

No. 2575

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
TURKEY**

**Exchange of notes constituting an agreement regarding the
repayment of certain credits granted to Turkey relating
to armaments. Ankara, 11 February 1954**

Official text: English.

*Registered by the United Kingdom of Great Britain and Northern Ireland on
24 May 1954.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
TURQUIE**

**Échange de notes constituant un accord relatif au rembourse-
ment de certains crédits accordés à la Turquie en
matière d'armements. Ankara, 11 février 1954**

Texte officiel anglais.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le
24 mai 1954.*

No. 2575. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE TURKISH GOVERNMENT REGARDING THE REPAYMENT OF CERTAIN CREDITS GRANTED TO TURKEY RELATING TO ARMAMENTS. ANKARA, 11 FEBRUARY 1954

I

Her Majesty's Ambassador at Ankara to the Turkish Minister of Finance

BRITISH EMBASSY

Ankara, February 11, 1954

Excellency,

I have the honour to inform your Excellency that, in accordance with the *Accord de Principe* signed at Ankara on the 7th August, 1953,² between the representatives of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic, aiming at the full and final settlement of the debts stated below, an Agreement has now been reached the terms of which are as follows :—

- (1) The Turkish Government undertake to pay to the Government of the United Kingdom, in Turkish currency, in seven equal annual instalments amounting to £1,071,428 11s. 5d. each, the sum of £7,500,000 (seven million five hundred thousand) sterling in full and final settlement of (a) the £6,000,000 sterling armaments credits given in accordance with the provisions of the Agreement between His Majesty's Government in the United Kingdom and the Government of the Turkish Republic signed at London on the 27th May, 1938³; (b) the £25,000,000 sterling credit given in accordance with the provisions of the "Special Agreement" between the Government of the French Republic, the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic signed at Ankara on the 19th October, 1939⁴; (c) any and all

¹ Came into force on 11 February 1954 by the exchange of the said notes.

² United Kingdom, *Treaty Series No. 25 (1954)*, *Cmd. 9120*, p. 6.

³ League of Nations, *Treaty Series*, Vol. CXC, p. 121 and Vol. CXCVII, p. 414.

⁴ League of Nations, *Treaty Series*, Vol. CC, p. 167.

advances made over and above the amounts stipulated in the above-mentioned Agreements; (d) all debts incumbent on the Turkish Government as a result of the application of the decisions taken at the conversations held at Adana on the 31st January, 1943, and (e) all debts deriving from the supply of various materials, services performed, installations and transport paid for by the Government of the United Kingdom and/or government departments supplementary to the above credits.

- (2) The Government of the United Kingdom, in consideration of the payment by the Turkish Government of the Turkish lira equivalent of the above-mentioned £7,500,000 sterling, renounce all the credits and debts specified at (a) to (e) in paragraph (1) above and all claims pertaining to these credits and debts and give full discharge to the Turkish Government in respect of the latter's obligations deriving from these credits and claims.
- (3) The above-mentioned annual instalments of £1,071,428 11s. 5d. shall be converted into Turkish liras at the buying rate of exchange applied by the Central Bank of the Turkish Republic to the pound sterling on the day preceding the date on which each instalment becomes due and paid into an account that will be opened in the Central Bank of the Turkish Republic in the name of the Government of the United Kingdom. The first instalment will be paid on the 10th March, 1954, and the subsequent instalments shall become due on the same date in each subsequent year.
- (4) The Turkish liras deriving from the aforementioned annual instalments may be used freely for the purchase of any kind of Turkish products intended for internal consumption in the United Kingdom, and they will be freely accepted for such purchases to be effected either by the Government of the United Kingdom or by private traders resident in the United Kingdom.

I have the honour to confirm that Her Majesty's Government in the United Kingdom assent to these terms and to propose that, if they are likewise acceptable to the Turkish Government, this Note and your Excellency's reply to that effect shall be regarded as constituting an Agreement between the two Governments, which shall take effect on this day's date.

I have, &c.

James BOWKER

II

The Turkish Minister of Finance to Her Majesty's Ambassador at Ankara

Ankara, February 11, 1954

Excellency,

I have the honour to acknowledge receipt of your Excellency's Note of the 11th February, as follows :—

[See note I]

I have the honour to inform your Excellency that the Government of the Turkish Republic agree with the above.

Please accept, &c.

H. POLATKAN
Minister of Finance

III

Her Majesty's Ambassador at Ankara to the Turkish Minister of Finance

BRITISH EMBASSY

Ankara, February 11, 1954

Excellency,

With reference to the Notes exchanged to-day between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic, for the settlement of the outstanding liabilities of the Turkish Government towards the Government of the United Kingdom, I have the honour to inform your Excellency that the Government of the United Kingdom agree to give full discharge to the Government of the Turkish Republic of all their obligations to Vickers-Armstrongs Limited (and to all other claimants in the United Kingdom, if there are any) deriving from contracts concluded within the framework of the arrangements mentioned in the first paragraph of the aforementioned Notes, namely : (a) the £6,000,000 sterling armaments credits given in accordance with the provisions of the Agreement between His Majesty's Government in the United Kingdom and the Government of the Turkish Republic signed at London on the 27th May, 1938; (b) the £25,000,000 sterling credit given in accordance with the provisions of the "Special Agreement" between the Government of the French Republic, the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic signed at Ankara on the 19th October, 1939; (c) any and all advances made over and above the amounts stipulated in the above-

mentioned Agreements; (d) all debts incumbent on the Turkish Government as a result of the application of the decisions taken at the conversations held at Adana on the 31st January, 1943; and (e) all debts deriving from the supply of various materials, services performed, installations and transport paid for by the Government of the United Kingdom and/or government departments supplementary to the above credits.

The Government of the United Kingdom will conclude an Agreement with Vickers-Armstrongs Limited, and with other claimants if there are any, in order to determine the amounts which are owing to them, and the Government of the United Kingdom will inform the Government of the Turkish Republic of the amounts due to the above-mentioned company and to the other claimants, if any.

The Turkish Government will deduct these amounts from the £1,071,428 11s. 5d. annual instalment payable to the Government of the United Kingdom following the receipt of the above information, will convert them into Turkish liras on the basis laid down in paragraph (3) of the Notes above referred to, and will pay them in Turkish liras into the account of those entitled in the Central Bank of the Turkish Republic on the day the above instalment becomes due.

Thus the amounts to be paid to the Government of the United Kingdom will consist of the balance remaining after deduction of the amounts paid to Vickers-Armstrongs Limited and any other claimants concerned.

The Turkish liras paid into the accounts of Vickers-Armstrongs Limited, and of other claimants if any, with the Central Bank of the Turkish Republic may be used in accordance with the terms laid down in paragraph (4) of the said Notes.

The Government of the Turkish Republic, in consideration of the discharge mentioned in the first paragraph of this Note, agree not to put forward any claims against Vickers-Armstrongs Limited in connexion with contracts concluded within the framework of the credits and debts mentioned in the first paragraph of this Note, and agree to abandon to the Company the materials in the possession of the Company in the United Kingdom, and agree to return to the Ottoman Bank in London, within one month at the latest from the date of exchange of the present Notes, the Bank's Letters of Guarantee No. 9 for £13,911 0s. 0d., No. 10 for £16,881 0s. 0d., and No. G767 for £10,000 0s. 0d. which were issued in connexion with the above-mentioned contracts.

If the foregoing provisions are acceptable to the Turkish Government, I have the honour to suggest that the present Note and your Excellency's reply to that effect shall be regarded as constituting an Agreement between the two Governments, which shall enter into effect on this day's date and shall be deemed to form an integral part of the Agreement constituted by the aforementioned Exchange of Notes.

I have, &c.

James BOWKER

IV

The Turkish Minister of Finance to Her Majesty's Ambassador at Ankara

Ankara, February 11, 1954

Excellency,

I have the honour to acknowledge receipt of your Excellency's Note of the 11th February, as follows :—

[See note III]

I have the honour to inform your Excellency that the Government of the Turkish Republic agree with the above.

Please accept, &c.

H. POLATKAN
Minister of Finance