

No. 4452

**UNITED STATES OF AMERICA
and
POLAND**

**Surplus Agricultural Commodities Agreement (with exchange
of notes). Signed at Washington, on 15 February 1958**

Official texts : English and Polish.

Registered by the United States of America on 24 July 1958.

**ÉTATS-UNIS D'AMÉRIQUE
et
POLOGNE**

**Accord relatif aux produits agricoles en surplus (avec
échange de notes). Signé à Washington, le 15 février
1958**

Textes officiels anglais et polonais.

Enregistré par les États-Unis d'Amérique le 24 juillet 1958.

No. 4452. SURPLUS AGRICULTURAL COMMODITIES
 AGREEMENT¹ BETWEEN THE UNITED STATES OF
 AMERICA AND THE POLISH PEOPLE'S REPUBLIC.
 SIGNED AT WASHINGTON, ON 15 FEBRUARY 1958

The Government of the United States of America and the Government of the Polish People's Republic,

Recognizing the desirability of expanding trade in agricultural commodities between their two countries in a manner which would not displace usual marketings of the United States of these commodities or unduly disrupt world prices of agricultural commodities ;

Considering that the sale for zlotys of agricultural commodities produced in the United States will assist in achieving such an expansion of trade ;

Desiring to set forth the understandings which will govern the sales of agricultural commodities by the Government of the United States of America pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities ;

Have agreed as follows :

Article I

SALES FOR LOCAL CURRENCY

Subject to the issuance by the Government of the United States of America and acceptance by the Government of the Polish People's Republic of purchase authorizations, the Government of the United States of America undertakes to finance the sale to purchasers authorized by the Government of the Polish People's Republic of the following agricultural commodities pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended :

<i>Commodity</i>	<i>Value (million dollars)</i>
Wheat	\$25. 7
Barley	7. 2
Corn	2. 6
Grain sorghums 8
Cotton	16. 8
Soybean oil and/or cottonseed oil	9. 9
Nonfat dry milk	3. 3
Ocean transportation	6. 7
TOTAL	\$73. 0

¹ Came into force on 15 February 1958, upon signature, in accordance with article VI.

Purchase authorizations will be issued not later than 90 calendar days after the effective date of this agreement. They will include provisions related to the procurement and delivery of commodities, the time and circumstances of the deposit of the zlotys accruing from such sale, and other relevant matters.

Article II

USES OF ZLOTYS

1. The two Governments agree that the zlotys accruing to the Government of the United States of America as a consequence of the sales made pursuant to this Agreement will be used by the Government of the United States of America, in accordance with Section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended, to help develop new markets for United States agricultural commodities under subsection (a) thereof; to finance the purchase of goods or services for other countries under subsection (d) thereof; to pay United States obligations under subsection (f) thereof; to finance educational exchange activities under subsection (h) thereof; and to finance the translation, publication and distribution of books and periodicals under subsection (i) thereof.

2. The zlotys accruing under this Agreement shall be expended by the Government of the United States of America, for the purposes stated in paragraph 1 of this Article, in such manner and order of priority as the Government of the United States of America shall determine. It is understood that, with respect to the purchase of goods or services for other countries, the types, quantities and prices will be subject to negotiation between the two Governments.

Article III

DEPOSIT OF ZLOTYS

1. The amount of zlotys to be deposited to the account of the United States shall be the dollar sales value of the commodities reimbursed or financed by the Government of the United States converted into zlotys at the highest of any rate of exchange (i. e., the largest number of zlotys per U.S. dollar) established by the Government of the Polish People's Republic or any agency thereof, prevailing on the dates of dollar disbursements by the United States. Such dollar sales value shall include ocean freight and handling reimbursed or financed by the Government of the United States under this Agreement except that it shall not include any extra cost of ocean freight resulting from a United States requirement that the commodities be transported on U.S. flag vessels.

2. The two Governments agree that the following procedure shall apply with respect to the zlotys deposited to the account of the United States under this Agreement.

- (a) On the date of the deposit of such zlotys to the account of the U.S. they shall, at the same rate of exchange at which they were deposited, be converted and transferred to a special dollar denominated account to the credit of the United States Government in the National Bank of Poland.
- (b) Withdrawals in zlotys from such special dollar denominated account by the United States for uses referred to in Article II of this Agreement other than the purchase of goods or services for other countries shall be paid by the National Bank of Poland at the highest of any rate of exchange (i. e., the largest number of zlotys per U.S. dollar) established by the Government of the Polish People's Republic or any agency thereof, prevailing on the date of the withdrawal, provided that if such rate is less favorable than the rate at which zlotys were deposited under paragraph 1 of this Article, the rate in paragraph 1 shall apply.
- (c) Payment for purchases of goods or services for other countries referred to in Article II of this Agreement shall be made by reducing the balance in the dollar denominated account by an amount equal to the dollar prices of such purchases agreed upon by the two Governments.
- (d) If any unused balance remains in such special dollar denominated account on and after March 1, 1963, the Government of the Polish People's Republic agrees that if the United States Government shall so elect, the National Bank of Poland will sell to the Government of the United States the sum of \$2,810,000 in dollar exchange annually, beginning on March 1, 1963, and on each succeeding March 1, such dollar exchange to be paid for by reducing the balance in the dollar denominated account by the same amount.

Article IV

GENERAL UNDERTAKINGS

1. The Government of the Polish People's Republic agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or the use for other than domestic purposes (except where such resale, transshipment, or use is specifically approved by the Government of the United States of America), of the surplus agricultural commodities purchased pursuant to the provisions of this Agreement, and to assure that the purchase of such commodities does not result in increased availability of these or like commodities for export to other countries.

2. The two Governments agree that they will take reasonable precaution to assure that sales or purchases of surplus agricultural commodities pursuant

to this Agreement will not unduly disrupt world prices of agricultural commodities or displace usual marketings of the United States of America in these commodities.

Article V

CONSULTATION

The two Governments will, upon the request of either of them consult regarding any matter relating to the application of this Agreement or to the operation of arrangements carried out pursuant to this Agreement.

Article VI

ENTRY INTO FORCE

This Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE in duplicate at Washington in the English and Polish languages this fifteenth day of February, 1958.

For the Government of the United States of America :
Wilson T. M. BEALE JR.

For the Government of the Polish People's Republic :
Tadeusz ŁYCHOWSKI

EXCHANGE OF NOTES

I

The Secretary of State to the Polish Economic Minister

DEPARTMENT OF STATE

WASHINGTON

February 15, 1958

Excellency :

I have the honor to refer to the Surplus Agricultural Commodities Agreement between the Government of the United States of America and the Government of the Polish People's Republic signed today¹ and in particular to Article III, Paragraph 1, concerning the rate of exchange for the deposit of zlotys by the Government of the Polish People's Republic in payment for surplus agricultural commodities.

I wish to confirm the United States Government's understanding of the agreement reached that so long as there is no change in the present exchange rate system of Poland, the rate of twenty-four (24) zlotys per U.S. dollar shall be considered the "highest of any rate of exchange (i. e. the largest number of zlotys per U.S. dollar), established by the Government of the Polish People's Republic or any agency thereof."

I shall appreciate receiving Your Excellency's confirmation of the above understanding.

Accept, Excellency, the renewed assurance of my highest consideration.

For the Secretary of State :

Wilson T. M. BEALE, Jr.
Deputy Assistant Secretary of State
for Economic Affairs

His Excellency Tadeusz Łychowski
Economic Minister
Embassy of the Polish People's Republic

¹ See p. 218 of this volume.

[TRANSLATION¹ — TRADUCTION²]

Washington, February 15, 1958

Excellency :

I have the honor to refer to Your Excellency's note of February 15, 1958, which reads as follows :

[See note I]

I have the honor to confirm on behalf of my Government the above interpretation of the said note.

Accept, Excellency, the renewed assurances of my highest consideration.

Tadeusz ŁYCHOWSKI
Minister Plenipotentiary
Economic Adviser

His Excellency John Foster Dulles
Secretary of State

¹ Translation by the Government of the United States of America.

² Traduction du Gouvernement des États-Unis d'Amérique.