



Treaty Series No. 8 (1955)

## Agreement

between the Government of the United Kingdom of  
Great Britain and Northern Ireland and  
the Government of the Turkish Republic  
regarding certain Financial Matters

London, January 17, 1955

[with Exchange of Letters]

*Presented by the Secretary of State for Foreign Affairs to Parliament  
by Command of Her Majesty  
January 1955*

LONDON  
HER MAJESTY'S STATIONERY OFFICE  
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Cmd. 9373

**AN AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE TURKISH REPUBLIC RELATING TO CERTAIN STERLING PAYMENTS TO BE MADE TO UNITED KINGDOM EXPORTERS OR MERCHANTS**

*London, January 17, 1955*

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic desiring to make provision for the settlement of outstanding transfers of sterling payments due to United Kingdom exporters or merchants in respect of goods imported into Turkey have agreed as follows:—

**ARTICLE I**

(1) The Turkish Government undertake that the Central Bank of the Republic of Turkey shall pay into a special account, to be established in accordance with the provisions of Article IV below for the payment of outstanding transfers, amounts equal to:—

- (a) 20% of sterling earnings derived from the exportation to the United Kingdom of all Turkish products except those listed in sub-paragraph (b) below as forming supplementary exports;
- (b) 50% of sterling earnings derived from supplementary exports to the United Kingdom. For the purpose of this Agreement, these shall comprise the following products:—

Wheat.

Barley.

Rye.

Cotton.

Copper.

Chrome.

Raisins in excess of 8,000 tons per calendar year.

Hazel nuts in excess of 4,000 tons per calendar year.

Tobacco in excess of quantities bought under existing special arrangements.

(2) Payments into the special account provided for in this Article shall be made at regular monthly intervals. Any particular monthly payment shall be in respect of the sterling earnings arising during the preceding month from the operation of the provisions of sub-paragraphs (a) and (b) of paragraph (1) of this Article.

**ARTICLE II**

Should the amount of sterling transfers arising from the provisions of sub-paragraphs (a) and (b) of paragraph (1) of Article I above fall short of £1,500,000 in either of the calendar years 1955 and 1956 and of £2,500,000 in any of the succeeding three years, the Turkish Government undertake that the total value of outstanding transfers to be effected in respect of the year in question shall not fall below the minimum amount specified for that year in this Article. Any payments into the special account required to achieve the minimum payment in respect of any one year shall be made not later than the 31st of March in the year next following.

ARTICLE III

To ensure the creation of sufficient sterling earnings to pay off all outstanding transfers within the minimum possible time and to develop further the economic and commercial relations between the two countries the two Governments are agreed upon the importance of expanding exports of Turkish products to the United Kingdom, especially of supplementary exports as defined in sub-paragraph (b) of paragraph (1) of Article I. The Turkish Government will take all possible steps to encourage the flow of Turkish exports to the United Kingdom at world prices. The United Kingdom Government have already restored to private trading all Turkish products imported into the United Kingdom and, in practically every case, have freed the import of these goods from quantitative restrictions. The United Kingdom Government will lend their best endeavours to facilitate the expansion, through private commercial channels, of imports of Turkish products into the United Kingdom.

ARTICLE IV

The Central Bank of the Republic of Turkey shall, for the purpose of the arrangements set out above, establish a special account with one of their banking correspondents in London from which payment of outstanding transfers will be made by that bank on the basis of instructions received from the Central Bank. The two Governments will agree upon arrangements for keeping each other informed of the progress of the payment of outstanding transfers.

ARTICLE V

Payments to United Kingdom creditors shall be made by the Central Bank of the Republic of Turkey in the chronological order of the dates of registration in the records of the Central Bank of applications made by Turkish importers for authorisation for the transfer of sterling. The Central Bank shall issue the necessary instructions for payments to be made in accordance with Article IV above in such a way as to keep pace with payments into the special account as provided in Article I. The competent authorities in the two countries will co-operate in establishing the chronological order of the transfers to be made.

ARTICLE VI

Although it is the intention of the United Kingdom Government and the Turkish Government to take all possible steps to ensure that all outstanding transfers are effected within a shorter period, the two Governments agree to consult together if it appears to them at any time that the provisions of this Agreement are not operating in such a way as to result in the settlement of the outstanding transfers within a maximum period of five years from the date of signature of this Agreement.

ARTICLE VII

Any goods shipped by United Kingdom exporters or merchants to Turkey, without the necessary import authorisations having been obtained, and accordingly now waiting in Turkish customs warehouses, will be imported into Turkey on a preferential basis as soon as the Turkish authorities make arrangements for the import of goods of those particular types. A list of such goods will be supplied by the United Kingdom authorities.

ARTICLE VIII

The term "outstanding transfers," as used in this Agreement, refers to sterling payments to United Kingdom exporters or merchants required at the date of signature of this Agreement in respect of goods (other than

petroleum) imported into Turkey on the basis of import licences, registrations or other import permits against which Turkish liras have been deposited in an authorised bank in Turkey. The sterling payment to be made by the Central Bank to each United Kingdom creditor shall be the sterling amount stated in the invoice on the basis of which the goods were imported, together with freight and insurance charges if these were invoiced separately.

#### ARTICLE IX

This Agreement shall enter into force on the date of signature and shall remain in force until all outstanding transfers have been made.

In witness whereof, the undersigned, being duly authorised thereto, have signed this Agreement.

Done in duplicate in London this Seventeenth day of January, 1955.

For the Government of the United Kingdom:

H. O. HOOPER.

For the Government of the Turkish Republic:

T. MENEMENCIOĞLU.

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#### EXCHANGE OF LETTERS

No. 1

*The Chairman of the Turkish Delegation to the Chairman of the  
United Kingdom Delegation*

*Turkish Embassy,*

Dear Mr. Hooper,

*London, 17th January, 1955.*

During the recent negotiations between the Turkish and United Kingdom Delegations it was agreed, in the hope of expediting the settlement of the outstanding transfers of sterling payments, that, notwithstanding the provisions of Article V of the Agreement signed to-day regarding payment of such outstanding transfers in chronological order, the Central Bank of the Republic of Turkey, in cases where the creditors have been responsible for the promotion of substantial supplementary exports of Turkish products, may, on instructions from the appropriate Turkish authorities, effect priority payments to such creditors without regard to chronological order but subject to the provisions of Article I of the Agreement. It was also agreed that the appropriate Turkish authorities would consult with the United Kingdom authorities upon the operation of the provisions of this letter and would also inform them of the names of creditors receiving payment in this way and of the amounts involved in each case.

If the foregoing provisions are acceptable to the Government of the United Kingdom I suggest that this letter and your reply to that effect shall be regarded as constituting an agreement between the two Governments which shall enter into force on this day's date and shall be deemed to form an integral part of the Agreement referred to in the paragraph above.

Yours faithfully,

T. MENEMENCIOĞLU.

*The Chairman of the United Kingdom Delegation to the Chairman of  
the Turkish Delegation*

*Board of Trade,*

*London, 17th January, 1955.*

Dear Mr. Menemencioglu,

I wish to acknowledge receipt of your letter of to-day's date, as follows:—

[As in No. 1.]

I wish to inform you that the Government of the United Kingdom agree with the above.

Yours faithfully,

H. O. HOOPER.

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