

N° 3193.

ROUMANIE

Accord instituant une collaboration technique consultative en Roumanie, signé à Genève, le 28 janvier 1933, avec annexes et notes de la même date, et lettres en dates des 23 mars et 10 avril 1933, avec appendices.

ROUMANIA

Agreement establishing Technical Advisory Co-Operation in Roumania, signed at Geneva, January 28, 1933, with Annexes and Notes of the same date and Letters dated March 23 and April 10, 1933, with Appendices.

No. 3193. — AGREEMENT¹ ESTABLISHING TECHNICAL ADVISORY
CO-OPERATION IN ROUMANIA. SIGNED AT GENEVA, JANUARY
28, 1933.

French and English official texts. The registration of this Agreement took place May 26, 1933, following its coming into force.

Whereas the Roumanian Government, after having, by the Law of February 7th, 1929, re-established its currency on a gold basis and subsequently introduced various improvements into its financial organisation tending to adapt Roumania's administrative organisation to existing economic conditions, desires to obtain the technical co-operation of the League of Nations with a view to the general economic restoration of the country,

And whereas the Council has approved the provisions of the present Agreement,

The undersigned, duly authorised, accepts on behalf of the Royal Roumanian Government the following provisions :

Article 1.

The Roumanian Government shall take all possible steps to restore budgetary equilibrium and effect a far-reaching financial reform including a plan for the settlement of arrears.

Article 2.

The Council of the League of Nations will organise, through its Financial Committee, an advisory technical co-operation with the Roumanian Government with a view to the establishment of a programme of economic and financial restoration and to the application of this programme. For this purpose, the Council of the League of Nations shall recommend and the Roumanian Government shall appoint for a period covering four voted and executed annual budgets, subject to the provisions of Article 3, the experts whose functions are defined in Annex II.

The Roumanian Government shall assist them in every way in the execution of their functions.

For the same period, the Council of the League of Nations shall appoint, in agreement with the Roumanian Government, a Financial Adviser, who shall co-ordinate the work of the experts and assure the technical co-operation between the League of Nations and the Roumanian Government.

The Roumanian Government shall draw up, in agreement with him, the programme of reforms contemplated in Article 1 and Annex I.

The Roumanian Government shall have the right to appoint a representative to discuss Roumanian questions with the Financial Committee.

¹ The instrument of ratification by Roumania was deposited on May 18, 1933. This ratification has been given under the conditions implied in the letters exchanged between the Roumanian Minister of Finance and the Governor of the National Bank on March 23rd and April 10th, 1933, published hereafter:

By a Resolution dated May 26, 1933, the Council of the League of Nations decided to regard the ratification of the Roumanian Government as valid and to recognise it as having the effects contemplated in Article 4, first paragraph, of the Agreement.

Article 3.

The Council of the League of Nations may — by a majority vote — recall the Financial Adviser or any one of the experts if, at any time, after consultation with the Financial Committee, it considers that their maintenance is no longer likely to serve a useful purpose.

Article 4.

This Agreement of which the English and French texts are both authentic, shall enter into force immediately upon its ratification by Roumania. The instrument of ratification shall be deposited with the Secretariat of the League of Nations as soon as possible.

In order that the present Agreement may enter into force, the instrument of ratification must be deposited by April 30th, 1933, at latest.

In faith whereof the undersigned, duly authorised, has signed the present Agreement.

Done at Geneva on January 28th, 1933, in a single copy, which shall be deposited with the Secretariat of the League of Nations and registered immediately upon its entry into force.

I. LUGOȘIANU.

ANNEX I.

I. The Roumanian Government declares :

- (1) That it will establish and carry out the necessary fiscal reforms ;
- (2) That it will establish and carry out a general reform of the administration and collection of taxes ;
- (3) That it will establish and carry out a system of more efficient control of public expenditure, and, in particular, will secure effective financial control in the various departments, an effective prior consultation of the Ministry of Finance before any new expenditure is authorised, and the strict observance of the budget estimates. With a view to preserving budgetary unity and simplifying the presentation of the public finances to Parliament and the public, it will take the necessary measures for the abolition of the special funds at present existing. It will then put into effect a re-organisation of the autonomous *régies* (with the exception of the railways and the Caisse autonome des monopoles), maintaining only those which are economic in character and incorporating the others in the general budget ;
- (4) That it will maintain the system of monthly budgets according to which the expenditure and commitments of each month are strictly limited to the available receipts.
- (5) That it will maintain the suppression of the supplementary budget period and the budget *par exercice* and will adopt the budget *par gestion*, under which all revenue actually received in cash and all expenditure actually paid in cash during a financial year, to the exclusion of all other receipts and expenditure, are allocated solely to the year in which those operations are effected, and will continue to carry out a revision of the system of public accounts in accordance with these principles ;
- (6) That it will maintain and apply the law under which all public monies received are deposited in the National Bank and all payments are made either in cash or by cheques or orders on the National Bank for payment at sight, and will totally abolish the practice of provisional deposit receipts ;

(7) That it will take immediate administrative measures to hasten the recovery of outstanding arrears of taxation ;

(8) That it will, as soon as the equilibrium between monthly revenue and expenditure has been secured, elaborate a plan for the gradual liquidation of the Government's arrears of payments ;

(9) That it will proceed to make a comprehensive enquiry into the organisation, status, *cadre* and method of recruitment of the Civil Service ;

(10) That it will so frame the budget estimates for submission to Parliament that the realisation of the estimated receipts may reasonably be expected and that, if it appears that the receipts will not be sufficient to cover the expenditure, it will concert measures with the Financial Adviser to ensure the equilibrium of the budget.

2. In the preparation and execution of all the above-mentioned reforms, the Roumanian Government will act in close co-operation with the experts respectively concerned, and with the Financial Adviser, whom it will consult on any financial project.

ANNEX II.

Article 1.

The experts referred to in the Agreement shall be : a revenue expert, a Treasury and budget expert and an accountancy and audit expert.

Except for such changes in their duties as may be decided upon by the Financial Adviser :

(a) It shall be the duty of the *Treasury and budget expert* in particular to give his advice to the Roumanian Finance Minister in the preparation of the budgetary estimates of revenue and expenditure :

In the establishment and execution of detailed measures for the supervision of the Treasury ;

In the examination of all measures involving additional expenditure, which examination shall be made by the Finance Minister prior to the presentation of such measures to the Cabinet ;

In the supervision of all future engagements and in the preparation and execution of the monthly budgets.

(b) It shall be the duty of the *accountancy and audit expert* in particular to give his advice in all questions of accountancy which may result from the application of the system of the *budget de gestion* :

In the creation and execution of a uniform system of public accounting, including the rendering of monthly cash accounts for audit, and,

In the establishment of general rules of accountancy for all public departments, on the instructions to be given to services which handle public funds, on the supervision of the balances of the Treasury, and on all matters relating to audit and to the concentration of public funds in the National Bank.

(c) It shall be the duty of the *revenue expert* to give his advice on the methods of collection of revenue ;

The organisation of a body of higher inspectors and on the preparation and execution of fiscal laws.

Article 2.

The Financial Adviser shall have as his task to assist the Roumanian Government in every possible way in the elaboration and execution of its plan of financial and economic reforms.

The Financial Adviser shall be responsible for the general direction of all foreign experts and other personnel whom the Roumanian Government may appoint under the terms of the present Agreement.

He shall submit a quarterly report to the Council of the League of Nations on the financial and general economic situation of Roumania.

Article 3.

The Roumanian Government shall provide for the expenditure resulting from the present Agreement.

Article 4.

The Roumanian Government shall afford to the Financial Adviser and the experts all facilities for the execution of their duties and shall furnish them with all information necessary for this purpose.

Article 5.

1. The Roumanian Government shall make all the necessary arrangements to ensure that the Adviser to the National Bank, if approved for this purpose by the Council of the League of Nations, shall be invited to give his collaboration in the application of the present Agreement.

The reports of the Adviser shall be communicated to the Financial Adviser.

2. The Roumanian Government shall invite the expert attached to the autonomous railway administration, if approved for this purpose by the Council of the League of Nations, to give his collaboration in the plan of reform which constitutes the aim of the present Agreement.

¹ TRADUCTION. — TRANSLATION.

LETTERS COMPLEMENTARY TO THE AGREEMENT.

I.

LETTER FROM THE ROUMANIAN GOVERNMENT TO THE PRESIDENT OF THE COUNCIL
OF THE LEAGUE OF NATIONS.

GENEVA, *January 28, 1933.*

MONSIEUR LE PRÉSIDENT,

With a view to putting into effect the provisions of Article 3 of Annex II of the Agreement of January 28th, 1933, on technical co-operation between the League of Nations and the Roumanian Government, I have the honour to confirm the agreement of the Roumanian Government on the following points :

The Roumanian Government shall provide for the salaries, allowances and travelling expenses of the Financial Adviser and the experts to be appointed under the Agreement. The total amount of these charges shall be fixed by agreement between the Roumanian Government and the Council of the League of Nations.

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.

The Roumanian Government shall place at the disposal of the Financial Adviser and the experts the necessary office rooms in the Ministry of Finance, and shall provide them with any national staff which may appear necessary.

The contracts of the Financial Adviser and the experts shall be approved by the Council of the League of Nations.

The Financial Adviser, in agreement with the Roumanian Government, shall appoint for himself and his colleagues such foreign secretarial or other staff as he may think necessary, provided the total expenditure on such staff does not exceed an amount to be fixed between the Roumanian Government on the one hand and the Council of the League of Nations on the other hand.

The funds provided for in the previous paragraph must be sufficient to cover also the total sums which may be required for an investigation to be made at an early date into the administrative organisation of Roumania, in accordance with the desire expressed in the letter of June 18th, 1932, from the Royal Roumanian Government to the Secretary-General of the League of Nations.

The said provision shall also cover any enquiries into the economic position of Roumania which may from time to time appear to be necessary.

I have, etc.

I. LUGOȘIANU,
*Minister of Commerce and Industry,
of Roumania.*

II.

LETTER FROM THE CHAIRMAN OF THE FINANCIAL COMMITTEE TO THE PRESIDENT OF THE ROUMANIAN DELEGATION.

GENEVA, *January 28, 1933.*

MONSIEUR LE MINISTRE,

The Financial Committee takes note of the statements which you have been good enough to make as representative of the Roumanian Government, and according to which it is understood that the Financial Adviser will reside at Bucharest so long as he exercises his functions. The same applies to the Adviser to the National Bank of Roumania.

It is, moreover, understood that the Financial Adviser will take part in the discussions of the Financial Committee on Roumanian questions.

We should be obliged if you would kindly confirm your agreement on these points.

I have, etc.

Alb. JANSSEN,
Chairman of the Financial Committee.

III.

REPLY FROM THE ROUMANIAN GOVERNMENT.

GENEVA, *January 28, 1933.*

SIR,

I have the honour to acknowledge receipt of your letter of January 28, 1933, informing me that the Financial Committee desires to note that, so long as the Financial Adviser and the Adviser

to the National Bank exercise their functions,, they will reside at Bucharest ; it is moreover understood that the Financial Adviser will take part in the discussions of the Financial Committee on Roumanian questions.

I have the honour to confirm the agreement of the Roumanian Government on these points.
I have, etc.

The Chairman
of the Financial Committee.

I. LUGOȘIANU,
*Minister of Commerce and Industry
of Roumania.*

IV.

LETTER FROM THE ROUMANIAN GOVERNMENT TO THE PRESIDENT OF THE COUNCIL OF THE LEAGUE
OF NATIONS.

GENEVA, *January 28, 1933.*

SIR,

With reference to the Agreement of January 28, 1933, Annex II, Article 5, paragraph 1, regarding the technical co-operation between the League of Nations and the Roumanian Government, I have the honour to confirm, on behalf of the Roumanian Government, that it is understood that the Adviser to the National Bank will be requested to co-operate with the National Bank of Roumania during the period of the said Agreement. It is understood that, for this purpose, the Adviser will be consulted by the Bank on all questions relating to monetary policy, so that he may be in a position to give useful advice. The same applies to any schemes regarding external loans submitted to the Bank.

Should the Adviser approved by the Council of the League of Nations relinquish his duties, the Bank shall appoint an adviser approved by the Council of the League of Nations so that the National Bank shall retain the co-operation of an adviser with the same functions for the entire duration of the present Agreement.

I have, etc.

I. LUGOȘIANU,
*Minister of Commerce and Industry
of Roumania.*

To the President of the
Council of the League of Nations.

¹ TRADUCTIONS. — TRANSLATIONS.

LETTERS EXCHANGED

BETWEEN THE ROUMANIAN MINISTER OF FINANCE AND THE GOVERNOR OF THE NATIONAL BANK
OF ROUMANIA.

I.

No. 476372 of March 23, 1933.

SIR,

I have the honour to enclose the text of the Agreement for consultative technical co-operation and the annexes thereto signed at Geneva on January 28th, 1933, by the Chairman of the Financial

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.

Committee and the representative of the Roumanian Government, after approval by the Council of the League of Nations.

In this connection the Government desires to assure the National Bank that the slight alteration made in the course of the negotiations at Geneva involve no change in the position of the Technical Adviser to the National Bank as established by the Arrangement of April 8th, 1931, which remains in force for the future.

I have the honour, etc.

(Signed) MADGEARU,
Minister of Finance.

To the National Bank of Roumania,
Bucharest.

II.

NATIONAL BANK OF ROUMANIA.

No. 25407, April 10, 1933.

MONSIEUR LE MINISTRE,

We have received your letter, No. 476372 of March 23rd, 1933, in which you enclosed the Agreement for consultative technical co-operation signed at Geneva on January 28th, 1933, and informed us that the Government desired to assure the National Bank that the alterations made in the course of the negotiations at Geneva involved no change in the position of the Adviser to the National Bank as established by the Arrangement of April 8th, 1931, which also remains in force for the future.

It appears from the Agreement, to which the National Bank was not a party, that the Government has undertaken :

(1) By Article 5 of Annex II, to " make all the necessary arrangements to ensure that the Adviser to the National Bank, if approved for this purpose by the Council of the League of Nations, shall be invited to give his collaboration in the application of the Agreement. The reports of the Adviser shall be communicated to the Financial Adviser."

(2) In the letter to the President of the Council of the League of Nations it is stated that " it is understood that the Adviser to the National Bank will be requested to co-operate with the National Bank of Roumania during the period of the said Agreement ", and that " for this purpose the Adviser will be consulted by the Bank on all questions relating to monetary policy so that he may be in a position to give useful advice. The same applies to any scheme regarding external loans submitted to the Bank."

In view of your statement in your letter to us that all these acts involve no change in the present position of the Technical Expert attached to the National Bank, as established by the Arrangement concluded between the Technical Adviser, the Roumanian Government and the National Bank by the letters of March 4th, 1931, March 10th, 1931, and April 8th, 1931, the texts of which are attached hereto, I laid before the Governing Body of the Bank on April 5th, 1933, a proposal for the extension of the present term of office of the Technical Expert attached to the National Bank to cover the duration of the Geneva Agreement contemplated in the Act signed on January 28th, 1933, and as the outcome of the Governing Body's deliberations the following decision was reached :

(1) The Governing Body finds that, according to the Statutes of the National Bank and the Currency Act of February 7th, 1929, the duties of the Technical Adviser to the

National Bank having terminated on February 7th, 1932, the acceptance of such a post of technical adviser after that date would be an infringement of the Statutes and the Currency Act.

Accordingly the National Bank has accepted, by the letters exchanged in consequence of the development loan and referred to above, the presence of a technical expert with specified powers which have been exercised from February 7th, 1932, and will continue until February 7th, 1934.

(2) In these circumstances, the Governing Body notes that, according to the Roumanian Government's understanding, the position at the National Bank, as established by the Arrangement by which the duties of the Technical Expert were defined, is in no way changed.

(3) The Governing Body accordingly agrees that the present term of office of the Technical Expert, as provided for in the Arrangements of March 4th and April 8th, 1931, shall be continued after February 7th, 1934, and shall have the same duration as the Agreement concluded on January 28th, 1933, between the Roumanian Government and the Financial Committee of the League of Nations.

At the same time we would inform you that we have taken note of the statements made on behalf of the Government by the Government Commissioner at the meeting of our Governing Body in order to avoid any discussion as to the interpretation of our agreement ; from which statements it appears that the Government intends this co-operation to be effected without any change in the present position of the Technical Adviser, that is to say, in his position as established by the correspondence of March 4th and 10th and April 8th, 1931, between the Ministry of Finance, the National Bank and the Technical Adviser. In addition to specifying this point, which is embodied in the explanatory statement accompanying the text of the Agreement, the Minister of Finance will make a statement to the same effect in Parliament and will also produce the reply that will be made by the Roumanian National Bank in a letter which will define the significance of the decision reached at to-day's meeting of the Governing Body of the Bank.

I have the honour, etc.

(Signed) ANGELESCU,
Governor.

(Signed) CRISTESCU,
General Secretary.

To the Minister of Finance.

APPENDIX I.

LETTER DATED MARCH 4TH, 1931, FROM THE GOVERNING BODY OF THE NATIONAL BANK OF ROUMANIA TO THE ADVISER TO THE BANK.

I have the honour to communicate to you herewith a copy of our agreement with the Roumanian Government regarding the proposal it has made to you with reference to a biennial enquiry into the economic and financial situation of our country and, in particular, the results of the programme of development during 1932 and 1933.

We fully appreciate the excellent results of our fruitful collaboration, and are therefore very glad to learn that you have been good enough to undertake this duty and to assure you that you will receive our most cordial assistance.

(Signed) D. M. BURILEANU.

APPENDIX 2.

LETTER DATED MARCH 4TH, 1931, FROM THE GOVERNING BODY OF THE NATIONAL BANK OF ROUMANIA TO THE MINISTER OF FINANCE.

I have the honour to confirm that, the National Bank has noted the programme of development for 1931, with which it is in agreement, as we have already informed you in our letter No. 11233 of February 17th, 1931.

The National Bank also agrees that in order to give wider international publicity to the results of the programme of development, the Government should invite one of the persons who have already collaborated with the Government and ourselves — M. Rist or M. Auboin — to come to Roumania two or three times a year to prepare one or two reports for each of the years 1932 and 1933.

For this purpose the National Bank undertakes to supply M. Rist or M. Auboin and their assistant with all useful documents and information. As the Bureau of the Technical Adviser, which at present exists at the Bank, will cease working from February 7th, 1932, the National Bank will place its services at their disposal, and in particular the Investigation Service, which will obtain for them any data they may require for their work.

The National Bank will accord a sincere welcome to the assistant, who may have to take up his duties before the arrival in Roumania of M. Rist or M. Auboin.

As far as it is concerned and within the limits permitted by its statutes and its normal working, the National Bank will afford every assistance to promote the success of the plan of development. In particular, it will continue to carry out as zealously as in the past all the obligations it has assumed under the plan and the programme of stabilisation of 1929.

(Signed) D. M. BURILEANU.

APPENDIX 3.

LETTER DATED MARCH 10TH, 1931, FROM THE ADVISER TO THE NATIONAL BANK TO THE ROUMANIAN MINISTER OF FINANCE.

With a view to continuing to ascertain and publish the progress made in the monetary and financial restoration of the country, you were good enough to request me, on behalf of the Government and in agreement with the National Bank, to afford you my assistance after the expiration of the period of three years, contemplated in the programme of stabilisation, on the following conditions :

After noting in my twelfth quarterly report as Technical Adviser the application of all the measures provided for in the programme of stabilisation, I shall undertake to draw up one or two reports a year for two years more. These reports, which I shall prepare as the expert appointed by the Government and the National Bank, will show the application and execution both of the permanent measures contained in the 1929 programme of stabilisation and of the provisions of the 1931 programme of development, and will be published as heretofore in the Bank's Bulletin.

The National Bank will, as before, furnish me with all material means of fulfilling my mission, and the Investigation Service of the Bank, which was placed under my authority during the first three years of the application of the stabilisation programme, will remain at my disposal on terms to be arranged by me with the Bank.

The Government and the National Bank will provide myself and the assistant whom I shall appoint to help me in my mission with all useful documents and information. I shall myself come to Bucharest as often as is necessary to keep in touch with the Governing Body of the Bank and the Government and to facilitate the preparation of my reports.

As you and the National Bank agree that the assistance thus specified may be useful for the work of monetary and financial restoration, with which the Roumanian Government and the National Bank have done me the honour of associating me since 1929, I feel it my duty to render you all the assistance in my power in these new conditions as in the past.

I should be glad if I could thus help to some degree in the development of your country to which I am bound by the ties of two years of work in common and of trusted collaboration.

(Signed) AUBOIN.

APPENDIX 4.

LETTER DATED APRIL 8TH, 1931, FROM THE GOVERNOR OF THE NATIONAL BANK TO THE ADVISER TO THE BANK.

With reference to our letters of March 4th and 6th last, relating to the Government's invitation to you to come to Roumania from time to time after the expiration of your term as Technical Adviser, to prepare one or two reports a year for two years, and to the letter of March 10th last in which the Government sent you this invitation, we have the honour to confirm that we will give you every facility in the performance of your work.

It is understood in particular that the Bank's Research Service, which was placed under your authority during your mission as Technical Adviser, will remain at your disposal and will continue to keep such registers, collect such documents and send you such information as you may deem desirable.

When you and the assistant who may accompany or precede you come to Bucharest, we will give you all material facilities and such office accommodation as you may require.

Lastly, during this period of two years, we will, in agreement with the Government, enter into the same financial engagements with you as in our letter of February 18th, 1929, during your mission as Technical Adviser, in order to cover both your personal fees and subsistence allowance and your travelling and secretarial expenses.

(Signed) C. ANGELESCU.