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THE RUMANIAN DEBT SETTLEMENT

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MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES

TRANSMITTING

COPY OF AN AGREEMENT, DATED DECEMBER 4, 1925, EXECUTED BY THE SECRETARY OF THE TREASURY AS CHAIRMAN OF THE WORLD FOREIGN DEBT COMMISSION, PROVIDING FOR THE SETTLEMENT OF THE INDEBTEDNESS OF THE KINGDOM OF RUMANIA TO THE UNITED STATES, AND APPROVED PURSUANT TO LAW

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DECEMBER 8, 1925.—Read; referred to the Committee on Finance and ordered to be printed

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*To the Congress of the United States:*

I am submitting herewith for the consideration of the Congress a copy of an agreement, dated December 4, 1925, executed by the Secretary of the Treasury as chairman of the World War Foreign Debt Commission, providing for the settlement of the indebtedness of the Kingdom of Rumania to the United States of America. The agreement was approved by me on December 4, 1925, subject to the approval of Congress, pursuant to authority conferred by act approved February 9, 1922, as amended by act approved February 28, 1923, and as further amended by act approved January 21, 1925.

I believe that the settlement upon the terms set forth in the agreement is fair and just to both Governments and recommend its approval.

CALVIN COOLIDGE.

THE WHITE HOUSE,  
December 8, 1925.

## AGREEMENT,

Made the fourth day of December, 1925, at the City of Washington, District of Columbia, between THE KINGDOM OF RUMANIA, hereinafter called RUMANIA, party of the first part, and THE UNITED STATES OF AMERICA, hereinafter called the UNITED STATES, party of the second part.

Whereas, Rumania is indebted to the United States as of June 15, 1925, upon obligations in the aggregate principal amount of \$36,128,494.94, together with interest accrued and unpaid thereon; and

Whereas, Rumania desires to fund said indebtedness to the United States, both principal and interest, through the issue of bonds to the United States, and the United States is prepared to accept bonds from Rumania upon the terms and conditions hereinafter set forth;

Now, therefore, in consideration of the promises and of the mutual covenants herein contained, it is agreed as follows:

1. *Amount of Indebtedness.*—The amount of the indebtedness to be funded, after allowing for cash payments made or to be made by Rumania and the credit set out below, is \$44,590,000, which has been computed as follows:

Principal amount of indebtedness to be funded.....	\$36, 128, 494. 94
Interest accrued and unpaid thereon to December 15, 1922, at the rate of 4¼ per cent a year.....	5, 365, 806. 08
Total indebtedness as of December 15, 1922.....	\$41, 494, 301. 02
Interest accrued and unpaid thereon to June 15, 1925, at the rate of 3 per cent a year.....	3, 112, 072. 59
	\$44, 606, 373. 61
Credits allowed by War Department for material, together with interest thereon.....	11, 922. 07
Total net indebtedness as of June 15, 1925.....	\$44, 594, 451. 54
To be paid in cash upon execution of agreement.....	4, 451. 54
Total indebtedness to be funded into bonds.....	\$44, 590, 000. 00

2. *Payment.*—In order to provide for the payment of the indebtedness thus to be funded Rumania will issue to the United States at par bonds of Rumania dated June 15, 1925, in the principal amounts and maturing serially on the several dates fixed in the following schedule:

June 15—		June 15—Contd.	
1926.....	\$200, 000. 00	1940.....	\$430, 560. 43
1927.....	300, 000. 00	1941.....	445, 000. 00
1928.....	400, 000. 00	1942.....	462, 000. 00
1929.....	500, 000. 00	1943.....	478, 000. 00
1930.....	600, 000. 00	1944.....	494, 000. 00
1931.....	700, 000. 00	1945.....	512, 000. 00
1932.....	800, 000. 00	1946.....	529, 000. 00
1933.....	1, 000, 000. 00	1947.....	548, 000. 00
1934.....	1, 200, 000. 00	1948.....	567, 000. 00
1935.....	1, 400, 000. 00	1949.....	587, 000. 00
1936.....	1, 600, 000. 00	1950.....	608, 000. 00
1937.....	1, 800, 000. 00	1951.....	629, 000. 00
1938.....	2, 000, 000. 00	1952.....	651, 000. 00
1939.....	2, 200, 000. 00	1953.....	673, 000. 00

June 15—Contd.		June 15—Contd.	
1954	\$697,000.00	1972	\$1,295,000.00
1955	722,000.00	1973	1,341,000.00
1956	747,000.00	1974	1,387,000.00
1957	773,000.00	1975	1,436,000.00
1958	800,000.00	1976	1,486,000.00
1959	828,000.00	1977	1,539,000.00
1960	857,000.00	1978	1,592,000.00
1961	887,000.00	1979	1,648,000.00
1962	918,000.00	1980	1,706,000.00
1963	950,000.00	1981	1,765,000.00
1964	984,000.00	1982	1,827,000.00
1965	1,018,000.00	1983	1,891,000.00
1966	1,053,000.00	1984	1,957,000.00
1967	1,090,000.00	1985	2,026,000.00
1968	1,129,000.00	1986	2,097,000.00
1969	1,168,000.00	1987	2,172,000.00
1970	1,209,000.00		
1971	1,252,000.00		
		Total	\$66,560,560.43

PROVIDED, HOWEVER, That Rumania, at its option, upon not less than ninety days' advance notice to the United States, may postpone any payment on account of principal falling due as hereinabove provided after June 15, 1939, to any subsequent June 15 or December 15 not more than two years distant from its due date, but only on condition that in case Rumania shall at any time exercise this option as to any payment of principal, the payment falling due in the next succeeding year can not be postponed to any date more than one year distant from the date when it becomes due unless and until the payment previously postponed shall actually have been made, and the payment falling due in the second succeeding year can not be postponed at all unless and until the payment of principal due two years previous thereto shall actually have been made.

3. *Form of Bond.*—All bonds issued or to be issued hereunder to the United States shall be payable to the Government of the United States of America, or order, and shall be signed for Rumania by its Envoy Extraordinary and Minister Plenipotentiary at Washington, or by its other duly authorized representative. The bonds issued for the first fourteen annual payments shall be substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit A," shall be issued in fourteen pieces in the principal amounts fixed in the preceding schedule, maturing annually on June 15 of each year up to and including June 15, 1939, and shall not bear interest before maturity. The bonds maturing subsequent to June 15, 1939, shall be substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit B," and shall be issued in 48 pieces with maturities and in denominations as hereinabove set forth and shall bear interest at the rate of 3½% per annum from June 15, 1939, payable semiannually on June 15 and December 15 of each year until the principal of such bonds shall be paid.

4. *Method of Payment.*—All bonds issued or to be issued hereunder shall be payable, as to both principal and interest, in United States gold coin of the present standard of value, or, at the option of Rumania, upon not less than thirty days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

All payments, whether in cash or in obligations of the United States, to be made by Rumania on account of the principal of or interest on any bonds issued or to be issued hereunder and held by the United States, shall be made at the Treasury of the United States in Washington, or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York, and if in cash shall be made in funds immediately available on the date of payment, or if in obligations of the United States shall be in form acceptable to the Secretary of the Treasury of the United States under the general regulations of the Treasury Department governing transactions in United States obligations.

5. *Exemption from Taxation.*—The principal and interest of all bonds issued or to be issued hereunder shall be paid without deduction for, and shall be exempt from, any and all taxes or other public dues, present or future, imposed by or under authority of Rumania or any political or local taxing authority within the Kingdom of Rumania, whenever, so long as, and to the extent that beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Rumania, or (c) a corporation not organized under the laws of Rumania.

6. *Payments before Maturity.*—Rumania, at its option, on June 15 or December 15 of any year, upon not less than ninety days' advance notice to the United States, may make advance payments in amounts of \$1,000 or multiples thereof, on account of the principal of any bonds issued or to be issued hereunder and held by the United States. Any such advance payments shall be applied to the principal of such bonds as may be indicated by Rumania at the time of the payment.

7. *Exchange for Marketable Obligations.*—Rumania will issue to the United States at any time, or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal and/or in fully registered form, and otherwise on the same terms and conditions, as to dates of issue and maturity, rate or rates of interest, if any, exemption from taxation, payment in obligations of the United States issued after April 6, 1917, and the like, as the bonds surrendered on such exchange. Rumania will deliver definitive engraved bonds to the United States in accordance herewith within six months of receiving notice of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds will deliver, at the request of the Secretary of the Treasury of the United States, temporary bonds or interim receipts in form satisfactory to the Secretary of the Treasury of the United States within thirty days of the receipt of such request, all without expense to the United States. The United States, before offering any such bonds or interim receipts for sale in Rumania will first offer them to Rumania for purchase at par and accrued interest, if any, and Rumania shall likewise have the option, in lieu of issuing any such

bonds or interim receipts, to make advance redemption, at par and accrued interest, if any, of a corresponding principal amount of bonds issued hereunder and held by the United States. Rumania agrees that the definitive engraved bonds called for by this paragraph shall contain all such provisions, and that it will cause to be promulgated all such rules, regulations, and orders as shall be deemed necessary or desirable by the Secretary of the Treasury of the United States in order to facilitate the sale of the bonds in the United States, in Rumania or elsewhere, and that if requested by the Secretary of the Treasury of the United States, it will use its good offices to secure the listing of the bonds on such stock exchanges as the Secretary of the Treasury of the United States may specify.

8. *Cancellation and Surrender of Obligations.*—Upon the execution of this Agreement, the delivery to the United States of the \$66,560,560.43 principal amount of bonds of Rumania to be issued hereunder, together with satisfactory evidence of authority for the execution of this Agreement by the representatives of Rumania and for the execution of the bonds to be issued hereunder, the United States will cancel and surrender to Rumania at the Treasury of the United States in Washington, the obligations of Rumania held by the United States.

9. *Notices.*—Any notice, request, or consent under the hand of the Secretary of the Treasury of the United States, shall be deemed and taken as the notice, request, or consent of the United States, and shall be sufficient if delivered at the Legation of Rumania at Washington or at the office of the Ministry of Finance in Rumania; and any notice, request; or election from or by Rumania shall be sufficient if delivered to the America Legation at Bucharest or to the Secretary of the Treasury at the Treasury of the United States in Washington. The United States in its discretion may waive any notice required hereunder, but any such waiver shall be in writing and shall not extend to or affect any subsequent notice or impair any right of the United States to require notice hereunder.

10. *Compliance with Legal Requirements.*—Rumania represents and agrees that the execution and delivery of this Agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this Agreement have been completed as required by the laws of Rumania and in conformity therewith.

11. *Counterparts.*—This Agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

IN WITNESS WHEREOF Rumania has caused this Agreement to be executed on its behalf by N. Titulescu, Envoy Extraordinary and Minister Plenipotentiary to his Britannic Majesty and President of the Rumanian Debt Funding Commission at Washington, thereunto duly authorized, subject, however, to ratification by Rumanian Parliament, and the United States has likewise caused this Agreement to be executed on its behalf by the Secretary of the Treasury as Chairman of the World War Foreign Debt Commission, with the approval of the President, subject, however, to the approval of Congress, pursuant to the Act of Congress approved February 9, 1922, as amended by the Act of Congress approved February 28, 1923, and

as further amended by the Act of Congress approved January 21, 1925, all on the day and the year first above written.

THE KINGDOM OF RUMANIA,  
By N. TITULESCU.

THE UNITED STATES OF AMERICA,  
For the World War Foreign Debt Commission:  
By A. W. MELLON,  
*Secretary of the Treasury and Chairman of the Commission.*

Approved:

CALVIN COOLIDGE,  
*President.*

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EXHIBIT A.

(Form of Bond.)

THE KINGDOM OF RUMANIA.

No.

§ The Kingdom of Rumania, hereinafter called Rumania, for value received, promises to pay to the Government of the United States of America, hereinafter called the United States, or order, on June 15, 19 , the sum of Dollars (\$ ). This bond is payable in gold coin of the United States of America of the present standard of value, or, at the option of Rumania, upon not less than thirty days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

This bond is payable without deduction for, and is exempt from, any and all taxes and other public dues, present or future, imposed by or under authority of Rumania or any political or local taxing authority within Rumania, whenever, so long as, and to the extent that, beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Rumania, or (c) a corporation not organized under the laws of Rumania. This bond is payable at the Treasury of the United States in Washington, D. C., or at the option of the Secretary of the Treasury of the United States at the Federal Reserve Bank of New York.

This bond is issued pursuant to the provisions of paragraph 2 of an Agreement dated December 4, 1925, between Rumania and the United States, to which Agreement this bond is subject and to which reference is hereby made.

In witness whereof, Rumania has caused this bond to be executed in its behalf by its at the City of Washington, District of Columbia, thereunto duly authorized, as of June 15, 1925.

THE KINGDOM OF RUMANIA

By

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EXHIBIT B.

(Form of Bond.)

THE KINGDOM OF RUMANIA.

No.

§ The Kingdom of Rumania, hereinafter called Rumania, for value received, promises to pay to the Government of the United States of America, hereinafter called the United States, or order, on June 15, 19 , the sum of Dollars (\$ ), and to pay interest upon said principal sum from June 15, 1930, at the rate of 3½% per annum, payable semiannually on the 15th day of December and June in each year, until the principal hereof has been paid. This bond is payable as to both principal and interest in gold coin of the United States

of America of the present standard of value, or, at the option of Rumania, upon not less than thirty days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

This bond is payable as to both principal and interest without deduction for, and is exempt from, any and all taxes and other public dues, present or future, imposed by or under authority of Rumania or any political or local taxing authority within the Kingdom of Rumania, whenever, so long as, and to the extent that, beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Rumania, or (c) a corporation not organized under the laws of Rumania. This bond is payable as to both principal and interest at the Treasury of the United States in Washington, D. C., or at the option of the Secretary of the Treasury of the United States at the Federal Reserve Bank of New York.

This bond is issued pursuant to the provisions of paragraph 2 of an Agreement dated December 4, 1925, between Rumania and the United States, to which Agreement this bond is subject and to which reference is hereby made.

In witness whereof, Rumania has caused this bond to be executed in its behalf by its  
at the City of Washington, District of Columbia, thereunto duly authorized,  
as of June 15, 1925.

THE KINGDOM OF RUMANIA

By

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