

N° 2058.

ALLEMAGNE ET ROUMANIE

Convention destinée à mettre fin aux différends financiers existant entre les deux pays, signée à Berlin, le 10 novembre 1928, avec protocole final signé à Berlin, le 6 décembre 1928, et échange de notes y relatif de la même date.

GERMANY AND ROUMANIA

Convention for the purpose of terminating the existing Financial Disputes between the two countries, signed at Berlin November 10, 1928, with Final Protocol, signed at Berlin, December 6, 1928, and Exchange of Notes relating thereto of same date.

¹ TRADUCTION. — TRANSLATION.

No. 2058. — CONVENTION ² FOR THE PURPOSE OF TERMINATING THE EXISTING FINANCIAL DISPUTES BETWEEN GERMANY AND ROUMANIA. SIGNED AT BERLIN, NOVEMBER 10, 1928.

French official text communicated by the German Consul-General at Geneva. The registration of this Convention took place June 13, 1929.

THE GERMAN GOVERNMENT and THE ROYAL ROUMANIAN GOVERNMENT, being desirous of settling the disputes which have for long existed between the two countries with regard to financial questions, and of creating conditions which will enable the former normal relations between the two countries to be restored,

Considering that the present negotiations, like those previously held on several occasions, cannot lead to any agreement regarding the juridical appreciation of the different questions under discussion and being, therefore, prepared to set aside the question of law, so that none of the provisions which follow can prejudicially affect the legal conceptions of either of the two High Contracting Parties, have resolved to conclude the present financial Agreement.

For this purpose they have appointed as their Plenipotentiaries :

THE PRESIDENT OF THE GERMAN REICH :

Dr. RITTER, Ministerial Director at the Ministry of Foreign Affairs ;
Dr. CLAUSSEN, Councillor at the Ministry for Economic Affairs ;
Count SCHWERIN VON KROSIGK, Councillor at the Ministry of Finance ;

HIS MAJESTY THE KING OF ROUMANIA :

M. OROMOLU, former Minister ;
M. LAPEDATU, former Minister ;
M. Eftimie ANTONESCO, Councillor at the High Court of Justice and Cassation,

Who, having examined their full powers, found in good and due form, have agreed upon the following provisions :

I.

The German Government shall pay to the Royal Roumanian Government seventy-five and a half million Reichsmarks, as follows :

Thirty and a half million Reichsmarks within eight days of the exchange of the instruments of ratification,
Fifteen million Reichsmarks on April 1, 1929,
Fifteen million Reichsmarks on April 1, 1930,
Fifteen million Reichsmarks on April 1, 1931.

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

² The exchange of ratifications took place at Berlin, November 10, 1928.

II.

1. With regard to German property, rights and interests in Roumania not liquidated by August 27, 1928, the Royal Roumanian Government renounces all its rights under Article 297 (b) and paragraphs 4, 5, 9, 10, 14 and 15 of the Annex to Section IV of Part X of the Treaty of Versailles, or claimed by it in virtue of these provisions.

2. The following shall be deemed to be not liquidated by August 27, 1928, within the meaning of the present Agreement :

(a) Monies due which had been collected by the Royal Roumanian Government or sequestrated or retained at its request at the said date. The Royal Roumanian Government may not claim payment of any debts existing but not known to it at that date.

(b) Other German property, rights and interests, if at the said date they were in the hands of third parties or were the property of the Roumanian Government in virtue of a Roumanian legal provision, of any of the measures confirmed by the Treaty of Versailles, of any clause in that Treaty, or of any other provision of any Roumanian judicial or administrative authority. It is understood that the term " property, rights or interests in the hands of " shall not include property, rights or interests which up to that date formed the subject of a measure mentioned in the first paragraph of Article 3 of the Annex to Section IV of Part X of the Treaty of Versailles.

It is understood that if, in conformity with Article 8 of the Roumanian Law of June 13, 1923, the equivalent value of any German property, right or interest has been handed over to the Roumanian State, that equivalent shall finally remain the property of the Roumanian State, provided it was handed over by August 27, 1928.

3. With the coming into force of the present Agreement, all prohibitions restricting the free exercise of the rights of German nationals in regard to the property, rights and interests referred to under 1 shall be cancelled.

Any property referred to under 1 in the possession of the Royal Roumanian Government shall be restored to the German owner, on application from him to the Liquidation Office at the Ministry of Finance, Bucharest, within two months of such application, in the material and juridical state in which it was on August 27, 1928.

4. The revenues from sequestrated property shall be offset by the cost and expenditure incurred in connection with their administration ; no claims in these respects may be made by either party.

5. The Royal Roumanian Government shall renounce, with effect as from August 27, 1928, the exercise of the rights conferred upon it by Article 306, paragraphs 5, 6, and 7, of the Treaty of Versailles, it being understood that German patent-holders shall not make any claims for the time preceding that date. This provision, however, may not be cited in support of appeals against the ordinary Roumanian law in so far as the latter provides for the exploitation of a patent for national defence or in the public interest on payment of a royalty or indemnity.

III.

The Royal Roumanian Government shall continue the service of the unstamped Roumanian loans mentioned in the Annex, in conformity with the provisions of the Annex.

IV.

The German Government and the Royal Roumanian Government mutually renounce all action before the Germano-Roumanian Mixed Arbitral Tribunal or before the arbitrator appointed in virtue of paragraph 4 of the Annex to Section IV of Part X of the Treaty of Versailles.

V.

The Royal Roumanian Government renounces the possibility, provided in paragraph 18 of Annex II to Part VIII (Reparation) of the Treaty of Versailles, to take, under the conditions mentioned in that paragraph, any special measure for the seizure or confiscation of German property of any other measure whatever which would constitute a restriction of the right of German nationals to dispose freely of their private property.

VI.

The contracting Governments, declare that with the entry into force of the present Agreement all financial questions outstanding between the two Governments and the banks of issue shall be regarded as finally settled.

With the signing of the present Agreement, the Royal Roumanian Government shall deliver to the German Government a written confirmation by the Roumanian National Bank of the Bank's agreement to the terms of the above declaration and the withdrawal of the proceedings which it has instituted with the Germano-Roumanian Mixed Arbitral Tribunal against the Reichsbank and the Reich.

VII.

1. Any difference of opinion which may arise out of the present Agreement, its annex or the letters exchanged this day between the two delegations, and which cannot be settled through the usual diplomatic channel within three months following the first notification of the matter by either of the Contracting States, shall be submitted to an arbitral tribunal consisting of a national of each of the two countries and a third arbitrator, who shall be chairman. The national arbitrators must be appointed within one month of the time when the difference arose. The third arbitrator shall be appointed at the request of either Contracting Party by the two national members of the Court of Arbitration. If it is found impossible to agree upon this appointment within one month of the request, the third arbitrator shall be appointed by the President of the Hague Permanent Court of International Justice.

2. In the event of a difference of opinion resulting from the application of No. II of the present Agreement, the period of three months provided for in the first paragraph shall be reduced by half.

VIII.

With the coming into force of the present Agreement, its provisions shall have the force of law within the territories of the High Contracting Parties.

IX.

The present Agreement shall be signed subject to ratification.

The Agreement shall enter into force on the date of the exchange of ratifications, which shall take place at Berlin.

Done at Berlin on the tenth of November, one thousand nine hundred and twenty-eight.

RITTER.
CLAUSSEN.
Count SCHWERIN VON KROSIGK.

M. OROMOLU.
I. I. LAPEDATU.
Ef. ANTONESCO.

ANNEX.

The Royal Roumanian Government undertakes to make the following offer to holders of unstamped Roumanian pre-war Government loans :

I.

The Royal Roumanian Government agrees to discharge, under the following conditions, the service of interest and redemption of unstamped bonds, with the exception of the following stamped bonds in lei, viz.

Internal Loan of 1889	4 %
Foreign Loan of 1889	4 %
» » » 1890	4 %
» » » 1891	4 %
» » » 1894	4 %
» » » 1896	4 %
» » » 1898	4 %
» » » 1903	5 %
» » » 1905	4 %
Converted Foreign Loan of 1905	4 %
» » » » 1908	4 %
» » » » 1910	4 %
» » » » 1913	4 ½ %

With regard to the 4 % internal loan of 1889, the conditions set forth below for the service of interest and redemption of bonds shall only apply provided the bonds were already in German possession on August 27, 1928.

II.

A. ROUMANIAN BONDS, 1913.

1. The service of interest and redemption of the 4 ½ % Roumanian Bonds 1913 shall be effected, as from October 1, 1928, half-yearly on April 1 and October 1 of each year, the first current coupon being payable on April 1, 1929, as follows :

October 1,	1928 to September 30,	1929, inclusive, with	35 %	of the nominal value in
» »	1929 » 30	1930 » »	35 %	gold.
» »	1930 » 30	1931 » »	35 %	
» »	1931 » 30	1932 » »	36 %	
» »	1932 » 30	1933 » »	36 %	
» »	1933 » 30	1934 » »	36 %	
» »	1934 » 30	1935 » »	37 %	
» »	1935 » 30	1936 » »	37 %	
» »	1936 » 30	1937 » »	37 %	
» »	1937 » 30	1938 » »	38 %	
» »	1938 » 30	1939 » »	38 %	
» »	1939 » 30	1940 » »	38 %	
» »	1940 » 30	1941 » »	39 %	
» »	1941 » 30	1942 » »	39 %	
» »	1942 » 30	1943 » »	40 %	
» »	1943 » 30	1944 » »	40 %	
» »	1944 » 30	1945 » »	41 %	
» »	1945 » 30	1946 » »	41 %	
» »	1946 » 30	1947 » »	42 %	
» »	1947 » 30	1948 » »	43 %	
» »	1948 » 30	1949 » »	44 %	
» »	1949 » 30	1950 » »	45 %	
» »	1950 » 30	1951 » »	46 %	

October 1,	1951 to September	30	1952 inclusive, with	48 %	of the nominal value in
» »	1952	» 30	1953 » »	50 %	gold
» »	1953	» 30	1954 » »	52 %	
» »	1954	» 30	1955 » »	54 %	
» »	1955	» 30	1956 » »	56 %	
» »	1956	» 30	1957 » »	58 %	
» »	1957	» 30	1958 » »	61 %	
» »	1958	» 30	1959 » »	64 %	
» »	1959	» 30	1960 » »	67 %	
» »	1960	» 30	1961 » »	70 %	
» »	1961	» 30	1962 » »	74 %	
» »	1962	» 30	1963 » »	78 %	
» »	1963	» 30	1964 » »	82 %	
» »	1964	» 30	1965 » »	86 %	
» »	1965	» 30	1966 » »	90 %	
» »	1966	» 30	1967 » »	94 %	
» »	1967	» 30	1968 » »	98 %	
» »	1968	» 30	1969 » »	100 %	
» »	1969	» April 1st,	1970 » »	100 %	

2. The holders of the bonds shall receive new sheets of coupons, which shall be issued through the German banks mentioned in the annex, as soon as possible and not later than March 1, 1929. Together with the coupon sheets the said holders shall receive new certificates, provided that the German Government exempts them from the German stamp duty on bonds; otherwise the old certificates shall be furnished with the number of the new coupon sheet by stamping them and cancelling the old numbers. As regards the technical details of the procedure and especially the drafting of the wording of the new coupon sheets and the fixing of the commission to be paid to the banks, the Royal Roumanian Government shall at the same time conclude an agreement with those banks.

3. Coupons in arrears of the bonds referred to in the present Convention which fell due up to October 1, 1928, inclusive and had not lapsed on August 14, 1916, old calendar (August 27, 1916, new calendar) shall be paid in cash on April 1, 1929, plus 4 $\frac{1}{4}$ % of the original face value of the coupon in gold. Payment shall be made through the German banks appointed for that purpose.

4. The above-mentioned arrangement shall not apply to the bonds already provided for by the Schröder Convention of July 4, 1928, (published in Monitorul Oficial, No. 165 of July 28, 1928).

B. ALL OTHER BONDS.

1. The service of interest and redemption of all other Roumanian bonds mentioned in Article I (including the bonds of the 5 % Loans of 1881/88, 1892 and 1893, which are not converted into bonds of the converted 4 % 1905 Loan and which are to be converted into bonds of the latter loan by stamping or exchange) shall be effected, as from October 1, 1928, annually on April 1 of each year. The first annual current coupon shall therefore be payable on April 1, 1929. The service of interest and redemption shall be effected as follows :

April 1,	1929,	at	20 %	of the nominal value in gold
»	30	»	20 %	
»	31	»	20 %	
»	32	»	20 %	
»	33	»	20 %	
»	34	»	21 %	
»	35	»	21 %	
»	36	»	21 %	
»	37	»	21 %	
»	38	»	21 %	
»	39	»	22 %	
»	40	»	22 %	
»	41	»	22 %	
»	42	»	22 %	
»	43	»	22 %	

April 1,	44	at	23	%	of the nominal value in gold.
»	45	»	23	%	
»	46	»	23	%	
»	47	»	24	%	
»	48	»	24	%	
»	49	»	24	%	
»	50	»	25	%	
»	51	»	25	%	
»	52	»	25	%	
»	53	»	26	%	
»	54	»	26	%	
»	55	»	26	%	
»	56	»	28	%	
»	57	»	28	%	
»	58	»	28	%	
»	59	»	30	%	
»	60	»	30	%	
»	61	»	32	%	
»	62	»	34	%	
»	63	»	36	%	
»	64	»	38	%	
»	65	»	40	%	
»	66	»	42	%	
»	67	»	44	%	
»	68	»	46	%	
»	69	»	48	%	
»	70	»	50	%	

2. Coupons in arrears of the bonds referred to in the present Convention falling due up to October 1, 1928, inclusive and not having lapsed on August 14, 1916, old calendar (August 27, 1916, new calendar) shall be paid in cash on April 1, 1929, at the rate of 2 % of the original face value in gold. Payment shall be made through the German banks appointed for that purpose.

3. In so far as the loans did not bear coupons hitherto payable on October 1, the interest accruing since the last date prior to October 1, 1928, until October 1, 1928, shall be paid in cash at the time when the new coupon sheets are issued, at the rate applicable on April 1, 1929, (B. 1., paragraph 2).

4. The holders of all loans hitherto bearing interest at 4 % shall receive new uniform sheets of coupons. For the 1903 Bonds special new sheets shall be issued. The new sheets of coupons shall be issued through the German banks appointed for that purpose as soon as possible and not later than March 1, 1929, in accordance with the provisions laid down in Article II, A. 2, paragraphs 2 and 3.

C. GENERAL PROVISIONS CONCERNING ALL THE LOANS.

1. All the loans to which the present offer applies must be redeemed not later than April 1, 1970, in conformity with three new redemption tables, of which one is to be drawn up for the 4 ½ % 1913 loan, the second for the 4 % loans and the third for the 5 % 1903 loan, in accordance with the scales fixed in Article II A. 1. B. 1. Bonds drawn by lot but not yet paid, and therefore still in circulation, shall be treated in every respect as bonds not drawn; accordingly they too must be taken into account in drawing up the redemption tables.

The new redemption tables corresponding to the above-mentioned scales shall be prepared in agreement with the Roumanian Ministry of Finance and shall, as from October 1, 1928, take the place of the present conventional redemption tables. The bonds shall be drawn every year on January 2nd in respect of coupons due on April 1st; as regards the 1913 loan, the drawings shall take place annually on January 2 for coupons falling due on April 1, and on July 1 for coupons falling due on October 1. The first drawing shall take place as soon as possible after the redemption tables have been prepared and not later than October 1, 1929, for coupons falling due on November 1, 1929, (in the case of the 1913 loan, for coupons falling due both on April 1 and on October 1, 1929).

Bonds drawn by lot shall cease to bear interest as from the next date of the coupon (date for which the bond was drawn). The amounts of missing coupons falling due after that date shall be deducted from the amount repaid.

Bonds drawn by lot and repaid in 1929 after the period laid down in paragraph 2 (2) shall, as an exceptional measure, continue to bear interest until the date of repayment.

2. Bonds drawn by lot shall be repaid in gold at the percentages applying on the date of maturity (Article II A. 1. and B. 1.).

3. The sums needed for the payment of coupons and drawn bonds shall be placed at the disposal of the German banks by the Royal Roumanian Government in gold not more than fifteen days before maturity. The payment of the coupons and drawn bonds in Germany shall be in Reichsmarks (1 Rm. = 1/2790 kg. of fine gold). For purposes of conversion into Reichsmarks the basis taken shall be the London quotation for 1 gramme of fine gold on the first day of the month preceding maturity or the last price of fine gold officially quoted in London before that date ; no account shall be taken of fluctuations in the price of 1 kg. of fine gold between 2,760 Reichsmarks and 2,820 Reichsmarks.

4. Unless the present offer stipulates otherwise, the original contracts concerning loan conditions, and the issue agreements shall remain in force.

5. In order to prevent any error with regard to the Roumanian unstamped pre-war loan bonds appearing in the list of bonds taken to Russia and now in possession of German nationals, the holders shall be invited, as soon as the present offer comes into force, to present their bonds to a German bank within a time-limit to be fixed and to furnish proof that the bonds were in German possession on August 14, 1916, old calendar (August 27, 1916, new calendar). Bonds for which this proof can be furnished shall enjoy the benefits of the present offer. The number of the bonds for which such proof cannot be furnished shall be handed over to the Royal Roumanian Government, after the period fixed, through the German bank, together with the proofs submitted. The Royal Roumanian Government undertakes to publish the numbers as soon as possible and to call upon the holders of duplicates, or persons who can justify claims in respect of the numbers, to assert their rights and lodge their objections and proofs with the Public Debt Office within one month. That Office shall, on the expiration of the time-limit, submit these claims to the German bank, which shall immediately inform the German holders. The latter shall be permitted, in accordance with the provisions of Roumanian ordinary law, to dispute the claims.

The numbers for which no claims have been submitted within one month, or in respect of which the Royal Roumanian Government has submitted no contrary proofs to the German bank within the period and according to the procedure mentioned above, shall be recognised by the Royal Roumanian Government. The Royal Roumanian Government undertakes to correct the list of bonds taken to Russia in so far as they contain numbers recognised in conformity with the foregoing provisions.

6. The present offer shall constitute liabilities on the part of the Royal Roumanian Government only in so far as the holders of coupons or bonds have declared their agreement by the presentation of such bonds or coupons. The Royal Roumanian Government shall for this purpose grant a time-limit of at least three months, beginning from the date on which the invitation to present the bonds is published, which time-limit shall be prolonged for at least one further period of three months ; the Royal Roumanian Government shall also give sympathetic consideration to persons who can furnish good reasons for presenting their bonds or coupons late.

7. Should the bonds to which the present offer applies require readmission to the German stock exchanges on which the loans are officially quoted, the Royal Roumanian Government undertakes to apply for this readmission without delay and at its own expense through the German banks of issue.

8. The Royal Roumanian Government undertakes at its own expense to replace bonds which are damaged or have suffered deterioration.

9. The Royal Roumanian Government shall not grant to the nationals of any other State in possession of unstamped pre-war loan bonds conditions more favourable than those fixed for bonds in German possession, unless German subjects are automatically granted the same advantages.

Banks responsible for the service of Roumanian loans :

- (1) 4 % Internal Loan of 1889 :
Bass and Herz, Frankfort-on-Main.
- (2) 4 % Foreign Loan of 1889 :
Deutsche Bank, Berlin.
Dresdner Bank.
- (3) 4 % Foreign Loan of 1890 :
Direction der Disconto-Gesellschaft, Berlin and Frankfort-on-Main.
S. Bleichröder, Berlin.

- (4) 4 % Foreign Loan of 1891 } sec 3.
 (5) 4 % Foreign Loan of 1894 }
 (6) 4 % Foreign Loan of 1896 and later loans :
 Direction der Disconto-Gesellschaft, Berlin and Frankfort-on-Main.
 S. Bleichröder, Berlin.
 Norddeutsche Bank in Hamburg, Hamburg.

FINAL PROTOCOL.

TO THE CONVENTION SIGNED NOVEMBER 10, 1928, FOR THE PURPOSE OF TERMINATING THE EXISTING FINANCIAL DISPUTES BETWEEN GERMANY AND ROUMANIA.

THE GERMAN GOVERNMENT, represented by Dr. RITTER, Ministerial Director at the Ministry for Foreign Affairs, and

THE ROYAL ROUMANIAN GOVERNMENT, represented by M. RADUCANU, Minister of Labour, have agreed as follows :

1. The two Governments give mutual assurances that they will as soon as possible ratify the Convention signed on November 10, 1928, for the purpose of terminating the existing financial disputes between Germany and Roumania.

2. On this occasion the Annex to the Convention of November 10, 1928, shall be amended as follows :

(a) Under II, Section B 2, in the first sentence, the words " of the coupon " shall be inserted after the word " original ".

(b) Under II, Section C 5, first paragraph, in the first sentence, the words " to a German bank " shall be deleted and replaced by the words " to one of the German banks mentioned below ". The following passage shall be inserted as a second sentence in this paragraph : " The Royal Roumanian Government shall appoint a delegate in Berlin, who shall examine the proofs submitted to the said German banks. " In the seventh line from the end of the first paragraph and in the second line of the second paragraph, the words " within one month " shall be replaced by the words " within three months. "

(c) Under II, Section C 6, the following passage shall be inserted as a second paragraph : " Further, the German Government has acceded to the offer, to be made by the Royal Roumanian Government in conformity with the present Convention and its Annex, to German holders of pre-war Roumanian bonds and has declared that it will not support any claim which might bring into question the conditions of the present Convention and of its Annex. "

3. The exchange of notes of November 10, 1928, concerning the co-operation of the Reichsbank in the joint action contemplated by the banks of issue with a view to the stabilisation of Roumanian currency and the participation of German banks in the international loan, shall be cancelled, and shall be replaced by another which is annexed to the present Final Protocol.

4. In order to avoid differences of interpretation with regard to No. IV of the Convention of November 10, 1928, it is hereby agreed that the provisions of that text only contain the undertaking by the two Governments to renounce the claims of the German Government against the Royal Roumanian Government or of the Royal Roumanian Government against the German Government lodged with the Germano-Roumanian Mixed Arbitral Tribunal or with the arbitrator appointed in virtue of paragraph 4 of the Annex to Part X, Section IV, of the Treaty of Versailles.

5. The German Government is prepared to exempt from the tax on securities the Roumanian unstamped pre-war loan bonds mentioned in the Annex to the Convention of November 10, 1928, exchanged for new bonds, provided that proof can be furnished that the tax was paid in respect of

the old bonds in accordance with the German law on Reich taxes or with the German law on taxes on the transfer of capital.

The above stipulations have been signed by the two Plenipotentiaries as a final protocol to the Convention of November 10, 1928, after exchange of their respective powers.

BERLIN, *December 6, 1928.*

RITTER.

RADUCANU.

EXCHANGE OF NOTES.

I.

BERLIN, *December 6, 1928.*

GENTLEMEN,

In conformity with the wish you have expressed, I have the honour to confirm herewith that the German Government will use its influence to secure the co-operation of the Reichsbank in the joint action contemplated by the banks of issue with the object of stabilising Roumanian currency ; and further, that the German banks declare themselves ready to cooperate in an international loan for Roumania, on the understanding that they will in all respects be treated in the same way as and on a footing of complete equality with the other banks.

I have the honour to be, etc.,

RITTER.

To the Roumanian Delegation.

II.

BERLIN, *December 6, 1928.*

GENTLEMEN,

In acknowledging receipt of your letter of to-day's date concerning the share of the Reichsbank in the stabilisation of Roumanian currency and the participation of German banks in the proposed international loan for Roumania, I have the honour to inform you that the Royal Roumanian Government will do all in its power to ensure that German banks are invited to take part in the issue of the proposed international loan for Roumania and that the banks concerned in the said loan are treated in all respects in the same way as and on a footing of complete equality with the other banks.

I have the honour to be, etc.,

RADUCANU.

To the German Delegation.
