

No. 4379

**UNITED STATES OF AMERICA
and
GREECE**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act, as
amended (with Memorandum of Understanding and a
note). Signed at Athens, on 18 December 1957**

Official text: English.

Registered by the United States of America on 25 June 1958.

**ÉTATS-UNIS D'AMÉRIQUE
et
GRÈCE**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée (avec
Mémorandum d'accord et note). Signé à Athènes, le
18 décembre 1957**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 25 juin 1958.

No. 4379. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
GREECE UNDER TITLE I OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT ATHENS, ON 18 DECEMBER
1957

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

Recognizing the desirability of expanding trade in agricultural commodities between their two countries and with other friendly nations in a manner which would not displace usual marketings of the United States of America in these commodities, or unduly disrupt world prices of agricultural commodities ;

Considering that the purchase for drachmae of surplus agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade ;

Considering that the drachmae accruing from such purchases will be utilized in a manner beneficial to both countries ;

Desiring to set forth the understandings which will govern the sales of surplus agricultural commodities to the Government of Greece pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended, and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities ;

Have agreed as follows :

Article I

SALES FOR GREEK DRACHMAE

Subject to the issuance by the Government of the United States of America and acceptance by the Government of Greece of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of Greece, for Greek drachmae, of the following agricultural commodities determined to be surplus pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended, in the amount indicated :

¹ Came into force on 18 December 1957, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Export Market Value (Million Dollars)</i>
Wheat	11.4
Feedgrains	4.7
Evaporated milk6
Cheese03
Ocean transportation (est. 50%)	3.07
TOTAL	19.8

Purchase authorizations will be issued not later than ninety calendar days after the effective date of this agreement. They will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the Greek drachmae accruing from such sale and other relevant matters.

Article II

USES OF GREEK DRACHMAE

1. The two Governments agree that the Greek drachmae accruing to the Government of the United States of America as a consequence of the sales made pursuant to this agreement will be used by the Government of the United States of America, in such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, in the amounts shown :

(a) To help develop new markets for United States agricultural commodities, for financing the translation, publication and distribution of books and periodicals, and for other expenditures by the Government of the United States of America under Sub-sections (a), (f), and (i) of Section 104 of the Act, the drachmae equivalent of \$5.0 million.

(b) For loans to be made by the Export-Import Bank of Washington under Sub-section 104 (e) of the Act, and for administrative expenses of the Export-Import Bank of Washington in Greece incident thereto, the Greek drachmae equivalent of \$ 2.9 million, but not more than 25 % of the currencies received under the agreement. Such loans will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in Greece for business development and trade expansion in Greece and to United States firms, and Greek firms, for the establishment of facilities for aiding in the utilization, distribution or otherwise increasing the consumption of and markets for United States agricultural products. It is understood that such loans will be mutually agreeable to the Export Import Bank of Washington and the Government of Greece. The Ministry of Economic Coordination will act on the behalf of the Government of Greece in this matter. In the event the Greek drachmae set aside for loans under Sub-section

104 (e) of said Act are not advanced within three years from the date of this agreement because the Export-Import Bank of Washington has not approved loans or because proposed loans have not been mutually agreeable to the Export-Import Bank of Washington and the Ministry of Economic Coordination, the Government of the United States of America may use the Greek drachmae for any purpose authorized by Section 104 of the Act.

(c) For a loan to the Government of Greece to promote the economic development of Greece under Sub-section 104 (g) of the Act, the drachmae equivalent of \$ 10.9 million the terms and conditions of which will be included in a supplemental agreement between the two Governments. It is understood that the loan will be denominated in dollars, with payment of principal and interest to be made in United States dollars or, at the option of the Government of Greece, in drachmae, such payments in drachmae to be made at the applicable exchange rate as defined in the loan agreement, in effect on the date of the payment. It is further understood that loan funds shall be disbursed only after prior agreement as to the uses of such loan funds. These and other provisions will be set forth in the loan agreement and any agreement supplemental thereto. In the event the Greek drachmae set aside for loans to the Government of Greece are not advanced within three years from the date of this agreement as a result of failure of the two Governments to reach agreement on the use of the Greek drachmae for loan purposes, the Government of the United States of America may use the Greek drachmae for any other purpose authorized by Section 104 of the Act.

(d) To provide assistance of the types provided for under Sub-section 104 (j) of the Act, the drachmae equivalent of not to exceed \$1 million.

2. In the event the total of drachmae accruing to the Government of the United States of America as a consequence of sales made pursuant to this agreement is less than the drachmae equivalent of \$19.8 million, the amount available for a loan to the Government of Greece under Sub-section 104 (g) would be reduced by the amount of such difference ; in the event the total drachmae deposit exceeds the equivalent of \$19.8 million, 45 % of the excess would be available for loans under Sub-section 104 (g) and 55 % would be available for any use or uses authorized by Section 104 as the Government of the United States of America may determine.

Article III

DEPOSIT OF GREEK DRACHMAE

The deposit of Greek drachmae to the account of the Government of the United States of America in payment for the commodities and for ocean transportation costs financed by the Government of the United States of America (except

excess costs resulting from the requirement that United States flag vessels be used) shall be made at the rate of exchange for United States dollars generally applicable to import transactions (excluding imports granted a preferential rate) in effect on the dates of dollar disbursement by United States banks, or by the Government of the United States of America, as provided in the purchase authorizations.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Greece agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or the use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America), of the surplus agricultural commodities purchased pursuant to the provisions of this agreement, and to assure that the purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States of America.

2. The two Governments agree that they will take reasonable precaution to assure that sales or purchases of surplus agricultural commodities pursuant to this Agreement will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States of America in these commodities, or materially impair trade relations among the countries of the free world.

3. In carrying out this agreement the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

4. The Government of Greece agrees to furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to arrivals and conditions of commodities and the provisions for the maintenance of usual marketings and information relating to exports of the same or like commodities.

Article V

CONSULTATION

The two Governments will, upon the request of either of them consult regarding any matter relating to the application of this agreement or to the operation of arrangements carried out pursuant to this agreement.

Article VI

ENTRY INTO FORCE

This agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement.

DONE in duplicate at Athens, Greece, this eighteenth day of December, 1957.

For the United States
of America :
James K. PENFIELD

For the Kingdom
of Greece :
D. HELMIS

MEMORANDUM OF UNDERSTANDING

In arriving at mutual agreement concerning loans eligible under Subsection 104 (e) the Secretary General of the Ministry of Economic Coordination, or his designate, will act for the Government of Greece, and the President of the Export-Import Bank of Washington, or his designate, will act for the Export-Import Bank of Washington.

Upon receipt of an application which the Export-Import Bank is prepared to consider, the Export-Import Bank will notify the Ministry of Economic Coordination of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, the general purposes for which the loan proceeds would be expended, and the probable range of (1) the interest rate and (2) the repayment period.

Within sixty days after the receipt of such notice the Ministry of Economic Coordination will indicate to the Export-Import Bank whether or not the Ministry of Economic Coordination is receptive to the proposed loan. Unless within the sixty-day period the Export-Import Bank has received such a communication from the Ministry of Economic Coordination, it shall be understood that the Ministry of Economic Coordination has no objection to the proposed loan.

When the Export-Import Bank approves or declines the proposed loan, it will notify the Ministry of Economic Coordination.

In approving a loan, the Export-Import Bank will (1) fix an interest rate similar to that prevailing in Greece on comparable loans ; and (2) establish maturities similar to those of Export-Import Bank dollar loans to private enterprises.

J. K. P.

D. HELMIS

NOTE

The American Chargé d'Affaires ad interim to the Greek Acting Minister for Foreign Affairs

EMBASSY OF THE UNITED STATES OF AMERICA

No. 229

Athens, December 18, 1957

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of Greece signed today.¹

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between this Embassy and the Government of Greece with respect to the conversion of drachmae into other currencies and to certain other matters relating to the use of drachmae accruing under the subject agreement for agricultural market development purposes by the Government of the United States of America under Section 104 (a) of the Agricultural Trade Development and Assistance Act, as amended.

1. The Government of Greece will provide facilities for the conversion of \$300,000 worth of drachmae into other currencies. This facility is needed for the purpose of securing funds to finance agricultural market development activities of the Government of the United States in other countries.
2. It is also understood that the Government of the United States of America may utilize drachmae to procure in Greece goods and services needed in connection with agricultural market development projects and activities in other countries.

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

James K. PENFIELD
Chargé d'Affaires ad interim

His Excellency Constantine Tsatsos
Acting Minister for Foreign Affairs
Athens

¹ See p. 160 of this volume.