

No. 5225

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**UNITED STATES OF AMERICA  
and  
TURKEY**

**Agricultural Commodities Agreement under Title I of the  
Agricultural Trade Development and Assistance Act,  
as amended (with exchange of notes). Signed at Ankara,  
on 22 December 1959**

*Official text: English.*

*Registered by the United States of America on 11 July 1960.*

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

**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 Ankara, le 22 décembre 1959**

*Texte officiel anglais.*

*Enregistré par les États-Unis d'Amérique le 11 juillet 1960.*

No. 5225. AGRICULTURAL COMMODITIES AGREEMENT<sup>1</sup>  
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 AS-  
SISTANCE ACT, AS AMENDED. SIGNED AT ANKARA,  
ON 22 DECEMBER 1959

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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 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 surplus 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 surplus agricultural commodities to the Government of the Republic of Turkey 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 TURKISH LIRA

Subject to the availability of commodities for programming 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 sale to purchasers authorized by the Government of the Republic of Turkey, for

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<sup>1</sup> Came into force on 22 December 1959, upon signature, in accordance with article VI.

Turkish lira, of the following agricultural commodities determined to be surplus pursuant to the Act, in the amounts indicated :

<i>Commodity</i>	<i>Export market value (millions)</i>
Wheat . . . . .	\$17.3
Soybean and/or cottonseed oil . . . . .	13.5
Corn . . . . .	1.2
Ocean transportation (estimated) . . . . .	3.0
	TOTAL      \$35.0

Requests for purchase authorizations will be made not later than 90 calendar days after the effective date of this Agreement. They 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.

## *Article II*

### USES OF TURKISH LIRA

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, 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 subsection (f) of Section 104 of the Act, the Turkish lira equivalent of \$3.5 million.

B. For United States expenditures under subsections (a), (b), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q) and (r) of Section 104 of the Act, or under any of such subsections, the Turkish lira equivalent of \$3.25 million.

C. For procurement of military equipment, materials, facilities and services in accordance with Section 104 (c) of the article,<sup>1</sup> as mutually agreed upon by the two Governments, the Turkish lira equivalent of \$5.5 million.

D. 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 Turkey incident thereto, the Turkish lira equivalent of \$5.25 million, but not more than 25% of the currencies received under the Agreement. It is understood that :

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

- (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 Turkey for business development and trade expansion in 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 of the Republic of Turkey, acting through the International Economic Cooperation Organization of the Turkish Ministry of Foreign Affairs (hereinafter referred to as the 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 those prevailing in 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 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 has not approved loans or because proposed loans have not been mutually agreeable to the Export-Import Bank 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.

E. For a loan to the Government of the Republic of Turkey under Section 104 (g) of the Act, the Turkish lira equivalent of not more than \$17.5 million, for financing such projects to promote economic development, including projects

not heretofore included in plans of the Government of the Republic of Turkey, as may be mutually agreed. The terms and conditions of the loan and other provisions will be set forth in a supplementary loan agreement between the two Governments. In the event the Turkish lira set aside for loans to the Government of the Republic of Turkey are not advanced within three years from the date of this Agreement as a result of failure of the two Governments to reach agreement on the use of the Turkish lira for loan purposes, the Government of the United States of America may use the Turkish lira for any purpose authorized by Section 104 of the Act.

2. In the event the total of Turkish lira accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement is less than the lira equivalent of \$35.0 million, the amount available for a loan to the Government of the Republic of Turkey under Section 104 (*g*) of the Act will be reduced by the amount of such difference; in the event the total Turkish lira deposit exceeds the equivalent of \$35.0 million, 50 percent of the excess will be available for a loan to the Government of the Republic of Turkey under Section 104 (*g*), 15 percent for loans under Section 104 (*e*) and 35 percent for any use or uses authorized by Section 104 of the Act as the Government of the United States of America may determine.

### *Article III*

#### DEPOSIT OF TURKISH LIRA

Turkish lira shall be deposited 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) 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.

### *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 surplus 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 for export from Turkey.

2. The two Governments agree that they will take reasonable precautions to assure that all sales or purchases of agricultural commodities pursuant to this Agreement will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States of America in these commodities, or disrupt 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 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

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 in duplicate at Ankara this 22nd day of December, 1959.

For the Government  
of the United States of America :  
Fletcher WARREN  
[SEAL]

For the Government  
of the Republic of Turkey :  
Semih GUNVER  
[SEAL]

## EXCHANGE OF NOTES

## I

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

AMERICAN EMBASSY  
ANKARA, TURKEY

No. 1154

December 22, 1959

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 Turkey signed today,<sup>1</sup> under which the Government of the United States of America undertakes to finance the delivery to the Government of the Republic of Turkey of \$35 million of agricultural commodities and to inform you of the following :

In expressing its agreement with the Government of the United States of America that the above mentioned delivery of agricultural commodities should not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States in these commodities or impair trade relations with friendly nations, your Government agrees that it will import with its own resources before June 1, 1960 not less than 78,000 metric tons of wheat in addition to the approximately 300,000 metric tons of wheat to be imported under the terms of the said Agreement. Your Government also agrees that it will not export wheat of either domestic or imported origin before October 1, 1960.

Your Government further states that all corn acquired under the Agreement will be used for human consumption or for glucose production and that no corn, regardless of source, including domestic, will be used for animal feed during the period that corn purchased under the Agreement is being imported.

I shall appreciate receiving your Excellency's confirmation of the above understanding.

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

Fletcher WARREN  
American Ambassador

His Excellency Namik Gedik  
Acting Minister of Foreign Affairs  
of the Republic of Turkey  
Ankara

<sup>1</sup> See p. 58 of this volume.

## II

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

TÜRKİYE CUMHURİYETİ  
HARİCİYE VEKÂLETİ<sup>1</sup>

310.162-ME.2/84

Ankara, December 22, 1959

Excellency,

I have the honor to acknowledge receipt of your letter No. 1154 dated December 22, 1959 which reads as follows :

[*See note I*]

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

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

For the Acting Foreign Minister :

Semih GUNVER

His Excellency Fletcher Warren  
Ambassador of the United States of America  
Ankara

## III

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

AMERICAN EMBASSY  
ANKARA, TURKEY

No. 1155

December 22, 1959

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement signed today between the Government of the United States of America and the Government of the Republic of Turkey.

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of our two Governments with respect to the use by the Government of the United States of America of Turkish lira accruing under the subject Agreement for purposes of Sections 104 (a) and 104 (h) of the Agricultural Trade Development and Assistance Act, as amended.

<sup>1</sup> Republic of Turkey.  
Ministry of Foreign Affairs.



It is understood that the Government of the Republic of Turkey will provide facilities for the conversion of up to \$650,000 of Turkish lira into other currencies. These facilities for conversion are needed for the purpose of securing up to \$350,000 in funds to finance agricultural market development activities in other countries and up to \$300,000 in funds to finance educational exchange activities in other countries.

I shall appreciate receiving your Excellency's confirmation of the above understanding.

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

Fletcher WARREN  
American Ambassador

His Excellency Namik Gedik  
Acting Minister of Foreign Affairs  
of the Republic of Turkey  
Ankara

#### IV

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

TÜRKİYE CUMHURİYETİ  
HARİCİYE VEKÂLETİ<sup>1</sup>

310.162-ME.2/85

Ankara, December 22, 1959

Excellency,

I have the honor to acknowledge receipt of your letter No. 1155 dated December 22, 1959 which reads as follows :

[See note III]

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

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

For the Acting Foreign Minister :  
Semih GUNVER

His Excellency Fletcher Warren  
Ambassador of the United States of America  
Ankara

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<sup>1</sup> Republic of Turkey.  
Ministry of Foreign Affairs.