

No. 3272

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**UNITED STATES OF AMERICA  
and  
GREECE**

**Exchange of notes (with annexed memorandum of understanding, a model contract and a letter of 9 July 1954) constituting an agreement relating to a program of offshore procurement. Athens, 30 July 1954**

*Official text: English.*

*Registered by the United States of America on 17 April 1956.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
GRÈCE**

**Échange de notes (avec, en annexe, un mémorandum d'accord, un contrat type et une lettre du 9 juillet 1954) constituant un accord relatif à un programme de commandes offshore. Athènes, 30 juillet 1954**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 17 avril 1956.*

No. 3272. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND GREECE RELATING TO A PROGRAM OF OFFSHORE PROCUREMENT. ATHENS, 30 JULY 1954

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I

*The American Ambassador to the Greek Minister of Foreign Affairs*

AMERICAN EMBASSY

Athens, July 30, 1954

Excellency :

I have the honor to refer to recent conversations concerning a Memorandum of Understanding in regard to the basic principles and policies governing the operation in Greece of the United States Offshore Procurement Program and to my letter to you of July 9 on the same subject.

This memorandum and copies of my letter are enclosed and I shall appreciate your confirmation, in reply to this note, that the policies, procedures, and interpretations set forth in the enclosures are acceptable to the Government of Greece.

Please accept, Excellency, the assurances of my highest consideration.

Cavendish W. CANNON

Enclosures (in triplicate)

- 1) Memorandum of Understanding
- 2) Letter of July 9, 1954

His Excellency Stephan Stephanopoulos  
Minister of Foreign Affairs

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<sup>1</sup> Came into force on 30 July 1954 by the exchange of the said notes.

## MEMORANDUM OF UNDERSTANDING

The basic principles and policies governing the operation in Greece of the United States Offshore Procurement Program are set forth in the following Memoranda of Understanding exchanged between the Government of the United States and the Government of Greece :

a) Memoranda of Understanding on Inspection and Acceptance Testing, Security, and Temporary Storage, acceptance of which was confirmed by the Royal Ministry of Foreign Affairs in Note Verbale No. 1614 of December 17, 1952 and by the American Embassy in its Note No. 219 of December 24, 1952;<sup>1</sup>

b) Memorandum of Understanding Re Implementation of the Common Defense Program and Any and All Foreign Aid Programs of the United States, Concerning Privileges, Immunities and Exemptions from Taxes or Other Levies and Charges, acceptance of which was effected by an exchange of notes between the Royal Ministry of Foreign Affairs and the American Embassy on February 4, 1953.<sup>2</sup>

It is desirable to establish within the framework of the aforementioned Memoranda certain interpretive and procedural understandings concerning the operation of the Offshore Procurement Program in Greece.

At the time the aforementioned Memoranda of Understanding were exchanged, the nature of the operation of the Offshore Procurement Program in Greece was such as to make unnecessary detailed references to contracts between the Government of the United States and the Government of Greece (as distinct from contracts between the Government of the United States and private manufacturers). It is recognized that certain eventualities are now contemplated which will make it desirable in the mutual interest of the two governments that contracts be entered into directly between the Governments, although in suitable cases contracts will continue to be placed with private contractors. Procurement of a type which requires a high degree of supervision and control by the Government of Greece may be better adapted to the Government-to-Government form of contract, even though the manufacturing process might not actually be conducted in an establishment operated by the Government of Greece.

In the event that such a contract is entered into by the two governments, it is agreed that no profit of any nature will be made by the Government of Greece. It is recognized, however, that even though no allowance for profit is to be included in any contract price quoted by the Government of Greece, a profit may be inadvertently realized in the event that expenditures of the Government of Greece under the contract prove to be less than the total contract price; therefore, the Government of Greece agrees to determine whether it has in fact realized any such profit, in which event, or in the event that the United States Government considers that such profit may have been realized, the Government of Greece will enter into conversations with the United States Government for the purpose of determining the existence and the amount of such profit. During these conversations, the United States Government shall have access to such information as may be helpful. In the computation of profits hereunder, the government-to-government contracts shall be taken collectively, and net gains and losses resulting from fluctuations in exchange rates shall be taken into consideration. If it is established that a profit has in fact been

<sup>1</sup> United Nations, *Treaty Series*, Vol. 185, p. 193.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 189, p. 3.

realized by the Government of Greece on such contracts, the amount of the profit shall be refunded to the United States Government under arrangements and procedures to be agreed upon between the two governments. Such computation shall cover the period ending December 31, 1956 and/or such later periods as may be agreed to by the Governments.

Standard clauses for use in such Government-to-Government contracts shall, to the extent appropriate, be in the form set forth in the attached Model Contract. Additional clauses may be included as appropriate in particular contracts.

With respect to the Offshore Procurement Program in general, it is understood that the undertaking of the Government of Greece to facilitate the Offshore Procurement Program includes extending to offshore procurement contractors and subcontractors similar benefits and aids to those accorded to defense contractors and subcontractors of the Government of Greece. Such aids and benefits include not less than equal priorities with respect to materials, manpower, and credit arrangements. Exchange control, import, export or other licenses required to implement the Offshore Procurement Program will be granted and expedited.

Material classified by the United States Government to be made available to a contractor or subcontractor will not be delivered to the contractor or subcontractor directly but will be delivered to the appropriate Ministry of the Greek Government. That Ministry will transmit the material to the contractor or subcontractor under such procedures as will assure the same protection as would be afforded to Greek material or data of equivalent classification. Upon such transmittal the criminal laws, regulations, and other sanctions of the Greek Government respecting security shall apply.

The Government of Greece agrees that it will not permit any material or data classified by the United States and received by the Government of Greece for purposes of offshore procurement contracting, or end items made with the assistance thereof, to be made available to any person, organization or Government without the permission of the United States Government.

Contract No. \_\_\_\_\_

NEGOTIATED CONTRACT FOR THE PROCUREMENT OF SUPPLIES, SERVICES, AND MATERIALS IN \_\_\_\_\_

The contract is entered into pursuant to the provisions of Section 2 (c) (1) of the Armed Services Procurement Act of 1947, as amended (41 U.S. Code 151 *et seq.*) and other applicable law.

Funds Chargeable : \_\_\_\_\_

Amount of Contract : \_\_\_\_\_

Fiscal Officer : \_\_\_\_\_

PAYMENT : to be made in United States Dollars

by \_\_\_\_\_  
at \_\_\_\_\_  
to \_\_\_\_\_

This contract is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ by and between the United States of America (hereinafter called the United States Government) represented by the Contracting Officer executing this contract and the \_\_\_\_\_ (hereinafter called the \_\_\_\_\_ Government) represented by \_\_\_\_\_.

This contract is executed subject to the agreement and conditions included in the Memorandum of Understanding between the United States Government and the \_\_\_\_\_ Government relating to procurement of supplies, services and materials dated \_\_\_\_\_.

The parties hereto agree that the \_\_\_\_\_ Government shall furnish and deliver all of the supplies and perform all the services set forth in the Schedule for the consideration stated therein.



## GENERAL PROVISIONS

1. *Definitions*

As used throughout this contract the following terms shall have the meanings set forth below :

(a) The term "Secretary" means the Secretary, the Under-Secretary, or any Assistant Secretary of the United States Military Department concerned ; and the term "his duly authorized representative " means any person or persons (other than the Contracting Officer) authorized to act for the Secretary.

(b) The term "Contracting Officer" means the person executing this contract on behalf of the United States Government, and any other officer or civilian employee who is a properly designated Contracting Officer ; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(c) The term "United States Government" means the United States of America.

(d) The term " ————— Government" means the ————— or any officer duly authorized to act on behalf of the ————— Government in relation to this contract.

(e) Except as otherwise provided in this contract, the term "subcontracts" means any agreement, contract, subcontract, or purchase order made by the ————— Government with any contractor in fulfillment of any part of this contract, and any agreements, contracts, subcontracts or purchase orders thereunder.

2. *Changes*

The Contracting Officer may at any time, by a written order make changes, within the general scope of this contract, in any one or more of the following :

(i) Drawings, designs, or specifications, where the supplies to be furnished are to be specially manufactured for the United States Government in accordance therewith ;

(ii) Method of shipment or packing ; and

(iii) Place of delivery.

If any such change causes an increase or decrease in the cost of, or the time required for, performance of this contract an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly. Any claim by the ————— Government for adjustment under this clause must be asserted within thirty days from the date of receipt by the ————— Government of the notification of change ; provided, however, that the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Nothing in this clause shall excuse the ————— Government from proceeding with the contract as changed.

3. *Extras*

Except as otherwise provided in this contract, no payment for extras shall be made unless such extras and the price therefor has been authorized in writing by the Contracting Officer.

4. *Variation in Quantity*

No variation in the quantity of any item called for by this contract will be accepted unless such variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and then only to the extent, if any, specified elsewhere in this contract.

5. *Inspection*

(a) Adequate inspection and test of all supplies (which term throughout this clause includes without limitation raw materials, components, intermediate assemblies, and end products) to

insure conformity with drawings, designs and specifications of the contract shall be effected by the \_\_\_\_\_ Government.

(b) The \_\_\_\_\_ Government will furnish a certificate or certificates stating that the inspection has been made and that all supplies, services or materials covered by the certificate meet all requirements of the schedules, drawings and designs and specifications of the contract.

(c) United States Government representatives shall have the right to verify the certifications and to verify that (1) the end items conform to standards and to drawings, designs and specifications and (2) the quantity of end items specified is delivered. United States representatives will notify the appropriate \_\_\_\_\_ Government representatives when they intend to conduct inspections and such inspections will, insofar as feasible, be conducted promptly.

(d) In case any supplies or lots of supplies are defective in material or workmanship or otherwise not in conformity with the requirements of this contract, the United States Government shall have the right to either reject them (with or without instructions as to their disposition) or to require their correction. Supplies or lots of supplies which have been rejected or required to be corrected shall be removed or corrected in place, as requested by the Contracting Officer, by and at the expense of the \_\_\_\_\_ Government promptly after notice, and shall not again be tendered for acceptance unless the former tender and either the rejection or requirement for correction is disclosed.

(1) The \_\_\_\_\_ Government will provide and require their contractors and subcontractors to provide to the United States Government inspectors, without additional charge to the United States Government, reasonable facilities and assistance for the safety and convenience of the United States Government representatives in the performance of their duties. Final acceptance or rejection of the supplies shall be made as promptly as practicable after delivery, except as otherwise provided in this contract; but failure to inspect and accept or reject supplies shall neither relieve the \_\_\_\_\_ Government from responsibility for such supplies as are not in accordance with the contract requirements nor impose liability on the United States Government therefor.

(2) The inspection and test by the United States Government of any supplies or lots thereof does not relieve the \_\_\_\_\_ Government from any responsibility regarding defects or other failures to meet the contract requirements which may be discovered prior to final acceptance. Except as otherwise provided in this contract, final acceptance shall be conclusive except as regards latent defects.

(3) The \_\_\_\_\_ Government shall provide and maintain an inspection system acceptable to the United States Government covering the supplies hereunder. Records of all inspection work by the \_\_\_\_\_ Government shall be kept complete and available to the United States Government during the performance of this contract and for such longer period as may be specified elsewhere in this contract.

#### 6. *Responsibility for supplies*

Except as otherwise provided in this contract, (1) the \_\_\_\_\_ Government shall be responsible for the supplies covered by this contract until they are delivered at the designated delivery point, regardless of the point of inspection; and (2) the \_\_\_\_\_ Government shall bear all risks as to rejected supplies after notice of rejection.

#### 7. *Termination*

(a) The performance of work under this contract may be terminated by the United States Government in accordance with this clause in whole, or, from time to time, in part, whenever the Contracting Officer shall determine that such termination is in the best interests of the United States Government. Any such termination shall be effected by delivery to the \_\_\_\_\_ Government of a Notice of Termination specifying to the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective.

(b) After receipt of a Notice of Termination, and except as otherwise directed by the Contracting Officer, the \_\_\_\_\_ Government shall (1) stop work under the contract on the date



and to the extent specified in the Notice of Termination ; (2) place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract as is not terminated ; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination ; (4) assign to the United States Government, in the manner, at the times, and to the extent directed by the Contracting Officer, all of the right, title, and interest of the ——— Government under the orders and subcontracts so terminated ; (5) settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Contracting Officer to the extent he may require, which approval or ratification shall be final for all the purposes of this clause ; (6) transfer title and deliver to the United States Government, in the manner, at the times, and to the extent, if any, directed by the Contracting Officer, (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced as a part of, or acquired in connection with the performance of, the work terminated by the Notice of Termination, and (ii) the completed or partially completed plans, drawings, information, and other property which, if the contract had been completed, would have been required to be furnished to the United States Government ; (7) use its best efforts to sell, in the manner, at the times, to the extent, and at the price or prices directed or authorized by the Contracting Officer, any property of the types referred to in provision (6) of this paragraph, *provided, however*, that the ——— Government (i) shall not be required to extend credit to any purchaser, and (ii) may acquire any such property under the conditions prescribed by and at a price or prices approved by the Contracting Officer ; and *provided further* that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by the United States Government to the ——— Government under this contract or shall otherwise be credited to the price or cost of the work covered by this contract or paid in such other manner as the Contracting Officer may direct ; (8) complete performance of such part of the work as shall not have been terminated by the Notice of Termination ; and (9) take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation of the property related to this contract which is in the possession of the ——— Government and in which the United States Government has or may acquire an interest. At any time after expiration of the plant clearance period, as defined in Section VIII, Armed Services Procurement Regulation, as it may be amended from time to time, the ——— Government may submit to the Contracting Officer a list, certified as to quantity and quality, of any or all items of termination inventory not previously disposed of, exclusive of items the disposition of which has been directed or authorized by the Contracting Officer, and may request the United States Government to remove such items or enter into a storage agreement covering them. Not later than fifteen (15) days thereafter, the United States Government will accept title to such items and remove them or enter into a storage agreement covering the same, provided that the list submitted shall be subject to verification by the Contracting Officer upon removal of the items, or if the items are stored, within forty-five (45) days from the date of submission of the list, and any necessary adjustment to correct the list as submitted shall be made prior to final settlement.

(c) After receipt of a Notice of Termination, the ——— Government shall submit to the Contracting Officer its termination claim, in the form and with the certification prescribed by the Contracting Officer. Such claim shall be submitted promptly but in no event later than two years from the effective date of termination, unless one or more extensions in writing are granted by the Contracting Officer, upon request of the ——— Government made in writing within such two-year period or authorized extension thereof. However, if the Contracting Officer determines that the facts justify such action, he may receive and act upon any such termination claim at any time after such two-year period or any extension thereof. Upon failure of the ——— Government to submit its termination claim within the time allowed, the Contracting Officer may determine, on the basis of information available to him, the amount, if any, due to the ——— Government by reason of the termination and shall thereupon pay to the ——— Government the amount so determined.

(d) Subject to the provisions of paragraph (c), the ——— Government and the Contracting Officer may agree upon the whole or any part of the amount or amounts to be paid to the ——— Government by reason of the total or partial termination of work pursuant to this

clause. The contract shall be amended accordingly, and the \_\_\_\_\_ Government shall be paid the agreed amount.

(e) Any determination of costs under paragraph (c) hereof shall be governed by the Statement of Principles for Consideration of Costs set forth in Part 4 of Section VIII of the Armed Services Procurement Regulation, as in effect on the date of this contract.

(f) In arriving at the amount due the \_\_\_\_\_ Government under this clause there shall be deducted (1) all unliquidated payments on account theretofore made to the \_\_\_\_\_ Government, (2) any claim which the United States Government may have against the \_\_\_\_\_ Government in connection with this contract, and (3) the agreed price for, or the proceeds of sale of, any materials supplies, or other things acquired by the \_\_\_\_\_ Government or sold, pursuant to the provisions of this clause, and not otherwise recovered by or credited to the United States Government.

(g) If the termination hereunder be partial, prior to the settlement of the terminated portion of this contract, the \_\_\_\_\_ Government may file with the Contracting Officer a request in writing for an equitable adjustment of the price or prices specified in the contract relating to the continued portion of the contract (the portion not terminated by the Notice of Termination) and such equitable adjustment as may be agreed upon shall be made in such price or prices.

(h) Upon notification to the United States Government by the \_\_\_\_\_ Government that the \_\_\_\_\_ Government is precluded from performing the contract in accordance with its terms and conditions due to circumstances beyond its control the two Governments will consult with a view toward negotiating an amendment to this contract. If the two Governments cannot agree to an amendment extending the time of performance or otherwise modifying the contract so as to enable the \_\_\_\_\_ Government to perform it, the United States Government may terminate this contract by reason of the inability of the \_\_\_\_\_ Government to perform it. Such termination shall be without cost to the United States Government and without liability of either Government to the other; provided that the parties hereto may agree upon the transfer to the United States Government of any or all of the property of the types referred to in paragraph (b) (6) above, in which event the United States Government will pay to the \_\_\_\_\_ Government (i) the price provided in the contract for items completed in accordance with the contract requirements, and (ii) a price mutually agreed upon for other items.

(i) Unless otherwise provided for in this contract, or by applicable statute, the \_\_\_\_\_ Government, from the effective date of termination and for a period of six years after final settlement under this contract, shall preserve and make available to the United States Government at all reasonable times at the office of the \_\_\_\_\_ Government but without direct charge to the United States Government, all its books, records, documents, and other evidence bearing on the costs and expenses of the \_\_\_\_\_ Government under this contract and relating to the work terminated hereunder, or, to the extent approved by the Contracting Officer, photographs, micro-photographs, or other authentic reproductions thereof.

## 8. Taxes

(a) The contract prices, including the prices in subcontracts hereunder, do not include any tax or duty which the Government of the United States and the Government of \_\_\_\_\_ have agreed shall not be applicable to expenditures in \_\_\_\_\_ by the United States, or any other tax or duty not applicable to this contract under the laws of \_\_\_\_\_. If any such tax or duty has been included in the contract prices through error or otherwise, the contract prices shall be correspondingly reduced.

(b) If, after the contract date, the Government of the United States and the Government of \_\_\_\_\_ shall agree that any tax or duty included in the contract prices shall not be applicable to expenditures in \_\_\_\_\_ by the United States, the contract prices shall be reduced accordingly.

### 9. *Subcontracting*

(a) The \_\_\_\_\_ Government undertakes that in any subcontract made in connection with this contract they will employ the same procurement methods and procedures as they employ in contracting for their own requirements.

(b) The \_\_\_\_\_ Government agrees to indemnify and save harmless the United States Government against all claims and suits of whatsoever nature arising under or incidental to the performance of this contract, by any subcontractor against the \_\_\_\_\_ Government or the United States Government.

### 10. *Payments*

The \_\_\_\_\_ Government shall be paid, upon the submission of properly certified invoices or vouchers, the prices stipulated herein for supplies delivered and accepted or services rendered and accepted, less deductions, if any, as herein provided. Unless otherwise specified, payment will be made on partial deliveries accepted by the United States Government when the amount due on such deliveries so warrants ; or, when requested by the \_\_\_\_\_ Government, payment for accepted partial deliveries shall be made whenever such payment would equal or exceed either \$1,000 or 50% of the total amount of this contract.

### 11. *United States officials not to benefit*

No member of or delegate to Congress of the United States, or resident commissioner of the United States shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom ; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

### 12. *Covenant against contingent fees*

The \_\_\_\_\_ Government warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting *bona fide* employees or *bona fide* established commercial or selling agencies maintained by the \_\_\_\_\_ Government for the purpose of securing business. For breach or violation of this warranty the United States Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

### 13. *Gratuities*

The \_\_\_\_\_ Government agrees to apply to this contract the provisions embodied in Section 631 of Public Law 179 and Section 629 of Public Law 488, 82nd Congress of the United States.

### 14. *Filing of patent applications*

While and so long as the subject matter of this contract is classified security information, the \_\_\_\_\_ Government agrees that it will not file, or cause to be filed, an application or registration for patent disclosing any of said subject matter without first referring the proposed application or registration to the Contracting Officer for determination as to whether, for reasons of security, permission to file such application or registration should be denied, or whether such application may be filed on conditions imposed by the Contracting Officer.

### 15. *Copyright*

(a) The \_\_\_\_\_ Government agrees to and does hereby grant to the United States Government, and to its officers, agents and employees acting within the scope of their official duties, (i) a royalty-free, non-exclusive and irrevocable license to publish, translate, reproduce, deliver, perform, use, and dispose of, and to authorize, in behalf of the United States Government or in the furtherance of mutual defense, others so to do, all copyrightable material first produced or composed and delivered to the United States Government under this contract by the \_\_\_\_\_ Government, its employees or any individual or concern specifically employed or assigned to originate and prepare such material ; and (ii) a license as aforesaid under any and all copyrighted

or copyrightable work not first produced or composed by the \_\_\_\_\_ Government in the performance of this contract but which is incorporated in the material furnished under the contract, provided that such license shall be only to the extent that the \_\_\_\_\_ Government now has or prior to completion of final settlement of this contract may acquire, the right to grant such license without becoming liable to pay compensation to others solely because of such grant.

(b) The \_\_\_\_\_ Government agrees that it will exert all reasonable effort to advise the Contracting Officer, at the time of delivering any copyrightable or copyrighted work furnished under this contract, or any adversely held copyrighted or copyrightable material incorporated in any such work and of any invasion of the right of privacy therein contained.

(c) The \_\_\_\_\_ Government agrees to report to the Contracting Officer, promptly and in reasonable written detail, any notice or claim of copyright infringement received by the \_\_\_\_\_ Government with respect to any material delivered under this contract.

#### 16. *Guaranty*

The \_\_\_\_\_ Government undertakes that the benefit of any guarantee obtained in respect of any subcontract shall be passed on to the United States Government.

#### 17. *Security*

Any materials, document, designs, drawings or specifications delivered by the United States Government to the \_\_\_\_\_ Government and any materials, documents, designs, drawings, specifications or supplies delivered by the \_\_\_\_\_ Government to the United States Government in the performance of this contract, which are classified by the originating Government as "Top Secret", "Secret", "Confidential" or "Restricted", shall be given a security classification by the recipient Government which will afford to the material substantially the same degree of security as that afforded by the originating Government and shall be treated by the recipient Government as its own classified material of that security grading.

The recipient Government will not use such material including information, or permit it to be used, for other than military purposes and will not disclose such material, or permit it to be disclosed, to another nation without the consent of the originating Government.

The recipient Government will, upon request, give to the originating Government an acknowledgement of receipt in writing for any such classified material.

The recipient Government agrees to include appropriate provisions covering military security material including information in all subcontracts hereunder.

#### 18. *Technical information*

The \_\_\_\_\_ Government agrees that the United States Government shall have the right to duplicate, use and disclose, in behalf of the United States Government or in the furtherance of mutual defense, all or any part of the reports, drawings, blueprints, data and technical information, specified to be delivered by the \_\_\_\_\_ Government to the United States Government under this contract.

#### 19. *Assignment of claims*

No claim arising under this contract shall be assigned by the \_\_\_\_\_ Government except as follows :

(a) Pursuant to the provisions of the Assignment of Claims Act of 1940 as amended (31 U. S. Code 203, 41 U. S. Code 15), if this contract provides for payments aggregating \$1,000 or more, claims for moneys due or to become due the \_\_\_\_\_ Government from the United States Government under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party,

except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing.

(b) In no event shall copies of this contract or of any plans, specifications, or other similar documents relating to work under this contract, if marked "Top Secret", "Secret", "Confidential", or "Restricted" be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same; *provided*, that a copy of any part or all of this contract so marked may be furnished, or any information contained therein may be disclosed to such assignee upon the prior written authorization of the Contracting Officer.

#### 20. *Labor relations and standards*

The provisions of this contract and the performance hereunder shall be subject to and in accordance with the laws of the Government of \_\_\_\_\_ and any political subdivision thereof, from time to time in effect, which govern the hours, wages, labor relations (including collective bargaining), workman's compensation, working conditions, and other matters pertaining to labor.

#### 21. *Reporting of royalties*

If this contract is in an amount which exceeds \$10,000 the \_\_\_\_\_ Government agrees to report in writing to the Contracting Officer during the performance of this contract the amount of royalties paid or to be paid by it directly to others in the performance of this contract. The \_\_\_\_\_ Government further agrees (i) to furnish in writing any additional information relating to such royalties as may be requested by the Contracting Officer, and (ii) to insert a provision similar to this clause in any subcontract hereunder which involves an amount in excess of the equivalent of ten thousand United States dollars.

#### AMERICAN EMBASSY

Athens, July 9, 1954

My dear Mr. Minister :

I have the honor to refer to the recent conversations held between representatives of the Greek Government and this Embassy concerning a draft memorandum covering certain procedural and interpretive understandings relative to the operation of the Off-shore Procurement Program in Greece.

In the course of these conversations, the question has been raised as to the measures that may be taken in the event the Government of Greece, in carrying out an Offshore Procurement contract undertaken on a government-to-government basis, should suffer a financial loss.

In this connection, I am authorized to bring to your attention the following :

1) That part of the draft memorandum under discussion permitting the inclusion of additional clauses in the model contract would allow consideration of the question of assurance against loss during the negotiation of any particular government-to-government contract ;

2) It is the understanding of the United States Government that any losses incurred by the Government of Greece may be offset against gains and that only net profits will be refunded to the United States at the conclusion of the periodic conversations and computations prescribed in the draft memorandum.

I trust that in the light of the above clarification, agreement on the draft memorandum may be reached at an early date.

Accept, Excellency, the renewed assurances of my highest consideration.

Cavendish W. CANNON  
American Ambassador

His Excellency Stephan Stephanopoulos  
Minister of Foreign Affairs

## II

### *The Greek Minister of Foreign Affairs to the American Ambassador*

#### MINISTÈRE ROYAL DES AFFAIRES ÉTRANGÈRES<sup>1</sup>

Athens, July 30, 1954

Excellency,

I have the honour to acknowledge receipt of your note of July 30, 1954, of a Memorandum of Understanding in policies governing the operation in Greece of the United States offshore procurement program and of a copy of your letter of July 9, 1954.

I have the honour to confirm that the policies, procedures and interpretations set forth in the Memorandum and Your letter July 9, 1954, quoted above, are acceptable to the Government of Greece.

Please accept Excellency the assurances of my highest consideration.

STEPHANOPOULOS

His Excellency Cavendish W. Cannon  
Ambassador of the United States

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<sup>1</sup> The Royal Ministry of Foreign Affairs.