kingdom or for the Refinance Loan.

(2) To this end the Argentine Government shall inform the United Kingdom Government of the provisions of any Consolidation Agreements which they may conclude during the period of refinancing stipulated in Article II.

#### *Article VIII*

This Agreement shall come into force on the date of signature thereof.

IN WITNESS WHEREOF the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

DONE in duplicate at Buenos Aires this 15th day of September 1966, in the English and Spanish languages, both texts being equally authoritative.

For the Government  
of the United Kingdom of Great  
Britain and Northern Ireland:  
Michael CRESWELL  
Her Britannic Majesty's Ambassador

For the Government  
of the Argentine Republic:  
N. COSTA MENDEZ  
Minister for Foreign Affairs  
and Worship

## EXCHANGE OF NOTES

## I

*Her Majesty's Ambassador at Buenos Aires to the Argentine Minister for Foreign Affairs and Worship*

Note No. 267

15th of September, 1966

Your Excellency,

I have the honour to refer to the Loan Agreement (hereinafter referred to as "the Agreement") signed today between the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the United Kingdom Government") and the Government of the Argentine Republic (hereinafter referred to as "the Argentine Government").

2. It is the understanding of the United Kingdom Government that:
  - (i) medium-term commercial debts which have been the subject of refinancing otherwise than under the provisions of the Loan Agreement of the 5th of June 1963<sup>1</sup> shall be excluded from the provisions of this Agreement; and
  - (ii) if medium-term commercial debts are the subject of a rescheduling arrangement otherwise than in accordance with the provisions of today's Agreement or the Agreement on the Consolidation of Debts of the 25th of November 1957<sup>2</sup> or the Loan Agreement of the 5th of June 1963, or are otherwise not met in full, the provisions of today's Agreement will not be applied to an extent that will result in any debt receiving more favourable treatment than is provided for under the terms of paragraph (1) of Article III of today's Agreement.
3. It is also the understanding of the United Kingdom Government that:
  - (i) the Argentine Government will use its best endeavours to pursue direct negotiations now in progress with a view to facilitating a satisfactory settlement of outstanding claims by United Kingdom interests on the Argentine Government, and will inform the United Kingdom Government of the outcome of these negotiations; and
  - (ii) the Argentine Government will use its best endeavours to seek as soon as possible a solution on a reciprocal basis of the problems of maritime transport which at present exist between the two countries.

4. I shall be grateful if Your Excellency will confirm that the foregoing equally represents the understanding of the Argentine Government in this matter.

<sup>1</sup> United Nations, *Treaty Series*, Vol. 482, p. 378.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 313, p. 95; Vol. 404, p. 367, and Vol. 482, p. 378.

intereses del Reino Unido sobre el Gobierno Argentino e informará al Gobierno del Reino Unido sobre el resultado de las mencionadas negociaciones; y

« 2. El Gobierno Argentino hará todo lo posible para encontrar a la mayor brevedad una solución, sobre una base mutua, a los problemas de transporte marítimo que actualmente existen entre los dos países.

« Agradeceré que Su Excelencia confirme que lo anterior representa igualmente la opinión del Gobierno Argentino sobre este asunto.

« Tengo el honor, de reiterar a Vuestra Excelencia las seguridades de mi más alta y distinguida consideración.      « (*Firmado*) Michael CRESWELL »

Confirmo que lo anterior representa igualmente el pensamiento del Gobierno Argentino sobre el asunto.

Tengo el honor de reiterar a Vuestra Excelencia, las seguridades de mi más alta y distinguida consideración.

N. COSTA MENDEZ

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

Note No. D.G.A.E. 1625

15th of September, 1966

Señor Embajador,

I have the honour to acknowledge receipt of Your Excellency's Note No. 267 of to-day's date which, in translation, reads as follows:

[*See note I*]

2. I confirm that the foregoing equally represents the understanding of the Argentine Government in this matter.

I have the honour to renew to Your Excellency the assurances of my highest and distinguished consideration.

N. COSTA MENDEZ

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

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