United States Tariff Commission

Trade Agreement Between the United States And the Republic of Turkey

Digests of Trade Data with Respect to Products
On which Concessions Were Granted
By the United States

Washington 1939

UNITED STATES TARIFF COMMISSION

TRADE AGREEMENT
BETWEEN THE UNITED STATES AND
THE REPUBLIC OF TURKEY

DIGESTS OF TRADE DATA WITH RESPECT TO PRODUCTS
ON WHICH CONCESSIONS WERE GRANTED
BY THE UNITED STATES
TOGETHER WITH
OTHER PERTINENT INFORMATION

This volume consists of digests of information regarding each item on which a concession was granted by the United States in the Trade Agreement with the Republic of Turkey, signed April 1, 1939. These digests are based on data obtained by the United States Tariff Commission in compliance with that part of Senate Resolution 334, 72d Congress, 2d session, which called for a revision of summaries of tariff information compiled by the Commission. No information obtained from individual concerns has been used in such form as to reveal the operations of any concern.

The introduction consists of a general analysis of the agreement including a summary of the tariff concessions granted by both countries followed by a short statement on Turkey's economy.

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TRIT OF TRADE AGRICULT

THE UNITED STATES OF AMERICA

AND CONTRACTOR AND CONTRACTOR OF THE CONTRACTOR

THE REPUBLIC OF TURKEY

SIGNED AT ANKARA, APRIL 1, 1939

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APPENDIX

THE OF TRADE AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF TURKET SIGNED AT ANKARA, APRIL 1, 1939

The President of the United States of America and the President of the Turkish Republic, being desirous of strengthening the traditional bonds of friendship and of extending ecomercial relations between the two countries by granting mutual and reciprocal concessions and advantages for the promotion of trade, have decided to conclude a Trade Agreement and for that purpose have appointed their Plenipotentiaries as follows:

The President of the United States of America: Mr. John V. A. Machirray, Ambassador Extraordinary and Plenipotentiary of the United States of America to the Turkish Republic, and Mr. Robert F. Kelley, First Secretary of Embassy of the United States of America; and

The President of the Turkish Republic: Mr. Sükrü Saracoglu, Minister of Foreign Affairs of the Turkish Republic, and Mr. Human Menemencioglu, Ambassador, Secretary General of the Ministry of Foreign Affairs;

Who, after communicating to each other their respective full powers, found to be in good and due form, have agreed upon the following Articles:

ARTICLE 1

Matural or manufactured products originating in the United States of America, enumerated and described in Schedule I annexed to this Agreement, shall, on their importation into the territory of the Turkish Republic, be accorded the tariff reductions provided for in the said Schedule.

In the event that the Government of the Turkish Republic should increase the duties provided for in the said Schedule, such increased duties shall not be applied to the said products until two months after the date of their promulgation.

If before the expiration of the aforesaid period of two months an agreement between the two Governments has not been reached with respect to such compensatory modifications of this Agreement as may be deemed appropriate, the Government of the United States of America shall be free within fifteen days after the date of the application of such increased duties to terminate this Agreement in its entirety on thirty days' written notice.

ARTICLE 2

Matural or manufactured products originating in the Turkish Republic, enumerated and described in Schedule II annexed to this Agreement, shall, on their importation into the United States of America, be exempt from ordinary customs duties in excess of those set forth and provided for in the said Schedule, subject to the conditions therein set out. The said products shall also be exempt from all other duties, taxes, fees, charges or exactions, imposed on or in connection with importation, in excess of those imposed on the day of the signature of this Agreement or required to be imposed thereafter under laws of the United States of America in force on the day of the signature of this Agreement.

ARTICLE 3

The provisions of Articles 1 and 2 of this Agreement shall not prevent the Government of either country from imposing at any time on the importation of any product a charge equivalent to an internal tax imposed in respect of a like domestic product or in respect of a product from which the imported product has been manufactured or produced in whole or in part.

ARTICLE 4

Hatural or manufactured products originating in the United States of America or the Turkish Republic shall, after importation into the other country, be exampt from all internal taxes, fees, charges or exactions other or higher than those payable on like products of national or foreign origin.

ARTICLE 5

Matural or manufactured products originating in the United States of America, enumerated and described in Schedule I, and natural or manufactured products originating in the Turkish Republic, enumerated and described in Schedule II, shall be permitted to be imported into the other country without any prohibition or restriction whatsoever.

Hevertheless, the two Governments reserve the right to impose quantitative restrictions on the importation of products enumerated and described in the said schedules in conjunction with governmental measures

- (a) operating to regulate the production or market supply or to control the prices of like domestic products or
- (b) tending to increase the labor costs of production of such products:

Provided, however, that the Government proposing to impose any such quantitative restriction is satisfied, in the case of measures described in subparagraph (a) of this paragraph, that such quantitative restriction is necessary to assure the effective operation of such measures, and, in the case of measures described in subparagraph (b), that such measures are causing the domestic production of the product concerned to be injuriously affected by imports which constitute an abnormal proportion of the total consumption of such product in relation to the proportion supplied in the past by foreign countries.

If the Government of either of the two countries proposes to establish or change such import restrictions, it shall give written notice thereof to the other Government at least two months before they are put into force. If an agreement between the two Governments concerning the proposed measures is not reached before the expiration of the said period of two months, the other Government shall be free, within fifteen days after the application of any such restriction or change therein, to terminate the present agreement in its entirety on thirty days' written notice.

ARTICLE 6

Unconditional most-favored-nation treatment shall be accorded by the Government of each country to the commerce of the other country with respect to customs duties or charges imposed on or in connection with imports or exports and the method of levying such duties or charges, with respect to all regulations and formalities in connection with importation or exportation, the sale or use of imported products within the country, transit, warehousing, the transshipment of goods, the re-exportation of goods, and with respect to official charges applicable to these various operations.

Unconditional most-favored-nation treatment shall likewise be accorded by the Government of each country to the commerce of the other country with respect to all duties, charges or exactions other than customs duties imposed on or in connection with imports or exports.

In awarding contracts for public works and in purchasing non-military supplies, the Government of neither country shall discriminate against the other country in favor of any third country.

APPICLE 7

Be prohibition, restriction or limitation of any kind shall be imposed by the Government of either country upon the importation of natural or manufactured products originating in the other country or upon the expertation of natural or manufactured products destined for the other country, except as provided below.

Subject to the provisions of Article 5 of this Agreement, either of the two Governments may impose prohibitions or quantitative restrictions upon the importation of products originating in the other country as well as upon the exportation of products destined for the other country, provided that importation of the like products originating in all third countries, or exportation of the same products to all third countries, respectively, is similarly prohibited or restricted. If the Government of either country applies quantitative restrictions to the importation of any products in which the other country has an interest, and these restrictions are implemented by quantitative allocation among the various exporting countries, there shall be allocated to the other country a proportion of the total importations equivalent to the proportion of the imports of such product supplied by the other country during a representative period prior to the establishment of the restrictions in question.

ARTICLE 8

In the event that the Government of either of the two countries shall establish or maintain, either directly or indirectly, any form of control of the means of international payment, it shall, in all aspects of the administration of such countrol, accord to the other country unconditional most-favored-mation treatment.

It is agreed that this provision does not affect the provisions of Article 9.

ARTICLE 9

The Government of the Turkish Republic undertakes that, so long as it maintains, directly or indirectly, any form of control of the means of international payment, it will provide, in any calendar year, for the transfer of payments for commercial importations of natural or manufactured products originating in the United States of America, imported into the territory of the Turkish Republic during the calendar year in question, an amount of free foreign exchange which shall not be less, in proportion to the total value of the commercial imports of the Turkish Republic during the said calendar year, than the amount corresponding to the proportion of the total commercial imports supplied by the United States of America in the period from January 1, 1935 to December 31, 1937.

ARTICLE 10

The provisions of this Agreement relating to the treatment to be accorded by the United States of America and the Turkish Republic, respectively, to the commerce of the other country shall apply, on the part of the United States of America, to the continental territory of the United States of America and such of its territories and possessions as are included in its customs territory on the day of the signature of this Agreement. The provisions of this Agreement relating to most-favored-nation treatment shall apply, however, to all the territories under the sovereignty or authority of the United States of America, other than the Panama Canal Zone.

ARTICLE 11

The provisions of this Agreement shall not apply to:

(a) advantages now accorded or which may hereafter be accorded by either country to adjacent countries in order to facilitate frontier traffic within a sone not exceeding fifteen kilometers on either side of the frontier;

- (b) advantages resulting from a customs union to which either the United States of America or the Turkish Republic may become a party, so long as such advantages are not accorded to any third country;
- (c) advantages which the Turkish Republic has accorded or may hereafter according the matter of the customs tariff affecting products originating within the territories detached in 1923 from the Ottoman Empire;
- (d) advantages now accorded or which may hereafter be accorded by the United States of America, its territories or possessions, or the Panama Canal Zone, to one another or to the Republic of Cuba, irrespective of any change in the political status of any of the territories or possessions of the United States of America.

ARTICLE 12

Mothing in the present Agreement shall be construed to prevent the adoption of measures prohibiting or restricting the exportation or importation of gold or silver, or to prevent the adoption of such measures as either Government may see fit with respect to the control of the export or sale for export of arms, ammunition, or implements of war, and, in exceptional circumstances, all other military supplies. Bothing in the present Agreement shall prevent the adoption or enforcement of measures relating to neutrality.

Subject to the requirement that, under like circumstances and conditions, there shall be no arbitrary discrimination by either country against the other country in favor of any third country, the provisions of this Agreement shall not extend to prohibitions or restrictions:

- (a) relative to public security;
- (b) imposed on moral or humanitarian grounds;
- (c) designed to protect public health or the life of animals or plants;
- (d) relative to prison-made goods; or
- (e) relative to measures taken for the enforcement of police or revenue laws.

ARTICLE 13

In the event that either the Government of the United States of America or the Government of the Turkish Republic adopts any measure which, even though it does not conflict with the terms of this Agreement, is considered by the Government of the other country to impair the effectiveness of the Agreement, the Government which has adopted any such measure shall consider such representations and proposals as the other Government may make with a view to effecting a mutually satisfactory adjustment of the matter. If no agreement is reached with respect to such representations or proposals within thirty days after they are received, the Government making them shall be free, within fifteen days after the expiration of the aforesaid period of thirty days, to terminate this Agreement in its entirety on sixty days' written notice.

ARTICLE 14

In the event that the rate of exchange between the currencies of the United States of America and the Turkish Republic varies considerably from the rate obtaining on the day of the signature of this Agreement, the Government of either country, if it considers the change in rate so substantial as to prejudice the industry or commerce of the country, shall be free to propose negotiations for the modification of this Agreement. If such negotiations have not resulted in an agreement within

a period of thirty days, the Government which has proposed them shall be free to terminate this Agreement in its entirety on thirty days! written notice.

ARTICLE 15

Nothing in this Agreement shall be deemed to affect the rights and obligations arising out of the Treaty of Commerce and Navigation between the United States of America and the Turkish Republic, signed at Ankara on October 1, 1929.

ARTICLE 16

The present Agreement shall be proclaimed by the President of the United States of America and shall be ratified by the Grand Mational Assembly of Turkey.

The present agreement shall come provisionally into force on May 5, 1939. The Agreement shall come definitively into force on the day on which the Government of the United States of America shall have communicated officially to the Government of the Turkish Republic the proclamation of the President of the United States of America and the Government of the Turkish Republic on its part shall have informed the Government of the United States of America of the ratification of the Agreement by the Grand National Assembly of Turkey.

The Agreement shall remain in force, subject to the provisions of Articles 1, 5, 13 and 14, until it is terminated in accordance with the provisions set forth below. The Government of either country may terminate this Agreement on December 31, 1939, December 31, 1940 or December 31, 1941, in each case on two months' written notice. After December 31, 1941, the Agreement, if not previously terminated, shall continue in force subject to the provisions of Articles 1, 5, 13 and 14 until six months from the day on which the Government of either country shall have given notice to the other Government of its intention to terminate the Agreement.

In witness whereof the respective Plenipotentiaries have signed this Agreement and have affixed their seals hereto.

Done in duplicate, in the English and Turkish languages, both authentic, at the City of Ankara, take first day of April, nineteen hundred and thirty-nine.

JOHN V. A. MACMURRAY,	SEAL 7
ROBERT F. KELLY,	[SEAL]
SUKRU SARACOGLU,	[SEAL]
NUMAN MENEMENCIOGLU.	SEAL 7

SCHEDULE I

NOTE: The percentages of reduction set forth in the fourth column of this Schedule shall apply to the rates of duty as set forth in the third column of this Schedule or as subsequently modified.

To. of Turkish	Articles	Rate of duty in pounds (Turkish) per 100 kilograms	Percentere of reduction
₽x 72 C-3	Cattle hides: fresh, with or without hair, not worked, salted or pickled in lime, weighing 18 kilos (including 18) and over	6.00	5 %
Ex 75 C	Worked skins:		
	Glased goat skins, weighing more than 4.5 grams per square decimeter (excluding morocco) (Glased kid skins weighing more than 4.5 grams per square decimeter are dutiable under this number)	1000.00	40\$
Ex 176 B	Dried prunes (counting 110 prunes or less per kilo)	48.00	75 \$
Ex 195	Canned prumes and prume juice:		
	A. Without sugar	70.00	75≴
	B. With sugar .	112.50	75%
Ex 201 B	Canned asparagus	120.00	7 5 %
442	Thread (rubber)	62.50	5≴
Bz 477	Asbestos, bitumen and the like, and articles of these materials (including those containing in their composition or texture rubber or fibers or base metals and those which are menufacture and mixed with paper, cardboard, plassement, paints or other ordinary mate (combined or not with other materials)	red ster, prials)	
	Ex C All kinds of plastic constructions atterials	etion 6.00	5 % ·
	Ex D Bands (including automobile a lining)	37.50	5%
Ex 523	Iron and steel plates and sheets (plater corrugated) and hoops or bands:	ain '	•
	Ex B-2 Galvanised with sinc, up to thickness of 3 millimeters		5≸
≥ 537	Furniture of iron and parts:		
	Ex A Only cabinets, boxes and drawith or without wisible indefor filing purposes		

Trade Agreement with Turkey

Fo. of Turkish Tariff	Articles	Rate of duty in pounds (Turkish) or 100 kilograms	Percentage of reduction
•	1. Plain and painted	30.00	20\$
	 Gilded, varnished or others (combined er not with other meterials) 	37.50	20%
Ex 617 B	Notion picture films	3.75	per 5% kilo- gram
Bx 619	Radie receiving sets, complete or incomplete, including tubes and loud-speaker		75\$
Ex 619	Non-assembled detached radio parts	500.00	88%
Ex 660	Sewing machines, machines for embroidering and tulle weaving, and mechanical parts and spare parts thereof, (excluding needles) (including those electrically driven)	ing	5≴
662	Typewriters, calculating and registeric machines, and machines for counting, grouping and classifying, and parts the of (including those electrically driver	ng nro-	~
	A. Weighing up to 5 kilos	60.00	12%
	B. Weighing 5 kilos and over	30.00	12%
663	Tables, bases, covers and stands for seving machines and typewriters	12.00	5%
Ex 666	All kinds of electric refrigerating machines and apparatus (assembled, unassembled):]	
	A. The whole weighing up to 50 kilos	15.00	12\$
	B. The whole weighing 50 kiles and on up to 150 kiles	7eF 12.00	12%
	C. The whole weighing 150 kilos and over up to 500 kilos	10.00	125
	D. The whole weighing 500 kiles and over up to 2,000 kiles	9.00	12\$
	H. The whole weighing 2,000 kilos and over up to 10,000 kilos	8.00	12\$
	V. The whole weighing 10,000 kilos and over	7.00	12\$

lo. of Twits Tariff	Articles	Rate of duty is pounds (Turkish) er 100 kilograms	Percentage of reduction
667	Automotive vehicles:		
	A. Automotive vehicles for the transport of persons:		
	1. Weighing up to 900 kilos	75.00	60≸)
	Weighing 900 kilos and over up to 1,300 kilos	35.00	60%)
	3. Weighing 1,300 kilos and over up to 1,750 kilos	45.00	60%) 1
	4. Weighing 1,750 kilos and over up to 2,000 kilos	175.00	60%)
	5. Weighing 2,000 kilos and over	250,00	} 60 ≴)
	B. All kinds of automotive vehicle chassis, with or without motor (wheels with or without tires and tubes):		
	1. Weighing up to 750 kilos	48.00	60%
	2. Weighing 750 kilos and over up to 1,100 kilos	21.00	60≴
	 Weighing 1,100 kilos and over up to 1,500 kilos 	25 . 50	60≴
	4. Weighing 1,500 kilos and over up to 1,750 kilos	126.00	60≸
	5. Weighing 1,750 kilos and over	180.00	60%
	C. Bodies of automotive vehicles for transport of persons	the 350.00	60≴
	D. Body parts, not specially provided for	150.00	60≴
	H. Chassis parts of automotive vehicl not specially provided for	45.00	60%
•	V. Wheels and parts of wheels for aut motive vehicles and rims of iron of steel		60%
695 D	Heavy mineral oils and their residues (machine oils, masout, motorine and othe such combustibles and residues, tare:	the	
	light fraction distilling below 270 deg: must not exceed 10%)	rees 1.00	5≴
Ex 703 D	Typewriter ribbons	45.00	10%

¹⁾ Only the amount of the reduced duties will be collected even if the amount of the reduced duties is less than 30% of the C.I.F. value.

Trade Agreement with Turkey

Fo. of Turb	Articles	Rate of duty in pounds (Turkish) ar 100 kilograms	Percentage of reduction
Ex 709	Varnish (only liquid waterproofing preparations)		
	A. With bronze, aluminum, and colors	24.00	20%
760	All kinds of insecticide prepara- tions intended for the destruction of rats, fleas and other parasites and insects (powders, pastes, liquids and other forms) (including the weight of the inner containers)	5.00	5≴
Ex 853	Specialties for which import permits have been issued by the Government		
	Ex B-1 First class, only toothpastes	50% ad val.	50≴

Trade Agreement with Turkey

Inited States Tariff Act of 1930 Paragraph	Description of Articles	Rates of Duty
1633	Borax, crude or unmanufactured, and borate of lime, borate of soda, and other borate material, crude and unmanufactured, not specially provided for	Prop
1647	Chromite or chrome ore	Free :
1670	Valonia, whether crude or advanced in value or condition by shredding, grinding, chipping, crushing, or any similar process, not containing alcohol, not specially provided for	Pres
1672	Enery ore	Free
1681	Furs and fur skins, not specially provided for, undresseds	2 (1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Hare and marten	Free
1755	Sausage casings, weesands, intestines, bladders, tendons, and integrments, not specially provided for; all the foregoing produced from sheep, lambs, and goats	الإنفي في ح

TRANSLATION 7

MINISTRY OF FOREIGN AFFAIRS
Ankara, April 1, 1939

Mr. Ambassadors

I have the honor to refer to the provisions of the Trade Agreement between our two Governments signed this day and to inform Your Excellency that my understanding of the agreement with respect to the application of Article 9, reached during the negotiations, is as follows:

1. The total value of the commercial imports from the United States of America into the territory of the Turkish Republic during the period from January 1, 1935 to December 31, 1937, mentioned in Article 9, is 10.91 percent of the total value of the commercial imports of the Turkish Republic from all sources during the same period. It is agreed that, in determining the amount of free foreign exchange which shall be made available each year, this percentage shall be applied to the total value of the commercial imports into the territory of the Turkish Republic from all sources during the year in question, after deducting from such total value the amount by which the value of commercial imports resulting, during the same year, from the utilization of the credits provided for in the Agreement with the United Kingdom of Great Britain and Northern Ireland, signed on May 27, 1938, and the Agreement with Germany, the principles of which were established in October, 1938, at Ankara, exceeds the payments made during that year in accordance with the provisions of the said credit agreements. This deduction has been decided upon for the reason that the total value of commercial imports into the Turkish Republic will be temporarily increased to an abnormal extent by imports under the governmental credits mentioned above.

The amount of available free foreign exchange envisaged in Article 9, shall be applied to payments for commercial imports originating in all the territories under the sovereignty or authority of the United States of America.

- 2. The amount of free foreign exchange mentioned above which shell be made available each year under Article 9 shall be utilized for the transfer of payments for the said commercial imports in the chronological order in which requests for exchange are made.
- 3. In view of the fact that the Turkish Republic derives its principal supply of free foreign exchange from the export of products, the sale of which has a seasonal character, it is understood that it may not be possible to avoid temporary delays in making available free foreign exchange for the transfer of payments for commercial imports originating in the United States of America. It is agreed that the provisions of Article 9 do not preclude seasonal delays in making available free foreign exchange for transfer of the said payments within any calendar year.
- 4. If the Government of the Turkish Republic should not be in a position, through lack of free foreign exchange, as a result of unforeseen developments affecting adversely the commerce of the Turkish Republic, to make available the amount of free foreign exchange agreed upon in Article 9, the Government of the United States of America and the Government of the Turkish Republic shall enter into negotiations for the purpose of reaching an arrangement satisfactory to the two Governments.
- 5. The present note constitutes an integral part of the Trade Agreement signed this day.

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

SUKRU SARACOGLU

Mr. John V. A. MacMurray
Ambassador Extraordinary
and Plenipotentiary
of the United States of America
to the Turkish Republic.

DIRECTION FROM THE PRESIDENT REGARDING APPLICATION OF TRADE AGREEMENT RATES

The White House, Washington April 5, 1939

The Honorable
Henry Morgenthau, Jr.,
Secretary of the Treasury.

My dear Mr. Secretary:

Pursuant to the authority conferred upon me by the Act to amend the Tariff Act of 1930, approved June 12, 1934 (48 Stat. 943), as extended by the Joint Resolution approved March 1, 1937 (50 Stat. 24), I hereby direct that the duties proclaimed on this date in connection with the trade agreement signed on April 1, 1939 with the Turkish Republic, and all other duties heretofore proclaimed in connection with trade agreements (other than the trade agreement with Cuba signed on August 24, 1934, the trade agreement with Nicaragua signed on March 11, 1936 and the trade agreement with Czechoslovakia signed on March 7, 1938, as amended) entered into under the authority of the said Act, as originally enacted or as extended, shall be applied on and after the effective date of such duties, or, as the case may be, shall continue to be applied on and from the date of this letter, to articles the growth, produce, or manufacture of all foreign countries, except as otherwise hereinafter provided, whether imported directly or indirectly, so long as such duties remain in effect and this direction is not modified.

Such proclaimed duties shall be applied to articles the growth, produce, or manufacture of Cuba in accordance with the provisions of the trade agreement with Cuba signed on August 24, 1934.

Because I find as a fact that the treatment of American commerce by Germany is discriminatory, I direct that such proclaimed duties shall not be applied to products of Germany. Products of Bohemia, Moravia and Slovakia, now under the de facto administrative control of Germany, shall be regarded as products of Germany for the purposes of this paragraph.

My letter addressed to you on November 25, 1938, with reference to duties heretofore proclaimed in connection with the trade agreements signed under the authority of the Act of June 12, 1934 is hereby superseded.

You will please cause this direction to be published in an early issue of the weekly <u>Treasury Decisions</u>.

Very sincerely yours,

FRANKLIN D. ROOSEVELT