

No. 6953

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**UNITED STATES OF AMERICA  
and  
CYPRUS**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act,  
as amended (with exchange of notes). Signed at  
Nicosia, on 18 June 1963**

*Official text: English.*

*Registered by the United States of America on 8 October 1963.*

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

**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  
échange de notes). Signé à Nicosie, le 18 juin 1963**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 8 octobre 1963.*

No. 6953. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
BETWEEN THE GOVERNMENT OF THE UNITED  
STATES OF AMERICA AND THE GOVERNMENT OF THE  
REPUBLIC OF CYPRUS UNDER TITLE I OF THE AGRI-  
CULTURAL TRADE DEVELOPMENT AND ASSISTANCE  
ACT, AS AMENDED. SIGNED AT NICOSIA, ON 18 JUNE  
1963

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The Government of the United States of America and the Government of the Republic of Cyprus;

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 Cyprus pounds of surplus agricultural commodities produced in the United States will assist in achieving such an expansion of trade;

Considering that the purchase for Cypriot pounds 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 Cyprus 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 CYPRIOT POUNDS

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of Cyprus of purchase authorizations and to the availability of commodities under the Act at the time of

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<sup>1</sup> Came into force on 18 June 1963, upon signature, in accordance with article VI.

exportation, the Government of the United States of America undertakes to finance the sales for Cypriot pounds, to purchasers authorized by the Government of the Republic of Cyprus, of the following agricultural commodities in the amounts indicated :

<i>Commodity</i>	<i>Export Market Value (millions)</i>
Wheat . . . . .	\$. \$ 1.9
Ocean transportation (est.) . . . . .	3
	TOTAL \$ 2.2

2. Applications for purchase authorizations will be made within 90 days after 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 Cypriot pounds accruing from such sale, and other relevant matters.

3. 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 CYPRIOT POUNDS

The Cypriot pounds 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), (f), and (h) through (s) of Section 104 of the Act, or under any of such subsections, 25 per cent of the Cypriot pounds accruing pursuant to this Agreement.

B. For loans to be made by the Agency for International Development of Washington (hereinafter referred to as AID) under Section 104 (e) of the Act and for administrative expenses of AID in Cyprus incident thereto, 25 per cent of the Cypriot pounds 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 Cyprus

for business development and trade expansion in Cyprus and to United States firms and Cypriot 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.

- (2) Loans will be mutually agreeable to AID and the Government of Cyprus, acting through the Ministry of Finance. The Minister of Finance, or his designate, will act for the Government of the Republic of Cyprus, and the Administrator of AID, or his designate, will act for AID.
- (3) Upon receipt of an application which AID is prepared to consider, AID will inform the Ministry of Finance 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 AID is prepared to act favorably upon an application, it will so notify the Ministry of Finance 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 the Republic of Cyprus 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 AID is prepared to act favorably upon an application, the Ministry of Finance will indicate to AID whether or not the Ministry of Finance has any objection to the proposed loan. Unless within the sixty-day period AID has received such a communication from the Ministry of Finance, it shall be understood that the Ministry of Finance has no objection to the proposed loan. When AID approves or declines the proposed loan, it will notify the Ministry of Finance.
- (6) In the event the Cypriot pounds set aside for loans under Section 104 (e) of the Act are not advanced within three years from the date of this Agreement because AID has not approved loans or because proposed loans have not been mutually agreeable to AID and the Ministry of Finance, the Government of the United States of America may use the Cypriot pounds for any purpose authorized by Section 104 of the Act.

C. For a loan to the Government of the Republic of Cyprus 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 the Republic of Cyprus, as may be mutually agreed, 50 per cent of the Cypriot pounds 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 Cypriot pounds for loan purposes within three years from the date of this Agreement, the Government of the United States of America may use the pounds for any purpose authorized by Section 104 of the Act.

*Article III*

## DEPOSIT OF CYPRIOT POUNDS

1. The amount of Cypriot pounds 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 Cypriot pounds 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 the Republic of Cyprus, or
- (b) if more than one legal rate for foreign exchange transactions exist, 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 the Republic of Cyprus.

2. In the event that any subsequent Agricultural Commodities Agreement or Agreements should be signed by the two Governments under the Act, any refunds of Cypriot pounds 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 the Republic of Cyprus will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic purposes of the agricultural commodities purchased pursuant to this Agreement (except where such resale, transshipment or use is specifically approved by the Government of the United States of America); to prevent the export of any commodity of either domestic or foreign origin which is the same as, or like, the commodities purchased pursuant to this Agreement during the period beginning on the date of this Agreement and ending with the final date on which such commodities are received and utilized (except where such export is<sup>1</sup> specifically approved by the Government of the United States of America);

<sup>1</sup> According to information provided by the Government of the United States of America this should read "is".

and to ensure that the purchase of commodities pursuant to this Agreement does not result in increased availability of the same 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 the Republic of Cyprus 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 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

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 at Nicosia in duplicate this eighteenth day of June, 1963.

For the Government  
of the United States of America :

FRASER WILKINS

For the Government  
of the Republic of Cyprus :

SPYROS KYPRIANOU

## EXCHANGE OF NOTES

## I

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

Nicosia, June 18, 1963

N° 841

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 the Republic of Cyprus signed today<sup>1</sup> and to confirm my Government's understanding of agreement reached in conversations which have taken place between representatives of our two Governments with respect to the following :

1. In view of import of wheat under this Agreement, the Government of the Republic of Cyprus agrees that during each of the United States fiscal years of 1963 and 1964 ending June 30, it will continue its normal import with its own resources from the United States of America and countries friendly to the United States of America of at least 10,000 metric tons of wheat and/or wheat flour in grain equivalent in addition to the approximately 30,000 metric tons of wheat to be imported under this Agreement. Also, the Government of the Republic of Cyprus agrees to limit exports of wheat to not more than 10,000 metric tons of Cyprus durum wheat during the United States fiscal year 1964 (July 1, 1963 to June 30, 1964), provided such exports are offset by an equivalent quantity of wheat imported by the Government of the Republic of Cyprus with its own resources from the United States or countries friendly to the United States during the same period in addition to the above-mentioned quantities. The Government of the Republic of Cyprus also agrees to refrain from further exports of durum until the wheat provided under this Agreement has been imported and utilized.

2. With respect to paragraph A of Article II of the Agreement, the Government of the Republic of Cyprus will provide, upon the request of the Government of the United States of America, facilities for the conversion into other non-dollar currencies of two percent of the Cypriot pounds accruing from sales under the Agreement for the purpose of Section 104 (a) of the Act. These facilities for conversion will be used to finance agricultural market development projects and activities in other countries. The Government of the Republic of Cyprus will also provide facilities for the conversion of up to \$50,000 worth of Cypriot pounds for use under Section 104 (h) of the Act and the Mutual Educational and Cultural Exchange Act of 1961 for programs and activities in other countries.

3. The Government of the United States may utilize Cypriot pounds in the Republic of Cyprus to pay for international travel originating in the Republic of Cyprus or

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<sup>1</sup> See p. 192 of this volume.

originating outside the Republic of Cyprus when the travel (including connecting travel) is to or through the Republic of Cyprus, and for travel within the United States of America or other areas outside the Republic of Cyprus when the travel is part of a trip in which the traveler journeys from, to, or through the Republic of Cyprus. It is understood that these funds are intended to cover only travel by persons who are traveling on official business for the Government of the United States of America or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which pounds may be utilized shall not be limited to services provided by Cypriot transportation facilities.

I shall appreciate your confirmation that the foregoing also represents the understanding of the Republic of Cyprus.

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

Fraser WILKINS

His Excellency Spyros Kyprianou  
Minister of Foreign Affairs  
Nicosia

## II

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

REPUBLIC OF CYPRUS  
MINISTRY OF FOREIGN AFFAIRS

18 June 1963

Excellency :

I have the honour to acknowledge receipt of your Note No. 841 dated 18th June 1963, which reads as follows :

[*See note I*]

I have the pleasure to confirm that the foregoing expresses correctly the understanding reached between our two Governments.

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

Spyros KYPRIANOU  
Minister of Foreign Affairs

H.E. Mr. Fraser Wilkins  
Ambassador of the United States of America in Cyprus