

No. 2451

**GREECE
and
UNITED STATES OF AMERICA**

Agreement for the purchase of United States surplus property. Signed at Washington, on 16 May 1946

Agreement for the purchase of additional United States surplus property. Signed at Washington, on 25 September 1946

Agreement for the purchase of additional United States surplus property. Signed at Washington, on 4 October 1946

Agreement for the purchase of additional United States surplus property. Signed at Washington, on 15 May 1947

Agreement for the purchase of additional United States surplus property. Signed at Washington, on 6 January 1948

Agreement regarding the extension of the Agreements of 16 May, 25 September and 4 October 1946 and 15 May 1947 for the purchase of United States surplus property. Signed at Athens, on 26 February 1948

Official texts: English.

Registered by Greece on 21 January 1954.

No. 2451. AGREEMENT¹ BETWEEN THE ROYAL HELLENIC GOVERNMENT AND THE UNITED STATES OF AMERICA FOR THE PURCHASE OF UNITED STATES SURPLUS PROPERTY. SIGNED AT WASHINGTON, ON 16 MAY 1946

DEPARTMENT OF STATE
OFFICE OF THE FOREIGN LIQUIDATION COMMISSIONER

New War Department Building
Washington 25, D.C.

16 May 1946

Mr. Paul Economou-Gouras
Chargé d'Affaires ad interim of Greece
2221 Massachusetts Avenue
Washington, D. C.

My dear Mr. Chargé d'Affaires :

Representatives of your Government have expressed an interest in the purchase of United States surplus property. I am glad to inform you that the Office of the Foreign Liquidation Commissioner has surplus property available which may be acquired by your Government. The quantities and types of such surplus property, the prices thereof and other terms of sale, including provisions for exchanges of property, are matters for agreement between the Office of the Foreign Liquidation Commissioner, or its Field Commissioners, and the representatives of your Government. For the purposes of any purchases which are made by your Government prior to January 1, 1948 of surplus property made available by the Office of the Foreign Liquidation Commissioner, we would be willing to extend a line of credit to your Government for an aggregate amount not in excess of \$10,000,000, subject to the following conditions and terms of payment :

(1) A sum in United States dollars, equal to the total purchase price of individual sales of such surplus property shall be paid in twenty-five (25) equal annual installments beginning on July 1, 1952 and continuing thereafter on July 1 of each year up to and including July 1, 1976, subject to the provisions of paragraphs (4), (5) and (6) of this letter.

(2) Interest shall accrue from the respective dates specified in the individual sales contracts for the taking of delivery by the Government of Greece, and

¹ Came into force on 16 May 1946 by signature.

shall be paid on the outstanding unpaid balance of the total purchase price. The rate of interest shall be two and three-eighths percent ($2\frac{3}{8}\%$) per annum, payable on July 1 of each year, the first payment to be made on July 1, 1947.

(3) Except as otherwise provided herein, all payments of principal and interest shall be made in United States dollars to the Treasurer of the United States, through the Federal Reserve Bank of New York.

(4) (a) 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 at an exchange rate as provided in sub-paragraph (4) (b), in any amount not in excess of the not outstanding balance of principal (whether or not then due in United States dollars) plus interest (then due in United States dollars) payable under the terms of this letter; 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 this paragraph (4) and paragraph (6) any local currency or property the combined total value of which is in excess of \$2,000,000. In the event that local currency is received by the Government of the United States under the terms of this paragraph, the United States dollar equivalent of the amount received shall be credited first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal.

(4) (b) The exchange rate shall be that established by the International Monetary Fund, provided that, if no such rate exists, the rate shall be that rate most favorable to the United States which was used in any Greek Government transactions with any party during the preceding twelve months period.

(5) The Government of Greece may anticipate the payment, in United States dollars, of any installment of principal, or any part thereof, provided that this right of anticipation may not be exercised when any installment of principal or interest is past due and unpaid.

(6) When the Government of the United States wishes to acquire any property, real or personal, tangible or intangible, or to improve any property in which it has an interest, at the expense of the Government of Greece, the Government of the United States will request at any time or times and the Government of Greece agrees at any such time or times to enter into negotiations with the Government of the United States and to use its best efforts to consummate without any undue delay appropriate contracts by mutual agreement wherein the Government of Greece will furnish to the Government of the United States the properties or improvements it desires or which its representa-

tives have selected. Representatives of the Government of the United States may at their discretion conduct discussions directly with owners of property or with contractors for improvements as to fair terms and price prior to the acquisition of such property or improvements by the Government of Greece for delivery to the Government of the United States. When performance of any such contract is made by the Government of Greece, the Government of the United States shall credit the Government of Greece with the United States dollar equivalent of the fair value received at an exchange rate as provided in sub-paragraph (4) (b), such credit being applied first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal. The total value of property to be delivered by the Government of Greece in any calendar year shall be subject to the annual limitation specified in sub-paragraph (4) (a).

(7) If these terms are agreeable to your Government it is requested that you indicate its acceptance thereof by signing and returning to me the enclosed duplicate original of this letter. When this has been done I shall inform my Field Commissioners as to the terms in order that they may be appropriately incorporated or referred to in any contracts for the sale or exchange of surplus property which may be executed between my Field Commissioners and representatives of your Government.

As we have explained in our informal discussions with representatives of your Government, the purpose of this letter is to facilitate our surplus property transactions by arriving at an overall understanding as to a maximum line of credit, credit terms and exchanges of property.

Sincerely yours,

(Signed) Thomas B. MC CABE
Special Assistant to the Secretary of State
and Foreign Liquidation Commissioner

The terms of the foregoing letter are hereby accepted.

(Signed) Paul ECONOMOU-GOURAS
May 16th, 1946

AGREEMENT¹ BETWEEN THE ROYAL HELLENIC GOVERNMENT AND THE UNITED STATES OF AMERICA FOR THE PURCHASE OF ADDITIONAL UNITED STATES SURPLUS PROPERTY. SIGNED AT WASHINGTON, ON 25 SEPTEMBER 1946

DEPARTMENT OF STATE
OFFICE OF THE FOREIGN LIQUIDATION COMMISSIONER
Washington 25, D.C.

September 25, 1946

Mr. Paul Economou-Gouras
Chargé d'Affaires ad interim of Greece
2221 Massachusetts Avenue
Washington, D.C.

My dear Mr. Chargé d'Affaires :

Representatives of your Government have expressed an interest in the purchase of additional United States surplus property, under terms similar to those contained in the letter credit agreement between the Government of the United States and the Government of Greece, dated May 16, 1946² for \$10,000,000. I am glad to inform you that the Office of the Foreign Liquidation Commissioner has such additional surplus property available which may be acquired by your Government. The quantities and types of such surplus property, the prices thereof and other terms of sale, including provisions for exchanges of property, are matters for agreement between the Office of the Foreign Liquidation Commissioner, or its Field Commissioners, and the representatives of your Government. For the purposes of any purchases which are made by your Government prior to January 1, 1948 of surplus property made available by the Office of the Foreign Liquidation Commissioner (in addition to that authorized by the above referred to letter credit agreement dated May 16, 1946), we would be willing to extend an additional line of credit to your Government for an amount not in excess of \$10,000,000 subject to the following conditions and terms of payment :

(1) A sum in United States dollars, equal to the total purchase price of individual sales of such surplus property shall be paid in twenty-five (25) equal annual installments beginning on July 1, 1952 and continuing thereafter on July 1 of each year up to and including July 1, 1976, subject to the provisions of paragraphs (4), (5) and (6) of this letter.

¹ Came into force on 25 September 1946 by signature.

² See p. 232 of this volume.

(2) Interest shall accrue from the respective dates specified in the individual sales contracts for the taking of delivery by the Government of Greece, and shall be paid on the outstanding unpaid balance of the total purchase price. The rate of interest shall be two and three-eighths percent ($2\frac{3}{8}\%$) per annum, payable on July 1 of each year, the first payment to be made on July 1, 1947.

(3) Except as otherwise provided herein, all payments of principal and interest shall be made in United States dollars to the Treasurer of the United States, through the Federal Reserve Bank of New York.

(4) (a) 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 at an exchange rate as provided in sub-paragraph (4) (b), in any amount not in excess of the net outstanding balance of principal (whether or not then due in United States dollars) plus interest (then due in United States dollars) payable under the terms of this letter; 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 paragraph (4) and paragraph (6) of this letter and letter credit agreement dated May 16, 1946 any local currency or property the combined total value of which is in excess of \$2,000,000. In the event that local currency is received by the Government of the United States under the terms of this paragraph, the United States dollar equivalent of the amount received shall be credited first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal.

(4) (b) The exchange rate shall be that established by the International Monetary Fund, provided that, if no such rate exists, the rate shall be that rate most favorable to the United States which was used in any Greek Government transactions with any party during the preceding twelve months period.

(5) The Government of Greece may anticipate the payment, in United States dollars, of any installment of principal, or any part thereof, provided that this right of anticipation may not be exercised when any installment of principal or interest is past due and unpaid.

(6) When the Government of the United States wishes to acquire any property, real or personal, tangible or intangible, or to improve any property in which it has an interest, at the expense of the Government of Greece, the Government of the United States will request at any time or times and the Government of Greece agrees at any such time or times to enter into negotiations with the Government of the United States and to use its best efforts to consummate without any undue delay appropriate contracts by mutual agreement

wherein the Government of Greece will furnish to the Government of the United States the properties or improvements it desires or which its representatives have selected. Representatives of the Government of the United States may at their discretion conduct discussions directly with owners of property or with contractors for improvements as to fair terms and price prior to the acquisition of such property or improvements by the Government of Greece for delivery to the Government of the United States. When performance of any such contract is made by the Government of Greece, the Government of the United States shall credit the Government of Greece with the United States dollar equivalent of the fair value received at an exchange rate as provided in sub-paragraph (4) (b), such credit being applied first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal. The total value of property to be delivered by the Government of Greece in any calendar year shall be subject to the annual limitation specified in sub-paragraph (4) (a).

(7) If these terms are agreeable to your Government it is requested that you indicate its acceptance thereof by signing and returning to me the enclosed duplicate original of this letter. When this has been done I shall inform my Field Commissioners as to the terms in order that they may be appropriately incorporated or referred to in any contracts for the sale or exchange of surplus property which may be executed between my Field Commissioners and representatives of your Government.

As we have explained in our informal discussions with representatives of your Government, the purpose of this letter is to facilitate our surplus property transactions by arriving at an overall understanding as to a maximum line of credit, credit terms and exchanges of property.

Sincerely yours,

Donald H. CONNOLLY
Foreign Liquidation Commissioner

The terms of the foregoing letter are hereby accepted.
Paul ECONOMOU-GOURAS
Washington, D.C.

September 25, 1946

AGREEMENT¹ BETWEEN THE ROYAL HELLENIC GOVERNMENT AND THE UNITED STATES OF AMERICA FOR THE PURCHASE OF ADDITIONAL UNITED STATES SURPLUS PROPERTY. SIGNED AT WASHINGTON, ON 4 OCTOBER 1946

DEPARTMENT OF STATE
OFFICE OF THE FOREIGN LIQUIDATION COMMISSIONER
Washington 25, D.C.

4 October 1946

Mr. Paul Economou-Gouras
Chargé d'Affaires ad interim of Greece
2221 Massachusetts Avenue
Washington, D.C.

My dear Mr. Chargé d'Affaires :

Representatives of your Government have expressed an interest in the purchase of additional United States surplus property, under terms similar to those contained in the letter credit agreements between the Government of the United States and the Government of Greece, dated May 16, 1946² for \$10,000,000 and September 25, 1946³ for another \$10,000,000. I am glad to inform you that the Office of the Foreign Liquidation Commissioner is prepared to make every effort possible to satisfy this desire out of surplus property which is now available or may become available in the future. However, the quantities and types of such surplus property, the prices thereof and other terms of sale, including provisions for exchanges of property, are matters for agreement between the Office of the Foreign Liquidation Commissioner or its Field Commissioners, and the representatives of your Government. For the purposes of any purchases which are made by your Government prior to January 1, 1948 of surplus property made available by the Office of the Foreign Liquidation Commissioner (in addition to that authorized by the above referred to letter credit agreements dated May 16, 1946 and September 25, 1946), we would be willing to extend an additional line of credit to your Government for an amount not in excess of \$25,000,000 subject to the following conditions and terms of payment :

(1) A sum in United States dollars, equal to the total purchase price of individual sales of such surplus property shall be paid in twenty-five (25) equal

¹ Came into force on 4 October 1946 by signature.

² See p. 232 of this volume.

³ See p. 238 of this volume.

annual installments beginning on July 1, 1952 and continuing thereafter on July 1 of each year up to and including July 1, 1976, subject to the provisions of paragraphs (4), (5) and (6) of this letter.

(2) Interest shall accrue from the respective dates specified in the individual sales contracts for the taking of delivery by the Government of Greece, and shall be paid on the outstanding unpaid balance of the total purchase price. The rate of interest shall be two and three-eighths percent ($2\frac{3}{8}\%$) per annum, payable on July 1 of each year, the first payment to be made on July 1, 1947.

(3) Except as otherwise provided herein, all payments of principal and interest shall be made in United States dollars to the Treasurer of the United States, through the Federal Reserve Bank of New York.

(4) (a) 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 at an exchange rate as provided in sub-paragraph (4) (b), in any amount not in excess of the net outstanding balance of principal (whether or not then due in United States dollars) plus interest (then due in United States dollars) payable under the terms of this letter; 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 paragraph (4) and paragraph (6) of this letter and letter credit agreements dated May 16, 1946 and September 25, 1946 any local currency or property the combined total value of which is in excess of \$4,000,000. In the event that local currency is received by the Government of the United States under the terms of this paragraph, the United States dollar equivalent of the amount received shall be credited first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal.

(4) (b) The exchange rate shall be that established by the International Monetary Fund, provided that, if no such rate exists, the rate shall be that rate most favorable to the United States which was used in any Greek Government transactions with any party during the preceding twelve months period.

(5) The Government of Greece may anticipate the payment, in United States dollars, of any installment of principal, or any part thereof, provided that this right of anticipation may not be exercised when any installment of principal or interest is past due and unpaid.

(6) When the Government of the United States wishes to acquire any property, real or personal, tangible or intangible, or to improve any property in which it has an interest, at the expense of the Government of Greece, the

Government of the United States will request at any time or times and the Government of Greece agrees at any such time or times to enter into negotiations with the Government of the United States and to use its best efforts to consummate without any undue delay appropriate contracts by mutual agreement wherein the Government of Greece will furnish to the Government of the United States the properties or improvements it desires or which its representatives have selected. Representatives of the Government of the United States may at their discretion conduct discussions directly with owners of property or with contractors for improvements as to fair terms and price prior to the acquisition of such property or improvements by the Government of Greece for delivery to the Government of the United States. When performance of any such contract is made by the Government of Greece, the Government of the United States shall credit the Government of Greece with the United States dollar equivalent of the fair value received at an exchange rate as provided in subparagraph (4) (b), such credit being applied first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal. The total value of property to be delivered by the Government of Greece in any calendar year shall be subject to the annual limitation specified in subparagraph (4) (a).

(7) If these terms are agreeable to your Government it is requested that you indicate its acceptance thereof by signing and returning to me the enclosed duplicate original of this letter. When this has been done I shall inform my Field Commissioners as to the terms in order that they may be appropriately incorporated or referred to in any contracts for the sale or exchange of surplus property which may be executed between my Field Commissioners and representatives of your Government.

As we have explained in our informal discussions with representatives of your Government, the purpose of this letter is to facilitate our surplus property transactions by arriving at an overall understanding as to a maximum line of credit, credit terms and exchanges of property.

Sincerely yours,

Donald H. CONNOLLY
Major General, U.S. Army
Foreign Liquidation Commissioner

The terms of the foregoing letter are hereby accepted.
Paul ECONOMOU-GOURAS
Washington, D.C.

October 4 1946

AGREEMENT¹ BETWEEN THE ROYAL HELLENIC GOVERNMENT AND THE UNITED STATES OF AMERICA FOR THE PURCHASE OF ADDITIONAL UNITED STATES SURPLUS PROPERTY. SIGNED AT WASHINGTON, ON 15 MAY 1947

DEPARTMENT OF STATE
OFFICE OF THE FOREIGN LIQUIDATION COMMISSIONER
Washington 25, D.C.

15 May 1947

Mr. Paul Economou-Gouras
Chargé d'Affaires ad interim of Greece
2221 Massachusetts Avenue
Washington, D.C.

My dear Mr. Chargé d'Affaires :

Representatives of your Government have expressed an interest in the purchase of additional United States surplus property, under terms similar to those contained in the letter credit agreements between the Government of the United States and the Government of Greece, dated May 16, 1946² for \$10,000,000, September 24, 1946³ for another \$10,000,000 and October 4, 1946⁴ for \$25,000,000. The quantities and types of such surplus property, its availability for sale, the prices thereof and other terms of sale, including provisions for exchanges of property, are matters for agreement between the Office of the Foreign Liquidation Commissioner or its Field Commissioners, and the representatives of your Government. For the purposes of any purchases which are made by your Government prior to January 1, 1948 of surplus property made available by the Office of the Foreign Liquidation Commissioner (in addition to purchases pursuant to the letter credit agreements dated May 16, 1946, September 25, 1946 and October 4, 1946 referred to above), we are willing to extend an additional line of credit to your Government for an amount not in excess of \$10,000,000 subject to the following conditions and terms of payment :

(1) A sum in United States dollars equal to the total purchase price of individual sales of such surplus property shall be paid in twenty-five (25) equal

¹ Came into force on 15 May 1947 by signature.

² See p. 232 of this volume.

³ See p. 238 of this volume.

⁴ See p. 244 of this volume.

annual installments beginning on July 1, 1952 and continuing thereafter on July 1 of each year up to and including July 1, 1976, subject to the provisions of paragraphs (4), (5) and (6) of this letter.

(2) Interest shall accrue from the respective dates specified in the individual sales contracts for the taking of delivery by the Government of Greece, and shall be paid on the outstanding unpaid balance of the total purchase price. The rate of interest shall be two and three-eighths percent (2 3/8%) per annum, payable on July 1 of each year, the first payment to be made on July 1, 1947.

(3) Except as otherwise provided herein, all payments of principal and interest shall be made in United States dollars to the Treasurer of the United States, through the Federal Reserve Bank of New York.

(4) (a) In the event the Government of the United States wishes to have local currency of the Government of Greece made available 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 the Government of Greece at any time or times, and the Government of Greece agrees to furnish at such time or times, by payment to the Government of the United States or to such persons or organizations as the Government of the United States may designate, Greek currency at an exchange rate as provided in sub-paragraph (4) (b), in any amount not in excess of the net outstanding balance of principal (whether or not then due in United States dollars) plus interest (then due in United States dollars) payable under the terms of this letter; provided, however, that the amount of local currency which the Government of the United States shall be entitled to receive in any single calendar year under the terms of paragraph (4) and paragraph (6) of this letter and letter credit agreements dated May 16, 1946, September 25, 1946 and October 4, 1946 shall be limited as provided in sub-paragraph (4) (c). In the event that Greek currency is received by the Government of the United States under the terms of this paragraph, the United States dollar equivalent of the amount received shall be credited first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal.

(4) (b) The exchange rate shall be that established by the International Monetary Fund, provided that, if no such rate exists, the rate shall be that rate most favorable to the United States which was used in any Greek Government transaction with any party during the preceding twelve months period.

(4) (c) 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 paragraph (4) and paragraph (6) of this letter and letter credit agreements dated May 16, 1946, September 25, 1946 and October 4, 1946, any local currency or property the combined total value of which is in excess of an amount to be computed as follows :

In each of the years 1947 and 1948	\$4,000,000
In 1949 and in each year thereafter	\$5,000,000

(5) The Government of Greece may anticipate the payment, in United States dollars, of any installment of principal, or any part thereof, provided that this right of anticipation may not be exercised when any installment of principal or interest is past due and unpaid.

(6) When the Government of the United States wishes to acquire any property, real or personal, tangible or intangible, or to improve any property in which it has an interest, at the expense of the Government of Greece, the Government of the United States will request the Government of Greece at any time or times and the Government of Greece agrees at any such time or times to enter into negotiations with the Government of the United States and to use its best efforts to consummate without any undue delay appropriate contracts by mutual agreement wherein the Government of Greece will furnish to the Government of the United States the properties or improvements it desires or which its representatives have selected. Representatives of the Government of the United States may at their discretion conduct discussions directly with owners of property or with contractors for improvements as to fair terms and price prior to the acquisition of such property or improvements by the Government of Greece for delivery to the Government of the United States. When performance of any such contract is made by the Government of Greece, the Government of the United States shall credit the Government of Greece with the United States dollar equivalent of the fair value received at an exchange rate as provided in sub-paragraph (4) (b), such credit being applied first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal. The total value of property to be delivered by the Government of Greece in any calendar year shall be subject to the annual limitation specified in sub-paragraph (4) (c).

If these terms are agreeable to your Government it is requested that you indicate its acceptance thereof by signing and returning to me the enclosed duplicate original of this letter. When this has been done I shall inform my Field Commissioners as to its terms in order that they may be appropriately incorporated or referred to in any contracts for the sale or exchange of surplus property which may be executed between my Field Commissioners and representatives of your Government.

As we have explained in our informal discussions with representatives of your Government, the purpose of this letter is to facilitate our surplus property transactions by arriving at an overall understanding as to a maximum line of credit, credit terms and exchanges of property.

Sincerely yours,

(Signed) Donald H. CONNOLLY
Major General, U.S. Army
Foreign Liquidation Commissioner

The terms of the foregoing letter are hereby accepted.
(Signed) Paul ECONOMOU-GOURAS
Washington, D.C.

15 May 1947

AGREEMENT¹ BETWEEN THE ROYAL HELLENIC GOVERNMENT AND THE UNITED STATES OF AMERICA FOR THE PURCHASE OF ADDITIONAL UNITED STATES SURPLUS PROPERTY. SIGNED AT WASHINGTON, ON 6 JANUARY 1948

DEPARTMENT OF STATE
WASHINGTON

Office of the Foreign Liquidation Commissioner

January 6, 1948

His Excellency Vassili C. Dendramis
Ambassador of Greece
Washington, D.C.

My dear Mr. Ambassador :

Representatives of your Government have expressed an interest in the purchase of additional United States surplus property, under terms similar to those contained in the letter credit agreements between the Government of the United States and the Government of Greece, dated May 16, 1946² for \$10,000,000, September 25, 1946³ for \$10,000,000, October 4, 1946⁴ for \$25,000,000, and May 15, 1947⁵ for \$10,000,000. The quantities and types of such surplus property, its availability for sale, the prices thereof and other terms of sale, including provisions for exchanges of property, are matters for agreement between the Office of the Foreign Liquidation Commissioner or its Field Commissioners, and the representatives of your Government. For the purposes of any purchases which are made by your Government up to June 30, 1948 of surplus property made available by the Office of the Foreign Liquidation Commissioner (in addition to purchases pursuant to the letter credit agreements dated May 16, 1946, September 25, 1946, October 4, 1946, and May 15, 1947 referred to above), we are willing to extend an additional line of credit to your Government for an amount not in excess of \$25,000,000 subject to the following conditions and terms of payment :

(1) A sum in United States dollars equal to the total purchase price of individual sales of such surplus property shall be paid in twenty-five (25) equal

¹ Came into force on 6 January 1948 by signature.

² See p. 232 of this volume.

³ See p. 238 of this volume.

⁴ See p. 244 of this volume.

⁵ See p. 250 of this volume.

annual installments beginning on July 1, 1952 and continuing thereafter on July 1 of each year up to and including July 1, 1976, subject to the provisions of paragraphs (4), (5) and (6) of this letter.

(2) Interest shall accrue from the respective dates specified in the individual sales contracts for the taking of delivery by the Government of Greece, and shall be paid on the outstanding unpaid balance of the total purchase price. The rate of interest shall be two and three-eighths percent (2 3/8%) per annum, payable on July 1 of each year, the first payment to be made on July 1, 1948.

(3) Except as otherwise provided herein, all payments of principal and interest shall be made in United States dollars to the Treasurer of the United States, through the Federal Reserve Bank of New York.

(4) (a) In the event the Government of the United States wishes to have local currency of the Government of Greece made available for the payment of any or all expenditures in Greece of the Government of the United States, the Government of the United States may request the Government of Greece at anytime or times, and the Government of Greece agrees to furnish at such time or times, by payment to the Government of the United States or to such persons or organizations as the Government of the United States may designate, Greek currency at an exchange rate as provided in sub-paragraph (4) (b), in any amount not in excess of the net outstanding balance of principal (whether or not then due in United States dollars) plus interest (then due in United States dollars) payable under the terms of this letter; provided, however, that the amount of local currency or property which the Government of the United States shall be entitled to receive in any single calendar year under the terms of paragraph (4) and paragraph (6) or this letter and letter credit agreements dated May 16, 1946, September 25, 1946, October 4, 1946, and May 15, 1947, shall be limited as provided in sub-paragraph (4) (c). In the event that Greek currency is received by the Government of the United States under the terms of this paragraph, the United States dollar equivalent of the amount received shall be credited first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal.

(4) (b) The exchange rate shall be that established by the International Monetary Fund, provided that, if no such rate exists, the rate shall be that rate most favorable to the United States which was used in any Greek Government transaction with any party during the preceding twelve months period.

(4) (c) 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 paragraph (4) and paragraph (6) of this letter and letter credit agreements dated

May 16, 1946, September 25, 1946, October 4, 1946, and May 15, 1947, any local currency or property the combined total value of which is in excess of an amount to be computed as follows :

In 1948	\$4,000,000
In 1949 and in each year thereafter	\$5,000,000

(5) The Government of Greece may anticipate the payment, in United States dollars, of any installment of principal, or any part thereof, provided that this right of anticipation may not be exercised when any installment of principal or interest is past due and unpaid.

(6) When the Government of the United States wishes to acquire any property, real or personal, tangible or intangible, or to improve any property in which it has an interest, at the expense of the Government of Greece, the Government of the United States will request the Government of Greece at any time or times and the Government of Greece agrees at any such time or times to enter into negotiations with the Government of the United States and to use its best efforts to consummate without any undue delay appropriate contracts by mutual agreement wherein the Government of Greece will furnish to the Government of the United States the properties or improvements it desires or which its representatives have selected. Representatives of the Government of the United States may at their discretion conduct discussions directly with owners of property or with contractors for improvements as to fair terms and price prior to the acquisition of such property or improvements by the Government of Greece for delivery to the Government of the United States. When performance of any such contract is made by the Government of Greece, the Government of the United States shall credit the Government of Greece with the United States dollar equivalent of the fair value received at an exchange rate as provided in sub-paragraph (4) (b), such credit being applied first to past due interest, if any, and then pro rata to all remaining unpaid installments of principal. The total value of property to be delivered by the Government of Greece in any calendar year shall be subject to the annual limitation specified in sub-paragraph (4) (c).

If these terms are agreeable to your Government it is requested that you indicate its acceptance thereof by signing and returning to me the enclosed duplicate original of this letter. When this has been done I shall inform my Field Commissioners as to its terms in order that they may be appropriately incorporated or referred to in any contracts for the sale or exchange of surplus property which may be executed between my Field Commissioners and representatives of your Government.

As has been explained in informal discussion with representatives of your Government, the purpose of this letter is to facilitate our surplus property

transactions by arriving at an overall understanding as to a maximum line of credit, credit terms and exchanges of property.

Sincerely yours,

(Signed) Donald H. CONNOLLY
Major General, U. S. Army
Foreign Liquidation Commissioner

The terms of the foregoing letter are hereby accepted by the Government of Greece.

(Signed) V. DENDRAMIS
Washington, D.C.

January 6, 1948

AGREEMENT¹ BETWEEN THE ROYAL HELLENIC GOVERNMENT AND THE UNITED STATES OF AMERICA REGARDING THE EXTENSION OF THE AGREEMENTS OF 16 MAY, 25 SEPTEMBER AND 4 OCTOBER 1946 AND 15 MAY 1947 FOR THE PURCHASE OF UNITED STATES SURPLUS PROPERTY. SIGNED AT ATHENS, ON 26 FEBRUARY 1948

UNITED STATES OF AMERICA
OFFICE OF THE FOREIGN LIQUIDATION COMMISSIONER

Headquarters, Central Field Commissioner for Europe
28, Avenue d'Iéna, Paris (XVI^e), France

January 27, 1948

The Minister of Finance
Royal Government of Greece
Athens, Greece

Dear Mr. Minister,

Reference is made to the letter of Credit Agreements dated 16 May 1946,² 25 September 1946,³ 4 October 1946⁴ and 15 May 1947⁵ between the Government of the United States and the Royal Government of Greece which provide for a credit of \$55,000,000 for the purchase of surplus property made available by the Office of the Foreign Liquidation Commissioner prior to 1 January 1948. These letters of Credit Agreements were extended to 31 January 1948 by my letter of 10 December 1947, and I am now pleased to inform you that a further extension has been authorized by my Government up to 30 June 1948 subject to the same terms and conditions as stated in the present credit agreements totaling \$55,000,000.

It is hoped that these extensions will provide ample opportunity for the Royal Government of Greece to complete any further purchases of surplus property which may be made available by the Office of the Foreign Liquidation Commissioner.

¹ Came into force on 26 February 1948 by signature.

² See p. 232 of this volume.

³ See p. 238 of this volume.

⁴ See p. 244 of this volume.

⁵ See p. 250 of this volume.

If these terms are agreeable to your Government, it is requested that you indicate the acceptance of your Government by signing and returning to me the enclosed duplicate original of this letter.

Sincerely yours,

Clyde L. HYSSONG
Maj. General USA
Central Field Commissioner for Europe

The terms of the foregoing letter are hereby accepted.
D. HELMIS
Minister of Finance
26/2/1948