

No. 6139

**UNITED STATES OF AMERICA
and
GREECE**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with related note). Signed at Athens, on
18 October 1961**

Official text: English.

Registered by the United States of America on 7 May 1962.

**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
note connexe) Signé à Athènes, le 18 octobre 1961**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 7 mai 1962.

No. 6139. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF GREECE UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED. SIGNED AT ATHENS, ON 18 OCTOBER 1961

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 or normal patterns of commercial trade with friendly countries ;

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

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

Desiring to set forth the understandings which will govern the sales, as specified below, of agricultural commodities to Greece pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), 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

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of Greece of purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance the sales for Greek drachmae, to purchasers authorized by the Government of Greece, of the following agricultural commodities in the amounts indicated :

¹ Came into force on 18 October 1961, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Export Market Value (millions)</i>
Feedgrains	\$ 6.2
Wheat	1.9
Ocean transportation (estimated)	1.2
	TOTAL \$ 9.3

2. Applications for purchase authorizations will be made within 90 calendar days of the effective date of this Agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this Agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations 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.

3. Purchase and shipment of the commodities mentioned above will be made within 18 calendar months of the effective date of this Agreement.

4. The financing, sale and delivery of commodities under this Agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

Article II

USES OF GREEK DRACHMAE

The Greek drachmae accruing to the Government of the United States of America as a consequence of 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. For United States expenditures under subsections (a), (b), (c), (f) and (h) through (s) of Section 104 of the Act, or under any of such subsections, thirty-five percent of the Greek drachmae accruing pursuant to this Agreement.
- B. For loans to be made by the Export-Import Bank of Washington under Section 104 (e) of the Act and for administrative expenses of the Export-Import Bank of Washington in Greece incident thereto, fifteen percent of the Greek drachmae accruing pursuant to this Agreement. It is understood that :
 - (1) Such loans under Section 104(e) of the Act 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 utiliza-

- tion, distribution, or otherwise increasing the consumption of and markets for United States agricultural products.
- (2) Loans will be mutually agreeable to the Export-Import Bank of Washington and the Government of Greece, acting through the Ministry of Economic Coordination. The Minister, 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.
 - (3) Upon receipt of an application which the Export-Import Bank is prepared to consider, the Export-Import Bank will inform the Ministry of Economic Coordination of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.
 - (4) When the Export-Import Bank is prepared to act favorably upon an application, it will so notify the Ministry of Economic Coordination and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to that prevailing in Greece on comparable loans, and the maturities will be consistent with the purposes of the financing.
 - (5) Within sixty days after the receipt of the notice that the Export-Import Bank is prepared to act favorably upon an application, the Ministry of Economic Coordination will indicate to the Export-Import Bank whether or not the Ministry has any objection 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 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.
 - (6) In the event the Greek drachmae set aside for loans under Section 104 (e) of the 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 Economy Coordination, the Government of the United States of America may use the drachmae for any purpose authorized by Section 104 of the Act.
- C. For a loan to the Government of Greece under Section 104 (g) of the Act for financing such projects to promote economic development including projects not heretofore included in plans of the Government of Greece, as may be mutually agreed, fifty percent of the Greek drachmae accruing pursuant to this Agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement. In the event that agreement is not reached on the use of the Greek drachmae for loan purposes within three years from the date of this

Agreement, the Government of the United States of America may use the drachmae for any purposes authorized by Section 104 of the Act.

Article III

DEPOSIT OF GREEK DRACHMAE

1. The amount of Greek drachmae to be deposited to the account of the Government of the United States of America shall be the equivalent of the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) converted into Greek drachmae, as follows :

- (a) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of Greece, or
- (b) if more than one legal rate for foreign exchange transactions exists, at a rate of exchange to be mutually agreed upon from time to time between the Government of the United States of America and the Government of Greece.

2. In the event that a subsequent Agricultural Commodities Agreement or Agreements should be signed by the two Governments under the Act, any refunds of Greek drachmae which may be due or become due under this Agreement more than two years from the effective date of this Agreement would be made by the Government of the United States of America from funds available from the most recent Agricultural Commodities Agreement in effect at the time of the refund.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Greece 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 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 will take reasonable precautions to assure that all sales or purchases of agricultural commodities pursuant to this Agreement will not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries.

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 will furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to the arrival and condition 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 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

The Agreement shall enter into force upon signature.

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

DONE at Athens in duplicate this 18th day of October, 1961.

For the Government
of the United States of America :

W. TAPLEY BENNETT

For the Government
of Greece :

C. ARLIOTIS

RELATED NOTE

The Greek Minister of Coordination to the American Chargé d'Affaires ad interim

MINISTER OF COORDINATION

Athens, October 18, 1961

Excellency,

With reference to the Agricultural Commodities Agreement signed today¹ between representatives of our two Governments, under which the Government of the United States of America undertakes to finance the delivery to Greece of \$9.3 million of feedgrains, wheat and/or flour, I have the honor to inform you of the following :

(1) In expressing its agreement with the Government of the United States of America that the above-mentioned deliveries should not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States of America in these commodities, or impair trade relations among friendly nations, my Government agrees that during the fiscal year ending June 30, 1962, it will procure and import from the United States at least 10,000 metric tons of feedgrains in addition to the approximately 126,000 metric tons of feedgrains to be imported under the terms of the cited Agreement. Furthermore, it is understood that the Government of Greece will refrain from exporting feedgrains, or corn starch and any other products derived from corn, while it is importing and utilizing Title I feedgrains.

(2) With regard to wheat and wheat flour, it is understood that the delivery of these commodities under the cited Agreement is not intended to increase the availability of these or like commodities for export and is made on the condition that no wheat, wheat flour, or products thereof will be exported from Greece until after the wheat and wheat flour have been imported and utilized, or until December 31, 1962, whichever is later. It is further understood that exports of semolina and semolina products may be made from Greece in this period up to a total of 100 metric tons if derived entirely from imported durum wheat and destined only to nearby countries friendly to the United States of America.

(3) With regard to the conversion of Greek drachmae into other currencies and to certain other matters relating to the use by the Government of the United States of America of Greek drachmae accruing under the subject Agreement it is understood that :

(a) Upon request of the Government of the United States of America, the Government of Greece will provide facilities for conversion of two percent of the Greek drachmae accruing from sales under this Agreement into other currencies for purposes of Section 104 (a) of the Agricultural Trade Development and Assistance Act, as amended (hereinafter referred to as the Act), and of the Greek drachmae equivalent of \$300,000 for purposes of Section 104 (h) of the Act. These currencies will be used in the case

¹ See p. 210 of this volume.

of Section 104 (a) to finance agricultural market development activities in other countries and in the case of Section 104 (h) to finance educational exchange activities in other countries.

- (b) The Government of the United States may utilize Greek drachmae in Greece to pay for international travel originating in Greece, or originating outside Greece when involving travel to or through Greece, including connecting travel, and for air travel within the United States or other areas outside Greece when it is part of a trip in which the traveler journeys from, to or through Greece. It is understood that these funds are intended to cover only travel by persons engaged in activities financed under Section 104 of the Act. It is further understood that this travel is not limited to services provided by Greek airlines.

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

Sincerely yours,

C. ARLIOTIS

Mr. W. Tapley Bennett, Jr.
Chargé d'Affaires, a.i.
Embassy of the United States of America
Athens