

No. 4989

**UNITED STATES OF AMERICA
and
POLAND**

Surplus Agricultural Commodities Agreement (with exchange of notes). Signed at Washington, on 10 June 1959

Official texts : English and Polish.

Registered by the United States of America on 28 December 1959.

**ÉTATS-UNIS D'AMÉRIQUE
et
POLOGNE**

**Accord relatif aux surplus agricoles (avec échange de notes).
Signé à Washington, le 10 juin 1959**

Textes officiels anglais et polonais.

Enregistré par les États-Unis d'Amérique le 28 décembre 1959.

No. 4989. SURPLUS AGRICULTURAL COMMODITIES AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE POLISH PEOPLE'S REPUBLIC. SIGNED AT WASHINGTON, ON 10 JUNE 1959

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,

¹ Came into force on 10 June 1959, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Value (million dollars)</i>
Wheat	\$14.1
Barley	11.0
Corn and/or grain sorghums6
Cotton	8.8
Soybean oil and/or cottonseed oil	4.7
Nonfat dry milk8
Ocean transportation	4.0
TOTAL	\$44.0

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; to finance the translation, publication and distribution of books and periodicals under subsection (i) thereof; and for other expenditures by the Government of the United States of America under subsections (k), (l), (m), and (n) thereof. Uses under subsections (k), (l), (m) and (n) shall be subject to legislative action by the Congress of the United States of America.

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 Government of the United States of America shall be the dollar sales value of the commodities reimbursed or financed by the Government of the United States of America 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 Government of the United States of America. Such dollar sales value shall include ocean freight and handling reimbursed or financed by the Government of the United States of America 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 United States flag vessels.

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

- (a) On the date of the deposit of such zlotys to the account of the United States 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 more appreciated 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 June 1, 1964, 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 \$1,690,000 in dollar exchange annually, beginning on June 1, 1964, and on each succeeding June 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 tenth day of June, 1959.

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

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

EXCHANGE OF NOTES

I

*The Acting Secretary of State to the Minister Plenipotentiary, Economic Counselor,
Polish Embassy*

DEPARTMENT OF STATE
WASHINGTON

June 10, 1959

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 I, 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 assurances of my highest consideration.

For the Acting Secretary of State :

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

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

¹ See p. 42 of this volume.

[TRANSLATION¹ — TRADUCTION²]

EMBASSY OF THE POLISH PEOPLE'S REPUBLIC
WASHINGTON, D. C.

Washington, June 10, 1959

Excellency :

I have the honor to refer to your note of June 10, 1959, which reads as follows :

[*See note I*]

On behalf of my Government I have the honor to confirm the interpretation represented in the foregoing note.

Accept, Excellency, the assurances of my highest consideration.

Tadeusz ŁYCHOWSKI
Minister Plenipotentiary
Economic Counselor

His Excellency C. Douglas Dillon
Acting Secretary of State

¹ Translation by the Government of the United States of America.
² Traduction du Gouvernement des États-Unis d'Amérique.