

**GRANDE-BRETAGNE ET IRLANDE DU NORD,
FRANCE ET TURQUIE**

Traité d'assistance mutuelle, signé à Ankara, le 19 octobre 1939, et deux protocoles y annexés de la même date.

Texte officiel français communiqué par le Ministère des Affaires étrangères de la République française. L'enregistrement a eu lieu le 17 février 1940.

Accord spécial, signé à Ankara, le 19 octobre 1939, et arrangements subsidiaires comprenant : un Arrangement relatif au crédit de 25 millions de livres sterling à 4 pour cent, 1939, et un Arrangement relatif à l'emprunt de 15 millions de livres sterling à 3 pour cent, 1939. Signés à Paris, le 8 janvier 1940.

Texte officiel français communiqué par le secrétaire d'Etat aux Affaires étrangères de Sa Majesté en Grande-Bretagne. L'enregistrement a eu lieu le 29 mars 1940.

GRANDE-BRETAGNE ET IRLANDE DU NORD ET TURQUIE

Accords subsidiaires, comprenant : un Accord relatif à un emprunt de deux millions de livres, et un Accord additionnel à l'Accord de commerce et de clearing du 2 septembre 1936. Signés à Paris, le 8 janvier 1940.

Texte officiel anglais communiqué par le secrétaire d'Etat aux Affaires étrangères de Sa Majesté en Grande-Bretagne. L'enregistrement a eu lieu le 29 mars 1940.

**GREAT BRITAIN AND NORTHERN IRELAND,
FRANCE AND TURKEY**

Treaty of Mutual Assistance, signed at Angora, October 19th, 1939, and Two Protocols annexed thereto of the same Date.

French official text communicated by the Ministry of Foreign Affairs of the French Republic. The registration took place February 17th, 1940.

Special Agreement, signed at Angora, October 19th, 1939, and Subsidiary Arrangements, including : an Arrangement relating to the Credit of £25 Million Sterling at 4 per cent., 1939, and an Arrangement relating to the Loan of £15 Million Sterling at 3 per cent., 1939. Signed at Paris, January 8th, 1940.

French official text communicated by His Majesty's Secretary of State for Foreign Affairs in Great Britain. The registration took place March 29th, 1940.

GREAT BRITAIN AND NORTHERN IRELAND AND TURKEY

Subsidiary Agreements, including : an Agreement regarding a Loan of Two Million Pounds, and an Additional Agreement to the Agreement of September 2nd, 1936, regarding Trade and Clearing. Signed at Paris, January 8th, 1940.

English official text communicated by His Majesty's Secretary of State for Foreign Affairs in Great Britain. The registration took place March 29th, 1940.

¹ TRADUCTION. — TRANSLATION.

No. 4689. — TREATY ² OF MUTUAL ASSISTANCE BETWEEN GREAT BRITAIN AND NORTHERN IRELAND, FRANCE AND TURKEY. SIGNED AT ANGORA, OCTOBER 19TH, 1939.

THE PRESIDENT OF THE FRENCH REPUBLIC, HIS MAJESTY THE KING OF GREAT BRITAIN, IRELAND AND THE BRITISH DOMINIONS BEYOND THE SEAS, EMPEROR OF INDIA (in respect of the United Kingdom of Great Britain and Northern Ireland), and THE PRESIDENT OF THE TURKISH REPUBLIC :

Desiring to conclude a treaty of a reciprocal character in the interests of their national security, and to provide for mutual assistance in resistance to aggression,

Have appointed as their Plenipotentiaries, namely :

THE PRESIDENT OF THE FRENCH REPUBLIC :

M. René MASSIGLI, Ambassador Extraordinary and Plenipotentiary, Commander of the Legion of Honour ;

HIS MAJESTY THE KING OF GREAT BRITAIN, IRELAND AND THE BRITISH DOMINIONS BEYOND THE SEAS, EMPEROR OF INDIA (for the United Kingdom of Great Britain and Northern Ireland) :

Sir Hughe Montgomery KNATCHBULL-HUGESSEN, K.C.M.G., Ambassador Extraordinary and Plenipotentiary ;

THE PRESIDENT OF THE TURKISH REPUBLIC :

Dr. Refik SAYDAM, President of the Council, Minister for Foreign Affairs *ad interim*, Deputy for Istanbul ;

Who, having communicated their full powers, found in good and due form, have agreed as follows :

Article 1.

In the event of Turkey being involved in hostilities with a European Power in consequence of aggression by that Power against Turkey, France and the United Kingdom will co-operate effectively with Turkey and will lend her all aid and assistance in their power.

Article 2.

(1) In the event of an act of aggression by a European Power leading to war in the Mediterranean area in which France and the United Kingdom are involved, Turkey will collaborate effectively with France and the United Kingdom and will lend them all aid and assistance in her power.

(2) In the event of an act of aggression by a European Power leading to war in the Mediterranean area in which Turkey is involved, France and the United Kingdom will collaborate effectively with Turkey and will lend her all aid and assistance in their power.

Article 3.

So long as the guarantees given by France and the United Kingdom to Greece and Roumania by their respective Declarations of the 13th April, 1939, remain in force, Turkey will co-operate

¹ Translation of His Britannic Majesty's Foreign Office.

¹ Traduction du Foreign Office de Sa Majesté britannique.

² The ratifications were deposited at Angora, November 16th, 1939.

effectively with France and the United Kingdom and will lend them all aid and assistance in her power, in the event of France and the United Kingdom being engaged in hostilities in virtue of either of the said guarantees.

Article 4.

In the event of France and the United Kingdom being involved in hostilities with a European Power in consequence of aggression committed by that Power against either of those States without the provisions of Articles 2 or 3 being applicable, the High Contracting Parties will immediately consult together.

It is nevertheless agreed that in such an eventuality Turkey will observe at least a benevolent neutrality towards France and the United Kingdom.

Article 5.

Without prejudice to the provisions of Article 3 above, in the event of either :

(1) Aggression by a European Power against another European State which the Government of one of the High Contracting Parties had, with the approval of that State, undertaken to assist in maintaining its independence or neutrality against such aggression, or

(2) Aggression by a European Power which, while directed against another European State, constituted, in the opinion of the Government of one of the High Contracting Parties, a menace to its own security,

the High Contracting Parties will immediately consult together with a view to such common action as might be considered effective.

Article 6.

The present Treaty is not directed against any country, but is designed to assure France, the United Kingdom and Turkey of mutual aid and assistance in resistance to aggression should the necessity arise.

Article 7.

The provisions of the present Treaty are equally binding as bilateral obligations between Turkey and each of the two other High Contracting Parties.

Article 8.

If the High Contracting Parties are engaged in hostilities in consequence of the operation of the present Treaty, they will not conclude an armistice or peace except by common agreement.

Article 9.

The present Treaty shall be ratified and the instruments of ratification shall be deposited simultaneously at Angora as soon as possible. It shall enter into force on the date of this deposit.

The present Treaty is concluded for a period of fifteen years. If none of the High Contracting Parties has notified the two others of its intention to terminate it six months before the expiration of the said period, the Treaty will be renewed by tacit consent for a further period of five years, and so on.

In witness whereof the undersigned have signed the present Treaty and have thereto affixed their seals.

Done at Angora, in triplicate, the 19th October, 1939.

(L. S.) R. MASSIGLI.

(L. S.) H. M. KNATCHBULL-HUGESSEN.

(L. S.) Dr. R. SAYDAM.

PROTOCOL No. 1.

The undersigned Plenipotentiaries state that their respective Governments agree that the Treaty of to-day's date shall be put into force from the moment of its signature.

The present Protocol shall be considered as an integral part of the Treaty concluded to-day between France, the United Kingdom and Turkey.

Done at Angora, in triplicate, the 19th October, 1939.

R. MASSIGLI.
H. M. KNATCHBULL-HUGESSEN.
Dr. R. SAYDAM.

PROTOCOL No. 2.

At the moment of signature of the Treaty between France, the United Kingdom and Turkey, the undersigned Plenipotentiaries, duly authorised to this effect, have agreed as follows :

The obligations undertaken by Turkey in virtue of the above-mentioned Treaty cannot compel that country to take action having as its effect, or involving as its consequence, entry into armed conflict with the Soviet Union.

The present Protocol shall be considered as an integral part of the Treaty concluded to-day between France, the United Kingdom and Turkey.

Done at Angora, in triplicate, the 19th October, 1939.

R. MASSIGLI.
H. M. KNATCHBULL-HUGESSEN.
Dr. R. SAYDAM.

SPECIAL AGREEMENT.

SIGNED AT ANGORA, OCTOBER 19th, 1939.

THE GOVERNMENTS OF THE FRENCH REPUBLIC, OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND and OF THE TURKISH REPUBLIC, desiring to regulate, in connection with the Treaty signed this day, certain questions concerning Turkey of a financial and economic nature or relative to deliveries of war material, have agreed as follows :

Article 1.

The French Government and the Government of the United Kingdom place at the disposal of Turkey a credit of £25,000,000 destined to cover the supplies of war material referred to in Article 2 below.

In this sum are included the credit of 460,000,000 French francs and that of £10,000,000 which the French Government and the Government of the United Kingdom have already declared their readiness to place at the disposal of Turkey for the same purpose.

The credit referred to above shall be repaid in 20 years ; it shall carry interest at 4 per cent.

The conditions of repayment shall be the object of a subsequent arrangement ; the elaboration of this arrangement shall not, however, delay the despatch of the material referred to in Article 2 below.

Article 2.

The French Government and the Government of the United Kingdom shall supply to Turkey, as soon as possible, the material forming the subject of the credit mentioned in Article 1, paragraph 2.

A Commission comprising qualified representatives of the three Governments shall meet as soon as possible in Paris or London in order to draw up the programme of deliveries corresponding to the surplus of the credit stipulated in Article 1.

Without awaiting the completion of this programme, the Commission shall determine the supplies the delivery of which shall be effected as a matter of urgency. For this purpose the Commission shall have regard to the necessity of placing Turkey without delay in a position to offer effective resistance to an attack which might be directed at short notice against her European frontiers ; it shall equally have regard to the immediate possibilities of the French Government and the Government of the United Kingdom.

Article 3.

The stipulations of Articles 1 and 2 above shall not affect any arrangements which may be made between the three Governments in the event of their becoming engaged together in hostilities in execution of the Treaty signed this day, for the purpose of furnishing Turkey with the material which might be recognised as necessary.

Article 4.

The French Government and the Government of the United Kingdom shall grant to Turkey a loan of £15,000,000. The equivalent in gold of this amount shall be delivered to the Turkish Government at Angora by the French Government and the Government of the United Kingdom.

This loan shall be repaid within the same period as the war material credit referred to in Article 1 above ; it shall carry interest at the rate of 3 per cent.

The French Government and the Government of the United Kingdom agree that the service and amortisation of this loan shall be effected in Turkish pounds which shall be utilised for the purchase of tobacco or, by agreement, of other Turkish products.

Article 5.

The French Government and the Government of the United Kingdom shall place respectively at the disposal of Turkey :

The French Government a loan representing the equivalent in French francs at this present date of £1,500,000,

and the Government of the United Kingdom a loan of £2,000,000.

The Turkish Government undertake to use these sums in the first place for the transfer of the French commercial credits recorded this day in the Clearing Account to a maximum of the equivalent in French francs of £1,500,000 at this present date and of the British commercial credits recorded this day in the Clearing Account to a maximum of £2,000,000.

These loans shall be subject to the same conditions as regards interest and repayment as the loan referred to in Article 4.

The present Agreement shall be considered as an integral part of the Treaty concluded this day between France, the United Kingdom and Turkey.

It shall enter into force at the same time and in the same conditions as that Treaty.

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

Done in triplicate at Angora, this nineteenth day of October, nineteen hundred and thirty-nine.

(L. S.) R. MASSIGLI.

(L. S.) H. M. KNATCHBULL-HUGESSEN.

(L. S.) Dr. R. SAYDAM.

SUBSIDIARY ARRANGEMENTS

ARRANGEMENT RELATING TO THE CREDIT OF £25 MILLION STERLING AT 4 PER CENT., 1939.
SIGNED AT PARIS, JANUARY 8th, 1940.

An Agreement having been entered into between THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, THE GOVERNMENT OF THE FRENCH REPUBLIC, and THE GOVERNMENT OF THE TURKISH REPUBLIC for the opening of a credit of £25 million sterling in favour of the Turkish Government designed to cover the provision of war material.

The above-mentioned Governments have agreed on the following arrangements for the purpose of regulating the technical application of the said credit :

Article 1.

The credit of £25 million sterling available to the Turkish Government shall be utilised as follows :

The French Government shall agree to the delivery to the Turkish Government of war material, the arrangements concerning which shall be the object of special agreements to be concluded between the qualified representatives of the French Government and Turkish Government. As and when they fall due under these agreements, the French Government, in agreement with the qualified representatives of the Turkish Government, shall pay to the competent French Departments the sums payable under the application of the said arrangements.

The deliveries to be made by the United Kingdom shall be effected either by way of release by the interested Departments or by way of sale by private firms. The manner of these deliveries shall be governed by a special arrangement to be concluded between the diplomatic representatives of the Turkish Republic in London and the Export Credits Guarantee Department, and by the particular contracts with each Department and each firm.

As and when they fall due under this arrangement or these contracts, the Government of the United Kingdom, in accord with the qualified representatives of the Turkish Government, shall pay the amounts due to the interested Departments or firms by the intermediary of a Bank chosen by the Government of the United Kingdom and the Turkish Government. These payments shall be made without charge or commission.

The payments so made by the French Government and the Government of the United Kingdom for the account of the Turkish Government either by way of payments on account or by way of definitive payments, shall be charged, on the date when they are effected, to an account held in the name of the Turkish Government in pounds sterling, and shall as far as interest and conditions of repayment are concerned take effect from that date.

However, for supplies furnished in the course of the year 1939 the amounts corresponding to the value of these supplies shall, when they shall have been fixed in agreement with the qualified representatives of the Turkish Government, be charged to their account from the dates of delivery and shall take effect both as to interest and conditions of repayment as from those dates.

Article 2.

The Turkish Government shall arrange for the repayment of the amounts charged to their account in the manner laid down in Article 1, as well as the payment of interest at the rate of 4 per cent. per annum, by means of half-yearly payments in Turkish pounds payable on the 30th June and 31st December in each year starting from the 30th June, 1940, inclusive. These

payments shall correspond with the equivalent of the sums in pounds sterling calculated in the following manner :

1. On the 30th April, 1940, the payments made by the French Government and the Government of the United Kingdom on account of the Turkish Government up to that date shall be totalled, with the addition of accumulated interest on each payment up to that date. The total so obtained shall be discounted on the basis of the rate of 4 per cent. per annum to its present value as at the 31st December, 1939. The debt thus arrived at shall be repaid by the Turkish Government by means of 40 half-yearly equal payments calculated on the basis of the rate of 4 per cent. per annum, the first half-yearly payment becoming due on the 30th June, 1940.

2. On the 31st October, 1940, the payments made by the French Government and the Government of the United Kingdom for the account of the Turkish Government from the 1st May, 1940, to the 31st October, 1940, shall be totalled, with the addition of the accumulated interest on each payment up to the 31st October, 1940. The sum so obtained shall be discounted on the basis of the rate of 4 per cent. per annum to its present value as at the 30th June, 1940. The debt thus arrived at shall be repaid by the Turkish Government by means of 40 equal half-yearly payments calculated on the basis of the rate of 4 per cent. per annum, the first of these half-yearly payments falling due on the 31st December, 1940.]

3. The repayment of subsequent advances shall be effected by the same arrangements : each 30th April and each 31st October, as the case may be, the payments made by the French Government and the Government of the United Kingdom on account of the Turkish Government in the course of the period of six months terminating on the date in question, shall be totalled, with the addition of the accumulated interest on each payment up to that date. The total obtained shall be discounted on the basis of the rate of 4 per cent. per annum to its value as at the previous 31st December or 30th June, as the case may be. The debt thus arrived at shall be repaid by the Turkish Government by means of 40 equal half-yearly payments calculated on the basis of the rate of 4 per cent. per annum, the first half-yearly payment falling due on the 30th June or the 31st December, as the case may be, which follows the date on which the debt shall have been determined.

Article 3.

As each payment becomes due, the Turkish Government shall pay the equivalent in Turkish pounds of the sum in pounds sterling falling due to a Special Account opened in the name of the French Government and the Government of the United Kingdom at the Central Bank of the Republic of Turkey. The conversion of the pounds sterling into Turkish pounds shall be made at the buying rate of the Central Bank of the Republic of Turkey ruling on the day preceding the date on which each payment falls due. The payments in Turkish pounds thus effected shall constitute a full discharge for the Turkish Government.

The balance in the Special Account aforementioned shall be utilised by the French Government and the Government of the United Kingdom for the purchase in Turkey of Turkish commodities of all kinds destined to be imported into France and the United Kingdom for the internal consumption of those countries.

Article 4.

The present Arrangement shall enter into force on the date of its signature.

In witness whereof the Plenipotentiaries, duly authorised to that effect, have signed the present Arrangement.

Done in triplicate in Paris, the 8th January, 1940.

R. H. CAMPBELL.
Edouard DALADIER.
M. MENEMENCIOGLU.

ARRANGEMENT RELATING TO THE LOAN OF £15 MILLION STERLING AT 3 PER CENT., 1939.
SIGNED AT PARIS, JANUARY 8th, 1940.

An Agreement having been entered into between the GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, THE GOVERNMENT OF THE FRENCH REPUBLIC and the GOVERNMENT OF THE TURKISH REPUBLIC for granting to the Turkish Government a loan of £15 million sterling to be delivered in gold at Angora,

The above-mentioned Governments have agreed on the following arrangements with a view to regulating the technical application of the said loan :

Article 1.

The Government of the French Republic and the Government of the United Kingdom shall deliver to the Turkish Government at Angora as soon as possible, but, in any case, within a maximum period of six weeks from the date of the signature of the present Arrangement, the equivalent in gold of £15 million sterling, calculated at the rate quoted by the Bank of England, viz., 168 shillings per ounce of gold.

Article 2.

The Government of the Turkish Republic shall arrange for the repayment of the capital of the loan, as well as the payment of the interest thereon, calculated at the rate of 3 per cent. per annum, by means of forty half-yearly payments in Turkish pounds, each equal to the equivalent in pounds sterling : £501,406 10s. *od.* payable on the 30th June and 31st December of each year commencing on the 30th June, 1940, inclusive.

However, the half-yearly payment payable on the 30th June, 1940, shall have deducted from it the amount of interest at 3 per cent. per annum, accumulated from the 31st December, 1939, to the date when the delivery of the gold as indicated in the first article shall have been effectively realised.

Article 3.

The sums due for the service of the loan shall be calculated in Turkish pounds, the buying rate of the Central Bank of the Republic of Turkey on the day preceding the date on which each payment falls due being taken as the basis of conversion of pounds sterling into Turkish pounds. The amounts thus calculated shall be credited at each date on which they fall due to a Special Account in Turkish pounds opened by the said Bank for the French Government and the Government of the United Kingdom.

These payments shall be a complete discharge for the Government of the Republic of Turkey.

Article 4.

The French Government and the Government of the United Kingdom shall utilise the Turkish pounds put to the credit of their Special Account in accordance with the conditions laid down in the preceding Article, for the purchase of tobacco of Turkish origin destined for the internal consumption of France and the United Kingdom, and of all other commodities destined to the same use as shall be determined by common agreement with the Turkish Government.

Article 5.

The present arrangement shall come into force on the date of its signature.

In witness whereof, the Plenipotentiaries, duly authorised to that effect, have signed the present Arrangement.

Done in triplicate in Paris, the 8th January, 1940.

R. H. CAMPBELL.
Edouard DALADIER.
N. MENEMENCIUGLU.

SUBSIDIARY AGREEMENTS BETWEEN
GREAT BRITAIN AND NORTHERN IRELAND AND TURKEY

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND THE TURKISH GOVERNMENT REGARDING A LOAN OF TWO MILLION POUNDS. SIGNED AT PARIS, JANUARY 8th, 1940.

THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND and THE GOVERNMENT OF THE TURKISH REPUBLIC, desiring to regulate the technical application of the loan of £2,000,000 sterling made by the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Turkish Republic, have agreed as follows :

Article 1.

The Government of the United Kingdom undertake to place at the disposal of the Government of the Turkish Republic within fifteen days from the date of this Agreement the sum of £2,000,000 sterling by payment to the Bank of England for account of the Central Bank of the Republic of Turkey.

Article 2.

The Government of the Turkish Republic shall repay the principal of the loan and shall pay interest thereon at 3 per cent. per annum by means of forty six-monthly instalments each of which shall be equivalent to £66,854 4s. *od.* sterling and which shall be payable in Turkish pounds on the 30th June and the 31st December in each year beginning on the 30th June, 1940. It is nevertheless agreed that there shall be deducted from the instalment due to be paid on the 30th June, 1940, an amount in Turkish pounds equivalent to interest at 3 per cent. per annum on the amount of the loan for the period between the 31st December, 1939, and the date of the payment to be made in accordance with the provisions of Article 1 of this Agreement.

Article 3.

The loan shall be used in the first place for the transfer of United Kingdom commercial debts in respect of which the corresponding amount has been deposited on or before the 19th October, 1939, in the Special Account at the Central Bank of the Republic of Turkey opened in accordance with the Anglo-Turkish Trade and Clearing Agreement¹ of the 2nd September, 1936. Such transfer shall be effected in accordance with the terms of the Additional Trade and Clearing Agreement² signed this day at Paris between the Contracting Governments.

The balance of the loan shall be at the free disposal of the Government of the Turkish Republic.

Article 4.

The instalments referred to in Article 2 of this Agreement shall be calculated in Turkish pounds on the basis of converting pounds sterling into Turkish pounds at the buying rate of the Central Bank of the Republic of Turkey on the day preceding the day on which the relevant instalment is due. The amount of each instalment thus calculated shall be paid when due to the credit of an account in Turkish pounds to be opened for this purpose by the said Bank in the name of the Government of the United Kingdom and payment thereof shall release the Government of the Turkish Republic from further liability in respect of the instalment to which it relates.

¹ Vol. CLXXII, page 289 ; Vol. CXCVI, page 464 ; and Vol. CXCVII, page 368, of this Series.

² See page 184 of this Volume.

Article 5.

The Government of the United Kingdom shall use the Turkish pounds credited as aforesaid to the said account for the purchase of tobacco of Turkish origin intended for consumption within the United Kingdom and of any other such products intended for the same purpose as may be agreed with the Government of the Turkish Republic.

Article 6.

The present Agreement shall come into force on the day of its signature.

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

Done in duplicate in Paris, in the English language, this eighth day of January, nineteen hundred and forty.

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

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

(L. S.) R. H. CAMPBELL.

(L. S.) N. MENEMENCIOGLU.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM AND THE GOVERNMENT OF THE TURKISH REPUBLIC ADDITIONAL TO THE AGREEMENT OF SEPTEMBER 2nd, 1936, REGARDING TRADE AND CLEARING. SIGNED AT PARIS, JANUARY 8th, 1940.

Whereas THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND and THE GOVERNMENT OF THE TURKISH REPUBLIC have this day made an Agreement (hereinafter called "the Loan Agreement") for the purpose of regulating the technical application of the loan of £2,000,000 sterling made by the Government of the United Kingdom of Great Britain and Northern Ireland to the Government of the Turkish Republic ;

And whereas for this and other purposes the Contracting Governments are desirous of amending the Trade and Clearing Agreement¹ made between them in London on the 2nd day of September, 1936 (hereinafter called "the Principal Agreement"), as amended by a Supplementary Agreement² made between the Contracting Governments on the 27th day of May, 1938 (hereinafter called "the Supplementary Agreement"), and by Exchanges of Notes between the Contracting Governments dated the 23rd day of August, 1939³, and the 22nd day of November, 1939 ;

Now, therefore, the Contracting Governments agree that the Principal Agreement, as so amended, be further amended in the manner hereinafter appearing :

Article 1.

For the purpose of transferring, subject to the discount mentioned below, United Kingdom commercial debts of which the corresponding amount of Turkish pounds has been deposited in the Special Account on or before the 19th day of October, 1939, the Central Bank of the Republic of Turkey shall pay to the Controller of the Anglo-Turkish Clearing Office at such times as he

¹ Vol. CLXXII, page 289, of this Series.

² Vol. CXC, page 121 ; and Vol. CXCVII, page 414, of this Series.

³ Vol. CXCVII, page 368, of this Series.

may require such part of the amount of the aforesaid loan as may be necessary for the aforesaid transfer. The sums so paid to the Controller of the Anglo-Turkish Clearing Office shall be credited to sub-account A and used for the aforesaid transfer. The payment of the debts in respect of which deposits have been made as aforesaid shall be subject to a discount calculated in accordance with the table below. Each payment so made shall be accepted by the creditor concerned in full discharge of the relevant debt or debts due to him :

	Percentage reduction in the deposits made in the Special Account, for the months indicated.
1937 :	
January, February, March	3
April, May, June	6
July, August, September	9
October, November, December	12
1938 :	
January, February, March	15
April, May, June	18
July, August, September	21
October, November, December	24
1939 :	
January, February, March	27
April, May, June	30
July, August, September	33
October 1-19	36

Article 2.

The transfer of United Kingdom commercial debts of which the corresponding amount of Turkish pounds has been deposited in the Special Account after the 19th day of October, 1939, in favour of creditors in the United Kingdom shall be effected through sub-account A and such amount as may be necessary for the purpose shall be transferred from the Account opened under the Exchange of Notes dated the 23rd day of August, 1939 (hereinafter called "the Blocked Account"). The payment of the debts in respect of which deposits have been made as aforesaid shall be subject to a discount calculated in accordance with the table set out below, shall be made in the chronological order of the deposit by the Turkish debtor in the Special Account and shall be accepted by the creditor in full discharge of the relevant debt or debts due to him :

	Per cent.
1939 : October 20-December 31	36
1940 : January 1-March 31	39
On and after April 1, 1940	40

Article 3.

From the date of the coming into force of this Agreement :

(1) (a) 80 per cent. of all sums credited to the Clearing Account in respect of Turkish goods exported to the United Kingdom in accordance with the provisions of Article 12 or Article 13 of the Principal Agreement as so amended shall be allocated to sub-account C, and

(b) The remaining 20 per cent. of all sums so credited shall be allocated to sub-account B,

and the provisions of the Principal Agreement as so amended shall have effect accordingly.

(2) (a) The allocation to the Blocked Account of $33\frac{1}{3}$ per cent. of the amounts allocated to sub-account B shall cease and any balance remaining in the Blocked

Account after all transfers due to be made in accordance with the provisions of Article 2 of this Agreement have been effected, shall be transferred to sub-account B ;

(b) The provisions of Article 4 (2) (iii) of the Supplementary Agreement and of Article 9 (1) (vii) of the Principal Agreement shall be abrogated, and the provisions of paragraph (1) of this Article shall apply to all sums credited to the Clearing Account in respect of Turkish raisins and figs exported to the United Kingdom.

Article 4.

Notwithstanding the provisions of Articles 1 and 2 above, a creditor in whose favour a deposit has been or may be made in the Special Account may by notification in writing lodged with the Anglo-Turkish Clearing Office not later than the 20th February, 1940, elect to transfer the deposit by the import of Turkish goods into the United Kingdom. The Central Bank of Turkey shall thereupon on notification from the Anglo-Turkish Clearing Office provide the creditor with Turkish pounds up to the equivalent in Turkish pounds of his debt which the creditor shall be free to use for the purchase of the Turkish goods specified in the attached Schedule for importation into the United Kingdom. The provision of such Turkish pounds for the use of the creditor shall constitute a full discharge for the debt in respect of which the deposit was made. The provisions of the Principal Agreement as so amended shall not apply to such imports.

Article 5.

The provisions of the Principal Agreement, as so amended, shall not apply to any Turkish goods imported into the United Kingdom which have been purchased out of any balances of Turkish pounds held by the Government of the United Kingdom in pursuance of any Agreements entered into by the Contracting Governments.

Article 6.

The present Additional Agreement shall enter into force on the 15th January, 1940, and shall remain in force for the same period as the Principal Agreement.

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

Done in duplicate in Paris, in the English language, this 8th day of January, 1940.

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 to be equally authentic for all purposes.

(L. S.) R. H. CAMPBELL.

(L. S.) N. MENEMENCIOGLU.

SCHEDULE (see Article 4).

1. Tobacco leaves, cut tobacco and cigarettes.
2. Opium.
3. Carpets, carpeting, floor rugs, floor mats and matting and kilims, wholly or partly of wool, mohair, silk or artificial silk.
4. Attar of rose.
5. Sponges (raw and manipulated).
6. Vegetable dyestuffs, vegetable colours and colouring matters.
7. Medicinal plants, flowers, roots and leaves.
8. Eggs, egg-powder.
9. Fish oil for industrial purposes.
10. Hemp.