

No. 5278

**UNITED STATES OF AMERICA
and
ROMANIA**

**Agreement (with exchange of notes) relating to financial
questions between the two countries. Signed at
Washington, on 30 March 1960**

Official texts: English and Romanian.

Registered by the United States of America on 4 August 1960.

**ÉTATS-UNIS D'AMÉRIQUE
et
ROUMANIE**

**Accord (avec échange de notes) relatif à des questions finan-
cières intéressant les deux pays. Signé à Washington,
le 30 mars 1960**

Textes officiels anglais et roumain.

Enregistré par les États-Unis d'Amérique le 4 août 1960.

No. 5278. AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE RUMANIAN PEOPLE'S REPUBLIC RELATING TO FINANCIAL QUESTIONS BETWEEN THE TWO COUNTRIES. SIGNED AT WASHINGTON, ON 30 MARCH 1960

The Government of the United States of America and the Government of the Rumanian People's Republic having reached an understanding on the financial matters specified herein have agreed as follows :

Article I

(1) The Government of the United States of America and the Government of the Rumanian People's Republic agree that the lump sum of \$24,526,370, as specified in Article III, will constitute full and final settlement and discharge of the claims described below :

- (a) Claims for the restoration of, or payment of compensation for, property, rights and interests of nationals of the United States of America, as specified in Articles 24 and 25 of the Treaty of Peace with Rumania which entered into force on September 15, 1947.²
- (b) Claims for the nationalization, compulsory liquidation, or other taking, prior to the date of this Agreement of property, rights and interests of nationals of the United States of America in Rumania ; and
- (c) Claims predicated upon obligations expressed in currency of the United States of America arising out of contractual or other rights acquired by nationals of the United States of America prior to September 1, 1939, and which became payable prior to September 15, 1947.

(2) The term "nationals of the United States of America" as used in subparagraphs (a), (b) and (c) above refers to nationals who possessed United States nationality ;

- (a) for the purpose of subparagraph (a) on both September 12, 1944 and September 15, 1947 ;
- (b) for the purpose of subparagraph (b) on the effective date of nationalization, compulsory liquidation, or other taking ;
- (c) for the purpose of subparagraph (c) on September 1, 1939.

¹ Came into force on 30 March 1960, upon signature, in accordance with article VII.

² United Nations, *Treaty Series*, Vol. 42, p. 3.

Article II

The claims of nationals of the United States of America to which reference is made in paragraph (1) of Article I are those with respect to property, rights and interests covered by subparagraphs (a) and (b) of that paragraph and with respect to obligations covered by subparagraph (c) of the same paragraph which were :

- (a) directly owned by individuals who were nationals of the United States of America (for this purpose ownership through a partnership or an unincorporated association being considered direct ownership) ;
- (b) directly owned by a corporation or other legal entity organized under the laws of the United States of America or a constituent state or other political entity thereof, if more than fifty per centum of the outstanding capital stock or other beneficial interest in such legal entity was owned directly or indirectly by natural persons who were nationals of the United States of America ; or
- (c) indirectly owned by individuals or corporations within subparagraphs (a) or (b) of this Article through interests, totalling twenty-five per centum or more, in a Rumanian legal entity.

Article III

The sum of \$24,526,370 referred to in Article I of this Agreement shall be made up as follows :

- (a) The proceeds resulting from the liquidation of assets in the United States of America which were subject to wartime blocking controls and which belonged to the Rumanian Government and its nationals, other than natural persons, amounting in value to \$22,026,370.
- (b) A sum of \$2,500,000 which shall be paid by the Government of the Rumanian People's Republic to the Government of the United States of America in five installments, each of which shall be in the amount of \$500,000. The first installment shall be paid on July 1, 1960. The four remaining installments shall be paid on July 1, 1961, July 1, 1962, July 1, 1963, and July 1, 1964, respectively.

Article IV

As from the date of this Agreement, the Government of the United States of America will not pursue or present to the Government of the Rumanian People's Republic claims falling within the categories set forth in paragraph (1) of Article I of this Agreement, without regard to whether the claimants qualify under paragraph (2) of Article I and Article II of this Agreement, or claims predicated upon obligations expressed in other than currency of the United States of America arising out of contractual or other rights acquired and payable prior to the date of this Agreement.

Article V

The distribution of the lump sum referred to in paragraph (1) of Article I of this Agreement falls within the exclusive competence of the Government of the United States of America in accordance with its legislation, without any responsibility arising for the Government of the Rumanian People's Republic therefrom.

Article VI

The Government of the United States of America will release within 30 days of the date of this Agreement its blocking controls over all Rumanian property in the United States of America.

Article VII

The present Agreement shall come into force upon the date of signature.

DONE at Washington on March 30, 1960, in duplicate, in the English and Rumanian languages, both texts being equally authentic.

For the Government of the United States of America :

Foy D. KOHLER

For the Government of the Rumanian People's Republic :

R. MĂNESCU

EXCHANGE OF NOTES

I

DELEGATION OF THE UNITED STATES OF AMERICA

Washington, March 30, 1960

Excellency :

I have the honor to refer to the provisions of paragraph (a) of Article III of the Agreement signed on this date.¹ In connection with the discussions that have taken place concerning this Article, I wish to inform you that the Government of the United States of America will inform the Government of the Rumanian People's Republic of the final figure representing the value of the proceeds resulting from the liquidation of assets in the United States of America which were subject to wartime blocking controls and which belonged to the Rumanian Government and its nationals, other than natural persons, when this is determined by the appropriate United States agencies. It is understood that any possible differences between the figure set out in paragraph (a) of Article III and the final figure furnished by the United States Government will not give rise to or affect any rights or obligations between the two Governments.

I shall appreciate receiving Your Excellency's confirmation of the above understanding.

Accept, Excellency, the assurances of my highest consideration.

Foy D. KOHLER
Chairman

His Excellency Radu Mănescu
Chairman, Delegation of the Rumanian People's Republic

II

DELEGATION OF THE RUMANIAN PEOPLE'S REPUBLIC

Washington, March 30, 1960

Excellency :

I have the honor to acknowledge receipt of your letter of this date which reads as follows :

[See note I]

¹ See p. 164 of this volume.

I have the honor to confirm that I fully agree with the understanding expressed above.

Accept, Excellency, the assurances of my highest consideration.

R. MĂNESCU
Chairman

His Excellency Foy D. Kohler
Chairman, Delegation of the United States of America

III

DELEGATION OF THE RUMANIAN PEOPLE'S REPUBLIC

Washington, March 30, 1960

Excellency :

I have the honor to refer to the recent discussions between representatives of the Government of the Rumanian People's Republic and the Government of the United States of America regarding the restriction contained in the regulation of the Government of the United States of America known as Treasury Department Circular 655 concerning the transfer of money from United States public funds to payees in Rumania.

In this connection I wish to inform you that :

- (a) The Government of the Rumanian People's Republic places no obstacles or limitations preventing recipients of allowances, social security payments, military pension or other payments by the United States authorities, from holding checks for such payments in accordance with existing regulations of the Rumanian People's Republic and from converting them at the most favorable prevailing rate for remittances to private persons, at present 6 lei to the dollar plus 6 lei representing an exchange premium of 100%.
- (b) The Government of the Rumanian People's Republic places no obstacles in the way of beneficiaries in Rumania who may have various claims against United States remitting agencies (such as the Social Security Administration, the Veterans Administration, and any other agencies concerned) furnishing such agencies such information and documentation as may be required by United States law in connection with these claims and communicating directly or indirectly with respect to these matters with the American authorities concerned.

In accordance with the understanding we have reached, I will appreciate receiving your confirmation that the Government of the United States of America, taking

into account the above assurances, agrees to remove the restrictions contained in Treasury Department Circular 655.

Accept, Excellency, the assurances of my highest consideration.

R. MĂNESCU
Chairman

His Excellency Foy D. Kohler
Chairman, Delegation of the United States of America

IV

DELEGATION OF THE UNITED STATES OF AMERICA

Washington, March 30, 1960

Excellency :

I have the honor to acknowledge receipt of your letter of this date which reads as follows :

[See note III]

I hereby confirm that, in view of the assurances contained in your letter, the Government of the United States of America will amend Circular No. 655 issued by the Secretary of the Treasury of the United States of America, so as to remove the restriction on the transfer of money from United States public funds to payees in Rumania.

Accept, Excellency, the assurances of my highest consideration.

Foy D. KOHLER
Chairman

His Excellency Radu Mănescu
Chairman, Delegation of the Rumanian People's Republic

V

DELEGATION OF THE UNITED STATES OF AMERICA

Washington, March 30, 1960

Excellency :

I have the honor to refer to the Agreement signed today between the Governments of the United States of America and the Rumanian People's Republic relating to financial questions between our countries.

The Government of the United States of America has taken note of your proposal to include within this Agreement the dollar bond obligations issued or guaranteed by the Rumanian State, owned by American nationals and payable in the United States of America.

The Government of the United States of America has not been in a position to agree to your proposal, *inter alia*, since it follows the practice of leaving such matters for negotiation between the debtor government and the bondholders or their representatives.

It is my understanding that the Government of the Rumanian People's Republic, by putting forward the proposal mentioned above, has taken note of the outstanding Rumanian dollar bond obligations, and it expresses its intention to settle these obligations with the bondholders or their representatives.

At the same time, I wish to confirm that the Government of the United States of America considers the question of the dollar bond obligations to be separate and distinct from and without effect on the other matters within the scope of the Agreement signed today.

I shall appreciate receiving your Excellency's confirmation of the above understanding.

Accept, Excellency, the assurances of my highest consideration.

Foy D. KOHLER
Chairman

His Excellency Radu Mănescu
Chairman, Delegation of the Rumanian People's Republic

VI

DELEGATION OF THE RUMANIAN PEOPLE'S REPUBLIC

Washington, March 30, 1960

Excellency :

I have the honor to acknowledge receipt of your letter of this date which reads as follows :

[See note V]

I have the honor to confirm that I fully agree with the understanding expressed above.

Accept, Excellency, the assurances of my highest consideration.

R. MĂNESCU
Chairman

His Excellency Foy D. Kohler
Chairman, Delegation of the United States of America