

04SA 17771 Kappel (43)



Turkey No. 1 (1938)

Agreement

between His Majesty's Government in the United Kingdom
and the Government of the Turkish Republic

regarding an

Armaments Credit for Turkey

London, May 27, 1938

[The Agreement has not been ratified by His Majesty's Government in
the United Kingdom]

*Presented by the Secretary of State for Foreign Affairs
to Parliament by Command of His Majesty*

LONDON

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04SA 1777(43)

AGREEMENT BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE GOVERNMENT OF THE TURKISH REPUBLIC REGARDING AN ARMAMENTS CREDIT FOR TURKEY.

London, May 27, 1938.

WHEREAS the Government of the Turkish Republic have adopted an economic programme, which was approved by the National Assembly of the Turkish Republic on the twenty-third day of December, nineteen hundred and thirty-seven, whereby provision is made for substantial increases in the amount and value of the mineral and certain other products to be exported from the Turkish Republic in future years;

And whereas the Trade and Clearing Agreement, signed on the second day of September, nineteen hundred and thirty-six,⁽¹⁾ between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic, has been supplemented by an Agreement signed on the twenty-seventh day of May, nineteen hundred and thirty-eight,⁽²⁾ providing in Article 4 (2) (iv) (E) thereof for payments to be made to the Government of the United Kingdom, out of the receipts of United Kingdom companies known as the Anglo-Turkish Comptoir, Limited, and Anglo-Turkish Commodities, Limited, in respect of credits granted by that Government to the Government of the Turkish Republic for the purchase in the United Kingdom of material necessary for the defence of Turkey;

Now, therefore, with a view to facilitating such purchases, the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Turkish Republic have agreed, subject to confirmation by the Parliament of the United Kingdom and by the National Assembly of the Turkish Republic, as follows:—

ARTICLE 1.

The Government of the United Kingdom undertake to advance by way of loan to the Government of the Turkish Republic such sums, not exceeding in the aggregate six million pounds sterling, as may be payable by the Government of the Turkish Republic under any contracts concluded by that Government with the approval of the Government of the United Kingdom for the purchase in the United Kingdom of material necessary for the defence of Turkey.

ARTICLE 2.

(1) There shall be added to each advance, made in accordance with Article 1 of this Agreement, interest, compounded half-yearly, at a rate of one per cent. per annum above the Bank of England

⁽¹⁾ "Treaty Series No. 25 (1936)," Cmd. 5274.

⁽²⁾ "Treaty Series No. 36 (1938)," Cmd. 5756.



discount rate in force from time to time or at a rate of three per cent. per annum, whichever is the greater, from the date on which each such advance is made until the date on which it is repaid or until the first day of January, nineteen hundred and forty-three, whichever date is the earlier, and thereafter at such rate (hereinafter referred to as the "certified rate") not being less than three per cent. per annum as the Lords Commissioners of the Treasury of the United Kingdom shall certify to be the appropriate rate on the first day of January, nineteen hundred and forty-three, for a loan of similar term guaranteed by the Government of the United Kingdom.

(2) The total amount of the advances, together with the interest thereon, unpaid on the first day of January, nineteen hundred and fifty-two (hereinafter referred to as the "principal sum"), shall be repaid by the Government of the Turkish Republic to the Government of the United Kingdom in pounds sterling by means of twenty equal half-yearly instalments, payable on the first day of July and the first day of January, of such amount as will secure the repayment by the first day of January, nineteen hundred and sixty-two, of the principal sum, together with interest on the amount thereof from time to time outstanding at the certified rate.

ARTICLE 3.

After the first day of January, nineteen hundred and fifty-two, the Government of the Turkish Republic shall have the option of discharging in whole or in part its obligations to pay instalments as provided in the preceding article by the repayment to the Government of the United Kingdom on the first day of January or on the first day of July of any year in pounds sterling of the principal sum or any part thereof then outstanding, and after any such repayment of a part of the principal sum the subsequent instalments shall be proportionately reduced.

ARTICLE 4.

The present Agreement shall be ratified and the instruments of ratification shall be exchanged at Angora. The present Agreement shall enter into force on the date of the exchange of ratifications.

In witness whereof the undersigned, duly authorised thereto, have signed the present Agreement and have affixed thereto their seals.

Done in duplicate in London, in the English language, this twenty-seventh day of May, nineteen hundred and thirty-eight.

A translation shall be made into the Turkish language as soon as possible and agreed between the Contracting Governments.

Both texts shall then be considered equally authentic for all purposes.

(L.S.) HALIFAX.

(L.S.) FETHI OKYAR.

(L.S.) M. ERIŞ.

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discount rate in force from time to time or at a rate of three per cent per annum, whichever is the greater, from the date on which such amount is due until the date on which it is paid or until the first day of January, whichever is the latest. Notwithstanding the above, the date is the earlier, and thereafter at such rate (hereinafter referred to as the "certified rate") not being less than three per cent per annum as the Lords Commissioners of the Treasury of the United Kingdom shall certify to be the appropriate rate on the first day of January, nineteen hundred and forty-three, for a loan of similar term guaranteed by the Government of the United Kingdom.

(2) The total amount of the advances together with the interest thereon, amount on the first day of January, nineteen hundred and forty-three (hereinafter referred to as the "principal amount") shall be repaid by the Government of the United Kingdom to the Government of the United Kingdom in London sterling by means of twenty equal half-yearly instalments payable on the first day of July and the first day of January of each amount as well as the repayment by the first day of January, nineteen hundred and forty-three, of the principal amount together with interest on the amount thereof remaining outstanding at the certified rate.

ARTICLE 2

After the first day of January, nineteen hundred and forty-three, the Government of the United Kingdom shall have the option of paying the sterling amount of the principal and interest as provided in the preceding article by the payment to the Government of the United Kingdom on the first day of January of each year of half of the sum of pounds sterling of the principal amount or any part thereof then outstanding, and after any such payment the balance of the principal and the unpaid instalments shall be repaid proportionately to the remaining period of the term.

ARTICLE 3

The present Agreement shall be ratified and the ratifications of the present Agreement shall be exchanged at Algiers. The present Agreement shall enter into force on the date of the exchange of ratifications.

In witness whereof the undersigned, duly authorized thereunto, have signed the present Agreement and have affixed thereto their seals at Algiers, this first day of May, nineteen hundred and forty-three. A ratification shall be made into the Arabic language as soon as possible and placed between the Government of the United Kingdom and the Government of the United Kingdom for all purposes.

HAILEMAK
11.8.
LUCIEN KAYE
M. J. J.

