

No. 958

**UNITED STATES OF AMERICA
and
GREECE**

Agreement for the use of funds made available in accordance with the Letter Credit Agreements signed on 16 May 1946, 25 September 1946, 4 October 1946, and 6 January 1948. Signed at Athens, on 23 April 1948

Official texts: English and Greek.

Registered by the United States of America on 26 October 1950.

**ÉTATS-UNIS D'AMÉRIQUE
et
GRÈCE**

Accord sur l'utilisation des fonds fournis en application des Accords concernant les lettres de crédit conclus le 16 mai 1946, le 25 septembre 1946, le 4 octobre 1946 et le 6 janvier 1948. Signé à Athènes, le 23 avril 1948

Textes officiels anglais et grec.

Enregistré par les Etats-Unis d'Amérique le 26 octobre 1950.

No 958. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF GREECE FOR THE USE OF FUNDS MADE AVAILABLE IN ACCORDANCE WITH THE LETTER CREDIT AGREEMENTS SIGNED ON 16 MAY 1946,² 25 SEPTEMBER 1946,² 4 OCTOBER 1946² AND 6 JANUARY 1948³ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF GREECE. SIGNED AT ATHENS, ON 23 APRIL 1948

The Government of the United States of America and the Government of Greece;

Desiring to promote further mutual understanding between the peoples of the United States of America and Greece by a wider exchange of knowledge and professional talents through educational contacts;

Considering that Section 32(b) of the United States Surplus Property Act of 1944, as amended by Public Law no. 584,³ 79th Congress, provides that the Secretary of State of the United States of America may enter into an agreement with any foreign government for the use of currencies or credits for currencies of such foreign government acquired as a result of surplus property disposals for certain educational activities; and

Considering that under the provisions of the Letter Credit Agreement between the Government of Greece and the Government of the United States of America dated October 4, 1946, and similar Credit Agreements dated May 16, 1946, September 25, 1946 and January 6, 1948 (hereinafter designated "the Letter Credit Agreements") it is provided that in the event the Government of the United States wishes to receive local currency of the Government of Greece for the payment of any or all expenditures in Greece of the Government of the United States and its agencies, the Government of the United States may request at any time or times, and the Government of Greece agrees to furnish at such time or times, Greek currency in any amount not in excess of the net outstanding balance of principal (whether or not then due in United States dollars) payable under the terms of the Letter Credit Agreements; provided, however, that except by mutual agreement between the Government of the United States and the Government of Greece, the Government of the United States shall not be entitled to receive in any single calendar year, under the terms of paragraphs (4) and paragraphs (6) of the Letter Credit Agreements,

¹Came into force on 23 April 1948, as from the date of signature, in accordance with article 16.

²Not printed by the Department of State of the United States of America.

³United States of America publication: 60 Stat. 754.

any local currency or property, the combined total value of which is in excess of \$4,000,000.

Have agreed as follows:

Article 1

There shall be established a foundation to be known as the United States Educational Foundation in Greece (hereinafter designated "the Foundation"), which shall be recognized by the Government of the United States of America and the Government of Greece as an organization created and established to facilitate the administration of the educational program to be financed by funds made available by the Government of Greece in accordance with the Letter Credit Agreements signed on May 16, 1946, September 25, 1946, October 4, 1946, and January 6, 1948 between the Government of the United States of America and the Government of Greece. Except as provided in Article 3 hereof the Foundation shall be exempt from the domestic and local laws of the United States of America and Greece as they relate to the use and expenditure of currencies and credits for currencies for the purposes set forth in the present agreement.

All of the funds made available by the Government of Greece, within the conditions and limitations hereinafter set forth, shall be used by the Foundation or such other instrumentality as may be agreed upon by the Government of the United States of America and the Government of Greece for the purpose, as set forth in Section 32(b) of the United States Surplus Property Act of 1944, as amended, of

- (1) financing studies, research, instruction, and other educational activities of or for citizens of the United States of America in schools and institutions of higher learning located in Greece or of the nationals of Greece in United States schools and institutions of higher learning located in Greece or of the nationals of Greece in United States schools and institutions of higher learning located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or
- (2) furnishing transportation for nationals of Greece who desire to attend United States schools and institutions of higher learning in the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands and whose attendance will not deprive citizens of the United States of America of an opportunity to attend such schools and institutions.

Article 2

In furtherance of the aforementioned purposes, the Foundation may, subject to the provisions of Article 10 of the present agreement, exercise all powers necessary to the carrying out of the purposes of the present agreement including the following:

- (1) Receive funds.
- (2) Open and operate bank accounts in the name of the Foundation in a depository or depositories to be designated by the Secretary of State of the United States of America.
- (3) Disburse funds and make grants and advances of funds for the authorized purposes of the Foundation.
- (4) Acquire, hold, and dispose of property in the name of the Foundation as the Board of Directors of the Foundation may consider necessary or desirable, provided however, that the acquisition of any real property shall be subject to the prior approval of the Secretary of State of the United States of America.
- (5) Plan, adopt, and carry out programs, in accordance with the purposes of Section 32(b) of the United States Surplus Property Act of 1944, as amended, and the purposes of the present agreement.
- (6) Recommend to the Board of Foreign Scholarships provided for in the United States Surplus Property Act of 1944, as amended, students, professors, research scholars, resident in Greece, and institutions of Greece to participate in the program in accordance with the aforesaid Act.
- (7) Recommend to the aforesaid Board of Foreign Scholarships such qualifications for the selection of participants in the programs as it may deem necessary for achieving the purpose and objectives of the Foundation.
- (8) Provide for periodic audits of the accounts of the Foundations as directed by auditors selected by the Secretary of State of the United States of America.
- (9) Engage administrative and clerical staff and fix and pay the salaries and wages thereof.

Article 3

All expenditures by the Foundation shall be made pursuant to an annual budget to be approved by the Secretary of State of the United States of America pursuant to such regulations as he may prescribe.

Article 4

The Foundation shall not enter into any commitment or create any obligation which shall bind the Foundation in excess of the funds actually on hand nor acquire,

hold, or dispose of property except for the purposes authorized in the present agreement.

Article 5

The management and direction of the affairs of the Foundation shall be vested in a Board of Directors consisting of 7 Directors (hereinafter designated the "Board").

The Principal officer in charge of the Diplomatic Mission of the United States of America to Greece (hereinafter designated "the Chief of Mission") shall be Honorary Chairman of the Board. He shall have the power of appointment and removal of members of the Board at his discretion. The other members of the Board shall be as follows: (a) the Chief Public Affairs Officer of the United States Embassy in Greece, or such other Embassy officer as designated by the Chief of Mission, Chairman; (b) two other members of the Embassy staff, one of whom shall serve as treasurer; (c) two citizens of the United States of America, who may be representatives of American business, professional or educational interests in Greece or members of the Embassy staff; and (d) two nationals of Greece, one of whom shall be prominent in the field of education.

The four members specified in (c) and (d) of the last preceding paragraph shall be resident in Greece and shall serve from the time of their appointment until the succeeding December 31 next following such appointment. They shall be eligible for reappointment. The United States members shall be designated by the Chief of Mission; the Greek members by the Chief of Mission from a list of names submitted by the Government of Greece. Vacancies by reason of resignations, transfer of residence outside Greece, or expiration of term of service, or otherwise shall be filled in accordance with this procedure.

The Directors shall serve without compensations, but the Foundation is authorized to pay the necessary expenses of the Directors in attending meetings of the Board.

Article 6

The Board shall adopt such by-laws and appoint such committees as it shall deem necessary for the conduct of the affairs of the Foundation.

Article 7

Reports as directed by the Secretary of State of the United States of America shall be made annually on the activities of the Foundation to the Secretary of State of the United States of America and the Government of Greece.

Article 8

The principal office of the Foundation shall be in Athens, but meetings of the Board and any of its committees may be held in such other places as the Board may from time to time determine, and the activities of the Foundation's officers or staff may be carried on at such places as may be approved by the Board.

Article 9

The Board may appoint an Executive Officer and determine his salary and term of service, provided however, that in the event it is found to be impracticable for the Board to secure an appointee acceptable to the Chairman, the Government of the United States of America may provide an Executive Officer and such assistants as may be deemed necessary to ensure the effective operation of the program. The Executive Officer shall be responsible for the direction and supervision of the Board's programs and activities in accordance with the Board's resolutions and directives. In his absence or disability, the Board may appoint a substitute for such time as it deems necessary or desirable.

Article 10

The decisions of the Board in all matters may, in the discretion of the Secretary of State of the United States of America, be subject to his review.

Article 11

The Government of Greece shall, on July 1, 1948 deposit with the Treasurer of the United States of America an amount of currency of the Government of Greece equivalent to \$100,000 (United States currency). On such subsequent dates as the Government of the United States of America may specify, the Government of Greece shall similarly deposit amounts of currency of the Government of Greece as requested by the Government of the United States of America until an aggregate amount of the currency of the Government of Greece equivalent to \$2,000,000 (United States currency) shall have been so deposited, provided however, that in no event shall a total amount of the currency of the Government of Greece in excess of the equivalent of \$400,000 (United States currency) be deposited during any single calendar year.

The rate of exchange between currency of the Government of Greece and United States currency to be used in determining the amount of currency of the Government of Greece to be deposited from time to time hereunder, shall be determined in accordance with Article (4)(b) of the Letter Credit Agreements.

The Government of Greece shall guarantee the United States of America against loss resulting from any alteration in the above rate of exchange or from

any currency conversion with respect to any currency of the Government of Greece received hereunder and held by the Treasurer of the United States of America or by the Foundation by undertaking to pay to the Government of the United States of America such amounts of currency of the Government of Greece as are necessary to maintain the dollar value of such currency of the Government of Greece as is held by the Treasurer of the United States or the Foundation. The purpose of this provision is to assure that the operations of the Foundation will not be interrupted or restricted by any deficits resulting from alterations in the above rate of exchange or from currency conversions.

The Secretary of State of the United States of America will make available for expenditure by the Foundation currency of the Government of Greece in such amounts as may be required by the Foundation but in no event in excess of the budgetary limitation established pursuant to Article 3 of the present agreement.

Article 12

Furniture, equipment, supplies, and any other articles intended for official use of the Foundation shall be exempt in the territory of Greece from customs duties, excises, and surtaxes, and every other form of taxation.

All funds and other property used for the purposes of the Foundation, and all official acts of the Foundation within the scope of its purposes shall likewise be exempt from taxation of every kind in the territory of Greece.

Article 13

The Government of Greece shall extend to citizens of the United States of America residing in Greece and engaged in educational activities under the auspices of the Foundation such privileges with respect to exemption from taxation, and other burdens affecting the entry, travel, and residence of such persons as are extended to Greek nationals residing in the United States of America engaged in similar activities.

Article 14

Wherever, in the present agreement, the term "Secretary of State of the United States of America" is used, it shall be understood to mean the Secretary of State of the United States of America or any officer or employee of the Government of the United States of America designated by him to act in his behalf.

Article 15

The present agreement may be amended by the exchange of diplomatic notes between the Government of the United States of America and the Government of Greece.

Article 16

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

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed the present agreement.

DONE at Athens in duplicate, in the English and Greek languages, this 23rd day of April, 1948.

For the Government of the United States of America:

K. L. RANKIN

Chargé d'Affaires ad interim

For the Government of Greece:

Constantine TSALDARIS

Deputy Prime Minister and
Minister for Foreign Affairs