

No. 2331

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**UNITED STATES OF AMERICA  
and  
TURKEY**

**Exchange of notes constituting an agreement relating to guaranties under section III (b) (3) of the Economic Cooperation Act of 1948, as amended. Ankara, 15 November 1951.**

*Official text: English.*

*Registered by the United States of America on 22 October 1953.*

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

**Échange de notes constituant un accord relatif aux garanties prévues par l'article III, b, 3, de la loi de coopération économique de 1948, sous sa forme modifiée. Ankara, 15 novembre 1951**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 22 octobre 1953.*

No. 2331. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE UNITED STATES OF AMERICA AND TURKEY RELATING TO GUARANTIES UNDER SECTION 111 (b) (3) OF THE ECONOMIC CO-OPERATION OF 1948, AS AMENDED. ANKARA, 15 NOVEMBER 1951

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I

*The American Ambassador to the Turkish Acting Minister of Foreign Affairs*

AMERICAN EMBASSY

No. 609

Ankara, November 15, 1951

Excellency :

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments with reference to Article III of the Economic Cooperation Agreement between the United States of America and the Republic of Turkey, signed at Ankara on July 4, 1948,<sup>2</sup> as amended,<sup>3</sup> and to Section 111 (b) (3) of the Economic Cooperation Act of 1948 as amended,<sup>4</sup> which authorizes the Administrator of the Economic Cooperation Administration to guarantee investments made in participating countries by American citizens and companies.

It is my understanding, based on these conversations, that the Turkish Government would be agreeable to give assurances as set forth in the following numbered paragraphs :

A. 1. Insofar as guaranties are made to United States investors, covering projects in Turkey, pursuant to Section 111 (b) (3) of the Economic Cooperation Act of 1948, as amended, other than those made pursuant to subsection (iv) (D) thereof, and, provided such projects are approved by the Government of Turkey, the Government of Turkey gives assurances that lira amounts which become the property of the Government of the United States will be accorded

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<sup>1</sup> Came into force on 15 November 1951 by the exchange of the said notes.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 24, p. 67.

<sup>3</sup> United Nations, *Treaty Series*, Vol. 76, p. 258 and Vol. 152, p. 276.

<sup>4</sup> United States of America : 62 Stat. 144; 22 U.S.C. § 1509 (b) (3).

treatment not less favorable than that granted to any private funds arising from comparable transactions by United States investors.

2. Investors in guaranteed projects, as described in paragraph 1, will receive treatment as to the convertibility of income and principal equal to the most favorable treatment accorded by the Government of Turkey to other investors.

3. Lira amounts which become the property of the Government of the United States upon the invocation of the guarantees made pursuant to Section 111 (b) (3) of the Act, as amended, will be freely available to the Government of the United States for administrative expenditures.

B. 1. Lira amounts which become the property of the Government of the United States upon the invocation of guarantees of convertibility authorized by Section 111 (b) (3) (iv) (D) of the Economic Cooperation Act of 1948, as amended, covering payments pursuant to contracts for the furnishing of capital goods items and related services under projects approved by the Government of Turkey (approval by the Government of Turkey of a project for ECA financing under its program allotment will constitute the approval required by Section 111 (b) (3) of the Act as a condition to the issuance of a forward contracting guaranty covering any part or all of such project) will be freely available to the Government of the United States for administrative expenditures.

2. In the event that ECA funds are allotted to the Government of Turkey for any projects covering contracts which are the subject of guarantees authorized by Section 111 (b) (3) (iv) (D) of the Economic Cooperation Act of 1948, as amended, the Government of Turkey will take all necessary steps, including the issuance of sub-authorizations, to make such funds available to meet all payments under such contracts as they become due.

I should greatly appreciate your advising me as soon as conveniently possible whether the foregoing provisions are in conformity with the views of the Turkish Government. If they are, I should be most obliged if you would confirm these assurances on behalf of your Government.

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

G. WADSWORTH

His Excellency Samet Ağaoğlu  
Acting Minister of Foreign Affairs  
Ankara

## II

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

115572/86

Ankara, November 15th, 1951

Excellency,

I have the honor to acknowledge the receipt of your Note No : 609 dated Nov. 15 which reads as follows :

[*See note I*]

I have the honor to confirm to His Excellency, that the Turkish Government gives its approval to the above mentioned.

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

For the Minister of Foreign Affairs :

[SEAL]

FATİH RÜŞTÜ ZORLU

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