

N° 3838.

ESPAGNE ET TURQUIE

Accord commercial, avec annexes, accord de clearing et protocole de signature, signés à Madrid, le 31 décembre 1935, et échange de notes y relatif de la même date.

SPAIN AND TURKEY

Commercial Agreement, with Annexes, Clearing Agreement and Protocol of Signature, signed at Madrid, December 31st, 1935, and Exchange of Notes relating thereto of the same Date.

¹ TRADUCTION. — TRANSLATION.

No. 3838. — COMMERCIAL AGREEMENT AND CLEARING AGREEMENT BETWEEN SPAIN AND TURKEY. SIGNED AT MADRID, DECEMBER 31ST, 1935.

French official text communicated by the Spanish Chargé d'Affaires at Berne. The registration of these Agreements took place February 17th, 1936.

THE PRESIDENT OF THE SPANISH REPUBLIC,
of the one part,
and

THE PRESIDENT OF THE TURKISH REPUBLIC,
of the other part,

Desirous of placing no obstacle in the way of commercial relations between the two friendly countries, have resolved, until such time as a commercial treaty shall be concluded, to conclude a Commercial and Clearing Agreement, and have appointed for this purpose as their Plenipotentiaries :

THE PRESIDENT OF THE SPANISH REPUBLIC :

Monsieur Joaquín URZÁIZ CADAVAL, Minister for Foreign Affairs ;

THE PRESIDENT OF THE TURKISH REPUBLIC :

Monsieur Tevfik Kâmil KOPERLER, Minister Plenipotentiary of Turkey at Madrid ;

Monsieur Faik KURDOĞLU, Under-Secretary of State, Ministry of National Economy ;

Who, having communicated their full powers, found in good and due form, have agreed upon the following provisions :

COMMERCIAL AGREEMENT.

Article I.

Products of the soil or of industry of Spanish origin of the kinds enumerated in List A annexed to the present Agreement shall have the benefit of the lowest duties and charges payable under most-favoured-nation treatment, on importation into Turkey.

Article II.

Products of the soil or of industry of Spanish origin of the kinds enumerated in List B annexed to the present Agreement shall have the benefit of the percentages of reduction indicated in the said List, on importation into Turkey.

¹ Traduit par le Secrétariat de la Société des Nations, à titre d'information.

¹ Translated by the Secretariat of the League of Nations, for information.

Article III.

All other products of the soil or of industry of Spanish origin, not included in List A, shall have the benefit of the duties in force at the time of their clearance from Customs, on importation into Turkey.

Article IV.

Products of the soil or of industry of Turkish origin of the kinds enumerated in List C annexed to the present Agreement shall have the benefit of the lowest duties and taxes payable under most-favoured-nation treatment, on importation into Spain, that is to say, into Spanish territory in the peninsula, the Balearic Islands, the Canaries, Melilla, Ceuta, the territory of Ifni, Spanish Western Sahara, the Gold Coast, Spanish Guinea, Fernando Po, Annobón, Corisco, Elobeyes, etc., and the zones of the Spanish Protectorate in Morocco.

Article V.

All other products of the soil or of industry of Turkish origin, not included in List C, shall have the benefit of the duties of the second column of the Spanish Customs Tariff in force at the time of their clearance from Customs, on importation into Spain, that is to say, into Spanish territory in the peninsula and the Balearic Islands.

Further, the Turkish products in question shall enjoy most-favoured-nation treatment as regards the import duties for which the present Agreement provides in the Canaries, Melilla, Ceuta, the territory of Ifni, Spanish Western Sahara, the Gold Coast, Spanish Guinea, Fernando Po, Annobón, Corisco, Elobeyes, etc., and the zones of the Spanish Protectorate in Morocco.

Article VI.

The High Contracting Parties agree to accord one another unconditional and unrestricted most-favoured-nation treatment in the matter of accessory dues, internal taxes, charges and surcharges on consumption, licences or other tolls or fees, increases or coefficients, as also in respect of all regulations, formalities and dues to which Customs clearance is or may be subject.

Accordingly, products of the soil or of industry of the two High Contracting Parties shall not in any circumstances be subject in the respects aforementioned to other or higher accessory dues, internal taxes, charges, surcharges, coefficients, increases or other charges, or to regulations or formalities other or more burdensome, than those to which products of the same nature from any third country are or may be subject.

Similarly, any benefits, favours, privileges or immunities in the respects aforementioned which have been, or may be, granted by either of the High Contracting Parties to products of the soil or of industry having their origin in a third country, shall be applicable immediately and without compensation to products of the same nature having their origin in the territory of the other Contracting Party, subject always to the provisions of Article VII.

Article VII.

Special benefits or privileges in the matter of Customs or other trade dues which Spain grants, or may grant, to Portugal or to any one of the Latin-American countries, or to a neighbouring country in connection with frontier traffic, and special benefits or privileges in the matter of Customs or other trade dues which Turkey grants, or may grant, to any one of the countries of the Balkan Entente or to countries formerly belonging to the Ottoman Empire, shall be excepted from most-favoured-nation treatment.

Article VIII.

Products of Spanish origin of the kinds hereinunder listed shall be admitted for importation to Turkey within the limits of the annual quotas indicated opposite the several items :

COTTON TISSUES.

| Number of Turkish Tariff | Annual Quota | Number of Turkish Tariff | Annual Quota |
|--------------------------|--------------|--------------------------|------------------------------------|
| 376 B. C. D. | 50,000 kg. | 383 | 5,000 kg. (for the year 1936 only) |
| 378 B. | 5,000 kg. | | |
| 378 C. D. | 95,000 kg. | 387 | 5,000 kg. |
| 379/I C. D. | 80,000 kg. | 390 | 2,000 kg. |
| 379/II B. | 50,000 kg. | 394 | 1,000 kg. |
| 379/II C. D. | 170,000 kg. | 400 | 1,000 kg. (for the year 1936 only) |
| 379/III B. | 10,000 kg. | | |
| 379/III C. D. | 320,000 kg. | Ex 401 belts (only) | 2,000 kg. |
| 380 | 4,000 kg. | | |

OTHER PRODUCTS.

| Number of Turkish Tariff | | Annual Quota |
|--------------------------|--|--------------|
| Ex 469 (b) | White cements | 20,000 kg. |
| 483 (a) (b) | Tiles in faience, or porcelain | 25,000 kg. |
| 452 (a) (b) | Linoleum and camptulicon for covering floors | 10,000 kg. |
| 453 | Oil cloth for covering furniture, tables, shelves and walls. | 5,000 kg. |
| 485 | Baths, basins, washstands, lavatories, chambers, W. C. accessories, mortars, capsules and the like | 25,000 kg. |
| 517 | Iron of all kinds in ingots and blocks | 3,000 tons |
| 519 (a) (b) | Steel, pure | |
| 520 | Iron of all kinds (square, round, oval, bar, angle, I.Z.L.V.T., including perforated shapes) | |
| 521 | Rails, rail chairs and parts for railways | 300 tons |
| 523 (a) (b) (c) | Plate and sheet iron (plain or corrugated) and hoop iron. | |
| 524 (a) (b) | Iron or steel wire | |
| 526 (a) (b) (c) | Insulated iron wire (including electricity conducting wires) | 100 tons |
| 527 | Iron ropes and cords (including those with fibres inside or wound round outside) | |
| 529 (b) (c) | Iron pipes and joints for pipes, of all kinds | |
| 530 | Axles, springs, wheels and tyres for transport vehicles | 250 tons |
| 531 | Heavy cast iron articles such as vats, crucibles, poles, plates, etc. | |
| 538 (c) (d) | Hand tools and instruments of iron (with or without handle) ; shovels, mattocks, axes, grain-sifters, spades, forks, anvils, hammers (weighing more than 250 gr.) ; rakes, trowels, picks, pincers, shears and scrapers, bill-hooks, scythes, sickles, tinsmith's shears, mowers, etc. | 10,000 kg. |
| 541 (a) (b) (c) | Locksmith's articles, such as locks, keys, springs and fittings for doors, windows and furniture, and trunk-maker's articles | |
| 544 (a) (b) | Umbrella frames and parts thereof (including handles) | |
| 539 (d) (h) | Cutlery | |

| Number of Turkish Tariff | | Annual Quota |
|--------------------------|---|--------------|
| 552 (a) (b) (c) | Hardware and ironmongery not elsewhere mentioned in the tariff, such as kitchen and table utensils, coffee and tea sets, lamps and parts of lamps, flat irons, taps, etc. . . | 10,000 kg. |
| 569 (h) | Articles of aluminium or aluminium alloys combined or not with other materials | 5,000 kg. |
| 570 (b) (d) | Lead and lead alloys (ingots, blocks, sheets and bars), pipes and wire (including those galvanised) | 700 tons |
| 664 | Machines, tools and instruments of all kinds used in agriculture, and parts thereof (These machines, tools and parts thereof can only be imported on authorisation of the Turkish Ministry of Agriculture, to be applied for before ordering.) | 600 tons |

Quota-free Spanish products shall be such products as are enumerated in the free lists of the Turkish quota decrees in force in Turkey at the time of the clearance of the said products from Customs.

The only item in respect of which Turkey agrees to free importation for the entire duration of the present Agreement shall be item 305 (cork and cork wares).

Products of the soil or of industry of Spanish origin, which are listed under items 2,635–641 inclusive, 650, 678, 682, 683 and 686 of the Turkish tariff, may not be imported into Turkey without the consent of both High Contracting Parties to the clearing payments involved, whether public or private.

Article IX.

The following products of Turkish origin may be imported into Spain, that is to say, into Spanish territory in the peninsula and the Balearic Islands within the limits of the annual quotas indicated opposite the several items :

| Number of Spanish Customs Tariff | | Annual Quota |
|----------------------------------|----------------------|-------------------------|
| 1432 | Fresh eggs | 50,000 metric quintals. |
| 102 | Timber | 1,000 cubic metres |

Quota-free Turkish products shall be such products as are not subject to quotas in Spain at the time of their clearance from Customs.

Article X.

For such time as the current Spanish system of import licences over a number of periods continues to be in force, licences remaining unused at the end of a period shall hold good for the following period and, if still unused, for subsequent periods successively.

It is understood that, in the event of Turkey adopting a similar system, the same facilities shall be accorded to Spain.

Article XI.

In the event of particular quotas of those listed in Articles VIII and IX being exhausted before the end of the period for which they have been accorded, each of the High Con-

tracting Parties shall consider favourably all applications by the other Party for supplementary quotas.

Similarly, in the event of quotas being established after the present Agreement comes into force in the case of particular quota-free goods, in which one of the High Contracting Parties is interested, the two High Contracting Parties shall accord one another the most favourable quotas possible having regard to the possibilities of exporting the goods in question.

Article XII.

The two High Contracting Parties shall accord one another unconditional and unrestricted most-favoured-nation treatment in all cases in which shipping and the transport of goods across their territories are concerned.

Article XIII.

Payment for products having their origin in the territory of either of the High Contracting Parties, which are actually imported into the territory of the other High Contracting Party on payment of the duties and charges attaching thereto, shall be made in accordance with the provisions of the Clearing Agreement signed this day.

Exporters of either country shall retain the right to claim direct payment for transit consignments through the other country, subject always to the provisions of Article XIV.

Article XIV.

Products having their origin in countries with which Turkey has not concluded any commercial treaty, clearing agreement or other special arrangement, which are subject on import into Turkey to the ordinary import regulations, may be imported on a private compensation basis against equivalent exports (100 % private compensation), if they have passed through Spain in transit, provided always such private compensation arrangements have been submitted to the two Governments beforehand for their approval.

Article XV.

Goods exported by either Party after the entry into force of the present Agreement must be accompanied by certificates of origin issued in duplicate, in the form hereto annexed, by the Chambers of Commerce and Industry or other competent organisations of the exporting country. The certificates shall show the value of the goods f. o. b. at the port of export.

The duplicates "B" of these certificates shall be stamped by the Customs office of entry and forwarded to the bank through which the importer is to make payment under the provisions of the Clearing Agreement of to-day's date.

Article XVI.

Turkey reserves the right at any time to alter or cancel the percentages to which Article II relates at 15 days' notice. It is understood that no such changes shall apply :

(a) To Spanish goods cleared from Customs within the said period of 15 days ;

(b) To Spanish goods shipped from a Spanish port for consignment to Turkey on or before the date of the Turkish Government's notification to the Spanish Government at Madrid ;

(c) To Spanish goods shown to have been shipped from a Spanish port for consignment to Turkey in the course of the day following the Turkish Government's notification to the Spanish Government at Madrid.

It is further understood that the goods to which paragraphs (b) and (c) above relate shall not be entitled to the benefit of the former percentages of reduction, unless they are cleared from Customs within sixty days of their arrival at the port of destination in Turkey.

Article XVII.

In the event of alteration or cancellation of the percentages to which Article XVI relates, Spain shall be entitled to demand the opening of negotiations within 15 days with a view to such equitable compensation as the circumstances may indicate. Similarly, in the event of changes of import regulations or import duties or accessory dues such as charges, surcharges or coefficients to which the process of clearance from Customs is subject, both High Contracting Parties shall be entitled to demand the opening of negotiations within 15 days with a view to such equitable compensation as the circumstances may indicate.

Should such negotiations not lead within a month to a result satisfactory to the Party deeming itself injured, the said Party shall be entitled within a period of twenty days from the end of the said month to denounce the present Agreement at one month's notice, or alternatively to take whatever measures it may see fit.

In the latter alternative, the other Party shall be entitled within a period of twenty days from the application of the measures in question to denounce the present Agreement at one month's notice.

Article XVIII.

The present Agreement shall come into force on January 1st, 1936, and shall remain in force for two years. It shall be renewed by tacit agreement for a like period, provided neither of the Parties has denounced it three months before the date of its expiry.

Done at Madrid, in duplicate, this 31st day of December, 1935.

(L. S.) Joaquín URZÁIZ CADAVAL.

(L. S.) Tevfik Kâmil KOPERLER.

(L. S.) Faik KURDOĞLU.

LIST A (see Article I).

Spanish products having the benefit of most-favoured-nation treatment as regards tariffs.

| Number of Turkish Tariff | Number of Turkish Tariff | Number of Turkish Tariff |
|--------------------------|--------------------------|--------------------------|
| 2 | 501 | 617 |
| 111 | 516 | 632 |
| 180 | 517 to 532 inclusive | 635 to 641 inclusive |
| 215 | 536 to 539 inclusive | 642 to 646 inclusive |
| 299 | 541 | 648 to 651 inclusive |
| 305 | 544 | 664 |
| 316 | 548 | 670 |
| 364 to 376 inclusive | 550 | 678 |
| 377 to 390 inclusive | 552 | 679 (a), (c) |
| 394 to 396 inclusive | 558 | 681 to 683 inclusive |
| 401 to 402 inclusive | 562 | 686 |
| 446 | 565 | 729 |
| 450 to 455 inclusive | 569 | 814 |
| 469 (b) | 570 | 853 |
| 483 | 573 | 854 |
| 485 | 576 | 858 |
| 490 | 579 | 859 |
| 495 | 602 to 603 inclusive | |

LIST B (see Article II).

List containing percentages of reduction granted.

| Number of Turkish Tariff | Percentages of reduction | Number of Turkish Tariff | Percentages of reduction |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Ex 377 (c) | 10 % | Ex 379/II (c) | 25 % |
| Ex 378 (c) | 10 % | Ex 379/II (d) | 25 % |
| Ex 378 (d) | 10 % | Ex 379/III (b) | 20 % |
| Ex 379/I (c) | 20 % | Ex 379/III (c) | 30 % |
| Ex 379/I (d) | 20 % | Ex 379/III (d) | 30 % |
| Ex 379/II (b) | 15 % | | |

Note : The above reductions in the case of sub-items of 379/II and 379/III shall apply to the sum-total of Customs duties resulting from the application of the increases provided in the case of sub-items 379/II and 379/III to the duties on the corresponding sub-items of item 377 under the Turkish Law No. 2255 of May 30th, 1933.

LIST C (see Article IV).

Turkish products having the benefit of most-favoured-nation treatment as regards tariffs.

| Number of Spanish Tariff | Number of Spanish Tariff |
|-----------------------------|---|
| 1 and 2 | 1014 |
| 16 | 1016 to 1020 inclusive |
| ex 18 magnesites | 1102 |
| 22 | 1179 to 1182 inclusive |
| 51 to 53 inclusive | 1214 to 1226 inclusive |
| 55 to 57 inclusive | 1243 |
| 97 | ex 1252 to 1255 inclusive (mohair fabrics and rugs only) |
| 100 to 102 inclusive | 1279 and 1280 |
| 180 | 1282 to 1287 inclusive |
| 192 to 197 inclusive | 1323 |
| 198 | 1337 to 1349 inclusive |
| 215 to 217 inclusive | 1370 |
| 478 and 487 | 1372 |
| 802 to 806 inclusive | 1373 (including pistachio nuts and kernels) |
| 826 | 1401 |
| 831 and 832 | 1405 |
| 855 | 1420 |
| 859 | 1432 and 1433 |
| 997 | 1455 and 1456 |
| 999 (b) | 1460 |
| 1002 and 1003 | |
| 1009 to 1012 inclusive | |

(See Article XV of the Commercial Agreement and Article 5 of the Clearing Agreement.)

This certificate shall be done in duplicate, the original to be marked A and the duplicate B.

CERTIFICATE OF ORIGIN.

Consignor :

Consignee :¹

Name

Domicile

Street

Name

Domicile

¹ To bear the name of the person signing the Declaration of Import sent to the Clearing Organisation.

Nature of goods :

Nature of packing :

Number of packages :

Mark No. :

Weight { Gross :kgs.
Net :kgs.

Value { f. o. b.
c. i. f.

Method of forwarding :

In accordance with the provisions of the Commercial Agreement of December 31st, 1935, between the Turkish Republic and the Spanish Republic, and the Clearing Agreement of the same date, the Chamber of Commerce of certifies that the goods mentioned above are of { Turkish }
Spanish } origin.

At the

The undersigned officials of the { Turkish }
Spanish } Customs Office at certify that the aforesaid goods have been effectually { imported
marketed.

(Date

Signature

Seal)

CLEARING AGREEMENT.

With a view to facilitating payments in connection with goods transactions between the two countries, the Government of the Turkish Republic and the Government of the Spanish Republic have agreed to the following provisions :

Article 1.

Payments in connection with goods transactions between the two countries shall be made by clearing.

Payments shall be made in Turkey to the Türkiye Cumhuriyet Merkez Bankasi (Central Bank of the Turkish Republic) and in Spain to the Banco Exterior de España (Foreign Bank of Spain) in the manner hereinafter provided, and shall constitute a discharge to the debtors for the corresponding amount of the debt.

Article 2.

Payment for goods of Turkish origin imported into Spain shall be made by the Spanish importer, as to 80 % of the total value in pesetas, and as to the remaining 20 % in French francs, to the Banco Exterior de España.

No hindrance, direct or indirect, shall be placed in the way of such payments, nor shall they be subjected to charges of any kind.

The Banco Exterior de España shall credit the 80 % paid in pesetas to a special clearing Account "A" not carrying interest, and the remaining 20 % to a special clearing Account "B" in French francs, not carrying interest, to be opened in its books in favour of the Türkiye Cumhuriyet Merkez Bankasi.

Sums credited to Account "A" shall be used for payment for goods of Spanish origin imported into Turkey.

Sums credited to Account "B" shall be held at the free disposal of the Türkiye Cumhuriyet Merkez Bankasi, and shall be transferable at any time in French francs.

Article 3.

Claims in connection with imports of goods of Spanish origin into Turkey shall be settled by payment by the Turkish importer of the value of the goods in Turkish pounds into the Türkiye Cumhuriyet Merkez Bankasi, which shall credit the sum to a special account in Turkish pounds, not carrying interest, to be opened in its books in favour of the Banco Exterior de España.

Sums credited to this account shall be used for payment for goods of Turkish origin imported into Spain.

Article 4.

Payment for Spanish goods supplied to the Turkish State, or to Turkish municipal administrations or public services, or to Turkish concessionary companies, whether directly or under contracts concluded, shall be made in accordance with the provisions of the present Clearing Agreement.

Article 5.

The Türkiye Cumhuriyet Merkez Bankasi and the Banco Exterior de España shall advise one another from day to day of all payments received, and shall forward to one another the duplicates "B" of the certificates of origin to which Article XV of the Commercial Agreement between Spain and Turkey of to-day's date relates.

All advices of payments received shall contain the requisite information to enable payment to be made to the creditors concerned.

Payments to Turkish creditors by the Türkiye Cümhuriyet Merkez Bankasi and payments to Spanish creditors by the Banco Exterior de España shall be made in the chronological order of the payments into the special accounts to which Articles 1 and 2 of the present Agreement relate, as and when the necessary funds are available in the said accounts.

Article 6.

The conversion in Turkey of Turkish pounds into pesetas and of pesetas into Turkish pounds shall be effected at the official rates of the Türkiye Cümhuriyet Merkez Bankasi, and the conversion in Spain of pesetas into French francs shall be effected by the Banco Exterior de España at the official rates quoted by the Centro Oficial de Contratación de Moneda.

Where invoices are made out in other currencies, their conversion shall be effected at the official rate quoted on the day preceding the payment.

Article 7.

On the expiry of the present Agreement, the importers of whichever of the two countries has a balance in its favour at the clearing bank of the other country shall continue to make payment for their imports to the clearing bank concerned, until such time as the whole of the claims corresponding to the balance in question are liquidated.

Similarly, payment for goods imported on credit shall continue to be made in such circumstances in accordance with the provisions of the present Agreement.

Article 8.

Where business relations between Spanish and Turkish firms afford opportunity for private compensation in connection with purchases and sales of goods, the two clearing banks shall authorise such compensation, wherever possible, by common accord, provided always that the provisions of Article 2 shall apply to the 20 % payable in French francs.

Article 9.

Spanish creditors shall be entitled to payment of their claims out of chronological order, if they import into Spain cotton, mohair, mohair rugs, leaf tobacco, Turkish cigarettes, Tragacanth gum or attar of roses, provided they comply with the provisions of Article 2 of the present Clearing Agreement, that is to say, provided they pay 20 % of the value of such imports in French francs to the Banco Exterior de España for credit of Clearing Account "B".

Similarly, Turkish creditors shall be entitled to payment of their claims out of chronological order, if they import into Turkey products of the kinds listed in Article VIII of the Commercial Agreement between Spain and Turkey of to-day's date.

The transactions to which the two preceding paragraphs relate shall require the joint assent of the Türkiye Cümhuriyet Merkez Bankasi and the Centro Oficial de Contratación de Moneda.

Article 10.

Spanish goods shall be deemed to be products of the soil or of industry of Spanish origin, that is to say, having their origin in Spanish territory in the Peninsula, the Balearic Islands, the Canaries, or the Spanish possessions, colonies or protectorates.

Turkish goods shall be deemed to be products of the soil or of industry of Turkish origin.

Article 11.

Technical details in connection with the application of the present Agreement shall be determined by the Centro Oficial de Contratación de Moneda and the Türkiye Cümhuriyet Merkez Bankasi by common accord.

Article 12.

The present Agreement shall come into force on the same day as the Commercial Agreement between Spain and Turkey of to-day's date and shall remain in force for the same period as the latter.

Done at Madrid, in duplicate, this 31st day of December, 1935.

(L. S.) Joaquín URZÁIZ CADAVAL.

(L. S.) Tevfik Kâmil KOPERLER.

(L. S.) Faik KURDOĞLU.

PROTOCOL OF SIGNATURE.

The Government of the Spanish Republic and the Government of the Turkish Republic, desirous of reaching a settlement by friendly agreement with a view to rational expansion of mutual trade between the two countries in accordance with the provisions of the Commercial and Clearing Agreements between the two countries, have agreed to the following provisions:

(1) As from the entry into force of the Commercial and Clearing Agreements between the two countries of to-day's date, all goods awaiting delivery in the Customs offices of the two countries shall be admitted to import by both countries, provided they reached the Customs offices of the two countries not later than June 8th, 1935, and are cleared from Customs within 60 days of the entry into force of the Commercial and Clearing Agreements between the two countries of to-day's date.

The quantities of goods so cleared from Customs (other than timber), which are subject to quotas under the Commercial Agreement between the two countries of to-day's date, shall be deducted from the quotas accorded for 1936.

In the event of the Spanish Government not being in a position to accord for the year 1937 an aggregate quota of 20,000 cubic metres of timber of the kinds to which item 102 of the Spanish tariff relates, Turkey shall be under no obligation to renew for the year 1937 those Turkish quotas to which the note "For the year 1936 only" is appended.

(2) Sums due in respect of Spanish and Turkish goods so cleared from Customs shall be debited to special accounts at the Banco Exterior de España and the Türkiye Cümhuriyet Merkez Bankasi in accordance with the following provisions:

(a) The Banco Exterior de España shall use Turkish credit balances hitherto retained in Spain for payment for Spanish products cleared from Customs in accordance with paragraph (1) of the present Protocol.

Such payments shall be made by the Banco Exterior de España on the instructions of the Türkiye Cümhuriyet Merkez Bankasi in accordance with the clearing system for which the Clearing Agreement between Spain and Turkey of to-day's date provides.

In the event of a balance remaining after such payments are completed in favour of the Türkiye Cümhuriyet Merkez Bankasi it shall be credited, as to 80 % to Account A, and as to 20 % to Account B, at the Banco Exterior de España (see Clearing Agreement between Spain and Turkey of to-day's date).

(b) Should the Turkish credit balance hitherto retained in Spain not prove sufficient to pay for the Spanish goods to which paragraph (1) of the present Protocol relates, the debit balance shall be carried by the Türkiye Cümhuriyet Merkez Bankasi to the account to be opened in its books in favour of the Banco Exterior de España under the Clearing Agreement between Spain and Turkey of to-day's date.

(3) Sums due in respect of Turkish goods cleared from Customs in accordance with paragraph (1) of the present Protocol shall be carried by the Banco Exterior de España to the accounts to be opened in its books under the provisions of the Clearing Agreement between Spain and Turkey of to-day's date.

(4) Spanish credit balances hitherto retained at the Türkiye Cümhuriyet Merkez Bankasi shall be credited to the account to be opened under the provisions of the Clearing Agreement between Spain and Turkey of to-day's date.

(5) The old certificates of origin shall continue to be valid for the goods to which paragraph (1) of the present Protocol relates, so that no new certificates will be required.

(6) The two banks shall advise one another as to the current position, and shall use their best efforts to complete the liquidation at the earliest possible date.

(7) The letters annexed to the Commercial Agreement between Spain and Turkey of to-day's date shall form an integral part thereof.

Signed at Madrid, in duplicate, this 31st day of December, 1935, being an integral part of the Commercial and Clearing Agreements between Spain and Turkey of the same date.

(L. S.) Joaquín URZÁIZ CADAVAL.

(L. S.) Tevfik Kâmil KOPERLER.

(L. S.) Faik KURDOĞLU.

EXCHANGE OF NOTES.

I.

MINISTRY
OF FOREIGN AFFAIRS.

MONSIEUR LE MINISTRE,

In proceeding to sign the Commercial Agreement between Spain and Turkey of to-day's date, I have the honour to confirm to you with reference to Article I of the same that import duties on Turkish products imported into Spain will not be liable for the duration of the said Agreement to coefficients or depreciated currency surcharges, and that any amounts due in respect of coefficients, not being yet collected, will cease to be chargeable.

I have the honour to be, etc.

(Signed) Joaquín URZÁIZ CADAVAL.

His Excellency
Monsieur Tevfik Kâmil Koperler,
Madrid.

II.

TURKISH LEGATION.

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's letter of to-day's date in the following terms :

" In proceeding to sign the Commercial Agreement between Spain and Turkey of to-day's date, I have the honour to confirm to you with reference to Article I of the same that import duties on Turkish products imported into Spain will not be liable for the duration of the said Agreement to coefficients or depreciated currency surcharges, and that any amounts due in respect of coefficients, not being yet collected, will cease to be chargeable. "

I have taken note of the same, and on behalf of my Government am in agreement therewith.

I have the honour to be, etc.

(Signed) Tevfik Kâmil KOPERLER.

(Signed) Faik KURDOĞLU.

His Excellency,
Don Joaquín Urzáiz Cadaval,
Minister for Foreign Affairs,
etc., etc., etc.

III.

MINISTRY
OF FOREIGN AFFAIRS.

MONSIEUR LE MINISTRE,

The Spanish Government, sincerely desirous of extending commercial relations between the two friendly countries, has the honour to propose :

The conclusion of an agreement of principle with a view to the favourable consideration by both Parties of any requests which may be made by either country to the other concerning :

(a) Establishment by either country of special tariff rates in the case of objects of trade between the two countries ;

(b) Inclusion in Lists A and C respectively of particular products not therein included ;

(c) Encouragement of the desires expressed by producers in both countries in regard to rational co-operation in foreign markets, as also in regard to trade policy in the case of hazel nuts, salt, olives and olive oils, and raisins.

I have the honour to be, etc.

(Signed) Joaquín URZÁIZ CADAVAL.

His Excellency
Monsieur Tevfik Kâmil Koperler,
Madrid.

IV.

TURKISH LEGATION.

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of Your Excellency's letter of to-day's date in the following terms :

“ The Spanish Government, sincerely desirous of extending commercial relations between the two friendly countries, has the honour to propose :

“ The conclusion of an agreement of principle with a view to the favourable consideration by both Parties of any requests which may be made by either country to the other concerning :

“ (a) Establishment by either country of special tariff rates in the case of objects of trade between the two countries ;

“ (b) Inclusion in Lists A and C respectively of particular products not therein included ;

“ (c) Encouragement of the desires expressed by producers in both countries in regard to rational co-operation in foreign markets, as also in regard to trade policy in the case of hazel nuts, salt, olives and olive oils, and raisins. ”

I have taken note of the same, and on behalf of my Government am in agreement therewith.

I have the honour to be, etc.

(Signed) Tevfik Kâmil KOPERLER.

(Signed) Faik KURDOĞLU.

His Excellency
Don Joaquín Urzáiz Cadaval,
Minister for Foreign Affairs,
etc., etc., etc.

V.

TURKISH LEGATION.

YOUR EXCELLENCY,

With reference to Your Excellency's enquiry as to the interpretation placed upon the word “ figured ” by the Turkish Customs, I have the honour to inform you as follows :

Tissues are considered “ figured ” if their surface is not smooth owing to the use of threads of different weaves (warp or weft).

I have the honour to be, etc.

(Signed) Tevfik Kâmil KOPERLER.

(Signed) Faik KURDOĞLU.

His Excellency
Don Joaquín Urzáiz Cadaval,
Minister for Foreign Affairs,
etc., etc., etc.

VI.

MINISTRY
OF FOREIGN AFFAIRS.

MONSIEUR LE MINISTRE,

I have the honour to acknowledge the receipt of Your Excellency's letter of to-day's date in the following terms :

“ With reference to Your Excellency's enquiry as to the interpretation placed upon the word ‘ figured ’ by the Turkish Customs, I have the honour to inform you as follows:

“ Tissues are considered ‘ figured ’ if their surface is not smooth owing to the use of threads of different weaves (warp or weft). ”

I thank you for your communication.

I have the honour to be, etc.

His Excellency
Monsieur Tevfik Kâmil Koperler,
Madrid.

(Signed) Joaquín URZÁIZ CADAVAL.