



Treaty Series No. 45 (1937)

## AGREEMENT

between His Majesty's Government in the United Kingdom  
and the Roumanian Government

regarding

# COMMERCIAL PAYMENTS

[With Supplementary Agreement of December 5, 1936]

Bucharest, May 2, 1936

*Presented by the Secretary of State for Foreign Affairs  
to Parliament by Command of His Majesty*

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AGREEMENT BETWEEN HIS MAJESTY'S GOVERNMENT IN THE  
UNITED KINGDOM AND THE ROUMANIAN GOVERNMENT  
REGARDING COMMERCIAL PAYMENTS, WITH TECHNICAL  
AGREEMENT OF MAY 30, 1936.

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*Bucharest, May 2, 1936.*

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No. 1.

ANGLO-ROUMANIAN PAYMENTS AGREEMENT.

THE Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Roumania, desiring to facilitate payments between the United Kingdom and Roumania, have agreed as follows:—

ARTICLE 1.

(1) The operation of the Payments Agreement between the contracting Governments, which was signed in London on the 3rd August, 1935,<sup>(1)</sup> is extended until the 31st May, 1936. In Article 5 of the said Agreement the date 15th May, 1936, shall be substituted for the 15th January, 1936, provided that all liabilities of the Roumanian Government and the National Bank of Roumania under this paragraph, other than those under Article 2 (ii) of the above-mentioned Agreement, shall be discharged by the payment on the 20th June, 1936, of the sum of £100,000 after deduction of the amounts paid to the Special Account in accordance with Article 5 of the above-mentioned Agreement between the 23rd April, 1936, and the 19th June, 1936, inclusive, and of the amount of outstanding trade debts shown to the satisfaction of the United Kingdom Government to have been settled by the export of goods during the months February to May 1936, inclusive.

(2) The amounts standing to the credit of the Special Account at the Bank of England under the above-mentioned Payments Agreement, and also the amounts standing to the credit of the Account for current trade in the name of the National Bank of Roumania at the Midland Bank, London, shall, from the date when the present Agreement comes into force, be allocated to the payment of outstanding trade debts and of current trade debts respectively, in accordance with the provisions of this Agreement.

ARTICLE 2.

(1) All debts which were due and owing on the 10th June, 1936, and all debts falling due after that date from persons in the United Kingdom to any person resident or carrying on business

(<sup>1</sup>) See Cmd. 4976.

outside the United Kingdom in respect of the price of Roumanian goods imported into the United Kingdom (other than goods imported in accordance with the provisions of Article 6 of this Agreement), shall be paid in sterling to a Special non-interest-bearing Account at the Bank of England (hereinafter referred to as the Special Account) of the Clearing Office which will be set up by the Government of the United Kingdom.

(2) In so far, however, as the Clearing Office is satisfied that the above-mentioned price of any goods includes an amount in respect of freight and other similar charges incurred in sterling in respect of those goods, the Clearing Office may authorise such amount to be deducted from the debt payable to the Clearing Office, or may repay such amount, and such amount shall then be payable direct to the exporter or his agent or representative.

(3) Further, in the case of debts due to any Roumanian Oil Company which have been paid to the Special Account in respect of oil exported to the United Kingdom, the Clearing Office may, in accordance with conditions to be laid down in the Technical Agreement, repay part of the amount so received to enable the Company concerned to meet its foreign exchange requirements.

(4) A Technical Agreement between the Clearing Office and the National Bank of Roumania (hereinafter referred to as the Technical Agreement)<sup>(2)</sup> will be concluded as soon as possible and submitted for the approval of the contracting Governments; if such Agreement has not been so approved by the 10th June, 1936, the sums paid or to be paid to the Special Account will be held in suspense until such Agreement has been so approved.

#### ARTICLE 3.

On and after the coming into force of the Technical Agreement the sterling already paid or to be paid to the Special Account shall, subject to the provisions of Article 2 (3) of the present Agreement, be allocated as follows under conditions to be stated in the Technical Agreement:—

- (i) 35 per cent. of which £2,500 a month shall be placed at the free disposal of the National Bank of Roumania. The remainder shall be utilised for the Public Debt of the Roumanian State and for Loans issued by the Roumanian Monopolies Institute, and for the amounts payable to the Caisse Commune of the pre-War Austro-Hungarian Debts; this allocation will be used, in accordance with detailed arrangements to be made between the Roumanian Government and the Council of Foreign Bondholders, for the payment of (i)  $7\frac{1}{2}$  per cent. of the contribution payable by Roumania to the above-mentioned Caisse Commune, and (ii) payments in respect of securities or other evidences

<sup>(2)</sup> See Cmd. 5187.

of title which are shown to the satisfaction of the United Kingdom Government to have been on the 4th May, 1936, in the ownership of British holders as hereinafter defined.

British holders shall mean (a) persons of whatever nationality ordinarily resident or ordinarily carrying on business in the United Kingdom; (b) holders of "Sterling Bonds" of the 4½ per Cent. Loan of 1913; (c) holders of War Damage Bonds issued under the Agreement made in London on the 1st November, 1926, between the Roumanian Government and certain Oil Companies; (d) British subjects wherever resident, and corporations incorporated by or under the laws of the United Kingdom, or of any other territory under the Sovereignty of His Majesty The King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, or under His Majesty's suzerainty, protection or mandate and Governments and public authorities in those territories; and (e) persons under His Majesty's protection and ordinarily resident or ordinarily carrying on business in the United Kingdom or any other of the territories aforesaid.

- (ii) 5 per cent. up to a maximum amount of £50,000 per annum in respect of outstanding short-term banking credits and bank debts.
- (iii) 50 per cent. shall be allocated for the settlement of current trade debts and of outstanding trade debts, in accordance with the Annex to this Article.

Of the amount allocated to current trade debts, one-quarter may be reserved for the purchases of United Kingdom goods on the part of the Roumanian Government.

- (iv) 5 per cent. to interest (other than as provided above) dividends and profits, rent, insurance and reinsurance, royalties, fees, commission, outstanding freight charges, payments due under the Manchester Agreement of 1923, which was ratified by the Roumanian Government on the 27th December, 1923, Court Awards, and any other debts and remittances as may be agreed between the Contracting Governments.
- (v) 5 per cent. shall be at the free disposal of the National Bank of Roumania.

#### *Annex to Article 3.*

(1) The two Governments agree that the outstanding trade debts shall be settled as follows:—

The amount of outstanding trade debts to be settled in the year ending the 9th June, 1937, shall be £400,000, of which £70,000 shall be settled in the first quarter and £110,000 in each of the three

subsequent quarters. The amount to be settled in subsequent years shall form the subject of a subsequent Agreement or Agreements between the two Governments.

(2) The settlement of outstanding trade debts shall be effected:—

- (i) by an allocation of 5 per cent. out of the amounts paid to the Special Account;
- (ii) by the investment after the signature of this Agreement, should any creditor so desire, in Roumanian enterprises of lei corresponding to outstanding trade debts. The net revenue derived by the creditors from such investments at a rate not exceeding 5 per cent. per annum, together with not more than 3 per cent. for amortisation, shall, whether the investment be retained by the original creditor or sold or assigned to any other person other than a person in Roumania, be at all times freely transferred in sterling, and, so long as this Agreement is in force, shall form a charge on the sterling amounts available under Article 3 (iii) above and under this Annex. The amount of outstanding trade debts so settled which may be included in the amount referred to in paragraph (1) above shall be the capital amount of such debts settled by investment after the coming into force of this Agreement, provided that the amount so included shall not exceed £75,000 in any one year;
- (iii) by the special export from Roumania of goods specified in a list to be agreed between the two Governments in accordance with the provisions of Article 6 of this Agreement;
- (iv) by such further allocation as may be required to make up the amount specified in paragraph (1) of this Annex out of any surplus out of the amounts allocated under heading (ii) of Article 3, and, if necessary, out of the amounts allocated under heading (iii) of that Article.

(3) The balance of the sums available under Article 3 (iii) shall be allocated for the settlement of current trade debts. In so far as any surplus out of the amounts allocated under heading (ii) of Article 3 is not required to make up the sum specified in paragraph (1) of this Annex, the balance not so required shall be added to the amount allocated for current trade debts.

#### ARTICLE 4.

(1) "Current trade debts" shall mean debts falling due after the 31st July, 1935 (including interest due thereon) from persons in Roumania to persons in the United Kingdom in respect of the price of United Kingdom goods which have been imported into Roumania. In the case of goods exported from the United Kingdom to Roumania

on or after the 1st June, 1936, the provisions of this Agreement in regard to the payment of current trade debts shall apply only to debts in respect of goods accompanied by a Certificate of a United Kingdom Chamber of Commerce (or other body authorised by the United Kingdom Government), to the effect that the goods have been produced or manufactured in the United Kingdom.

(2) "Outstanding trade debts" shall mean all debts due before the 1st August, 1935 (including interest due thereon), from persons in Roumania to persons in the United Kingdom in respect of the sale of any goods.

Outstanding trade debts which fell due before the 1st March, 1935, shall, as far as possible, have priority of payment over other outstanding trade debts.

Sterling shall be allocated for the payment of outstanding trade debts at the Roumanian official rate of exchange prevailing at the date of allocation, together with a premium on that rate which shall not exceed 38 per cent.

A debtor in Roumania shall not be discharged from his liability in respect of any debt until the creditor has been paid in full in the currency in which the debt was contracted.

#### ARTICLE 5.

Import licences shall be granted for the import of United Kingdom goods into Roumania to the extent necessary to utilise in full the sterling available in accordance with Article 3 of this Agreement for current trade. The grant of import licences shall be so administered as not to vary to a substantial extent between different classes of imports of United Kingdom goods the relative proportions in which these classes of goods were imported into Roumania in the years 1933 to 1935.

#### ARTICLE 6.

(1) Facilities shall be granted in Roumania for the special exportation of goods either to the United Kingdom or to countries with which Roumania has not a Payments Agreement, in order to provide foreign exchange for the settlement of outstanding trade debts due to persons in the United Kingdom. These facilities shall be available on terms not less favourable than those granted for the settlement of outstanding trade debts due to persons in any other foreign country.

(2) Arrangements whereby goods exported from Roumania to the United Kingdom are paid for, wholly or partly, by means of the export of goods from the United Kingdom into Roumania shall be permitted by the Roumanian Authorities after the approval of the United Kingdom Government. Debts in respect of the price of goods imported in accordance with such arrangements shall not be payable

to the Special Account referred to in Article 2 of this Agreement, except in so far as such payment is laid down in the Compensation Permits in each case.

ARTICLE 7.

"Persons in the United Kingdom" shall mean persons and corporations ordinarily resident or ordinarily carrying on business in the United Kingdom.

"Persons in Roumania" shall mean persons and corporations ordinarily resident or ordinarily carrying on business in Roumania, and shall include the Government of Roumania and State organisations.

ARTICLE 8.

The present Agreement shall come into force on the 1st June, 1936. The Roumanian Government will inform the Government of the United Kingdom, in writing, through the diplomatic channel, that the present Agreement has been approved by the Government of Roumania and that the assent of the National Bank of Roumania to the Agreement has been obtained.

ARTICLE 9.

This Agreement may be terminated on the first day of any month by either Government giving notice to the other on or before the first day of the previous month, beginning with the 1st January, 1937.

In witness whereof the undersigned, duly authorised by their respective Governments thereto, have signed the present Agreement and have affixed thereto their seals.

Done in duplicate at Bucharest this 2nd day of May, 1936, in the English and Roumanian languages, both texts being equally authentic.

For the Government of the  
United Kingdom of Great Britain  
and Northern Ireland :

For the Government of  
Roumania :

R. H. HOARE.

DR. J. COSTINESCU.

## No. 2.

AGREEMENT BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED  
 KINGDOM AND THE ROUMANIAN GOVERNMENT SUPPLEMENTARY TO  
 THE ANGLO-ROUMANIAN PAYMENTS AGREEMENT OF MAY 2, 1936.

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*Bucharest, December 5, 1936.*

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[The Second Supplementary Agreement.](<sup>1</sup>)

THE Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Roumania have agreed as follows :—

As from the date of signature of the present Agreement, paragraph (2) of Article 2 of the Anglo-Roumanian Payments Agreement of the 2nd May, 1936,<sup>(2)</sup> shall be amended by the deletion of the words "incurred in sterling."

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed the present Agreement, and have affixed thereto their Seals.

Done at Bucharest, this Fifth Day of December, 1936, in duplicate in English and Roumanian, both texts being equally authentic.

(L.S.) R. H. HOARE.

(L.S.) VALERIN POP.

(<sup>1</sup>) For Supplementary Agreement of May 28, 1936, see Cmd. 5187.

(<sup>2</sup>) Cmd. 5174.