

TURKEY

Agricultural Commodities n1

n1 See also TIAS 5324; post, p. 364.

TIAS 5303

14 U.S.T. 236

February 21, 1963, Date-Signed

February 21, 1963, Date-In-Force

**STATUS:**

[\*1] Agreement signed at Ankara February 21, 1963;  
Entered into force February 21, 1963.  
With exchange of notes.

AGRICULTURAL COMMODITIES AGREEMENT BETWEEN THE GOVERNMENT OF THE  
REPUBLIC OF TURKEY AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS  
AMENDED

**TEXT:**

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

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 of America 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 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 agricultural commodities to Turkey [\*2] pursuant to Title I of the Agricultural Trade Development and Assistance Act, n2 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;

-----Footnotes-----

n2 68 Stat. 455; 7 U.S.C. §§ 1701-1709.

Have agreed as follows:

## ARTICLE I

### SALES FOR TURKISH LIRA

1. Subject to issuance by the Government of the United States of America and acceptance by the Government of the Republic of Turkey of purchase authorizations and to the availability of commodities under the Act at the time of exportation, the Government of the United States of America undertakes to finance the sales for Turkish lira, to purchasers authorized by the Government of the Republic of Turkey, of the following agricultural commodities in the amounts indicated:

<b>COMMODITY</b>	<b>EXPORT MARKET VALUE</b>
	<b>(millions)</b>

Cottonseed and/or soybean oil	\$ 60.3
Inedible tallow	4.5
Wheat	82.4
Ocean transportation (est.)	13.8
Total	\$ 161.0

[\*3]

2. Applications for purchase authorizations for \$ 20.1 million of cottonseed and/or soybean oil, \$ 1.5 million of tallow, and \$ 19 million of wheat authorized for FY 1963, and certain ocean transportation, will be made within 90 days after the effective date of this Agreement.

3. The amounts for fiscal years 1964 and 1965 will be determined on the basis of annual reviews to be made by the two Governments prior to the beginning of each fiscal year. The reviews shall take into account the United States stock position of each commodity, changes in Turkey's production, consumption, stocks, imports and exports of these and related commodities, storage facilities, and other matters.

4. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of Turkish lira accruing from such sale, and other relevant matters.

5. The financing, sale and delivery of commodities under this Agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

## ARTICLE II

### USES OF TURKISH LIRA

The Turkish [\*4] 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 subsections (a), (b), (f), and (h) through (s) of Section 104 of the Act, or under any of such subsections, 20 percent of the Turkish lira accruing pursuant to this Agreement.

B. For loans to be made by the Agency for International Development of Washington (hereinafter referred to as AID) under Section 104(e) of the Act and for administrative expenses of AID in Turkey incident thereto, 17 percent of the Turkish lira accruing pursuant to this Agreement. It is understood that:

(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, [\*5] or otherwise increasing the consumption of and markets for United States agricultural products.

(2) Loans will be mutually agreeable to AID and the Government of Turkey, acting through the International Economic Organization of the Turkish Ministry of Finance (hereinafter referred to as IECO). The Director of IECO, or his designate, will act for the Government of the Republic of Turkey, and the Administrator of AID, or his designate, will act for AID.

(3) Upon receipt of an application which AID is prepared to consider, AID will inform 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 AID is prepared to act favorably upon an application, it will so notify 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 that prevailing in the Republic of 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 AID is prepared to act favorably upon an application, [\*6] IECO will indicate to AID whether or not IECO has any objection to the proposed loan. Unless within the sixty-day period AID has received such a communication from IECO, it shall be understood that IECO has no objection to the proposed loan. When AID approves or declines the proposed loan it will notify IECO.

(6) In the event the Turkish lira set aside for loans under Section 104(e) of the Act are not advanced within five years from the date of this Agreement because AID has not approved loans or because proposed loans have not been mutually agreeable to AID and IECO, the Government of the United States of America may use the Turkish lira for any purposed authorized by Section 104 of the Act.

C. For a loan to the Government of the Republic of Turkey under Section 104(g) of the Act 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, 63 percent of the Turkish lira accruing pursuant to this Agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement. In the event that agreement is not reached on [\*7] the use of the Turkish lira for loan purposes within five years from the date of this Agreement, the Government of the United States of America may use the lira for any purpose authorized by Section 104 of the Act.

## ARTICLE III

### DEPOSIT OF TURKISH LIRA

1. The amount of Turkish lira to be deposited to the account of the Government of the United States of America shall be the equivalent of the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) converted into Turkish lira, as follows:

(a) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of the Republic of Turkey, or

(b) if more than one legal rate for foreign exchange transactions exist, at a rate of exchange to be mutually agreed upon from time to time between the Government of the Republic of Turkey and the Government of the United States of [\*8] America.

2. In the event that any subsequent Agricultural Commodities Agreement or Agreements should be signed by the two Governments under the Act, any refunds of Turkish lira which may be due or become due under this Agreement more than four years from the effective date of this Agreement would be made by the Government of the United States of America from funds available from the most recent Agricultural Commodities Agreement in effect at the time of the refund.

## ARTICLE IV

### GENERAL UNDERTAKINGS

1. The Government of the Republic of Turkey will take all possible measures to prevent the resale or transshipment to other countries or the use for other than domestic purposes of the Agricultural commodities purchased pursuant to the Agreement (except where such resale, transshipment or use is specifically approved by the Government of the United States of America); to prevent the export of any commodity either domestic or foreign which is the same as, or like, the commodities purchased pursuant to this Agreement (except where such export is specifically approved by the Government of the United States of America); and to ensure that the purchase of such commodities pursuant to [\*9]

this Agreement does not result in increased availability of the same or like commodities to nations unfriendly to the United States of America.

2. The two Governments will take reasonable precautions to assure that all sales or purchases of agricultural commodities pursuant to this Agreement will not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities or 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 will furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to the arrival and condition of commodities and provisions for the maintenance of usual marketings, and information relating to exports of the same or like commodities.

## ARTICLE V

### CONSULTATION

The two Governments will, upon request of either [\*10] 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 at Ankara in duplicate this 21st day of February 1963.

*The American Ambassador to the Turkish Minister of Commerce*

No. 1222 ANKARA, *February 21, 1963.*

### 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 and to confirm my Government's understanding of agreement reached in conversations which have taken place between representatives of our two Governments with respect to the following:

1. The Government of the Republic of Turkey will endeavor to limit exports of olive oil

from Turkey during the period November 1, 1962 through October 31, 1963 to not more than 10,000 metric tons. Any exports of olive oil in excess of 10,000 metric tons during the twelve-month [\*11] period ending October 31, 1963 will be offset on a ton-for-ton basis by purchases and imports of vegetable oil during the same period from the United States of America with Turkey's own resources. Should the Government of the Republic of Turkey desire to export olive oil during the remainder of the Agreement, the level of such exports (if any) will be determined during the annual reviews. Furthermore, the Government of the Republic of Turkey will limit exports of all other vegetable oils and oilseeds from Turkey to 6,400 metric tons in oil equivalent during each of United States' fiscal years 1963, 1964 and 1965, including not more than 850 metric tons to countries unfriendly to the United States of America.

2. It is understood that the wheat included in this agreement is provided by the Government of the United States of America on the basis that the Government of the Republic of Turkey will refrain from the export of wheat of any kind, while it is importing and utilizing wheat purchased under Title I of the Act unless otherwise mutually agreed upon.

3. With respect to paragraph A of Article II of the Agreement, the Government of the Republic of Turkey will provide, upon the [\*12] request of the Government of the United States of America, facilities for the conversion into other non-dollar currencies of two percent of the Turkish lira accruing from sales under the Agreement for the purpose of Section 104(a) of the Act. These facilities for conversion will be used to finance agricultural market development projects and activities in other countries. The Government of the Republic of Turkey will also provide facilities for the conversion of up to \$ 3.00 million worth of Turkish lira for use under Section 104(h) of the Act and the Mutual Educational and Cultural Exchange Act of 1961 n1 for programs and activities in other countries at the rate of \$ 1 million each for FY 1963, FY 1964, and FY 1965.

4. The Government of the United States may utilize Turkish lira in the Republic of Turkey to pay for international travel originating in the Republic of Turkey or originating outside the Republic of Turkey when the travel (including connecting travel) is to or through the Republic of Turkey, and for travel within the United States of America or other areas outside the Republic of Turkey when the travel is part of a trip in which the traveler journeys from, to or through [\*13] the Republic of Turkey. It is understood that these funds are intended to cover only travel by persons who are traveling on official business for the Government of the United States of America or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which lira may be utilized shall not be limited to services provided by Turkish transportation facilities.

-----Footnotes-----

n1 75 Stat. 527; 22 U.S.C. § 2451 note.

-----End Footnotes-----

I shall appreciate your confirmation that the foregoing also represents the understanding of the Republic of Turkey.

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

*The Turkish Minister of Commerce to the American Ambassador*

TURKIYE CUMHURİYETİ  
TİCARET BAKANLIĞI n1

-----Footnotes-----

n1 Republic of Turkey

Ministry of Commerce

-----End Footnotes-----

ANKARA, [\*14] *February 21, 1963*

EXCELLENCY:

I have the honor to acknowledge receipt of your note dated February 21, 1963, which reads as follows:

"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 and to confirm my Government's understanding of agreement reached in conversations which have taken place between representatives of our two Governments with respect to the following:

"1. The Government of the Republic of Turkey will endeavor to limit exports of olive oil from Turkey during the period November 1, 1962 through October 31, 1963 to not more than 10,000 metric tons. Any exports of olive oil in excess of 10,000 metric tons during the twelve-month period ending October 31, 1963 will be offset on a ton-for-ton basis by purchases and imports of vegetable oil during the same period from the United States of America with Turkey's own resources. Should the Government of the Republic of Turkey desire to export olive oil during the remainder of the Agreement, the level of such exports (if any) will be determined during the annual reviews. Furthermore, [\*15] the Government of the Republic of Turkey will limit exports of all other

vegetable oils and oilseeds from Turkey to 6,400 metric tons in oil equivalent during each of United States' fiscal years 1963, 1964 and 1965, including not more than 850 metric tons to countries unfriendly to the United States of America.

"2. It is understood that the wheat included in this agreement is provided by the Government of the United States of America on the basis that the Government of the Republic of Turkey will refrain from the export of wheat of any kind, while it is importing and utilizing wheat purchased under Title I of the Act unless otherwise mutually agreed upon.

"3. With respect to paragraph A of Article II of the Agreement, the Government of the Republic of Turkey will provide, upon the request of the Government of the United States of America, facilities for the conversion into other non-dollar currencies of two percent of the Turkish lira accruing from sales under the Agreement for the purpose of Section 104(A) of the Act. These facilities for conversion will be used to finance agricultural market development projects and activities in other countries. The Government of the Republic [\*16] of Turkey will also provide facilities for the conversion of up to \$ 3.00 million worth of Turkish lira for use under Section 104(h) of the Act and the Mutual Educational and Cultural Exchange Act of 1961 for programs and activities in other countries at the rate of \$ 1 million each for FY 1963, FY 1964, and FY 1965.

"4. The Government of the United States may utilize Turkish lira in the Republic of Turkey to pay for international travel originating in the Republic of Turkey or originating outside the Republic of Turkey when the travel (including connecting travel) is to or through the Republic of Turkey, and for travel within the United States of America or other areas outside the Republic of Turkey when the travel is part of a trip in which the traveler journeys from, to or through the Republic of Turkey. It is understood that these funds are intended to cover only travel by persons who are traveling on official business for the Government of the United States of America or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which lira may be utilized shall not be limited to services provided by [\*17] Turkish transportation facilities.

"I shall appreciate your confirmation that the foregoing also represents the understanding of the Republic of Turkey.

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

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

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

**SIGNATORIES:**

FOR THE GOVERNMENT OF THE REPUBLIC OF TURKEY:

MUHLIS ETE

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

RAYMOND A HARE

RAYMOND A. HARE

His Excellency MUHLIS ETE,  
*Minister of Commerce, Ankara.*

MUHLIS ETE

The Honorable RAYMOND A. HARE,  
*Ambassador of the United States of America, Ankara.*