

(Translation)

CONVENTION BETWEEN THE CANADIAN GOVERNMENT AND THE FRENCH GOVERNMENT RELATING TO THE TERMS OF COMPENSATION OF CANADIAN INTERESTS IN NATIONALIZED GAS AND ELECTRICITY UNDERTAKINGS.

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 Settlement 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, accords 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 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.