

3 U.S.T. 3720

TURKEY

ECONOMIC COOPERATION

TIAS 2500

3 U.S.T. 3720

November 15, 1951, Date-Signed

November 15, 1951, Date-In-Force

**STATUS:**

[\*1] Agreement effected by exchange of notes signed at Ankara November 15, 1951; entered into force November 15, 1951.

[NO LONG-TITLE IN ORIGINAL]

**TEXT:**

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

AMERICAN EMBASSY, *Ankara, November 15, 1951*

No. 609

**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, as amended, and to Section 111 (b) (3) of the Economic Cooperation Act of 1948 as amended, 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 [\*2] 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 treatment not less favorable than that granted to any private funds arising from comparable transactions by United States investors.

2. Investors in guarantied 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 guaranties 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 guaranties 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 [\*3] 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 guaranties 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, [\*4] the renewed assurances of my highest consideration.

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

ANKARA; November 15th, 1951

115572/86

EXCELLENCY,

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

"Excellency,

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments with reference to Article 111 of the Economic Cooperation Agreement between the United States of America and the Republic of Turkey, signed at Ankara on July 4, 1948, as amended, and to Section 111 (b) (3) of the Economic Cooperation Act of 1948 as amended, 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, [\*5] 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 treatment not less favorable than that granted to any private funds arising from comparable transactions by United States investors.

2. Investors in guarantied 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 guaranties 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 guaranties 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 [\*6] 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 guaranties 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, [\*7] the renewed assurances of my highest consideration."

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.

**SIGNATORIES:**

G. Wadsworth

His Excellency  
SAMET AGAOGLU  
*Acting Minister of Foreign Affairs, Ankara*

For the Minister of Foreign Affairs  
Fatin Rustu Zorlu