

No. 3358

---

**UNITED STATES OF AMERICA  
and  
TURKEY**

**Agreement (with annex) for the exchange of commodities and  
the sale of grain. Signed at Washington, on 15 No-  
vember 1954**

*Official text: English.*

*Registered by the United States of America on 8 May 1956.*

---

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

**Accord (avec annexe) relatif à l'échange de marchandises  
et à la vente de céréales. Signé à Washington, le  
15 novembre 1954**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 8 mai 1956.*

No. 3358. AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND THE TURKISH REPUBLIC FOR THE EXCHANGE OF COMMODITIES AND THE SALE OF GRAIN. SIGNED AT WASHINGTON, ON 15 NOVEMBER 1954

---

In recognition of the request of the Government of the Turkish Republic for 300,000 tons of United States wheat and 200,000 tons of United States feed grains and in view of the urgency of Turkey's needs, the Governments of the United States of America and of the Turkish Republic agree that assistance by the Government of the United States be provided in the following manner :

*Part I*

1. The Commodity Credit Corporation of the United States Department of Agriculture, acting under authority contained in Section 303 of United States Public Law 480, Eight-third Congress, will undertake to arrange for the prompt exchange of approximately 100,000 tons of wheat for metallurgical chrome ore of Turkish origin.

The Commodity Credit Corporation will utilize private United States trade channels in effecting this exchange of United States wheat for Turkish chrome. The Commodity Credit Corporation may provide that part of any wheat supplied to the United States trade in this exchange may be exported to friendly countries other than Turkey, but the balance will be shipped to Turkey.

The Government of the Turkish Republic will undertake to facilitate the export of chrome ore, meeting United States stockpile specifications, against exchange contracts within eighteen months from the date of the signing of any such contracts with private United States traders.

2. The Foreign Operations Administration, in accordance with its usual policies and procedures, will finance the export and sale of 30,000 tons of wheat to Turkey with defense support funds provided under United States Public Law 665, Eighty-third Congress. This financing will be provided within the amount of defense support funds now planned for Turkey during the United States fiscal year 1955. The lira deposits in payment for such transaction will be utilized by the United States for support of the armed forces of Turkey.

---

<sup>1</sup> Came into force on 15 November 1954 by signature.

The Government of the Turkish Republic will undertake to facilitate this transaction by making prompt application to the Foreign Operations Administration for financing of the wheat, and by prompt procurement upon receipt of the procurement authorization from the Foreign Operations Administration.

3. The Department of Agriculture is prepared to finance the export of 70,000 tons of wheat and 125,000 tons of feed grains to Turkey for lira under Title I of United States Public Law 480, Eighty-third Congress.

United States Department of Agriculture forms, procedures and regulations, which will be supplied shortly, will govern the sale of these commodities.

The Government of the Turkish Republic will deposit, to a designated United States account in Ankara, lira equal to the dollar sales value of the commodities sold, including freight and handling, reimbursed or financed by the United States Department of Agriculture. These dollar sales values shall be converted into lira at the rate of exchange in effect on the date of the last preceding notification report. The deposit of lira to the United States account will be made upon presentation of the notification report to the Government of the Turkish Republic by the appropriate Mission official or other approved United States agent. These deposits of Turkish lira shall be used to meet United States obligations and to further Turkish development.

## *Part II*

No later than February 15, 1955, the two Governments will consult regarding the need to meet up to 175,000 tons of Turkey's remaining grain requirements. If it is mutually determined by the two Governments that the emergency needs of Turkey cannot otherwise be met, the United States Government will undertake to make available :

1. Up to 100,000 tons of wheat :
  - a. 70 percent to be financed by the Foreign Operations Administration with defense support funds under United States Public Law 665, Eighty-third Congress ; this financing will be provided within the amount of defense support funds now planned for Turkey during the United States fiscal year 1955 ; and
  - b. 30 percent to be provided by the Department of Agriculture under Title I of United States Public Law 480, Eighty-third Congress.
2. Up to 75,000 tons of feed grains to be provided by the Department of Agriculture under Title I of United States Public Law 480, Eighty-third Congress.

Turkish lira deposited in payment for commodities supplied in Part II will be utilized in the manner prescribed in Part I for the utilization of Turkish lira developed through the operations of United States Public Law 665, Eighty-third Congress, and Title I of United States Public Law 480, Eighty-third Congress, respectively.

The Government of the Turkish Republic agrees that the grain involved in this Agreement is necessary and will be used for domestic consumption and consequently it undertakes that no grain will be exported prior to July 1, 1955, or such earlier date as may be agreed upon between the two Governments, excepting up to 20,000 tons of Siha wheat, which may be exported to the Federal Republic of Germany, and up to 5,000 tons of low-grade durum wheat which may be exported to Greece. Further, the Government of the United States may, after consultation with the Government of the Turkish Republic, stop shipments of bread grains or feed grains under Part I or Part II if it is determined by the United States that further Turkish needs for these commodities can otherwise be met.

Attached as an annex hereto, and forming an integral part of this Agreement, is the Memorandum of Understanding between the Governments of the United States of America and the Turkish Republic Relative to Surplus Agricultural Commodities under Title I of United States Public Law 480, Eighty-third Congress.

This Agreement shall enter into force upon the date of signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed this agreement.

DONE at Washington this fifteenth day of November, 1954.

For the Government  
of the United States of America :  
Henry A. BYROADE

For the Government  
of the Turkish Republic :  
Melih ESENBEL

## ANNEX

## MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND THE TURKISH REPUBLIC RELATIVE TO SURPLUS AGRICULTURAL COMMODITIES UNDER TITLE I OF UNITED STATES PUBLIC LAW 480, EIGHTY-THIRD CONGRESS

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

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 in these commodities or unduly disrupt world prices of agricultural commodities ;

Considering that the purchase of surplus agricultural commodities produced in the United States for Turkish lira will assist in achieving such an expansion of trade ;

Considering that the Turkish lira accruing from such purchases will be utilized in a manner beneficial to both countries ;

Desiring to set forth the understandings which govern the sales of surplus agricultural commodities by the Government of the United States of America pursuant to the Agricultural Trade Development and Assistance Act of 1954, 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*

## SALE FOR LOCAL CURRENCY

1. Subject to the negotiation and execution of supplemental commodity agreements referred to in paragraph 2 of this Article, the Government of the United States of America undertakes to finance the sale for Turkish lira of certain agricultural commodities determined to be surplus pursuant to the Agricultural Trade Development and Assistance Act of 1954 to purchasers authorized by the Government of the Turkish Republic.

2. The two Governments will conclude supplemental agreements which, together with the terms of this Agreement, shall apply to the sale of commodities and the uses of the currency accruing from such sales. The supplemental agreements shall include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of such currency, and other relevant matters. The provisions of such supplemental agreements will be incorporated in procurement authorizations issued by the Government of the United States and subject to acceptance by the Government of the Turkish Republic.

*Article II*

## USES OF LOCAL CURRENCY

1. The two Governments agree that 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 for the following purposes in the percentages shown :

*a.* Uses of local currency accruing under Part I, Section 3, of Agreement to which this Memorandum of Understanding is annexed :

- (i) To pay United States obligations abroad : the Turkish lira equivalent of the dollar cost of 50 percent of the wheat and feed grains.
- (ii) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the Foreign currency was obtained or in any other manner which the President of the United States of America may deem to be appropriate (strategic materials, services, or foreign currencies may be accepted in payment of such loans) : 50 percent of the Turkish lira equivalent of the dollar cost of the wheat and feed grains.

*b.* Uses of local currency accruing under Part II, Section 1 (*b*) and Section 2, of Agreement to which this Memorandum of Understanding is annexed.

- (i) To pay United States obligations abroad : the Turkish lira equivalent of the dollar cost of 50 percent of the wheat and feed grains.
- (ii) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President of the United States may deem to be appropriate (strategic materials, services, or foreign currencies may be accepted in payment of such loans) : 50 percent of the Turkish lira equivalent of the dollar cost of the wheat and feed grains.

2. The Turkish lira currency accruing under this Agreement shall be expended by the United States Government for the purposes stated in paragraph 1 of this Article in such manner and order of priority as the Government of the United States shall determine.

*Article III*

## GENERAL UNDERTAKINGS

1. The Government of the Turkish Republic agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954, and to assure that its purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States.

2. The two Governments agree that they will take reasonable precautions to assure that all sales of surplus agricultural commodities pursuant to the Agricultural Trade Development and Assistance Act of 1954 will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States in these commodities, or materially impair trade relations among the countries of the free world.

3. In carrying out this Agreement the two Governments will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

*Article IV*

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 or arrangements carried out pursuant to this Agreement.

---