

No. 1014

**GREECE
and
ITALY**

Agreement for economic collaboration and the settlement of questions arising from the Treaty of Peace between the Allied and Associated Powers and Italy (with annexes, protocol of signature and exchange of letters). Signed at Rome, on 31 August 1949

Official text: French.

Registered by Greece on 3 January 1951.

**GRÈCE
et
ITALIE**

Accord de collaboration économique et de règlement des questions découlant du Traité de paix entre les Puissances alliées et associées et l'Italie (avec annexes, protocole de signature et échange de lettres). Signé à Rome, le 31 août 1949

Texte officiel français.

Enregistré par la Grèce le 3 janvier 1951.

TRANSLATION—TRADUCTION

No. 1014. AGREEMENT¹ BETWEEN ITALY AND GREECE
FOR ECONOMIC COLLABORATION AND THE SETTLE-
MENT OF QUESTIONS ARISING FROM THE TREATY²
OF PEACE BETWEEN THE ALLIED AND ASSOCIATED
POWERS AND ITALY. SIGNED AT ROME, ON 31
AUGUST 1949

The Government of the Italian Republic and the Government of the Kingdom of Greece, in the spirit of the Treaty of Friendship, Trade and Navigation signed at San Remo on 5 November 1948,

in order to establish and develop the closest possible economic collaboration between their countries

and at the same time to settle the outstanding questions between Italy and Greece arising from the Treaty of Peace between the Allied and Associated Powers and Italy,

Have agreed as follows:

PART I

ECONOMIC COLLABORATION BETWEEN ITALY AND GREECE

GENERAL CLAUSES

Article 1

The sum of 105 million dollars granted to Greece by article 74 B of the Treaty of Peace between the Allied and Associated Powers and Italy and reduced as laid down in article 19 of this Agreement shall be paid by special and current industrial deliveries of goods of current production and, in special cases, by the performance of services in Greece or in Italy. These deliveries and services shall be divided into five annual instalments, beginning 1 September 1949.

Article 2

In accordance with article 74 B of the Treaty of Peace, the Greek Government shall furnish to Italy the raw materials normally imported into Italy and

¹ Came into force on 31 August 1949, as from the date of signature, in accordance with article 54.

² United Nations, *Treaty Series*, Vols. 49 and 50.

needed for the production of the finished goods to be delivered by virtue of and in accordance with the articles of this Agreement.

It is understood that the value of these raw materials, together with the sums which the Italian Government will make available to the Greek Government under this Agreement, shall constitute the total amount of Italian deliveries and services to Greece.

Article 3

The types of goods and services to be provided under this Agreement and the minimum and maximum limits, expressed in U.S. dollars of each type are stated in list A annexed to this Agreement.

A detailed programme for the first year has been agreed (list B annexed to this Agreement).

The programmes for subsequent years shall be drawn up within the limits prescribed in list A by the two Governments at the beginning of each year.

Article 4

Italian undertakings responsible for performing scientific research or special work in Greece shall be entitled to use their own organization, technical equipment and specialists in Greek territory.

Italian individuals may also be instructed to perform such research and work in Greece.

Article 5

By other Agreements signed by the Italian and Greek Governments and conforming to the provisions of this Agreement, other sums shall be paid out of the available funds in the accounts provided for in articles 21 and 24 hereof.

Article 6

In the spirit of collaboration on which this Agreement is based, the Italian Government undertakes to promote as far as possible the rapid and complete execution of the programme of deliveries and services provided for in the preceding articles.

Provided that, the Italian undertakings shall be responsible for the execution of contracts by Italy.

ORDERS

Article 7

Orders for the goods and services provided for in article 3 of this Agreement shall be placed by the Greek Government either directly with the Italian undertakings or through organizations or individuals duly authorized by it to deal with the Italian undertakings on its behalf and for its account.

The conditions and prices of goods and services shall be fixed in accordance with normal commercial usage. The contracts shall be concluded in U.S. dollars to the amount of the funds available in the whole of the account provided for in article 21, and in Italian lire to the amount of the funds available in whole of the account provided for in article 24, subject to the provisions of article 25; and each of those funds shall be reduced by the expenses referred to in article 5.

Article 8

As the Italian undertakings fulfil the conditions of the contracts provided for in article 7, they shall be entitled to receive the amounts due to them from the funds available in the accounts provided for in articles 21 and 24 of this Agreement.

In the event of duly-recognized total or partial failure by Italian undertakings to fulfil obligations arising from their contracts, the Greek Government shall be entitled to place orders afresh, in whole or in part, with other Italian undertakings.

Article 9

All amounts due from Italian undertakings or the Greek Government as penalties or damages for non-fulfilment of their reciprocal contractual obligations shall be paid or drawn, and credited to or debited from, the accounts provided for in articles 21 and 24 of this Agreement and in accordance therewith.

The Greek Government shall be entitled, within the limits of any sums paid by Italian undertakings, to place additional orders in Italy in excess of the amounts provided for in article 2 hereof.

Article 10

Contracts placed with Italian undertakings shall be notified by the Greek Government to the Italian Government in order that the latter may verify their conformity with the provisions of this Agreement. Such verification shall be effected as soon as possible.

RAW MATERIALS

Article 11

In order to determine the quantities of raw materials normally imported into Italy and needed for the production of the goods to be furnished to Greece, and to be able subsequently to control the raw materials used for the production of these goods, the Italian Government submitted to the Greek Government on 13 May 1949 some conventional tables giving the quantities of raw materials required for the manufactures referred to in list A. The delegates referred to in article 28 shall reach agreement on these tables, of which there are thirty-eight, before 1 January 1950.

If the two delegates are unable to reach such agreement, the two Governments shall request the good offices of a friend of both to settle the dispute within three months.

The said conventional tables shall be applied provisionally until agreement is reached, and thereafter in their definitive form.

Provided that, if other conventional tables become necessary while this Agreement is in force, the two Governments shall reach agreement as soon as possible and shall if necessary resort to the good offices of a friend of both.

Article 12

At the beginning of the second, third, fourth and fifth years a list of the quantities of raw materials to be provided shall be drawn up by the delegates referred to in article 28, with due regard to the programme of deliveries for each of those years and for the balance remaining from the preceding period.

Article 13

The Greek Government shall fulfil its obligations by delivering scrap iron, copper, tin, cast iron, nickel and special woods. The other raw materials normally imported into Italy and needed for the production of the goods to be delivered to Greece shall be converted into the raw materials aforesaid, and the quantities of scrap iron, copper, tin, cast iron, nickel and special woods to be provided in accordance with the conventional tables shall accordingly be increased by the quantities resulting from this conversion. The conversion shall be effected at the end of the first ten months when the quantities used are checked and at the beginning of each of the four successive years when the lists of raw materials to be furnished to Italy are drawn up in accordance with article 11, by the following method:

The values of the six raw materials aforesaid shall be calculated from the quotations of the Milan Stock Exchange on the average for the month preceding the day of the transaction, and the total shall be considered equal to 100. Thus the percentage value of each raw material shall be established, and according to these percentages the value of each raw material to be substituted, also calculated from the Milan Stock Exchange, shall be converted into the raw materials to be furnished. The six raw materials aforesaid may also be interchanged by agreement between the two delegates referred to in article 28.

Article 14

In order to enable the immediate execution of this Agreement and of the orders relating thereto, the Italian Government agrees that, until Greece begins to furnish the raw materials, the Italian undertakings responsible for deliveries shall draw from stocks existing in Italy raw materials needed for the performance of contracts signed in the meantime.

The Italian Government likewise agrees that, in the first months of the implementation of this Agreement, the finished products referred to in list B and purchased in accordance with article 7 by the Greek Government shall be exported before the delivery of the corresponding quantities of raw materials.

The Greek Government undertakes to provide the following quantities of raw materials in the first ten months:

40,000 tons of scrap iron
20,000 tons of cast iron
2,000 tons of copper
300 tons of tin
100 tons of nickel
1,000 tons of special woods.

One-half of these raw materials shall be delivered before 31 December 1949 and the remainder before 30 June 1950.

Article 15

In order to ensure that this Agreement shall operate continuously, the Greek Government shall take the necessary measures to provide that the quantity of raw materials actually imported into and sold in Italy by the end of the first ten months and of the three successive years of the application of part I of this Agreement shall exceed by the following percentages the quantity of raw materials to be furnished in accordance with the orders placed during the same period and calculated from the conventional tables:

- 1 July 1950, by 75 per cent
- 1 July 1951, by 50 per cent
- 1 July 1952, by 25 per cent
- 1 July 1953, by 10 per cent

One month before 30 June 1954 the Greek Government shall have furnished to Italy all the raw materials needed for the execution of part I of this Agreement.

The import of raw materials into Italy shall be controlled and verified by the Italian Government.

Article 16

Three months before 30 June 1954 the delegates referred to in article 28 shall proceed to make an accurate computation of all the raw materials furnished by the Greek Government.

At that date, and with due regard to the quantity of goods remaining to be delivered, they shall estimate the balance of raw materials to be furnished during the subsequent two months.

Article 17

The Greek Government may sell freely on the Italian market, in accordance with the law concerning the disposal of raw materials in Italy, the raw materials to be furnished under this Agreement whenever a consignment is received, after considering, together with the Italian enterprises which will undertake deliveries, the possibility of selling the raw materials to them directly or to organizations authorized by them.

Raw materials shall be sold for Italian lire under the commercial conditions prevailing on the Italian market.

Each delivery contract shall state whether the Italian undertakings, as against the Greek Government, reserve or waive the right to purchase the raw materials to be delivered.

The Greek Government shall communicate to the Italian Government the quantities of the raw materials sold in Italy, their price and the names of the purchasers.

Article 18

The proceeds of the sale of raw materials in Italy shall be credited, in accordance with article 24, to the Greek Government, which shall pay out of them for any delivery of goods or performance of services provided for in this

Agreement except in article 25, and the amounts due under article 5, and under article 51 if put into effect.

FINANCIAL CLAUSES

Article 19

The Italian Government, desiring to manifest its spirit of co-operation, agrees that Italy's obligations arising from article 74 B of the Treaty of Peace shall come into effect on the dates given below instead of on 29 October 1949, and that the percentages thereof to be fulfilled annually shall be established as follows:

- For the 1st year: from 1 September 1949 to 30 June 1950: 20 %
- For the 2nd year: from 1 July 1950 to 30 June 1951: 25 %
- For the 3rd year: from 1 July 1951 to 30 June 1952: 25 %
- For the 4th year: from 1 July 1952 to 30 June 1953: 20 %
- For the 5th year: from 1 July 1953 to 30 June 1954: 10 %

In return the Greek Government, appreciating the friendly motive of this decision and desiring to manifest the same spirit, agrees that discount at the rate of $7\frac{1}{4}$ per cent shall be deducted from the total amount of 105,000,000 U.S. dollars due from Italy, so that the instalments to be credited by the Italian Government to the account provided for in article 21 of this Agreement shall be as follows:

On 1 September 1949: 20 % – estimated for 58 days (discount rate 7.25 %)	\$ 20,758,068.50
On 1 July 1950: 25 % – 20 % estimated for 120 days and 5 % estimated for 1,216 days at the above discount rate . . .	\$ 24,481,397.25
On 1 July 1951: 25 % – 20 % estimated for 120 days and 5 % estimated for 851 days at the above discount rate . . .	\$ 24,862,022.25
On 1 July 1952: 20 % – estimated for 120 days at the above discount rate	\$ 20,499,452.05
On 1 July 1953: 10 % – estimated for 120 days at the above discount rate	\$ 10,249,726.05

Each instalment shall be covered by orders with time limits ensuring that 90 per cent of its amount shall be spent during the year. Any balance, which shall not exceed 10 per cent of the whole instalment, may be transferred to the instalment for the following year. Since the first instalment corresponds to ten months instead of twelve, the said percentages of 90 per cent and 10 per cent shall be fixed respectively at 80 per cent and 20 per cent.

Article 20

Payment for the delivery of goods and performance of services provided for in this Agreement shall be made by the Bank of Greece, acting on behalf and for the account of the Greek Government, by drawing from accounts A and B, as laid down in the following articles.

Article 21

A special non-interest-bearing account, in U.S. dollars, to be known as "Italian-Greek Economic Collaboration Account A", shall be opened in favour of the Greek Government with the Bank of Italy.

The following sums shall be credited to the said account:

(1) The amounts in U.S. dollars which the Italian Government are to make available to the Greek Government under article 19, to be spent in the manner laid down in that article.

(2) Amounts payable by Italian undertakings on presentation of the relevant documents as penalties or damages arising from contracts expressed in dollars, as provided for in article 7.

The following sums shall be debited to the said account:

1. (a) The amounts of payments in U.S. dollars which the Bank of Greece, acting on behalf and for the account of the Greek Government, shall make by payment order for the deliveries and services referred to in article 3 of this Agreement.

2. (a) Amounts deductible and payable by the Greek Government as penalties for damages on claims, supported by documents, supported by Italian undertakings concerned, under contracts expressed in dollars.

3. (a) Amounts due under the provisions of article 5.

The Bank of Italy shall execute the orders of the Bank of Greece provided for in paragraphs 1 (a) and 2 (a) above, after verifying their compliance with the conditions laid down in the relevant contracts.

Article 22

For the purposes of the payments provided for in article 20 and so long as the existing legislation remains in force, amounts in U.S. dollars shall be converted into Italian lire in accordance with the currency system now in force in Italy, at the mean rate of exchange between the monthly average rate of the U.S. dollar calculated in accordance with the Italian Legislative Decree No. 1347 of 28 November 1947, and the export rate of the U.S. dollar (*conti valutari* 50 per cent) at the closing of the Rome Stock Exchange on the day before payment. If any of those provisions is amended, the conversion shall conform to the new law governing calculation of the export dollar rate.

Article 23

If the gold parity of the U.S. dollar laid down in article 74 B, paragraph 5, of the Treaty of Peace is altered, the available funds in U.S. dollars in the account provided for in article 21 of this Agreement shall be adjusted to conform to the new parity; provided that this obligation of the Italian Government shall cease on 30 June 1954.

Thus, any balance shown on that date in the account provided for in article 21 shall no longer be covered by any guarantee, unless there has been a delay in payment by the bank in which that account has been opened. In that case the guarantee shall be extended for a period exactly corresponding to the delay in payment by the bank.

Article 24

A non-interest-bearing account in Italian lire, to be known as "Italian-Greek Economic Collaboration Account B", shall be opened in favour of the Greek Government with the Bank of Italy.

The following sums shall be credited to that account:

(a) Payments in Italian lire made by Italian purchasers of raw materials imported into Italy in accordance with articles 11 to 18 of this Agreement, upon presentation of the documents required by import regulations in force in Italy.

(b) Amounts payable by Italian undertakings with which contracts in Italian lire have been concluded, upon presentation of the relevant documents, as penalties or damages arising from such contracts.

(c) Any credit balance in account D provided for in article 51.

The following payments made by the Bank of Greece by appropriate payment orders shall be debited to that account:

(aa) Payments in settlement, in the manner provided in the last paragraph of article 21, for any delivery of goods or performance of services referred to in article 3 of this Agreement except deliveries and services referred to in article 25.

(bb) Amounts due under the provisions of article 5.

(cc) Amounts payable by the Greek Government as penalties or damages on claims, supported by documents, of the undertakings concerned, arising from contracts concluded by the Greek Government in Italian lire.

(dd) Payments in settlement for supplementary deliveries and services, other than those provided for in list A but in conformity with this Agreement, approved by the two Governments.

(*ee*) Any amounts due under article 51.

Article 25

All expenses necessarily incurred by Italian undertakings or Italian individuals under contracts for the performance of work in Greece provided for in article 4, including expenses of staff sent to Greece for this purpose, shall be debited to the account provided for in article 21. The same shall apply to payments for delivery of Italian goods. Expenses payable in Greece shall, to the extent desired by Italian persons concerned, be paid in drachmae into an account in U.S. dollars opened by the Greek Government in their favour with the Bank of Greece. Amounts spent in dollars shall be deducted from contracts and invoices presented by contracting parties to the Bank of Italy for payment and approved by the Greek delegate referred to in article 28.

Article 26

The conversion from dollars into drachmae referred to in the preceding article shall be effected at the official rate for the U.S. dollar at the Bank of Greece, plus an amount equal to the certified rate of exchange of the U.S. dollar on the day of the transaction.

Article 27

Expenses in connexion with staff recruited in Greece and with raw materials to be provided by the Greek economy shall be borne by the Greek Government and paid by it directly, and not debited to the accounts provided for in articles 21 and 24 of this Agreement.

SPECIAL CLAUSE

Article 28

A delegate appointed by the Italian Government and a delegate appointed by the Greek Government shall meet whenever necessary and in any case not less often than once a quarter to verify jointly the application of the preceding articles of this Agreement, to draft their quarterly report, and, if necessary, to draw up recommendations for submission to the two Governments.

*PART II*SETTLEMENT OF ECONOMIC AND FINANCIAL QUESTIONS
ARISING FROM ANNEX XIV OF THE TREATY OF PEACE BE-
TWEEN THE ALLIED AND ASSOCIATED POWERS AND ITALY*Article 29*

1. Individuals domiciled in the Dodecanese Islands on 10 June 1940 and opting by 31 October 1949 for Italian nationality and establishing their residence in Italy within the time limit provided for in article 19, paragraph 3, of the Treaty of Peace, as prolonged by this Agreement until 31 August 1950, are authorized until the expiry of this time limit and under the conditions laid down in annex XIV, paragraph 10, of the Treaty of Peace, to transfer and take with them any removable property and funds in their possession derived from the sale of their movable and immovable property. This authorization is extended to Italian nationals owning property in the Dodecanese but not domiciled there.

The expression "movable property" shall include transportable machinery, equipment, appliances and other articles; and the expression "funds" shall include documents of title, money and foreign currency of any kind.

2. Individuals whose usual language is Italian, who were domiciled in the Dodecanese on 10 June 1940 and who left that territory between that date and the entry into force of this Agreement shall be deemed to have opted for Italian nationality under article 19, paragraph 2, of the Treaty of Peace; provided that, they shall be entitled to naturalization as Greek citizens if they have applied therefor by written declaration to the competent Greek authorities before 31 October 1949, in which case they shall be deemed to have acquired Greek nationality on 27 October 1947.

Such persons shall be entitled to transfer their movable property and the proceeds of sale of their movable and immovable property within one year from the date of the entry into force of this Agreement.

Article 30

Amounts in drachmae derived directly or indirectly from the sale of Italian property shall be paid into the account provided for in article 51 of this Agreement.

The Bank of Greece shall issue to each depositor for each payment in drachmae a payment order on the account D provided for in article 51 of this Agreement for the equivalent in Italian lire, calculated on the drachma-dollar rate of exchange provided for in article 26 and the U.S. dollar-Italian lira rate of exchange provided for in article 22. All payment orders must be counter-

signed by the delegate referred to in article 52. The Bank of Italy shall be authorized to pay to entitled persons the amounts stated in payment orders on presentation thereof. Similar payment orders shall be issued for foreign currencies in gold, silver or notes by the persons referred to in article 29; provided that the exchange value in drachmae shall be calculated at the rate of exchange on the free market at Athens on the day of the payment.

Payments to the Bank of Greece shall be previously authorized by the delegates aforesaid, who shall verify the origin thereof from the documents submitted by the persons concerned or from any other reliable evidence.

Funds belonging to repatriated Italians and deposited with individuals or banks in the Dodecanese shall also be accepted for transfer.

Article 31

Any legal person carrying on business in the Dodecanese Islands and constituted in accordance with Italian law and not having, within six months from the entry into force of this Agreement, changed its legal constitution to conform to Greek law shall go into liquidation and transfer its assets and interests under the conditions and on the terms provided for in articles 29 and 30.

Article 32

In order to assist persons referred to in articles 29 and 31 who have not realized their immovable property within the time limit provided for in article 29, paragraph 1, of this Agreement, the Greek Government shall, on application which may be submitted by persons concerned to the delegates from the date of signature of this Agreement, proceed to acquire the said property at prices in drachmae to be fixed by the delegates.

The value of the property thus acquired by the Greek Government shall be calculated by the methods prescribed in article 30, and the Bank of Greece shall issue in favour of entitled persons payment orders, countersigned by the delegates, on special account D.

Three months after the expiry of the time limit provided for in article 29, Italian nationals who have not accepted the prices fixed in accordance with the said methods shall no longer be entitled to transfer to Italy any of the value of their property provided for in the Treaty of Peace.

The said property shall thereupon become subject to the general rules of article 5 of the Treaty of Friendship, Trade and Navigation concluded by the High Contracting Parties at San Remo on 5 November 1948.

Article 33

The Greek Government recognizes that the property, rights and interests of the persons referred to hereinafter are not included in the State and other public (*parastataux*) property referred to in annex XIV, paragraph 1, and that therefore the provisions of the said paragraph do not apply to them, viz.:

(1) Banca d'Italia; (2) Banca di Sicilia; (3) Banca di Roma; (4) Tabacchi Egei Manifattura Italiana (TEMI), as to that part of its capital corresponding to the four thousand seven hundred and fifty-two (4,752) shares belonging to the Azienda Tabacchi Italiani; (5) Società Siderurgica Italiana; (6) Società Allevamenti Bonifiche Agrarie (SABA); (7) Unione Militari; (8) Società Commercio Italiano Mediterraneo (SCIM); (9) Ente Bonifica Agraria; (10) Dante Alighieri; (11) Società Anonima "SAITAB"; (12) Istituto Nazionale Assicurazioni Infortuni sul Lavoro (INAIL); (13) Istituto Nazionale Assicurazioni Malattie Lavoratori (INAML); (14) Ente Nazionale Previdenza ed Assistenza Statali (ENTAS); (15) Società Ferrobeton; (16) Istituto Nazionale Case Impiegati Statali (INCIS).

The Italian Government recognizes all other acts done by the Greek authorities in pursuance of annex XIV, paragraph 1, of the Treaty of Peace affecting persons not mentioned in this article.

Article 34

Until 31 August 1950 movable and immovable property of Italian nationals, individuals, legal persons and associations in general shall not be subject to requisition, rent control or any other measure tending to limit its free use or value for purposes of liquidation.

It is understood that such measures taken by the Greek Military Administration and the General Government of the Dodecanese shall be automatically rescinded on the date of signature of this Agreement.

Article 35

Italian currency withdrawn from circulation by virtue of annex XIV, paragraph 5, of the Treaty of Peace shall be restored by the Greek Government to the Italian Government.

Article 36

The Italian Government shall not claim any contribution from the Greek State in respect of the obligations of the Italian State to holders of the Italian public debt, even if these be individuals or legal persons who have retained their residence, head office or main establishment in the territory of the Dodecanese.

Article 37

The Italian Government shall proceed to repay deposits or current accounts in Italian lire placed with agencies of Italian credit institutions in the Dodecanese.

For this purpose the delegates shall examine the documents produced by the said institutions and the Italian authorities and claims presented by persons concerned, and shall verify the amounts due and proceed to compile corresponding lists in accordance with which they shall authorize repayment to entitled persons.

The amounts so ascertained shall be paid through the Italian Government into account D, and the Greek Government shall ensure their repayment to the persons entitled.

The delegates shall ensure that deposits in Government current accounts are properly used and shall agree on the manner of using any funds that may remain available.

Article 38

The Italian Government shall ensure payment to the persons concerned of amounts due for actual expropriation by the Italian administration of the Dodecanese of immovable property the value of which has not been deposited in their favour.

For this purpose the delegates shall proceed to appraise the immovable property according to its value on expropriation. The amounts due shall be paid into account D and the Greek Government shall ensure their repayment to the persons entitled.

Article 39

Insurance policies affecting inhabitants of the Dodecanese shall be deemed to have the value determined by their provisions; provided that holders of unexpired policies shall continue to fulfil their contractual obligations through the agencies in Greece of the Italian insurance companies.

With regard to expired insurance policies, the delegates shall proceed to verify the amounts due in accordance with notices of termination given by persons concerned and documents submitted by the insurance companies, and such amounts shall be paid into account D.

The delegates shall also proceed to verify the obligations of organizations under annex XIV, paragraph 7, of the Treaty of Peace, in accordance with notices of termination given by persons concerned and documentary evidence submitted by the organizations.

Amounts to be liquidated shall be paid into account D and the Greek Government shall pay them to the persons entitled.

Article 40

With regard to the obligations of the Italian State arising from annex XIV, paragraph 8, of the Treaty of Peace, the delegates shall proceed to draft lists of persons entitled to pensions and shall decide upon methods of payment.

The amounts due shall be paid by the Italian Government into account D in favour of the entitled persons, and the Greek Government shall pay them to the entitled persons.

Persons exercising their right of liquidation in accordance with the preceding article under insurance policies derived from relations of employment shall not be entitled to pensions.

Article 41

The Joint Commission provided for in article 52 shall complete its work, except that governed by article 32, within a year from the signature of this Agreement.

PART III

SETTLEMENT OF ECONOMIC AND FINANCIAL QUESTIONS
CONCERNING OTHER CLAUSES OF THE TREATY OF PEACE

Article 42

The Greek Government, in pursuance of the provisions of article 79, paragraph 6, of the Treaty of Peace, undertakes to enact within sixty days from the date of signature of this Agreement the measures necessary to ensure that any property, rights or interests of any kind whatsoever referred to in article 79, paragraph 6, (*a*, *b* and *c*) are handed over, together with any rents, profits and interest accruing since the sequestration, to entitled persons or their duly authorized agents within sixty days from the date of presentation of the claim to the competent Greek authorities.

Article 43

In order to settle amicably questions arising from article 79 paragraphs 1, 2 and 4, of the Treaty of Peace, the High Contracting Parties have agreed as follows:

1. The Greek Government shall on signature of this Agreement restore to Italian entitled persons the property, rights and interests owned by them in

Greece to the extent of two-thirds of the total value of property of individuals, and two-thirds of the total value of property of private or public legal persons.

This calculation and restitution shall not apply to property of Italian citizens acquired by them after 29 October 1940, which shall remain at the free disposal of the Greek Government.

The Greek Government shall also retain property, rights and interests excluded from restitution to the aforesaid Italian entitled persons, to the extent of one-third of the total value of property belonging to individuals or legal persons. The property, rights and interests which the Greek Government may thus retain shall be chosen, within two months of the signature of the Agreement and in accordance with the procedure provided for in article 42, by the delegates referred to in that article.

2. The Italian Government shall pay, in repurchase of the two-thirds of property, rights and interests restored to Italian entitled persons by the Greek Government, the equivalent in Italian lire, at the rate of exchange provided for in article 42 of this Agreement, of a lump sum of 3,750,000 U.S. dollars. This sum shall be paid into account D, as to 1,500,000 dollars within a month from the signature of this Agreement and in any case when the restitutions are commenced, and as to the remainder in two instalments, respectively, of 1,250,000 dollars and 1,000,000 dollars, within the third and fourth month from the signature of this Agreement.

3. The delegates shall in all cases make arrangements, in accordance with the procedure described in article 51, for determining the value of all Italian property, rights and interests.

For the purpose of payment to entitled persons of indemnities payable by the Italian Government for goods retained by the Greek Government as stated in paragraph 1, the value of property which since 29 October 1940 has in any way whatsoever been subjected to measures of sequestration, confiscation or liquidation, and for the recovery of which search would be impossible in present conditions, shall also be determined.

4. The Greek Government undertakes to restore repurchased property within four months from the date of signature of this Agreement, against claims presented by entitled persons to the competent Greek authorities through the Italian Legation at Athens.

Article 44

It is understood by the High Contracting Parties that Italian nationals owning property, rights or interests restored to them in any manner shall be

entitled to resettle in Greece, notwithstanding any measures previously taken against them by the Greek Government.

Owners who have sold restored property shall be entitled, within one year from its restitution, to transfer the proceeds of the sale to Italy by the procedure provided for in article 30 of this Agreement.

Article 45

Personal and household effects derived from repurchase or restitution transactions may be transported to Italy free of export duty.

Property, rights or interests of any kind restored under articles 42 and 43 of this Agreement shall be returned to the entitled persons, who shall thereupon have full right of disposal thereof without any charge. Italian owners shall likewise not be liable for repayment or for any other charge for indemnities allotted to them in Greece in any manner whatsoever.

Such property, rights and interests shall likewise, from the moment of vesting, be free from any right of user exercised unlawfully by an individual or legal person. In connexion with such property the Greek Government shall not do an act capable of leading to any situation other than that provided for in the Treaty of Friendship, Trade and Navigation of 5 November 1948, or in any case other than that affecting property belonging to Greek nationals.

It is understood in particular that buildings intended for habitation should be free for occupation by owners permitted to re-enter Greece, in the following cases:

- (1) If they are occupied for use by the administrator or his staff.
- (2) If the existing occupants, whoever these may be, entered into possession of the dwelling house after 1 January 1949.
- (3) If they are occupied by persons deprived of legal title.

Article 46

In connexion with the terms of article 81 of the Treaty of Peace and subject to the other provisions of the same Article, previous postal, telegraph and railway accounts outstanding between Greece and Italy are recognized to exist and to be valid, and shall be settled in accordance with the international conventions and agreements now in force.

Article 47

With respect to the restitution of Greek property removed and now in Italy, it is agreed that the Legation of Greece in Italy shall submit to the Italian Ministry of Foreign Affairs, within three months from the entry into force of this Agreement, a list of identified Greek property for the restitution of which a documented claim has been presented in accordance with article 75 of the Treaty of Peace.

The Italian Government shall do everything possible to ensure the restitution of such property in its present condition, as soon as possible, provided that the claims for restitution are recognized to be valid.

Article 48

1. The Legation of Greece in Italy shall submit to the Italian Treasury as soon as possible after the entry into force of this Agreement a complete and final list, accompanied by the relevant documents, of Greek nationals' property subjected to war measures and remaining to be restored, and of rights falling to be re-established under article 78 of the Treaty of Peace.

Within the three months following the submission of the said list, and provided that the claim for restitution is duly documented, the property to be restored shall be handed over in its existing condition by the competent authorities to the entitled persons.

With regard to rights falling to be re-established, the Italian Government shall do everything in its power to satisfy the claims of the persons concerned as soon as possible, provided that they are duly documented and recognized as valid. The time-limit for presentation of claims for restitution of property and re-establishment of rights shall be extended until 31 December 1949.

2. The Italian Government also undertakes to satisfy, as soon as possible after the entry into force of this Agreement, claims for restoration to complete good order of property restored to Greek nationals, or for compensation of Greek nationals, within the meaning of article 78, paragraph 4, of the Treaty of Peace, provided that the persons concerned produce documents and other evidence in support of their claims.

The time-limit for the presentation of such claims is extended until 31 December 1949.

Article 49

The Italian Government undertakes to supply within three months from the date of signature of this Agreement the records provided for in annex XVII A2 of the Treaty of Peace.

The Greek Government shall communicate its recommendations to the Italian Government within six months from the receipt of such records.

Sums for which the Italian Government becomes liable in consequence of the reversal of Italian judgments on prize affecting Greek vessels and goods shall be paid into account D.

GENERAL CLAUSES

Article 50

The Greek Government recognizes the property rights of the Italian State and Italian nationals over all Italian merchant vessels, including cargo and ship's equipment which before 29 October 1947 were afloat or submerged in Greek territorial waters, or held or used by Greek authorities or Greek nationals, or in any other situation.

Article 51

In accordance with the provisions of parts II and III of this Agreement, a special non-interest-bearing account in drachmae to be known as account C shall be opened at the Bank of Greece, and a special non-interest-bearing account in Italian lire to be known as account D shall be opened at the Banca d'Italia, both in favour of the Bank of Greece acting on behalf of and for the account of the Greek Government.

Account C shall be credited with drachmae derived from the sale of Italian property in the Dodecanese and from the settlement according to this Agreement of outstanding treasury accounts between the two Governments.

Sums due under articles 37, 38, 39, 40, 43 and 49 of this Agreement shall be paid into account D.

The credit balance remaining in account D after withdrawal of the payments provided for in this Agreement and in the Protocol of Signature shall be credited to the account B provided for in article 24 of this Agreement and used for payment for any delivery of goods or performance of services provided for in this Agreement except in article 25. The Greek Government undertakes to provide in accordance with the procedure laid down in articles 11 to 18 the raw materials needed for the execution of these deliveries.

Provided that, if the available funds in account D are exhausted before all the payments to be drawn from that account have been made, further

payments shall be debited to the account B provided for in article 24. The Bank of Greece shall issue the necessary payment orders in the form provided for transactions on account B and against this account.

Article 52

A Joint Commission, consisting of a delegate of each of the High Contracting Parties assisted by experts, shall be set up in Greece immediately after the signature of this Agreement to carry out the operations provided for in the articles to which parts II and III of this Agreement relate.

In the event of difference between the delegates, the two Governments shall appoint by agreement a third member of another nationality.

The Joint Commission shall then take its decisions by majority, and its decisions shall be final.

FINAL CLAUSES

Article 53

Any dispute concerning the interpretation or execution of this instrument and concerning similar questions which cannot be settled either by the procedure laid down in this Agreement or through the ordinary diplomatic channel shall be settled by the procedure provided for in the Treaty of Peace.

Should the two Governments fail to agree on the choice of a "friend of both" or of a "third member" for the solution of problems arising from the application of articles 11 and 52 of this Agreement, such person shall be appointed by the procedure provided for in article 83 of the Treaty of Peace.

During this procedure and until the said choice has been made, the time-limits laid down for the questions to be settled shall be suspended.

Article 54

The two Governments consider that this Agreement, which shall enter into force on the day of its signature, discharges all the obligations imposed upon Italy by the Treaty of Peace in respect of Greece and upon Greece by annex XIV.

DONE at Rome, in two copies, on 31 August 1949.

For Italy:
C. SFORZA

For Greece:
D. KAPSALIS
C. DOXIADIS

ANNEX

TO THE AGREEMENT FOR ECONOMIC COLLABORATION
AND THE SETTLEMENT OF QUESTIONS ARISING FROM
THE TREATY OF PEACE

LIST OF GOODS FOR THE WHOLE PERIOD OF THE AGREEMENT

<i>Items</i>	<i>Total value of supplies in millions of dollars</i>	
	<i>Minimum</i>	<i>Maximum</i>
I. Plant for the production, transmission and distribution of power, and general electrical equipment:		
(a) Preliminary study, construction scheme and construction of hydro-electric stations, including supply of necessary equipment and installation of stations in the Vodas and Ladon Rivers district.		
(b) Study and construction of thermal power stations, conductors and networks of electric power distribution.		
(c) General electrical equipment, including machinery and electrical apparatus, transmission cables, etc.		
TOTAL - I	20	35
II. Shipbuilding:		
(a) Passenger vessels up to 5,000 gross tons; Refrigerated vessels up to 2,000 gross tons; Tankers up to 1000 gross tons.		
TOTAL - II	15	35
III. Railway equipment:		
(a) Diesel-mechanical and Diesel-electric locomotives and motor coaches with or without tenders.		
(b) Electric motor coaches and trams.		
(c) Complete steam locomotives and fuel-economizer locomotives.		
(d) First, second and third-class passenger coaches.		
(e) Goods trucks (open and closed), mail vans, luggage vans, etc.		
(f) Special refrigerator cars for transporting meat, etc.		
TOTAL - III	15	25
IV. Cars, omnibuses and other road transport vehicles (complete with tyres), with or without bodies:		

<i>Items</i>	<i>Total value of supplies in millions of dollars</i>	
	<i>Minimum</i>	<i>Maximum</i>
(a) Cars, omnibuses, lorries, trailers and automobiles for special use.		
(b) Trolley buses		
TOTAL - IV	1.7	4
V. Agricultural equipment:		
(a) Tools, machines and plant for growing, processing and preserving agricultural products (including refrigeration plant, silos, etc.).		
(b) Equipment and plant for food industries		
TOTAL - V	7.5	12
VI. Machines and tools for various industrial plants, or complete plants:		
(a) General plant, machines and tools for storage, hoisting and transport, soil excavation and drilling, all types of building, mines, quarries, ports, etc.		
(b) Telephone exchanges, extension of existing exchanges and miscellaneous telephonic equipment.		
(c) Various machines and equipment for textiles, and machines and equipment for washing and processing wool.		
(d) Other industrial machinery		
TOTAL - VI	5	10
VII. Precision tools, machines and apparatus:		
For telecommunications, radio communications (radio, phono-telegraphic and radio-phono-telegraphic apparatus), signalling, scientific and industrial measurement, surgery, orthopaedics, hospitals, laboratories and offices (engineers' and others')		
TOTAL - VII	0.5	2
VIII. Engines of all types:		
Electrical, internal combustion, etc., pumps, etc.		
TOTAL - VIII	2	3
IX. Finished products of laminated iron and steel, including cast iron and steel tubes		
TOTAL - IX	0.5	1

<i>Items</i>	<i>Total value of supplies in millions of dollars</i>	
	<i>minimum</i>	<i>maximum</i>
X. General services and studies in Greece or Italy, including salvage of vessels in Greek waters and their breaking-up in Greece or Italy.		
TOTAL - X	0.5	2
XI. Current production goods:		
(a) Sulphur,		
(b) Textiles:		
Artificial fibres (rayon and flocco), artificial fibre fabrics, cotton, wool and hemp thread, cotton fabrics, mixed cotton and artificial fibre fabrics, woollen fabrics, hempen fabrics, etc.		
(c) Chemical products, including fertilizers, organic and inorganic dyes, etc.		
(d) Pharmaceutical products.		
(e) Wood products (prefabricated houses, furniture, etc.),		
(f) Paper and cardboard, felt shapes and hats, rubber products, cork products, glassware and pottery,		
(g) Other products and miscellaneous articles of current production.		
TOTAL - XI	10	15

ANNEX

TO THE AGREEMENT FOR ECONOMIC COLLABORATION
AND THE SETTLEMENT OF QUESTIONS ARISING FROM
THE TREATY OF PEACE

LIST OF GOODS FOR THE FIRST YEAR

<i>Items</i>	<i>Total value of supplies in dollars</i>	
I. Plant for the production, transmission and distribution of power, and general electrical equipment:		
(a) Preliminary study, construction scheme and construction of hydro-electric stations, including the supply of necessary equipment and the installation of stations in the Ladon and Vodas Rivers district.		
(b) Study and construction of thermal power stations, conductors and networks of electric power distribution.		
(c) General electrical equipment, including machinery and electrical apparatus, transmission cables, etc.		
TOTAL - I	5,000,000	

<i>Items</i>	<i>Total value of supplies in dollars</i>
II. Shipbuilding:	
(a) Passenger vessels up to 5,000 gross tons	
Refrigerated vessels up to 2,000 gross tons	
Tankers up to 1,000 gross tons	
TOTAL - II	4,400,000
III. Railway equipment:	
(a) Diesel-mechanical and Diesel-electric locomotives and motor coaches with or without tenders.	
(b) Electric motor coaches and trams.	
(c) Complete steam locomotives and fuel-economizer locomotives.	
(d) First, second and third-class passenger coaches.	
(e) Goods trucks (open and closed), mail vans, luggage vans, etc.	
(f) Special refrigerator cars for transporting meat, etc.	
TOTAL - III	4,700,000
IV. Cars, omnibuses and other road transport vehicles (complete with tyres), with or without bodies:	
(a) Cars, omnibuses, lorries, trailers and automobiles for special use.	
(b) Trolley buses.	
TOTAL - IV	500,000
V. Agricultural equipment:	
(a) Tools, machines and plant for growing, processing and preserving agricultural products (including refrigeration plant, silos, etc.).	
(b) Equipment and plant for food industries.	
TOTAL - V	3,000,000
VI. Machines and tools for various industrial plants or complete plants:	
(a) General plant, machines and tools for storage, hoisting and transport, soil excavation and drilling, all types of building, mines, quarries, ports, etc.	
(b) Telephone exchanges, extension of existing exchanges and miscellaneous telephonic equipment.	
(c) Various machines and equipment for textiles and machines and equipment for washing and processing wool.	
(d) Other industrial machinery.	
TOTAL - VI	2,200,000

<i>Items</i>	<i>Total value of supplies in dollars</i>
VII. Precision tools, machines and apparatus: For telecommunications, radio communications (radio, phono-telegraphic and radio-phono-telegraphic apparatus), signalling, scientific and industrial measurement, surgery, orthopaedics, hospitals, laboratories and offices (engineers' and others').	
TOTAL - VII	500,000
VIII. Engines of all types: Electrical, internal combustion, etc., pumps, etc.	
TOTAL - VIII	600,000
IX. Finished products of laminated iron and steel, including cast iron and steel tubes.	
TOTAL - IX	300,000
X. General services and studies in Greece or Italy, including salvage of vessels in Greek waters and their breaking-up in Greece or Italy	
TOTAL - X	500,000
XI. Current production goods:	
(a) Sulphur	900,000
(b) Rice for consumption	250,000
(c) Rayon, cotton, woollen, hemp, linen, etc., thread, fabrics, knitted goods and socks	250,000
(d) Artificial textile fibres (rayon and flocco)	200,000
(e) Hats and felt hat shapes	100,000
(f) Organic and inorganic chemical products	250,000
(g) Pharmaceutical products and patent medicines	100,000
(h) Synthetic organic dyes	100,000
(i) Essential oils and essences	75,000
(l) Pneumatic tyres, inner tubes and other rubber articles	200,000
(m) Wood products (prefabricated houses, furniture, etc.)	250,000
(n) Cigarette paper	50,000
(o) Cellophane paper	75,000
(p) Paper articles and office equipment	50,000
(q) Typewriters, accessories and spare parts	50,000
(r) Various products and articles of cork, glass, crystal, terra cotta, crockery, stoneware, pottery, china, refractory products, etc.	100,000
TOTAL - XI	3,000,000
GRAND TOTAL	24,700,000

PROTOCOL OF SIGNATURE

On signing the Agreement for economic collaboration and the settlement of questions arising from the Treaty of Peace between the Allied and Associated Powers and Italy, the Italian Government and the Greek Government, in view of the high aims which they propose to achieve by the said Agreement and having regard to the reciprocal concessions contained therein, have agreed as follows:

1. Supplementary Act No. 385 of 26 August 1944 concerning the "Società Allevamenti Bonifiche Agrarie—SABA" is hereby recognized as valid in so far as it constitutes a rectification of the cession of land to that company by contract No. 574 of 13 February 1943.

Furthermore, the full property rights of the "Società Anonima SAITAB" over the land adjacent to the establishment, for which there exists a contract drawn up before a notary (Rep. 115/945 XIX Rep. 76/941 XIX of 21 June 1941), are recognized without prejudice to the obligations arising therefrom.

2. Property in the liens of the legal persons referred to in article 33 of this Agreement, except on transportable property of the "Società Ferrobeton", shall within six months from the signature of the Agreement pass to the Greek Government, against payment by that Government of the price in drachmae determined by the delegates referred to in article 52 of the Agreement.

The obligation of the Greek Government with regard to INCIS is limited to one-half the value thus determined.

It is understood that the provisions of article 34 of the Agreement shall not apply to that property.

Apart from the payment of the price in drachmae, the Bank of Greece shall issue, at the request of the delegates and within a time-limit to be determined by them in favour of the entitled persons, the appropriate payment orders in Italian lire on the account D provided for in article 51 of the Agreement, in the manner provided for in article 30 of the Agreement.

3. Within three months of the signature of this Protocol the Italian Government shall cause to be transferred to the Greek Government property in eight thousand two hundred (8,200) shares representing 82 per cent of the registered capital of the "Società Italiana Elettriche Rodi". The Greek Government shall pay to the entitled persons, in the manner provided for in paragraph 2 of this Protocol, the value in Italian lire of the sum of three billion three hundred and sixty-three million eight hundred and forty-five thousand drachmae.

4. The Italian Government undertakes to purchase by contract from the Bank of Italy the refrigerating plant situated at Rhodes and belonging to the Bank and to make it available to the Greek Government on a friendly footing.

The Italian Government shall be liable for all the monetary obligations thus incurred by the Bank of Italy.

This plant shall be returned to the Greek Government as soon as the delegates have agreed on the value of other property of the Bank of Italy.

5. The Bank of Greece shall be authorized to transport into Italy, in the manner to be laid down by the delegates, the Italian lire in its hands derived from the exchange of currency effected in the Dodecanese in pursuance of annex XIV of the Treaty of Peace. The lire thus transferred shall be paid into account D. The Bank of Greece shall issue in favour of the Italian Government a payment order, countersigned by the delegates, for the sum of 220 million lire on account D.

6. Property in the Cathedral of St. John in Rhodes and the Church of Agnus Dei in Cos shall pass to the Greek Government, which, according to an estimate to be made by the delegates, shall pay a sum in drachmae equal to one-third of the value of the Cathedral and to the full value of the Church of Agnus Dei.

The value in Italian lire shall be paid to the entitled persons in the manner provided for in paragraph 2 of this Protocol.

7. In accordance with order No. 28143 of 1 July 1939 of the General Government of the Aegean Islands, the Greek Government recognizes the property rights of the Franciscan Mission at Rhodes over the Church of St. Francis, including the rectory and the 1,671 square metres of demarcated adjacent land constituting the whole of national estate V-47 registered in volume XXV, page 1949, paragraph 5112.

The 5,740 square metres of wooded *mulk* building land at Rhodes (St. Anarghiri), which constitutes the whole of national estate V-288/B, registered in volume XXIX, page 92, paragraph 5917, shall remain the property of the Greek Government.

8. (a) The Italian Government shall cede to the Greek Government the wreckage of warships and auxiliaries belonging to the Italian navy which were in Greek territorial waters before 29 October 1947, and of the vessels belonging to the Italian State which were allotted to service, except transport services, in the Dodecanese Islands.

(b) The Italian Government shall be authorized to draw from account D the total value, less salvage costs, of Italian merchant vessels, including vessels requisitioned by the Italian Navy, wrecks, cargoes and equipment which were in the territorial waters of the Dodecanese before 29 October 1947.

(c) The Italian Government shall be authorized to draw from account D a sum equal to one-half of the total value, less salvage costs, of Italian merchant

vessels, including those requisitioned by the Italian Navy, cargoes and equipment, which were in Greek territorial waters other than the territorial waters of the Dodecanese before 29 October 1947 and whereon salvage operations have been concluded by the date of signature of this Protocol.

(d) The Greek Government shall place at the disposal of the entitled Italian persons, free of all charge, one-half of the wreckage of Italian merchant vessels, including those requisitioned by the Italian Navy, cargoes and equipment sunken or shipwrecked in any manner whatsoever in Greek territorial waters other than the territorial waters of the Dodecanese, in respect of which salvage operations have not been commenced or concluded by the date of signature of this Protocol.

The Italian entitled persons shall inform the Greek Government within one year from the signature of this Protocol through the Legation of Italy at Athens whether they wish to take possession of such wreckage, cargoes and miscellaneous equipment. If the Italian persons concerned have not availed themselves of the opportunity thus given them, such wreckage and equipment shall pass to the Greek Government on the expiry of the said time-limit.

(e) The Joint Commission provided for in article 52 of the Agreement shall value the Italian vessels referred to in this paragraph, and settle all related questions, and verify the salvage costs from documents to be submitted by the competent Greek authorities.

The Joint Commission shall complete these operations within six months of receiving the evidence necessary for its decisions.

(f) For the sums which the Italian Government shall be authorized to draw from account D under sub-paragraphs (b) and (c) of this paragraph, the Bank of Greece shall, within a time-limit to be determined by the delegates in the manner provided for in article 30 of the Agreement, issue the necessary payment orders, which shall be countersigned by the delegates.

3. The Greek Government recognizes the full property rights of the Italian citizen Virgilio Franchi over the land and adjacent buildings situated at Candili in Rhodes, evidenced by titles 466 and 114 registered in his name and constituting firm title replacing the previous *arghimiri* and *mulk* titles.

The Greek Government shall proceed to restore:

(a) to the Italian national Vanda Patacchini the sum of 30 English gold pounds, confiscated under judgment No. 361/1948 of 10 December 1948 of the

Correctional Court of Rhodes for attempted unlawful export;

(b) to the heirs of the Italian national Franco Benetti, the sum of four thousand six hundred and three (4,603) U.S. dollars, confiscated under judgment No. 364/1948 of the Correctional Court of Rhodes dated 4 November 1948;

(c) all the sums paid on account of the fine imposed by judgment of the Court of Appeal of Rhodes upon the Italian national Raimondo Genna, who shall also be exempted from paying the sum of forty-six million drachmae, the total amount of the fine.

10. It is agreed that the one-third part of the value of the Italian property, rights and interests belonging to individuals which the Greek Government may retain in accordance with article 43 shall not include any domestic effects covered by a decree of disposal or liquidation by the Greek Government issued and executed before 31 May 1949, and therefore deemed to have been acquired by that Government.

11. The delegates are authorized to take, through the Banca d'Italia and by the procedure provided for in this Agreement, the necessary steps for sale on the Italian market of bonds of the Italian public debt belonging to Greek nationals, who may apply therefor within three months from the entry into force of this Agreement.

DONE at Rome, in two copies, on 31 August 1949.

For Italy:
C. SFORZA

For Greece:
D. KAPSALIS
C. DOXIADIS

EXCHANGE OF LETTERS

I

Rome, 31 August 1949

Your Excellencies,

In pursuance of the Agreement between Italy and Greece of 29 September 1948 concerning the application of article 57 of the Treaty of Peace between the Allied and Associated Powers and Italy, and especially of article 5 of that Agreement, and in view of the provisions agreed upon between our two Governments in article 5 of the Agreement for Economic Collaboration and the Settlement of Questions arising from the Treaty of Peace, signed today, I have the honour to inform you that the Italian Government agrees that the Greek Government should draw from the available funds in account A provided for

in article 21 of the said Agreement for Economic Collaboration the sums needed to pay for the following repairs carried out in Italy to the cruiser *Eugenio di Savoia* at the expense of the Greek Government, viz., construction of the large reduction wheel of the forward derrick engine and assembly, alignment and checking of the reduction unit.

The Bank of Greece, acting on behalf and for the account of the Greek Government, will issue the necessary payment orders as the payments become due, under the contracts concluded between the Italian Ministry of Naval Defence and the Ansaldo Company.

On receipt of the said payment orders, the Bank of Italy will pay the amounts stated therein to the entitled persons, on presentation of a certificate of approval from the Italian Ministry of Naval Defence and of any other documents it may deem necessary as evidence of the expenditure incurred.

I have the honour to be, etc.,

C. SFORZA

His Excellency Mr. Dimitri Kapsalis

Royal Minister of Greece in Italy

His Excellency Mr. Constantin Doxiadis

Co-ordinator of the Reconstruction Plan, Resident Minister

Royal Legation of Greece

Rome

II

Rome, 31 August 1949

Your Excellency,

We have the honour to acknowledge receipt of Your Excellency's letter of today's date, which reads as follows:

[See letter I]

We have the honour to inform Your Excellency that our Government agrees to the contents of the letter quoted above.

We have the honour to be, etc.,

D. KAPSALIS

C. DOXIADIS

His Excellency Count Carlo Sforza

Minister of Foreign Affairs

Rome

III

Rome, 31 August 1949

Your Excellencies,

With reference to the Agreement for Economic Collaboration and the Settlement of Questions arising from the Treaty of Peace between the Allied and Associated Powers and Italy, signed today, and especially to article 5 of the Agreement, I have the honour to inform you as follows:

(a) The Greek Government will draw immediately from the available funds in account A provided for in article 21 of the Agreement for Economic Collaboration the sum of 300,000,000 Italian lire to pay for the liner *Stamira* which belongs to the "Società Fiumana di Navigazione" and which that company is prepared to transfer to the Greek Government for the said price;

(b) The Bank of Greece, acting on behalf and for the account of the Greek Government, will issue the necessary payment order in favour of the company owning the vessel;

(c) On receipt of the said payment order, the Bank of Italy will pay the said sum of 300,000,000 Italian lire to the "Società Fiumana di Navigazione".

I have the honour to propose that, if the Greek Government agrees to the above, this letter and your reply shall be deemed to constitute an agreement on this subject between our two Governments.

I have the honour to be, etc.

C. SFORZA

His Excellency Mr. Dimitri Kapsalis

Royal Minister of Greece in Italy

His Excellency Mr. Constantin Doxiadis

Co-ordinator of the Reconstruction Plan, Resident Minister

Royal Legation of Greece

Rome

IV

Rome, 31 August 1949

Your Excellency,

We have the honour to acknowledge receipt of Your Excellency's letter of today's date, which reads as follows:

N° 1014

[See letter III]

We have the honour to inform Your Excellency that our Government agrees to the contents of the letter quoted above.

We have the honour to be, etc.,

D. KAPSALIS

C. DOXIADIS

His Excellency Count Carlo Sforza
Minister of Foreign Affairs
Rome

V

Rome, 31 August 1949

Your Excellencies,

With reference to the Agreement for Economic Collaboration and the Settlement of Questions arising from the Treaty of Peace between the Allied and Associated Powers and Italy, signed today, and especially to article 5 of that Agreement, I have the honour to inform you that my Government agrees that the working expenses of the delegation appointed by your Government to carry out the first part of the said Agreement on behalf of Greece should be paid from the available funds in account B provided for in article 24 of the Agreement.

Such expenses are to be effected in the period between 1 September 1949 and 30 June 1954 inclusive, and on no account to exceed the equivalent in Italian lire of 1,000,000 U.S. dollars.

These expenses shall be paid every three months by a payment order issued by the Bank of Greece acting on behalf and for the account of the Greek Government and accompanied by a request from the chief of the Greek delegation in Italy. In any case the amounts to be paid accordingly are not to exceed one-twentieth of the sum of 1,000,000 U.S. dollars laid down as a maximum.

I have the honour to propose that, if the Greek Government agrees to the above, this letter and your reply shall be deemed to constitute an agreement on this subject between our two Governments.

I have the honour to be, etc.,

C. SFORZA

His Excellency Mr. Dimitri Kapsalis
Royal Minister of Greece in Italy
His Excellency Mr. Constantin Doxiadis
Co-ordinator of the Reconstruction Plan, Resident Minister
Royal Legation of Greece
Rome

VI

Rome, 31 August 1949

Your Excellency,

We have the honour to acknowledge receipt of Your Excellency's letter of today's date, which reads as follows:

[*See letter V*]

We have the honour to inform Your Excellency that our Government agrees to the contents of the letter quoted above.

We have the honour to be, etc.,

D. KAPSALIS
C. DOXIADIS

His Excellency Count Carlo Sforza
Minister of Foreign Affairs
Rome

VII

Rome, 31 August 1949

Your Excellencies,

With reference to the Agreement for Economic Collaboration and the Settlement of Questions arising from the Treaty of Peace between the Allied and Associated Powers and Italy, signed today, and especially to article 5 of that Agreement, I have the honour to inform you that my Government agrees that the Greek Government shall draw upon available funds in account B provided for in article 24 of that Agreement, for the amounts necessary, up to the equivalent in Italian lire of 500,000 U.S. dollars, for the following deliveries

of goods and performance of services in Italy:

(a) land for the construction of a palace, or an existing palace, to be used as the headquarters of the Royal Legation of Greece at Rome;

(b) plans for the construction or adaptation of a palace, and the construction or adaptation of a palace;

(c) materials for the construction or adaptation of a palace;

(d) furnishing of the headquarters of the Legation.

The Bank of Greece, acting on behalf and for the account of the Greek Government, will issue the necessary payment orders as the work progresses and payments become due.

On receipt of the said payment orders, the Bank of Italy will pay to the Greek Minister in Rome, on presentation of any documents that it may deem necessary as evidence of the expenses incurred, the amounts stated in the payment orders.

I have the honour to propose that, if the Greek Government agrees to the above, this letter and your reply shall be deemed to constitute an agreement on this subject between our two Governments.

I have the honour to be, etc.,

C. SFORZA

His Excellency Mr. Dimitri Kapsalis

Royal Minister of Greece in Italy

His Excellency Mr. Constantin Doxiadis

Co-ordinator of the Reconstruction Plan, Resident Minister

Royal Legation of Greece

Rome

VIII

Rome, 31 August 1949

Your Excellency,

We have the honour to acknowledge receipt of Your Excellency's letter of today's date, which reads as follows:

[See letter VII]

We have the honour to inform Your Excellency that our Government agrees to the contents of the letter quoted above.

We have the honour to be, etc.,

D. KAPSALIS

C. DOXIADIS

His Excellency Count Carlo Sforza
Minister of Foreign Affairs
Rome

IX

Rome, 31 August 1949

Your Excellencies,

I have the honour to refer to article 17 of the Agreement for Economic Collaboration and the settlement of questions arising from the Treaty of Peace between the Allied and Associated Powers and Italy, signed today, and consider it necessary to set down here what was agreed upon during the study of the meaning of paragraph 1 of that article, which reads as follows:

“The Greek Government may sell freely on the Italian market, in accordance with the law concerning the disposal of raw materials in Italy, the raw materials to be furnished under this Agreement.”

Generally speaking, the above paragraph refers to the necessity of observing all the existing enactments relating to trade and, in particular, to observance of the special Act concerning scrap iron (scrap iron and steel).

While this Act, under which an organization authorized to purchase and dispose of scrap iron exists in Italy, remains in force or is amended, the delivery of scrap iron by your Government provided for in part I of the Agreement will be effected in the following manner, in order to avoid any losses that might result for your Government between the purchase of the said scrap iron on the international market and its sale in Italy:

1. The purchase will be made by the Greek Government –
 - (a) within the time-limits laid down in articles 14, 15 and 16 of the Agreement;
 - (b) in accordance with instructions given by the Italian organization;
 - (c) in countries with which Greece maintains trade relations;
 - (d) in accordance with the rules laid down in the relevant agreements.

2. The Greek Government has the option of accepting or rejecting within ten days a proposal made to it by the Italian organization; should the Greek Government not accept the proposal it must submit within the following twenty days another quotation for the same quantity, with the same technical characteristics and at a better price; the Italian organization will be obliged to accept this proposal.

3. Under these conditions the Greek Government will buy the quantities determined or accepted by the Italian organization, in each instance, and will submit the relevant documents to the organization.

The organization will be obliged to deposit in account B, in favour of the Greek Government and as soon as the scrap iron has been cleared by the Italian customs, the equivalent in Italian lire of the price CIF Italian frontier or port paid by the Greek Government for the consignment of scrap iron.

For this purpose, the two currencies shall be converted into dollars at the official rate (for lire, see article 22 of the Agreement) on the day when the scrap iron is cleared by the Italian customs.

4. Obviously, under the above conditions the Greek Government will not be responsible for the direct delivery of the scrap iron to the undertakings with which it has signed contracts, but the Italian organization will be responsible for ensuring the delivery of the scrap iron to those undertakings, which normally receive scrap iron through the organization; it is also understood that the Greek Government will not be otherwise responsible for the time-limits laid down in the Agreement for the delivery of scrap iron.

5. As soon as possible after the signature of the Agreement, the delegate of the Greek Government will communicate with the Italian organization with a view to arranging within the shortest possible time for the delivery of the quantities of scrap iron provided for in the Agreement.

I have the honour to be, etc.,

C. SFORZA

His Excellency Mr. Dimitri Kapsalis

Royal Minister of Greece in Italy

His Excellency Mr. Constantin Doxiadis

Co-ordinator of the Reconstruction Plan, Resident Minister

Royal Legation of Greece

Rome

X

Rome, 31 August 1949

Your Excellency,

We have the honour to acknowledge receipt of Your Excellency's letter of today's date, which reads as follows:

[See letter IX]

We have the honour to inform Your Excellency that our Government agrees to the contents of the letter quoted above.

We have the honour to be, etc.,

D. KAPSALIS

C. DOXIADIS

His Excellency Count Carlo Sforza
Minister of Foreign Affairs
Rome