No. 6867

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 21 February 1963

Exchange of notes constituting an agreement amending the above-mentioned Agreement. Ankara, 4 April 1963

Official text: English.

Registered by the United States of America on 12 August 1963.

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 21 février 1963

Échange de notes constituant un avenant à l'Accord susmentionné. Ankara, 4 avril 1963

Texte officiel anglais.

Enregistrés par les États-Unis d'Amérique le 12 août 1963.

No. 6867. AGRICULTURAL COMMODITIES AGREEMENT[1] 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. SIGNED AT ANKARA, ON 21 FEBRUARY 1963

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 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 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

[1] Came into force on 21 February 1963, upon signature, in accordance with article VI.

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, 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, 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 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, 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 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 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