No. 9678

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 2 April 1966

Authentic text: English.

Registered by the United States of America on 2 July 1969.

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 2 avril 1966

Texte authentique: anglais.

Enregistré par les États-Unis d'Amérique le 2 juillet 1969.

AGRICULTURAL COMMODITIES AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF TURKEY UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT, AS AMENDED

The Government of the United States of America and the Government 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 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 Turkey of purchase authorizations and to the availability of the specified 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

[1] Came into force on 2 April 1966 by signature, in accordance with article VI.

by the Government of Turkey, of the following agricultural commodities in the amounts indicated:

Commodity	*Supply Period*	*Export Market Value (millions)*
Corn	United States Fiscal Year 1966	$1.1
Wheat / Wheat Flour	United States Fiscal Year 1966	17.9
	TOTAL	$19.0

2. Applications for purchase authorizations will be made within 90 days after 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 after 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 Turkish lira accruing from such sale, and other relevant matters.

The Government of the United States of America will finance ocean transportation costs incurred pursuant to this Agreement only to the extent that such costs are higher than otherwise would be the case by reason of the requirement that approximately 50 per cent by tonnage of the commodities be transported in United States flag vessels. The balance of cost for commodities required to be carried in United States flag vessels shall be paid in dollars by the Government of Turkey. The Government of Turkey will not be required to deposit Turkish lira for ocean transportation financed by the Government of the United States of America.

Promptly after contracting for United States flag shipping space required to be used, and in any event not later than presentation of vessel for loading, the Government of Turkey will open a letter of credit, in dollars, for the estimated cost of ocean transportation for commodities carried in United States flag vessels.

3. 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 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 proportions shown.

A. For United States expenditures under subsections (*a*), (*b*), (*f*), and (*h*) through (*t*) of Section 104 of the Act, or under any of such subsections, thirty per cent 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, twenty per cent 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 Organization for International Economic Cooperation of the Turkish Ministry of Finance (hereinafter referred to as OIEC). The Secretary General of the OIEC, or his designate, will act for the Government 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 OIEC of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, the general purposes for which the loan proceeds would be expended, the approximate time of implementation, and any other appropriate information which might be required by OIEC.

(4) When AID is prepared to act favorably upon an application, it will so notify OIEC 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 Turkey on comparable loans, provided such rate is not lower than cost of funds to the United States Treasury on comparable maturities, 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, OIEC will indicate to AID whether or not OIEC has any objection to the proposed loan. Unless within the sixty day period AID has received such a communication from OIEC, it shall be understood that OIEC has no objection to the proposed loan. When AID approves or declines the proposed loan it will notify OIEC. AID, in turn, undertakes to inform OIEC of its action on the loan within sixty days of the effective date of OIEC approval.