

No. 6001

**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 29 July 1961**

Official text: English.

Registered by the United States of America on 14 December 1961.

**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 29 juillet 1961**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 14 décembre 1961.

No. 6001. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF THE
REPUBLIC OF TURKEY UNDER TITLE I OF THE AGRI-
CULTURAL TRADE DEVELOPMENT AND ASSISTANCE
ACT, AS AMENDED. SIGNED AT ANKARA, ON 29 JULY
1961

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 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 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

1. Subject to the availability of commodities for programing 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 sales for Turkish lira,

¹ Came into force on 29 July 1961, upon signature, in accordance with article VI.

to purchasers authorized by the Government of the Republic of Turkey, of the following agricultural commodities in the amounts indicated :

<i>Commodity</i>	<i>Export Market Value (Millions)</i>
Wheat	\$12.4
Ocean transportation (estimated)	1.8
TOTAL	\$14.2

The financing, sale and delivery of commodities hereunder 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.

2. Applications for purchase authorizations will be made within 90 calendar days of the effective date of this Agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this Agreement will be made within 90 days of the effective date of such amendment. Purchase authorizations 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.

3. Purchase and shipment of the commodities mentioned above will be made within 18 calendar months of the effective date of this Agreement.

Article II

USES OF TURKISH LIRA

1. 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 subsections (a) (b) (d) (f) and (h) through (r) of Section 104 of the Act or under any of such subsections, twenty percent of the Turkish lira accruing pursuant to this Agreement.

B. 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 the Republic of Turkey incident thereto, twenty 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 the Republic of Turkey for business development and trade expansion in the Republic of 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 Finance (hereinafter referred to as 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 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 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 of Washington has not approved loans or because proposed loans have not been mutually agreeable to the Export-Import Bank of Washington 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.

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 as may be mutually agreed, including projects not heretofore included in plans of the Government of the Republic of Turkey, sixty 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.

2. In the event that agreement is not reached on the use of the Turkish lira for loan purposes within three years from the date of this Agreement, the Government of the United States of America may use the Turkish lira for any purpose authorized by Section 104 of the Act.