



Treaty Series No. 32 (1939)

## AGREEMENT

between the Governments of the United Kingdom  
and Roumania

regarding

# TRADE AND PAYMENTS

[WITH PROTOCOL]

London, July 12, 1939

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

LONDON

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AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED  
KINGDOM AND THE ROYAL ROUMANIAN GOVERNMENT  
REGARDING TRADE AND PAYMENTS, WITH PROTOCOL.

*London, July 12, 1939.*

AGREEMENT.

WHEREAS the Agreement respecting payments signed on the 2nd day of September, 1938,<sup>(1)</sup> between the Government of the United Kingdom of Great Britain and Northern Ireland and the Royal Roumanian Government (hereinafter called the Payments Agreement, 1938) makes provision to facilitate trade and payments between the two countries; and

Whereas the Protocol signed at Bucharest on the 11th May, 1939,<sup>(2)</sup> between the two Contracting Governments (hereinafter called the Protocol) makes provision to facilitate commercial and economic relations between the two countries; and

Whereas the two Contracting Governments desire to give effect to the principles set out in the Protocol and further to facilitate trade and payments between Roumania and the United Kingdom;

Now, therefore, the Government of the United Kingdom of Great Britain and Northern Ireland and the Royal Roumanian Government have agreed as follows:—

ARTICLE 1.

The Payments-Agreement, 1938, is hereby abrogated and replaced by the subsequent provisions of this Agreement, save in so far as it abrogates the Agreements recited in its Preamble, and save that monies held at the coming into force of this Agreement in accounts opened for purposes specified in that Agreement shall be applied in the manner provided in Article 14 of this Agreement, and save that any payment properly made or received under that Agreement shall be regarded as a valid payment or receipt.

ARTICLE 2.

(1) All debts due and owing on the 10th June, 1936, and all debts falling due after that date from persons in the United Kingdom to persons ordinarily resident or ordinarily carrying on business outside the United Kingdom in respect of the price of Roumanian goods imported into the United Kingdom shall be paid in sterling to a non-interest-bearing account at the Bank of England in the name of the Controller of the Anglo-Roumanian Clearing Office (hereinafter referred to as the Clearing Office).

(1) "Treaty Series No. 57 (1938)," Cmd. 584.

(2) "Treaty Series No. 25 (1939)," Cmd. 6018.

Where a debt is expressed to be payable in a currency other than sterling, payment shall be made in sterling at the London selling rate for sight drafts in such other currency ruling on the date of payment.

Any payment made under the provisions of this Article shall constitute a discharge to the debtor for the corresponding amount of the debt.

(2) In so far, however, as the Clearing Office is satisfied that the price of any Roumanian goods so payable includes an amount in respect of freight and other similar charges 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) Payments in advance in respect of the purchase of Roumanian goods to be imported into the United Kingdom may, subject to the consent of the Clearing Office, be made to the Bank of England for the account of the Clearing Office.

Where any such payment in advance is subsequently proved to exceed the debt payable to the Clearing Office in respect of the purchase in question, the Clearing Office shall not be under obligation to refund the excess, or any part thereof, until the amount of that excess, or such part thereof, has been recovered from the nominated beneficiary in Roumania in accordance with the provisions of Article 3 (iv) of this Agreement.

#### ARTICLE 3.

All sterling paid to the Bank of England for the account of the Clearing Office in respect of the price of imports into the United Kingdom of Roumanian goods or under the arrangements set forth in Article 2 (3) of this Agreement shall, on the coming into operation of this Agreement, be allocated by the Clearing Office as follows:—

(i) As regards any payment in respect of a debt due to any Roumanian Oil Company in respect of imports of oil, the Clearing Office shall transfer to a non-interest-bearing account at the Bank of England in the name of the Controller of the Clearing Office (hereinafter referred to as the Special Account), 50 per cent. of that payment or such higher proportion as may be fixed by agreement between the Clearing Office and the National Bank of Roumania.

Out of any balance of such payment not transferred to the Special Account, the Clearing Office may transfer to a non-interest-bearing account at the Bank of England in the name of the Controller of the Clearing Office (hereinafter referred to as the Repayments Account) an amount equal to 30 per cent. of that payment. Amounts credited to the Repayments Account shall, at the request of the Oil Company concerned, be repaid direct to a person in the United Kingdom for use in accordance with the provisions of paragraph 9 of Annex II to the Protocol.

The balance of the payment shall be transferred to a non-interest-bearing account at the Bank of England in the name of the Controller of the Clearing Office (hereinafter referred to as the Oil Account), and shall be utilised to pay such sums to persons in the United Kingdom as may be necessary to enable the Oil Company concerned to meet its sterling requirements for payments to be made in the United Kingdom. Payments shall only be made from this Account with the prior approval of the National Bank of Roumania and on instructions given by them to the Clearing Office.

There shall be transferred from the Oil Account to the Special Account any amounts standing in the Oil Account at the close of business on the last day of June, September, December and March in any year to the credit of an Oil Company in excess of 25 per cent. of the payments into the Oil Account to the credit of that Oil Company during the preceding three months. Sums may also be transferred from the Oil Account to the Special Account at any time at the request of the Oil Companies concerned.

(ii) As regards any payments received in respect of the price of Roumanian goods under the facilities provided by Article 10 of this Agreement the Clearing Office shall pay to a non-interest-bearing account to be opened at the Bank of England in the name of the National Bank of Roumania (hereinafter referred to as the Miscellaneous Account), one half of the percentage to be surrendered in accordance with the provisions of Article 10 (2) subject to a maximum payment of £70,000 each year from the date of coming into force of this Agreement, and shall pay to the Ordinary Account of the National Bank of Roumania at the Bank of England the balance of the said percentage and any percentage to be surrendered in accordance with the provisions of any arrangements approved under Article 10 (1). The remainder shall be transferred to a non-interest-bearing account at the Bank of England, in the name of the Controller of the Clearing Office (hereinafter referred to as the Compensation Transactions Account) for distribution in accordance with Article 11 of this Agreement.

(iii) As regards all other payments received in respect of the price of Roumanian goods—

- (a) 20 per cent. shall be credited to a non-interest-bearing account at the Bank of England in the name of the Controller of the Clearing Office (hereinafter referred to as the General United Kingdom Account) for distribution in accordance with Article 12 of this Agreement.
- (b) 40 per cent. shall be credited to a non-interest-bearing account at the Bank of England in the name of the Controller of the Clearing Office (hereinafter referred to as the United Kingdom Goods Account) for distribution in accordance with Article 13 of this Agreement.
- (c) 40 per cent. shall be transferred to the Special Account.

The percentages referred to in (a), (b) and (c) of this paragraph may be altered by agreement between the Clearing Office and the National Bank of Roumania on the recommendation of the Consultative Committee referred to in Article 20.

(iv) Sums credited to the Compensation Transactions Account, the General United Kingdom Account or the United Kingdom Goods Account in respect of payments made under the arrangements set forth in Article 2 (3) shall not be recorded in the separate sub-accounts referred to in Articles 11, 12, and 13 of this Agreement, before the importation of the Roumanian goods into the United Kingdom has been established to the satisfaction of the Clearing Office, unless the person or bank in Roumania respectively nominated at the time of payment as the beneficiary request the Clearing Office, in a form to be agreed between the Clearing Office and the National Bank of Roumania, so to record them and, if it is subsequently proved that any such advance payment exceeds the corresponding debt payable to the Clearing Office, to refund the excess out of the sterling balances in the appropriate sub-accounts.

#### ARTICLE 4.

On and after the coming into force of this Agreement the sterling paid or to be paid to the credit of the Special Account shall be distributed by the Clearing Office to non-interest-bearing Sub-Accounts at the Bank of England in the name of the National Bank of Roumania as follows :—

- (i) To Sub-Account A, £80,000 in the month of July 1939, and £55,000 in each month thereafter until the 31st March, 1940, and £80,000 in each month thereafter for distribution in accordance with Article 5. Any deficiency in this allocation in any month shall, to the extent that sterling has been placed at the disposal of the National Bank of Roumania under this Article during the twelve months preceding that month, notwithstanding that such sterling may have been regarded as a repayment under the provisions of Article 14 (4), be made up by the National Bank of Roumania. If sufficient sterling has not been placed at the disposal of the National Bank of Roumania the deficiency shall be carried forward to and made up in the subsequent month or months after the normal distributions have been made to the Sub-Accounts. This provision may be altered at any time by agreement between the two Contracting Governments.
- (ii) Thereafter to Sub-Account D £25,000 in each month from the 1st August, 1939, to the 31st March, 1940, and in each month from the 1st July, 1939, after any allocation due in that month to Sub-Account D as aforesaid has been made to Sub-Accounts B, D and F, £70,000 in the proportion of 12 per cent. to Sub-Account B, 55 per

cent. to Sub-Account D and 33 per cent. to S Account F. Any deficiency in these allocations in any month shall, to the extent that sterling has been placed at the disposal of the National Bank of Roumania under this Article during the twelve months preceding that month, notwithstanding that such sterling may have been regarded as a repayment under the provisions of Article 14 (4), be made up by the National Bank of Roumania. If sufficient sterling has not been placed at the disposal of the National Bank of Roumania, the deficiency shall be carried forward to and made up in the subsequent month or months after the normal distributions have been made to the Sub-Accounts.

- (iii) The remainder to the Ordinary Account of the National Bank of Roumania at the Bank of England subject to the above provisions relating to the making up of deficiencies.

#### ARTICLE 5.

The balance standing to the credit of Sub-Account A shall be utilised for the following purposes:—

(1) £2,500 a month shall be paid to the Ordinary Account of the National Bank of Roumania at the Bank of England.

(2) 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 made or 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, (ii) payments in respect of securities or other evidences 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, and (iii) payments due in the United Kingdom in respect of Paying Agents' charges and commissions.

British holders shall mean (a) persons of whatever nationality ordinarily resident or ordinarily carrying on business in the United Kingdom; (b) holders of bonds of the  $4\frac{1}{2}$  per cent. Consolidation (Funding) Loan, 1934, issued in London by the Council of Foreign Bondholders, bonds of the 4 per cent. External Loan, 1922, bonds of the sterling issue of the 7 per cent. Monopolies Loan, 1929, and "Sterling Bonds" of  $4\frac{1}{2}$  per cent. Loan of 1913, to the extent of their holding; (c) holders of War Damage Bonds issued to certain Oil Companies who were signatories to Agreements made between those Companies and the Roumanian Government in London on the 1st November, 1926, or in Paris on the 10th December, 1934, to the extent of their holdings of War Damage Bonds issued to them and to which those Agreements relate; (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.

#### ARTICLE 6.

The balance standing to the credit of Sub-Account B shall be utilised for payments in respect of outstanding short-term banking credits and bank debts in accordance with such arrangements as exist, or as may be made, between the National Bank of Roumania and the Joint Committee of British Short-Term Creditors.

#### ARTICLE 7.

(1) Sums standing to the credit of Sub-Account D shall be utilised in the first place for the payment of 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 (hereinafter referred to as outstanding trade debts). Sterling shall be allocated for payment of the debts to which this paragraph applies 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.

(2) When the balance in Sub-Account D exceeds the amount necessary to pay the outstanding trade debts in respect of which debtors in Roumania have deposited lei with the National Bank of Roumania for transfer, that balance shall be available for the payment of any debts due (including interest due thereon) to persons in the United Kingdom in respect of the price of United Kingdom goods imported into Roumania before the 12th September, 1938.

(3) Payments under this Article shall be made in respect of the whole or part of a debt to the extent to which the debtor provides lei for the purpose, so far as possible in chronological order of due date.

(4) The Clearing Office shall require a declaration to be made by a person in the United Kingdom before any payment is made to him in respect of a debt to be paid through Sub-Account D, that the amount is due to him from the debtor named and has not been paid.

(5) Sums standing to the credit of Sub-Account D which are not required for the purposes stated in paragraphs (1) and (2) of this Article shall be utilised for the payments to be made by the Roumanian Government arising out of the service of the Bonds to be issued under the provisions of the Agreement relating to the giving of guarantees by the Board of Trade in connection with the export of goods from the United Kingdom to Roumania which was

made in an exchange of letters dated the 12th July, 1939, and signed on behalf of the Board of Trade and the Royal Roumanian Government respectively.<sup>(3)</sup>

#### ARTICLE 8.

The balance standing to the credit of Sub-Account F shall be utilised for the purchase of United Kingdom goods on the part of the Roumanian Government.

#### ARTICLE 9.

Sums standing to the credit of the Miscellaneous Account shall be utilised for the transfer of balances of ship passenger fares collected in Roumania on behalf of United Kingdom shipping companies and for the transfer of balances of insurance and reinsurance premiums due to persons in the United Kingdom from persons in Roumania and for such other payments as may, from time to time, be recommended by the Consultative Committee. The amount that shall be available for the transfer of balances of ship passenger monies shall be £24,000 in each year. Sterling shall be allocated for the transfer of the payments to which this Article applies at the Roumanian official rate of exchange prevailing at the date of allocation, together with the premium at which sterling is sold by the National Bank of Roumania.

#### ARTICLE 10.

(1) Such facilities as may be granted in Roumania for the special exportation of goods to provide foreign exchange for the settlement of outstanding trade debts or for the importation of goods into Roumania, shall be available for payment to persons in the United Kingdom in respect of outstanding trade debts or in respect of the supply of goods on terms not less favourable than those granted for similar payments to persons in any other foreign country. In so far as the facilities apply to the export of goods to the United Kingdom, the arrangements shall be subject to the approval of both Contracting Governments.

(2) The special approval of the Government of the United Kingdom will not be required for the export of goods specified in the Annex to this Agreement which are exported from Roumania in order to provide payment to persons in the United Kingdom under the arrangements set forth in Article 11 of this Agreement and subject to the obligation to surrender the percentage, if any, of the sterling proceeds that is specified in the Annex.

(3) The list of goods and the percentages of sterling set out in the Annex may be modified by Agreement between the two Contracting Governments, and such modifications may be made so as to come into operation on the first day of any month.

<sup>(3)</sup> The Guarantee Agreement is reproduced as an Appendix to this Paper, for convenience of reference.



## ARTICLE 11.

(1) All amounts credited to the Compensation Transactions Account in accordance with Article 3 (ii) shall be recorded in the books of the Clearing Office in separate Sub-Accounts in the names of the persons or banks in Roumania respectively nominated at the time of payment as the beneficiaries in respect of the corresponding payments made to the Bank of England. Subject to the provisions of paragraph (2) of this Article, payment shall be made from the Compensation Transactions Account at the sole request of such persons or banks in Roumania or of their nominees to the extent of the amounts standing to the credit of their respective Sub-Accounts.

(2) Of the amounts credited to each Sub-Account in accordance with paragraph (1) of this Article, 30 per cent. shall be available for payments to persons in the United Kingdom in respect of goods grown, produced or manufactured in the United Kingdom and exported to Roumania, and 70 per cent. shall be available for payments to persons in the United Kingdom in respect of any goods imported into Roumania, provided that the debt in respect of which any such payment is made is due to a person in the United Kingdom. The amount of sterling available for payments in respect of any goods if not used for the purchase of United Kingdom goods shall be utilised so far as possible for payments in respect of goods grown, produced or manufactured in a British overseas territory, colony or territory under British protection or mandated territory in respect of which a mandate is exercised by the Government of the United Kingdom of Great Britain and Northern Ireland.

(3) Any sum standing to the credit of a Sub-Account of the Compensation Transactions Account may, at the request of the person or bank in whose name such sum is recorded in accordance with paragraph (1) of this Article be surrendered to the Special Account.

(4) Notwithstanding the provisions of Article 3 (ii) and of paragraphs (1) and (2) of this Article, if the two Contracting Governments approve an arrangement under which the sterling proceeds of a special export of Roumanian goods to the United Kingdom may be devoted to the payment of debts other than debts for the supply of goods to Roumania, the sterling proceeds shall be paid to the Bank of England for the account of the Clearing Office and shall be allocated for utilisation for the purposes specified in the documents approving the special export.

(5) A copy of the export declaration made to the National Bank of Roumania in the case of the exports of goods from Roumania under the provisions of Article 10 shall accompany such goods imported into the United Kingdom. The said export declaration should be attached to the form used for making payment to the Bank of England in accordance with Article 2 or forwarded direct to the Clearing Office.

## ARTICLE 12.

(1) All amounts credited to the General United Kingdom Account in accordance with Article 3 (iii) (a) shall be recorded in the books of the Clearing Office in separate Sub-Accounts in the names of the beneficiaries nominated (at the time of payment) in respect of the corresponding payments made to the Bank of England. The beneficiaries so nominated shall be the banks in Roumania whose signatures are known to the Clearing Office, or, by arrangement with the Clearing Office, persons in Roumania other than such banks. Subject to the provisions of paragraph (2) of this Article payment shall be made from the General United Kingdom Account at the sole request of such persons or banks in Roumania or of their nominees to the extent of the amounts standing to the credit of their respective Sub-Accounts.

(2) Sums standing to the credit of the Sub-Accounts opened under the preceding paragraph shall be available for any payment in the United Kingdom by a person in Roumania to, and for the benefit of, a person in the United Kingdom.

(3) Any sum standing to the credit of a Sub-Account of the General United Kingdom Account may, at the request of the person or bank in whose name such sum is recorded in accordance with paragraph (1) of this Article, be surrendered to the Special Account.

## ARTICLE 13.

(1) All amounts credited to the United Kingdom Goods Account in accordance with Article 3 (iii) (b) shall be recorded in the books of the Clearing Office in separate Sub-Accounts in the names of the beneficiaries nominated (at the time of payment) in respect of the corresponding payments made to the Bank of England. The beneficiaries so nominated shall be the banks in Roumania whose signatures are known to the Clearing Office, or, by arrangement with the Clearing Office, persons in Roumania other than such banks. Subject to the provisions of paragraph (2) of this Article, payment shall be made from the United Kingdom Goods Account at the sole request of such persons or banks in Roumania or of their nominees to the extent of the amounts standing to the credit of their respective Sub-Accounts.

(2) Sums standing to the credit of the Sub-Accounts opened under the preceding paragraph shall be utilised only for payments to persons in the United Kingdom in respect of goods grown, produced or manufactured in the United Kingdom and exported or to be exported to Roumania.

(3) Any sums standing to the credit of a Sub-Account of the United Kingdom Goods Account may, at the request of the person or bank in whose name such sum is recorded in accordance with paragraph (1) of this Article, be surrendered to the Special Account.

(4) A sum not exceeding £50,000 may, if the Clearing Office so

agree, be transferred from the balance standing to the credit of the Sub-Account of the United Kingdom Goods Account in the name of the Roumanian National Institute of Co-operatives to the Sub-Account of the General United Kingdom Account in their name.

(5) Import licences shall be granted for the import of United Kingdom goods into Roumania to the extent necessary to utilise in full for the purchase of United Kingdom goods the sterling made available under the provisions of this Agreement for the purchase of such goods. 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 1933-35.

#### ARTICLE 14.

(1) Accounts opened or regarded as having been opened under the Payments Agreement, 1938, shall be regarded as having been opened under this Agreement, and the balances standing at the close of business on the day preceding the date of the coming into force of this Agreement to the credit of the accounts referred to in this paragraph shall be disposed of as though they had been allocated or distributed to those accounts under the provisions of this Agreement.

(2) Any surplus on Sub-Account A on the last day of the months of November, February, May and August shall, with the approval of the Clearing Office and the National Bank of Roumania, be transferred to Sub-Account D. A surplus shall not be deemed to arise on Sub-Account A until the balance of the Sub-Account is sufficient to cover the requirements of that Sub-Account for the three following months as estimated by the Clearing Office in agreement with the National Bank of Roumania. This provision shall be subject to amendment by agreement between the Clearing Office and the National Bank of Roumania in the event of it being deemed necessary by either party to make further provision for payments from Sub-Account A.

(3) If any amount which has been allocated to any of the Sub-Accounts of the Special Account is, in the opinion of the Clearing Office and the National Bank of Roumania, not required (or is not immediately required) for the purposes to which it has been allocated, such amount may, by agreement between the Clearing Office and the National Bank of Roumania, be re-allocated (subject to such provisions, if any, for subsequent restoration as may be agreed) to any of the other Sub-Accounts.

(4) The National Bank of Roumania may make advances to the Sub-Accounts of the Special Account to be repaid when and to the extent that the National Bank of Roumania and the Clearing Office are satisfied that an available surplus exists on the relative Sub-Account. Any sum in excess of £250,000 a year received by the National Bank of Roumania in accordance with the provisions of

Articles 3 and 4 of this Agreement shall, however, be regarded as a repayment of advances which have already been made to the Sub-Accounts of the Special Account under the Supplementary Payments Agreement of the 25th February, 1938,<sup>(\*)</sup> or under the Payments Agreement, 1938, or of any advances made under this Article, to the extent of any such excess.

#### ARTICLE 15.

(1) A creditor in the United Kingdom, in respect of a debt to which paragraphs (1) and (2) of Article 7 apply, shall be entitled to require the debtor in Roumania to keep deposited in a blocked account opened in the creditor's name in a bank in Roumania to be designated by the creditor an amount in lei corresponding to the amount of the debt calculated on the basis of the Roumanian official rate of exchange adjusted to allow for the premium at which sterling is sold by the National Bank of Roumania or such other rate as may be applicable in accordance with the provisions of Article 7 (1).

(2) In the case of decease of, insolvency of, or composition with a Roumanian debtor, the monies payable in respect of a debt to which paragraphs (1) and (2) of Article 7 apply shall be eligible for transfer in the same manner as the original debt.

(3) If the payment is due to the United Kingdom Export Credits Guarantee Department the production of a certificate from that Department shall be accepted by the National Bank of Roumania as proof that the money is due to that Department in respect of a debt to which paragraphs (1) and (2) of Article 7 apply.

#### ARTICLE 16.

If a Roumanian debtor is unable to produce the documents required by the National Bank of Roumania to establish the existence of a trade debt, the National Bank of Roumania shall, on receipt of a declaration of the creditor containing particulars of the debt, make such investigation of the books of the debtor as may be necessary to establish the existence and the nature of the debt.

#### ARTICLE 17.

(1) The National Bank of Roumania shall require all persons in Roumania from whom amounts are due to persons in the United Kingdom to make payments in lei to the National Bank of Roumania within the limit of the sums available on each of the Sub-Accounts of the Special Account and on the Miscellaneous Account. For this purpose debts expressed in currencies other than lei shall be converted at the Roumanian official rate of exchange adjusted to allow for the premium at which sterling is sold by the National Bank of Roumania. In the case of outstanding trade debts, such premium shall be in accordance with the provisions of Article 7 (1).

(\*) "Treaty Series No. 30 (1938)," Cmd. 5718.

(2) 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 18.

(1) The Clearing Office shall notify the National Bank of Roumania daily of payments made into the Special Account, the Miscellaneous Account, the General United Kingdom Account, the United Kingdom Goods Account, the Repayments Account, the Oil Account and the Compensation Transactions Account. The notifications shall be accompanied by such details as have been or may be agreed upon by the Clearing Office and the National Bank of Roumania.

(2) The Clearing Office shall also advise the National Bank of Roumania of the transfers made from the Special Account to the various Sub-Accounts of that Account and of the amounts credited to the Ordinary Account of the National Bank of Roumania at the Bank of England in accordance with Articles 3 and 4.

(3) On receipt of the notifications mentioned in paragraphs (1) and (2) of this Article, the National Bank of Roumania shall immediately pay to the person entitled thereto, in accordance with the laws in force in Roumania, the amount in lei corresponding to each payment or payments made into the Special Account or the Miscellaneous Account or the Ordinary Account of the National Bank of Roumania.

#### ARTICLE 19.

(1) The National Bank of Roumania shall furnish the Clearing Office with particulars of payments to be made from the various Sub-Accounts of the Special Account, from the Miscellaneous Account and from the Oil Account, and will authorise the Bank of England to transfer the necessary amounts from the Sub-Accounts and from the Miscellaneous Account to the Clearing Office. The advices of payments shall, in the case of trade debts, include the name and address of the debtor in Roumania, the name and address of the creditor in the United Kingdom, where possible the name and address of any bank in the United Kingdom which has sent documents for collection, and that bank's remittance number, the amount of the debt, the rate used for conversion in cases of debts expressed in currencies other than sterling, and the amount of the payment.

(2) In the case of goods exported from the United Kingdom to Roumania on or after the 1st June, 1936, the provisions of Articles 7 (2), 8 and 13 (2) of this Agreement 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.

(3) There shall be attached to the advices of payments issued under Articles 7 (2) and 8 of this Agreement and to the requests for

payments made under Article 13 (1) of this Agreement the relative certificates of origin in respect of goods exported on or after the 1st June, 1936, issued by the United Kingdom Chambers of Commerce (or other body authorised by the United Kingdom Government) under paragraph (2) of this Article.

ARTICLE 20.

The Contracting Governments will appoint representatives (referred to in this Agreement as the Consultative Committee) to meet at such intervals as may be agreed to consider any difficulties which may arise in the working of this Agreement or any other difficulty in respect of trade and payments between Roumania and the United Kingdom, and to make such detailed arrangements as may be necessary for the practical application of this Agreement.

ARTICLE 21.

(1) In the present Agreement "persons in the United Kingdom" shall mean persons and corporations ordinarily resident or ordinarily carrying on business in the United Kingdom.

(2) "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 Roumanian State organisations.

ARTICLE 22.

The present Agreement shall come into force on the 17th July, 1939. It 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 April, 1940.

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

Done in duplicate at London, this twelfth day of July, 1939, in English and Roumanian, both texts being equally authentic.

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

For the Government of  
Roumania :

(L.S.) OLIVER F. G.  
STANLEY.

(L.S.) V. V. TILEA.

## ANNEX.

*List of Goods, with Percentages of Sterling Proceeds, to which Article 10 of the Payments Agreement applies.*

Roumanian Tariff No.	Goods.	Percentage of Sterling Proceeds. Per cent
285	Rye ... ..	40
75, 77, 81	Skins, with fur, raw or dressed ... ..	35
178	Pig and horse hair ... ..	35
179	Cattle hair ... ..	35
309	Seeds of forage plants with the exception of lucern, trefoil and vetch seeds ... ..	35
316	Hemp seeds ... ..	35
321-322	Mustard and poppy seeds... ..	35
394	Walnuts, unshelled, shelled and chopped ... ..	35
728	Waste from the spinning of hemp and jute ... ..	35
1000	Pitch ... ..	35
1014	Petroleum coke ... ..	35
258-260	Buttons of bone, horn, hoofs or corozzo... ..	30
328	Soya bean oil ... ..	30
334-336	Sunflower oil, linseed oil and rapeseed oil ... ..	30
340-341	Pumpkin oil and castor oil ... ..	30
447	Molasses ... ..	30
867	Pyrites ... ..	30
1023	Manganese ... ..	30
67-69	Crayfish, snails, caviar ... ..	25
104	Cured skin parings ... ..	25
151-158	Woollen tissues ... ..	25
192-193	Felt hats ... ..	25
206-211	Silk tissues ... ..	25
228	Animal gut ... ..	25
250-252	Down and feathers ... ..	25
292	Semolina ... ..	25
344-345	Vegetable oil, solidified ... ..	25
351	Tomato and pimento puree ... ..	25
387	Tobacco and cigarettes ... ..	25
471-473	Hemp and linen fabrics ... ..	25
518-557	Cotton tissues ... ..	25
646	Plywood ... ..	25
647-649	Veneer ... ..	25
650	Parquet flooring and mouldings ... ..	25
730-731	Wood pulp and cellulose ... ..	25
732-774	Cardboard and paper (unprinted) ... ..	25
775-793	Manufactures of paper and cardboard ... ..	25
818-819	Rubber threads ... ..	25
824	Insulating tape ... ..	25
825	Rubber carpets and mats ... ..	25
827	Rubber tubes and pipes ... ..	25
831	Rubber footwear ... ..	25
832	Rubber heels, soles and horse-shoes ... ..	25
ex 886-891	Alabaster and alabaster articles... ..	25
ex 1354	Tin ash (and residues) ... ..	25
ex 1446	Heating apparatus ... ..	25
1424-1425	Copper taps and valves ... ..	25
1489-1504	Toys ... ..	25

Roumanian Tariff No.	Goods.	Percentage of Sterling Proceeds. Per cent.
1563-1757	Any chemicals with the exception of activated carbons, mercury, nitric acid, zinc chloride, ammonium nitrate, copper sulphate, sodium sulphide, lactic acid, ethyl ether, acetone, calcium acetate, chloroform and any special chemical preparations used in the textile industry ...	25
1760	Lamp black ... ..	25
1770	Lead oxides ... ..	25
1774	Ultramarine and any other blue colours ... ..	25
1778	Pencils ... ..	25
21	Pheasants, dead ... ..	20
33	Fresh meat ... ..	20
39	Salami ... ..	20
40	Preserved meat of all kinds, hermetically packed ... ..	20
44	Trussed poultry ... ..	20
45	Eggs in any form except eggs for hatching ... ..	20
105-121	Leather manufactures ... ..	20
159-161	"Roumanian" carpets ... ..	20
163-177	Knitted-wear of wool ... ..	20
216-219	Knitted-wear of artificial silk ... ..	20
235	Galalite ... ..	20
238	Non-comestible gelatine ... ..	20
291	Malt extract ... ..	20
419	Dried, smoked or scalded fruit ... ..	20
420	Crushed pimentos ... ..	20
421-422	Mustard powder and prepared mustard ... ..	20
435	Chocolate and manufactures of chocolate ... ..	20
592-593	Home-woven materials ... ..	20
ex 595	Berets ... ..	20
616	Woollen clothing ... ..	20
620	Artificial flowers ... ..	20
621	Flowers and foliage for decorative purposes ... ..	20
640	Staves and ends of barrels ... ..	20
642 (a), 643A	Oak barrels ... ..	20
883, 884	Mica in sheets or powder ... ..	20
959, 996	Glassware and window glass ... ..	20
1049-1050	Iron sheets and galvanised iron sheets ... ..	20
1069-1071	Boot and shoe pegs and nails ... ..	20
1077-1078	Cast-iron pipes ... ..	20
1083-1085	Iron stoves ... ..	20
1087-1088	Iron containers ... ..	20
1089	Cast-iron articles for sanitary installations, including enamelled articles ... ..	20
1093-1094	} Ironware ... ..	20
1096-1097		
ex 1105	Railway points and crossings ... ..	20
1107	Iron tyres for wheels ... ..	20
ex 1103	} Pairs of wheels ... ..	20
ex 1109		
1133-1134	Parts (cast and forged) ... ..	20
1141	Barrels made of sheet iron ... ..	20
1142-1143	Stoves ... ..	20
1144	Enamelled containers ... ..	20
1148	Lanterns and lamps ... ..	20
1149	Oil lamp burners ... ..	20



Roumanian Tariff No.	Goods.	Percentage of Sterling Proceeds. Per cent.
1158-1160	Articles made of sheet iron, even combined with wood or other common material, dyed, coated with tin, zinc, copper or brass, lithographed, enamelled, nickelled, silvered, gilt ...	20
1161	Lighting articles made of iron or sheet iron, such as candelabra, lamps, &c. ...	20
1165	Iron fasteners ...	20
1167	Cutlery of iron and steel ...	20
1232	Textile machinery ...	20
1236-1288	Perambulators, bicycles and tricycles ...	20
1328	Lead manufactures... ..	20
1332-1333	Lead pipes ... ..	20
1364-1365	Tin pipes ... ..	20
1381-1382	Aluminium caps and pipes ... ..	20
1400	White metal cutlery ... ..	20
1437	Copper fasteners ... ..	20
—	Timber ... ..	20
10, 11, 13	Lambs, sheep and rams other than Caracul ... ..	15
30	Edible animal fats (lard, pork fat, &c.) ... ..	15
ex 30	Margarine ... ..	15
31, 32	Cheese ... ..	15
36	Bacon ... ..	15
37	Salted or pickled meats or dried meat... ..	15
38	Salted or smoked meat ... ..	15
41	Pastes of game, fowl or liver ... ..	15
42	Meat extracts ... ..	15
ex 42	Comestible gelatine... ..	15
49	Fish, fresh or frozen ... ..	15
72, 73	Preserved fish ... ..	15
74	Honey ... ..	15
122, 130	Leather shoes ... ..	15
188, 189	Felt hat shapes ... ..	15
231	Cattle horns ... ..	15
272	Glue ... ..	15
295	Pea flour ... ..	15
299	Farinaceous pastes... ..	15
304	Starch ... ..	15
305	Gluten ... ..	15
307-308	Lucern and trefoil seeds ... ..	15
347	Onions and garlic ... ..	15
348	Potatoes ... ..	15
349	Mushrooms ... ..	15
350	Dried vegetables ... ..	15
352-353	Preserved vegetables ... ..	15
ex 361	Dry maize residues... ..	15
362	Dry sugar-beet pulp ... ..	15
365-369	Medicinal plants ... ..	15
339-393	Fresh fruit ... ..	15
431	Malt extract ... ..	15
436-437	Spirits and liqueurs ... ..	15
443	Beer ... ..	15
445	Yeast from beer and alcohol ... ..	15
449-460	Sugar and sugar products ... ..	15
555-558	Ropes and rope strings ... ..	15
645	Wooden spokes ... ..	15
651	Chair seats and backs ... ..	15

Roumanian Tariff No.	Goods.	Percentage of Sterling Proceeds. Per cent.
655-659	Furniture ... ..	15
660-687	Articles of wood ... ..	15
ex 714	Broom straw... ..	15
716	Straw brooms ... ..	15
834-835	Vulcanised rubber goods for technical, industrial and medical purposes ... ..	15
860	Mineral waters ... ..	15
861	Salt ... ..	15
863-871	Filtering soil... ..	15
864	Caolin ... ..	15
886-891	Marble and articles of marble ... ..	15
915	Plaster of Paris and lime ... ..	15
917	Talc ... ..	15
919	Chalk ... ..	15
920	Cement... ..	15
927	Ceramic products ... ..	15
930	Tiles ... ..	15
998	Natural bitumen ... ..	15
1003-1007	Coal, briquettes, &c. ... ..	15
1024	Ozocerite ... ..	15
1278	Electric bulbs ... ..	15
1289	Heavy motor vehicles ... ..	15
1312	Locomotives ... ..	15
1687	Acetone ... ..	15
29	Butter ... ..	5
43	Game of any description, dead ... ..	5
76	Rabbit and hare skins ... ..	5
ex 77	Hamster and field-mouse skins ... ..	5
ex 288	Peas and soya beans ... ..	5
346	Fresh vegetables ... ..	5
439	"Tuica" and plum brandy ... ..	5
440-441	Wine ... ..	5
634	Vines for grafting ... ..	5
689	Shavings in bales ... ..	5
710, 713, 717	Baskets and rush mats ... ..	5
1055-1057	Coated iron or steel wire ... ..	5
1694	Calcium acetate ... ..	5

The goods specified in this list remain subject to such laws, regulations and other arrangements as are, or may be, in operation in Roumania and in the United Kingdom with regard to the export and import of the goods in question. c

PROTOCOL.

At the moment of signing the Payments Agreement of this day's date between the Government of the United Kingdom of Great Britain and Northern Ireland and the Royal Roumanian Government, the undersigned, being duly authorised to that effect, declare that they have agreed on the provisions set out in this Protocol, which shall form an integral part of the above-mentioned Agreement.

1. The Roumanian Government will arrange for the purchase in the United Kingdom of the following goods to the values stated to be delivered before the 1st January, 1940 :—

	£
Extra hard cotton yarns for peasant use to the value of ... ..	100,000
Cotton yarns for industrial use to the value of ... ..	350,000
Woollen and worsted yarns to the value of ... ..	100,000
Carded wool to the value of ... ..	200,000

2. The contracts for the purchase of the goods shall provide for delivery to be taken within 15 days of the arrival of the goods at the place of delivery and for payment in sterling to be made within 30 days of the handing over of the respective documents to the purchaser or his representative. The Roumanian Government agree to be responsible for effecting such payment.

3. Payment for the goods purchased as aforesaid shall be effected in the following manner :—

- (a) as regards extra hard cotton yarns for peasant use, out of the balance of sterling standing to the credit of the Roumanian National Institute of Co-operatives in the United Kingdom Goods Account of the Anglo-Roumanian Clearing; and
- (b) as regards the other yarns and wool, through the instrumentality of the Agreement relating to the giving of guarantees by the Board of Trade in connection with the export of goods from the United Kingdom to Roumania which was made this day in an exchange of letters signed on behalf of the Board of Trade and the Royal Roumanian Government respectively (hereinafter referred to as the Guarantee Agreement).<sup>(2)</sup>

4. The arrangements set forth in this Protocol shall apply only to exported 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.

<sup>(2)</sup> The Guarantee Agreement is reproduced as an Appendix to this Paper, for convenience of reference.

5. In the case of payments to be made through the instrumentality of the Guarantee Agreement, the certificates of origin referred to in paragraph 4 shall be forwarded by the Roumanian Government to the Export Credits Guarantee Department.

6. The Roumanian authorities shall furnish to the Board of Trade, London, a list of the Roumanian importers who will be permitted to import goods under this arrangement. The Roumanian authorities shall issue, in duplicate, to such importers special import licences bearing reference to the present arrangement for the goods to which this Protocol applies and of the class and value of the goods which they respectively will be permitted to import. A copy of the special import licence relating to the goods which he contracts to purchase shall be furnished without delay by the importer to the United Kingdom supplier.

7. Copies of the contracts for the purchase of the goods together with copies of the respective import licences shall be furnished by the United Kingdom supplier to the Clearing Office in respect of the purchases of extra hard cotton yarns for peasant use.

8. Copies of the contracts for the purchase of the goods other than extra hard cotton yarns for peasant use shall be furnished by the Roumanian Minister or Chargé d'Affaires in London to the Export Credits Guarantee Department, who shall have the right to require production by the United Kingdom supplier of the goods of a copy of the special import licence referred to in paragraph 6 above.

9. The contracts for the purchase of the goods other than extra hard cotton yarns for peasant use shall be regarded for the purposes of the Guarantee Agreement as contracts made by the Roumanian Government in regard to which the Guarantee Agreement shall apply subject to the following modifications:—

The obligation of the Board of Trade to give guarantees under paragraph 1 of the Guarantee Agreement in accordance with the provisions of sub-paragraphs (a) to (k) of the said paragraph shall, in relation to contracts for the purchase of goods to which this Protocol relates, be construed as if the provisions of this Protocol were substituted for sub-paragraphs (a) to (h), (j) and (k) of the paragraph.

Done in duplicate at London, this 12th day of July, 1939, in English and Roumanian, both texts being equally authentic.

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

OLIVER F. G. STANLEY.

For the Royal Roumanian Government:

V. V. TILEA.

## APPENDIX.

## GUARANTEE AGREEMENT.

No. 1.

*Mr. Stanley to M. Tilea.*

Sir,

*Board of Trade, London, July 12, 1939.*

I HAVE the honour to inform you that the Board of Trade are prepared to enter into an agreement with the Royal Roumanian Government in the following terms regarding the giving of guarantees to encourage sales of United Kingdom goods to the Royal Roumanian Government.

1. The Department will give guarantees having a maximum total value of £5,612,300 Sterling and the agreed interest thereon in connection with the export of goods from the United Kingdom to Roumania in accordance with the following provisions:—

(a) This Agreement shall apply only to contracts made not later than the 31st May, 1940, which comply with the provisions of the Agreement.

(b) Every contract shall be made by the Royal Roumanian Government or its representatives with persons resident and carrying on business in the United Kingdom or with companies incorporated in the United Kingdom and carrying on business therein, and shall be for the purchase and export from the United Kingdom of goods which comply with the provisions of this Agreement or, subject to sub-paragraph (h), for the purchase of material or the provision of work or services outside the United Kingdom in connection with the purchase and export from the United Kingdom of goods which comply with the provisions of this Agreement.

(c) Every contract shall provide for terms of payment approved by the Department, and shall in other respects be as far as possible in accordance with the usual practice of the trade or industry concerned.

(d) Every contract shall provide that any dispute or difference which may arise between the contracting parties in connection with or in consequence of the contract shall be settled by arbitration subject to the following procedure. Each side shall appoint one arbitrator. In the event of the arbitrators appointed failing to reach agreement, or the one side failing to appoint an arbitrator within seven days of being required so to do by the other side, an Umpire shall be appointed by common accord, or failing such accord the President of the Permanent Court of International Justice at the Hague shall forthwith be invited to appoint an Umpire, and should

he decline, the Royal Roumanian Government and the Department shall agree by whom the Umpire shall be appointed. The decision of the two arbitrators, or, if an Umpire shall be appointed, the decision of the Umpire, shall be conclusive and binding on both parties to the contract.

(e) Every contract shall provide for inspection (and where practicable, acceptance) in the United Kingdom by the Royal Roumanian Government, or by a person duly authorised on their behalf, of all goods before shipment.

(f) The nature of the goods to which these contracts may relate shall be agreed between the Department and the Royal Roumanian Government.

(g) The goods shall be wholly or mainly manufactured in the United Kingdom, as defined in the Certificates attached to this letter.

(h) The cost of any material purchased or of any work or services performed outside the United Kingdom in respect of which the Department may be called upon to give guarantees, shall not exceed such proportion of the total value of the goods exported from the United Kingdom as may be agreed with the Department in respect of each contract.

(i) Shipment of the goods to which the contracts relate shall, unless the Department agree otherwise, be made in British bottoms, and insurance shall be placed with persons, firms or companies carrying on the business of insurance in the United Kingdom.

(j) A copy of every contract to which the Royal Roumanian Government propose that this Agreement shall apply shall be sent to the Department by the Roumanian Minister or Chargé d'Affaires in London immediately after the contract is made, together with a Certificate in the form "A" attached. The Roumanian Minister or Chargé d'Affaires shall notify the Department of any agreement which constitutes a material modification or amplification of any contract, and in the event of such agreement being in writing a copy of the said agreement shall be sent by the Roumanian Minister or Chargé d'Affaires to the Department.

(k) The person or company in the United Kingdom with whom a contract is made shall be bound by the contract to furnish to the Department from time to time as the Department shall direct a certificate in the form "B" attached, and if the Department so desire, the corroboration referred to therein. This Agreement shall not apply to any contract unless the relative Certificates and corroboration, where required, have been furnished in good time to the satisfaction of the Department.

2. The guarantees to be given by the Department under this Agreement shall be given in accordance with the following provisions :—

(a) The Roumanian Minister or Chargé d'Affaires in London shall not less than seven days before any payments fall due under contracts to which this Agreement applies furnish to the Department a certified

schedule of such payments indicating the contracts to which they relate, and the respective dates on which they are to be made.

(b) The Roumanian Minister or Chargé d'Affaires in London shall when furnishing the said Schedule present to the Department Bond Certificates in the form "C" attached exchangeable as mentioned below for Bearer Bonds in the form "D" attached bearing interest at the rate of 5 per cent. per annum and repayable not later than the 15th November, 1959, and securing a nominal amount approximately equal to the total amount of the payments due to be made as shown in the Schedule and the stamp duty payable in respect of the Bonds. The total nominal amount of the Bond Certificates presented to the Department under this Agreement shall not in the aggregate exceed £5,612,300.

(c) Within seven days from presentation of the said Schedule and the Bond Certificates to the Department and subject to the conditions of this Agreement being complied with the Department shall guarantee both as to principal and interest the Bond Certificates and the Bonds to be issued in exchange therefor and shall forward such Bond Certificates to the Bank of England for countersignature and issue against payment of such sum (not being below par) as the Department may approve. Out of the proceeds of issue the Bank of England shall discharge the stamp duty payable on the Bonds to be issued in exchange for such Bond Certificates and shall pay a sum equal to the nominal amount of the Bond Certificates so issued (less stamp duty as aforesaid) into a Special Account to be opened in the name of the Royal Roumanian Government at the Midland Bank, Limited, Overseas Branch, London, and shall pay to the Department the remaining balance (if any) which shall be at the sole disposal of the Department. At the time of issue the Coupons attached to Bond Certificates shall be completed by the Bank of England.

(d) The said Bond Certificates shall following issue by the Bank of England be exchangeable upon surrender at the Bank of England for Bearer Bonds as aforesaid in denominations of £100, £500 and £1,000 (as the Department may require) having an aggregate nominal value equal to the aggregate nominal value of the Bond Certificates so exchanged.

3. The money in the Special Account referred to in Sub-paragraph (c) of the last preceding paragraph shall be subject to withdrawal only for payments included in the schedules referred to in Sub-paragraph (a) of that paragraph, and all withdrawals shall be subject to the confirmation of the Department. The arrangements with the Midland Bank, Limited, Overseas Branch, London, in regard to the operation of the said Special Account shall be approved by the Department prior to the presentation of any Schedule or Bond Certificate to the Department.

4. If any balance remain in the Special Account after the payment of all sums due in respect of contracts to which this Agreement applies, the Royal Roumanian Government shall, within three months from the completion of such payments, make further contracts

sufficient to exhaust such balance, and the provisions of this Agreement shall apply to such further contracts in the same way as they apply to the first-mentioned contracts.

5. The guarantees given by the Department shall be implemented in accordance with the following provisions :—

(a) In the event of any deficiency in the provision of the whole or some part of the moneys payable in respect of interest or redemption payments under the terms of the Bonds the Bank of England shall forthwith notify the Department of such deficiency and certify the extent of such deficiency.

(b) Within ten days of the receipt by the Department of such notification the Department shall pay to the Bank of England an amount equal to such deficiency.

(c) In the event of the Department being called upon to pay and paying any sum or sums under their guarantees such sum or sums shall become a debt due to the Department from the Royal Roumanian Government and shall carry interest from the respective dates of payment of the same until repaid at the rate of 5 per cent. per annum.

If the Royal Roumanian Government are prepared to accept the foregoing provisions, I have the honour to suggest that the present letter and your reply to that effect be regarded as constituting an agreement between the Board of Trade and the Royal Roumanian Government.

I have, &c.

(Signed) OLIVER F. G. STANLEY



" A. "

ROUMANIA.

*Certificate A.*

Contract No..... Dated..... Amount.....

between ..... and.....

I/We .....

of .....

hereby certify that goods to the value of £..... are to be supplied by me/us under the above-mentioned Contract entered into by me/us on ..... and I/we undertake to make arrangements which will ensure that at least 50 per cent. of the sale price of these goods will be derived from expenditure in respect of materials grown or produced or work done in the United Kingdom.

*Signed on behalf of* .....*Signature* .....*Qualifications of Signatory* .....

To the Export Credits Guarantee Department,  
Board of Trade,  
9 Clement's Lane,  
London, E.C. 4.

" B. "

ROUMANIA.

*Certificate B.*

Contract No..... Dated..... Amount.....

between ..... and .....

I/We .....  
of .....  
hereby certify that the goods to the value of £..... are  
ready to be supplied by me/us under the above-mentioned Contract  
entered into by me/us on ..... and that at least  
50 per cent. of the sale price of these goods is derived from expendi-  
ture in respect of materials grown or produced or work done in the  
United Kingdom.

If required, I/we undertake to corroborate this statement by  
production to you or your nominee of a Certificate signed by a  
Chartered Accountant or Incorporated Accountant registered and  
practising in the United Kingdom.

*Signed on behalf of* .....*Signature* .....*Qualifications of Signatory* .....

To the Export Credits Guarantee Department,  
Board of Trade,  
9 Clement's Lane,  
London, E.C. 4.

“ C. ”

*Temporary Bond Certificate.*

KINGDOM OF ROUMANIA.

£5 per cent. Guaranteed Sterling Bonds, 1939/1959.

Certificate of Bond to Bearer.

£..... A.000000.

This Certificate when duly completed and countersigned for identification on behalf of the Governor and Company of the Bank of England entitles the *Bearer* to receive in exchange therefor Bonds to Bearer (in denominations of £100, £500 or £1,000) to an aggregate nominal value of

.....Pounds

of Kingdom of Roumania £5 per cent. Guaranteed Sterling Bonds 1939/1959 with Coupons attached.

A Special Coupon payable on the.....is attached hereto.

.....  
*Minister of Finance.*

.....  
*Director-General of the Budget  
and Public Accounts.*

.....  
*Director of the Public Debt  
Department.*

The Board of Trade of the United Kingdom of Great Britain and Northern Ireland in exercise of the powers conferred by guarantees the due payment of the Interest Coupon attached hereto and of the principal of and interest on the Bonds issued in exchange for this Certificate.

Dated the , 19 .

For and on behalf of the Board of Trade of the United Kingdom of Great Britain and Northern Ireland.

(Signed).....

Countersigned for identification for and on behalf of the Governor and Company of the Bank of England as Paying Agents for the Royal Roumanian Government.

.....  
*An Authorised Cashier.*

KINGDOM OF ROUMANIA.

£5 per cent. Guaranteed Sterling Bonds 1939/1959.

Coupon for.....Pounds (less Income Tax) for interest due , 19 .

A.000000.

Payable at the Bank of England, London. £.....

" D. "

Form of Definitive Bond.

£.....

No.....

## KINGDOM OF ROUMANIA.

*Issue of £5,612,800 £5 per cent. Guaranteed Sterling Bonds  
1939/1959.*

Due Payment of the Principal and Interest Guaranteed by the Board of Trade of the United Kingdom of Great Britain and Northern Ireland in exercise of powers conferred by

*Repayable by means of a Cumulative Sinking Fund operated by  
half-yearly drawings at par.*

Authorised by ..... and issued pursuant to an Agreement made the 12th July, 1939, between the Royal Roumanian Government and the Board of Trade of the United Kingdom of Great Britain and Northern Ireland.

Bonds to Bearer in denominations of £100, £500 and £1,000.

This Bond for £ ..... is one of the above-mentioned £5 per cent. Guaranteed Sterling Bonds and is issued upon and subject to the conditions endorsed hereon.

The Kingdom of Roumania undertakes to pay to the Bearer of this Bond the principal sum of £ ..... ( ..... Pounds), in sterling on the 15th November, 1959, or on such earlier date as this Bond may become payable.

The Kingdom of Roumania undertakes to pay interest calculated from the date of the guarantee of the Board of Trade of the United Kingdom of Great Britain and Northern Ireland endorsed hereon at the rate of five per centum per annum on the principal sum secured by this Bond half-yearly on the 15th May and the 15th November in each year against presentation of the relative Coupons up to and including the day when this Bond becomes due.

The principal of and the interest on this Bond are payable in sterling in London at the Bank of England.

BUCHAREST, the ..... , 19 ..

.....  
*Minister of Finance.*

.....  
*Director-General of the Budget  
and Public Accounts.*

.....  
*Director of the Public Debt  
Department.*

Guaranteed by the Board of Trade of the United Kingdom of  
Great Britain and Northern Ireland on the \_\_\_\_\_ day  
of \_\_\_\_\_, 19 \_\_\_\_\_

Countersigned for identification  
for and on behalf of the  
Governor and Company of  
the Bank of England as  
Paying Agents for the Royal  
Roumanian Government :

.....  
An Authorised Cashier.

—————  
CONDITIONS (to be endorsed on Bond).  
—————

1. In these Conditions "Bonds" includes Bond Certificates.  
2. The total authorised amount of the Bonds is limited to  
£5,612,300.

3. The whole of the Bonds shall rank as from the respective  
dates of issue *pari passu* in all respects upon the terms of these  
Conditions.

4. Interest payable on the next succeeding 15th day of May  
or 15th day of November as the case may be calculated from the  
date of the grant of the guarantee of the Board of Trade of the  
United Kingdom of Great Britain and Northern Ireland (hereinafter  
referred to as "the Board of Trade") shewn on this Bond will be  
payable on presentation of the Special Coupon attached to the Bond  
Certificate.

5.—(a) Funds for the payment of interest on and redemption  
of the Bonds shall be provided by the Kingdom of Roumania to the  
Bank of England in half-yearly amounts to be calculated in respect  
of each half-year as mentioned below by the Actuary to His  
Majesty's Government in the United Kingdom of Great Britain and  
Northern Ireland.

(b) The amount to be provided in each half-year ending the  
15th day of May or the 15th day of November as the case may be  
in respect of each issue of Bonds guaranteed by the Board of Trade  
on any one date shall be the amount of one half-year's interest on  
the original nominal amount of the Bonds of that issue, together  
with the amount required in the first complete half-year to redeem  
at par the whole of the Bonds of that issue by the 15th day of  
November, 1959, by the operation of a half-yearly cumulative  
Sinking Fund. Provided that the amount (if any) to be provided  
in the half-year ending the 15th day of November, 1939, shall be

limited to the amount required for the payment of interest accrued during that half-year.

(c) Upon any Bonds being guaranteed during the currency of a half-year ending as aforesaid, such adjustment shall be made in the sum to be paid in respect of the Bonds of that issue as the said Actuary shall certify to be appropriate. As soon as the whole of the Bonds shall have been issued the amount of the half-yearly sums to be provided as aforesaid throughout the remainder of the life of the Bonds shall be finally determined by the said Actuary.

(d) Not later than the 1st day of May and the 1st day of November in every year commencing with the 1st day of November, 1939, the Kingdom of Roumania shall pay to the Bank of England in sterling the amount certified by the said Actuary to be due as mentioned above in respect of the then current half-year. Out of the amount so received, the Bank of England shall satisfy the interest due on the next succeeding interest payment date, and shall apply the balance (if any) in the redemption at par of Bonds to be selected by half-yearly drawings as mentioned below.

(e) The Actuary shall exclude from each calculation all Bonds guaranteed within one month prior to the next succeeding interest payment date and interest on such Bonds payable on such interest payment date shall be paid to the Bank of England by the Kingdom of Roumania upon demand.

(f) The drawings in respect of every half-year shall be made between the 16th day of April and the 30th day of April and the 16th day of October and the 31st day of October respectively, and the Bonds so drawn for redemption shall be due for payment on the next succeeding 15th day of May or 15th day of November, as the case may be (hereinafter called "the payment date").

(g) The drawings shall be effected at the Bank of England in such manner and by and in the presence of such person or persons and at such times and subject to such regulations as the Bank of England, after consultation with the Royal Roumanian Government, may deem expedient. The Royal Roumanian Government shall be entitled to nominate a representative to be present at such drawings.

(h) Forthwith after any such drawing shall have been effected the Bank of England shall take or cause to be taken such steps as the Bank of England shall deem expedient for notifying the Bondholders whose Bonds shall have been drawn for redemption and for naming a time and place and generally for providing for the presentation for payment and cancellation of such Bonds complete with interest Coupons maturing after the payment date against payment of the redemption price thereof. The Bank of England may also, where necessary, publish in each year a list of the numbers of the Bonds drawn in preceding years which have not been presented for payment.

6. Any of the Bonds outstanding on the 15th day of November, 1959, shall be redeemed at par on that date and the Kingdom of Roumania shall at least fifteen days before such date pay or cause to

be paid to the Bank of England such sums in sterling as shall together with the sums then in their hands and available for the purpose of redemption be sufficient to provide for such redemption.

7. All Bonds redeemed pursuant to these conditions shall be cancelled by the Bank of England and shall not be re-issued.

8. Should any of the Bonds or Coupons be lost, mutilated or destroyed from any cause the Kingdom of Roumania shall cause to be delivered to the holders duplicate Bonds or Coupons, as the case may be, of like amount (and comprising the like guarantee of the Board of Trade) upon payment of the expenses occasioned by their substitution after the Bank of England have had all such evidence as the Bank, after consultation with the Royal Roumanian Government, may deem expedient of such loss, mutilation or destruction and of the rights of the claimants and after all necessary formalities shall have been complied with, including reimbursement for expenses and indemnity, to the satisfaction of the Bank of England.

9. The principal of and interest on the Bonds shall be paid without deduction for any present or future taxes, dues, duties, impositions or charges whatsoever of or for the benefit of the Kingdom of Roumania or any municipal, local or other authority therein, and neither the Bonds nor any document or letter bearing upon the Bonds shall be subject to any Roumanian registration fees, stamp duties or other duties or charges or contributions of any nature, present or future.

10. No drawn Bond shall continue to carry interest after the payment date of such Bond.

11. The principal of and interest on the Bonds shall not be liable to be prescribed by lapse of time.

12. The Bonds being issued in Sterling in London with the guarantee of the Board of Trade shall be read and construed in accordance with the law of England, and in the event of any question or dispute arising thereunder the law to be applied shall be the law of England.

*Coupon.*

Div. No.....

Kingdom of Roumania £5 per cent. Guaranteed  
Sterling Bonds 1939/1959.  
(Guaranteed by the Board of Trade of the United  
Kingdom of Great Britain and Northern Ireland)

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Coupon for .....(less income tax)  
being six months' interest on Bond for..... A  
due ..... 19..... 000000  
Payable at the Bank of England, London £

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No. 2.

*M. Tilea to Mr. Stanley.**Legatiunea Regala a Romaniei,  
Londra, July 12, 1939.*

Sir,

I HAVE the honour to acknowledge the receipt of your letter of the 12th July, 1939, which is in the following terms :—

[As in No. 1.]

I have the honour to inform you that the Royal Roumanian Government accept the foregoing provisions as constituting an agreement between them and the Board of Trade.

I have, &amp;c.

(Signed) V. V. TILEA.