

LEND-LEASE SETTLEMENT

*Agreement signed at Ankara May 7, 1946; exchange of notes at Ankara
May 25, 1946
Entered into force May 25, 1946*

60 Stat. 1809; Treaties and Other
International Acts Series 1541

AGREEMENT

ON LEND-LEASE AND CLAIMS BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND OF THE REPUBLIC OF TURKEY

The Government of the United States of America and the Government of the Republic of Turkey,

Animated by the desire to arrive at a final settlement of lend-lease and of financial claims of each government against the other arising out of World War II,

Considering the benefits which they have already received by the defeat of the common enemy, and affirming their intention to seek no further benefits as consideration for lend-lease or for the settlement of claims or other obligations arising out of the war, except as specifically provided in the present Agreement,

Declaring that this settlement is complete and final,

Reaffirming, pursuant to the general obligations assumed by them in Article VII of the Agreement of February 23, 1945¹ on the "Principles applying to Aid under the Act of March 11, 1941"², their agreement to confer together and with other governments in the near future in the interest of

- (a) the expansion, by appropriate international and domestic measures, of production, employment and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples,
- (b) the elimination of all forms of discriminatory treatment in international commerce, and
- (c) the reduction of tariffs and other trade barriers,

Declaring it to be their policy

¹ EAS 465, *ante*, p. 1147.

² 55 Stat. 31.

(a) to avoid the adoption of new measures affecting international trade, payments or investments which would prejudice the objectives of such a conference and,

(b) to afford to each other adequate opportunity for mutual consultation regarding the aforementioned measures,

Declaring that the recent Agreement between the two governments covering civil aviation⁸ and the application of the Government of the Republic of Turkey for membership in the International Bank for Reconstruction and Development and the International Monetary Fund are consonant with the spirit of the principles mentioned above,

Are agreed as follows:

ARTICLE I

The term "lend-lease article" as used in this Agreement means any article transferred by the Government of the United States under the Act of March 11, 1941:

(a) to the Government of the Republic of Turkey, or

(b) to any other government and retransferred to the Government of the Republic of Turkey.

ARTICLE II

The Government of the Republic of Turkey will pay to the Government of the United States a net sum of 4,500,000 United States dollars within thirty (30) days after this Agreement has been executed. This amount is in payment for

(a) all lend-lease articles in the categories of machine tools and other productive machinery, locomotives and other railroad rolling stock, and load-carrying trucks of 1½ ton and greater capacity.

(i) for which the Government of the United States has not received any payment; and

(ii) which were in the possession or control of the Government of the Republic of Turkey, its agents or distributees at midnight on September 1, 1945, or thereafter passed into the possession or control of the Government of the Republic of Turkey, its agents or distributees.

(b) All lend-lease articles (other than those covered by requisitions calling for cash payment) transferred to the Government of the Republic of Turkey after March 11, 1941, for which the Government of the United States has not been reimbursed but for which it has been the policy of the Government of the United States to seek cash reimbursement from the Government of the Republic of Turkey.

(c) The net amount of claims due from one Government to the other

⁸ Agreement of Feb. 12, 1946 (TIAS 1538, *ante*, p. 1153).

arising out of World War II, excluding amounts still payable for lend-lease articles covered by cash reimbursement lend-lease requisitions heretofore filed by the Government of the Republic of Turkey.

ARTICLE III

The Government of the Republic of Turkey hereby acquires, without qualification as to disposition or use, full title to all articles described in paragraphs (a) and (b) of Article II hereof, and to all lend-lease articles now in the possession or control of the Government of the Republic of Turkey, its agents or distributees, for which the Government of the United States has been fully reimbursed.

ARTICLE IV

(a) Under Article V of the Agreement dated February 23, 1945, on the Principles applying to Mutual Aid Between the Governments of the United States and of the Republic of Turkey, the Government of the United States has the right to recover at the end of the present emergency, as determined by the President of the United States, such defense articles transferred under that Agreement as have not been destroyed, lost or consumed, and as shall be determined by the President to be useful in the defense of the United States or of the Western Hemisphere, or to be otherwise of use to the United States. Although the Government of the United States does not intend to exercise generally this right of recapture, the Government of the United States may exercise this right, under procedures to be mutually agreed, at any time after September 1, 1945, with respect to lend-lease articles, other than those described in paragraphs (a) and (b) of Article II hereof, which, as of the date upon which notice requesting return is communicated to the Government of the Republic of Turkey, are not destroyed, lost or consumed.

(b) The Government of the Republic of Turkey will not transfer or dispose of lend-lease articles, other than those described in paragraphs (a) and (b) of Article II hereof, to any third country.

ARTICLE V

Financial claims between the two governments arising out of existing arrangements (such as the agreements on the disposal of chrome stocks recently concluded and the sale of United States surplus property located both inside and outside of Turkey) where the liability for payment has heretofore been acknowledged and the method of computation mutually agreed are not covered by this settlement as they will be settled in accordance with such arrangements. In consideration of the undertakings in this Agreement, and with the objective of arriving at as comprehensive a settlement as possible and of obviating protracted negotiations between the two governments, all other financial claims whatsoever of one government, its agencies and instrumental-

ities, against the other government, its agencies and instrumentalities, which (a) arose out of lend-lease, or (b) otherwise arose on or after March 11, 1941 and prior to September 2, 1945 out of or incidental to the conduct of World War II, and which are not otherwise dealt with in this Agreement, are hereby waived, and neither government will hereafter raise or pursue any such claims against the other.

ARTICLE VI

The effective date of this Agreement shall be established through an exchange of notes which shall take place at Ankara as soon as possible.

Done at Ankara, in duplicate, in the English and Turkish languages each of which shall be of equal authenticity, this 7th day of May, 1946.

For the Government of the United States of America:
EDWIN C. WILSON [SEAL]

For the Government of the Republic of Turkey
HASAN SAKA [SEAL]

EXCHANGE OF NOTES

The Minister of Foreign Affairs to the American Ambassador

[TRANSLATION]

No. 45554/109

ANKARA, *May 25, 1946*

Mr. Ambassador:

With reference to Article VI of the Agreement relating to Lend-Lease and claims between the Government of the Turkish Republic and the Government of the United States of America signed at Ankara on May 7, 1946, I have the honor to propose to Your Excellency on behalf of my Government that the date of entry into effect of the above-mentioned Agreement be May 25, 1946.

I request, Mr. Ambassador, that you give me confirmation of your Government's agreement with the foregoing.

Please accept, Mr. Ambassador, the assurances of my highest consideration.

HASAN SAKA

His Excellency

Mr. EDWIN C. WILSON

*Ambassador of the United States of America
Ankara*

The American Ambassador to the Minister of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA
ANKARA, *May 25, 1946*

No. 751

EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's note No. 45554/109 dated May 25, 1946, reading as follows:

[For text of Turkish note, see p. 1161.]

I take pleasure in informing your Excellency that my Government is in agreement with the foregoing.

Please accept, Excellency, the assurances of my highest consideration.

EDWIN C. WILSON

His Excellency

M. HASAN SAKA

*Minister of Foreign Affairs
Ankara*