

TURKEY

Surplus Agricultural Commodities n1

n1 Also TIAS 4874, 4926; post, pp. 1628, and in Part 3.

TIAS 4819

12 U.S.T. 1098

July 29, 1961, Date-Signed

July 29, 1961, Date-In-Force

STATUS:

[*1] Agreement signed at Ankara July 29, 1961;
Entered into force July 29, 1961.
With exchange of notes.

AGRICULTURAL COMMODITIES AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF TURKEY UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED

TEXT:

The Government of the United States of America and the Government of the Republic of Turkey:

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 Turkish lira of agricultural commodities produced in the United States of America will assist in achieving such an expansion of trade;

Considering that the Turkish lira 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 the Government [*2] of the Republic of Turkey pursuant to Title I of the Agricultural Trade Development and Assistance Act, n2 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;

-----Footnotes-----

n2 68 Stat. 455; 7 U.S.C. §§ 1701-1709.

Have agreed as follows:

ARTICLE I

SALES FOR TURKISH LIRA

1. Subject to the availability of commodities for programing under the Act and to issuance by the Government of the United States of America and acceptance by the Government of the Republic of Turkey of purchase authorizations, the Government of the United States of America undertakes to finance the sales for Turkish lira, to purchasers authorized by the Government of the Republic of Turkey, of the following agricultural commodities in the amounts indicated:

Commodity	Export Market Value (Millions)
Wheat	\$ 12.4
Ocean transportation (estimated)	1.8
Total	\$ 14.2

The financing, [*3] sale and delivery of commodities hereunder 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.

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 of 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 Turkish lira 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.

ARTICLE II

USES OF TURKISH LIRA

1. The Turkish lira 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 [*4] 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) (d) (f) and (h) through (r) of Section 104 of the Act or under any of such subsections, twenty percent of the Turkish lira 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 the Republic of Turkey incident thereto, twenty percent of the Turkish lira 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 the Republic of Turkey for business development and trade expansion in the Republic of Turkey, and to United States firms and Turkish 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 the Export-Import Bank of Washington and the Government [*5] of the Republic of Turkey, acting through the International Economic Cooperation Organization of the Turkish Ministry of Finance (hereinafter referred to as IECO). The Director of the IECO or his designate will act for the Government of the Republic of Turkey, 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 IECO 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 IECO 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 Turkey 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 [*6] an application, the IECO will indicate to the Export-Import Bank whether or not the IECO has any objection to the proposed loan. When the Export-Import Bank approves or declines the proposed loan, it will notify the IECO.

(6) In the event the Turkish lira 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 IECO, the Government of the United States of America may use the Turkish lira for any purpose authorized by Section 104 of the Act.

C. For a loan to the Government of the Republic of Turkey under Section 104(g) of the Act for financing such projects to promote economic development as may be mutually agreed, including projects not heretofore included in plans of the Government of the Republic of Turkey, sixty percent of the Turkish lira accruing pursuant to this Agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement.

2. In the event that agreement is not reached on the use of the Turkish [*7] lira for loan purposes within three years from the date of this Agreement, the Government of the United States of America may use the Turkish lira for any purpose authorized by Section 104 of the Act.

ARTICLE III

DEPOSIT OF TURKISH LIRA

1. The deposit of Turkish lira 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.
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 Turkish lira which may be due or become due under this Agreement more than two years from the effective date of this Agreement will be made by the Government of the [*8] 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 Turkey 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 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 precautions to assure that all sales or purchases of agricultural commodities made 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 [*9] 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 Turkey 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 arrival and condition of commodities, 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

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 Ankara in duplicate, this 29th day of July, 1961.

The American Ambassador to the Turkish Minister of Commerce

AMERICAN EMBASSY

ANKARA, TURKEY,

No. 149 July 29, 1961

EXCELLENCY:

I have the honor to refer to the Agricultural [*10] Commodities Agreement signed today between representatives of our two Governments, under which the Government of the United States of America undertakes to finance the delivery to the Government of the Republic of Turkey \$ 14.2 million of wheat, and to confirm the following related understandings:

1. With respect to paragraph 1 of Article II of the Agreement, the Government of the Republic of Turkey will provide, upon request of the Government of the United States of America, facilities for the conversion into other non-dollar currencies of up to \$ 584,000 worth of Turkish lira. These facilities for conversion will be utilized in securing up to \$ 284,000 in funds to finance agricultural market development activities in other countries and up to \$ 300,000 in funds to finance educational exchange programs in other countries.
2. The Government of the United States of America may utilize Turkish lira in Turkey to pay for international travel originating in Turkey or originating outside Turkey when involving travel to or through Turkey, including connecting travel, and for air travel within the United States or other areas outside Turkey when it is part of a trip in which the traveler [*11] journeys from, to or through Turkey. It is understood that these funds are intended to cover only travel by persons engaged in activities financed under Section 104 of the Agricultural Trade Development and Assistance Act, as amended. It is further understood that this travel is not limited to services provided by Turkish airlines.
3. The Government of the Republic of Turkey agrees that it will not export wheat or wheat products of either domestic or imported origin, except as may be specifically agreed by the Government of the United States of America, until the wheat provided under the cited Agreement has been imported and utilized, or until June 30, 1962, whichever is later.

I shall appreciate receiving Your Excellency's confirmation of the above understandings.

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

The Turkish Minister of Commerce to the American Ambassador

TURKIYE CUMHURİYETİ

TICARET BAKANLIĞI n1

-----Footnotes-----

n1 Republic of Turkey

Ministry of Commerce

-----End Footnotes-----

ANKARA, *July 29, 1961*

EXCELLENCY: [*12]

I have the honor to acknowledge receipt of your Note No. 149, dated July 29, 1961, which reads as follows:

"Excellency:

I have the honor to refer to the Agricultural Commodities Agreement signed today between representatives of our two Governments, under which the Government of the United States of America undertakes to finance the delivery to the Government of the Republic of Turkey \$ 14.2 million of wheat, and to confirm the following related understandings:

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2- The Government of the United States of America may utilize Turkish lira in Turkey to pay for international travel originating in Turkey or originating outside Turkey when involving travel to or through [*13] Turkey, including connecting travel, and for air travel within the United States or other areas outside Turkey when it is part of a trip in which the traveler journeys from, to or through Turkey. It is understood that these funds are intended to cover only travel by persons engaged in activities financed under Section 104 of the Agricultural Trade Development and Assistance Act, as amended. It is further understood that this travel is not limited to services provided by Turkish airlines.

3- The Government of the Republic of Turkey agrees that it will not export wheat or wheat products of either domestic or imported origin, except as may be specifically agreed by the Government of the United States of America, until the wheat provided under the cited Agreement has been imported and

utilized, or until June 30, 1962, whichever is later.

I shall appreciate receiving Your Excellency's confirmation of the above understandings.

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

I have the honor to inform you that the Government of the Republic of Turkey concurs with the foregoing understandings.

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

SIGNATORIES:

[*14] FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

RAYMOND A HARE

[SEAL]

FOR THE GOVERNMENT OF THE REPUBLIC OF TURKEY:

MEHMET BAYDUR

[SEAL]

RAYMOND A. HARE

His Excellency

MEHMET BAYDUR,

Minister of Commerce of the Government of the Republic of Turkey, Ankara, Turkey.

MEHMET BAYDUR

Minister of Commerce

His Excellency

RAYMOND A. HARE

Ambassador of the United States of America

Ankara.