

No. 5456

**UNITED STATES OF AMERICA
and
POLAND**

**Surplus Agricultural Commodities Agreement (with exchange
of notes). Signed at Washington, on 21 July 1960**

Official texts : English and Polish.

Registered by the United States of America on 15 November 1960.

**ÉTATS-UNIS D'AMÉRIQUE
et
POLOGNE**

**Accord relatif aux surplus agricoles (avec échange de notes).
Signé à Washington, le 21 juillet 1960**

Textes officiels anglais et polonais.

Enregistré par les États-Unis d'Amérique le 15 novembre 1960.

No. 5456. SURPLUS AGRICULTURAL COMMODITIES AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE POLISH PEOPLE'S REPUBLIC. SIGNED AT WASHINGTON, ON 21 JULY 1960

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 America of these commodities or unduly disrupt world prices of agricultural commodities ;

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

Desiring to set forth the understandings which will govern the sales, as specified below, of surplus agricultural commodities to Poland pursuant to Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (hereinafter referred to as the Act) 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 ZLOTYS

1. Subject to the availability of commodities for programming under the Act and to 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 sales for zlotys to purchasers authorized by the Government of the Polish People's Republic of the following agricultural commodities determined to be surplus pursuant to the Act, in the amounts indicated :

¹ Came into force on 21 July 1960, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Market Value (Million)</i>
Wheat	\$61.5
Barley	12.5
Corn	2.5
Grain sorghums.	4.5
Cotton	28.0
Soybean/cottonseed oil	7.5
Tobacco	1.5
Nonfat dry milk	1.5
Ocean transportation (50%)	10.5
TOTAL	\$130.0

2. Applications for purchase authorizations will be made within 90 calendar days after the effective date of this Agreement. Purchase authorizations will be issued promptly and will include provisions relating to the sale and delivery of commodities, the time and circumstances of 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 Act, 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), (n), (q) and (r) 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 deposit of zlotys to the account of the Government of the United States of America in payment for the commodities and for ocean transportation costs finan-

ced by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) shall be made 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.

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 July 1, 1970, 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 \$4,330,000 in dollar exchange annually, beginning on July 1, 1970, and on each succeeding July 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 precautions to assure that all sales or purchases of surplus agricultural commodities pursuant to this Agreement will not displace usual marketings of the United States of America in these commodities or unduly disrupt world prices of agricultural commodities.

3. The Government of the Polish People's Republic agrees to furnish, upon request of the United States of America, information on the progress of the program particularly with respect to the arrival and condition of commodities and information relating to exports of the same or like 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

The 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 21 day of July, 1960.

For the Government of the United States of America :

Thomas C. MANN

For the Government of the Polish People's Republic :

Tadeusz ŁYCHOWSKI

EXCHANGE OF NOTES

I

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

DEPARTMENT OF STATE

WASHINGTON

July 21, 1960

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 today.¹

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of our Governments with respect to several matters related to the Agreement.

It is understood that the Government of the Polish People's Republic will provide facilities for the conversion of up to \$1,000,000 worth of zlotys into other currencies for use by the Government of the United States of America for agricultural market development activities in other countries under Section 104 (a) of the Agricultural Trade Development and Assistance Act, as amended. Before such facilities are provided, there shall be consultation between the two Governments with respect to the specific currencies involved and the timing of their conversion.

It is understood that during the periods in which the commodities included in the Agreement are utilized, consultation will take place prior to exports of these or like commodities from Poland. With respect to cotton textiles, it is understood that should Poland's exports of textiles be increased during the period in which the cotton included in this Agreement is utilized as compared with the immediately preceding corresponding period, a corresponding increase in imports of cotton other than cotton acquired under this program will take place.

It is understood that not less than 175,000 metric tons of the barley included in this Agreement will be used only for human consumption and any remaining portion for feed in Poland and that it will in no way increase the availability of barley for export from Poland. It is understood that Poland's exports of barley for brewing are not affected by imports of barley under this Agreement.

It is understood that Poland will maintain its usual imports of tobacco from its usual suppliers during 1960 and that Poland's usual exports of machorka tobacco are not affected by imports of tobacco under this Agreement.

¹ See p. 158 of this volume.

It is understood that nonfat dry milk included in this Agreement will be used only for human consumption.

It is understood that during the year ending June 30, 1961, Polish exports of lard to Western European countries will not exceed 7,000 metric tons and that all possible efforts will be made to hold the amount to 6,000 metric tons and that Polish exports of lard to Eastern European countries will be held to as low a level as existing commitments to these countries will permit, from 4,000 to 5,000 metric tons.

It is understood in connection with the use of zlotys for the purposes referred to in paragraph 1, Article II of the Agreement with the exception of subsection (h) that the Government of the Polish People's Republic agrees to the expenditure of up to \$50,000 worth of zlotys by the Government of the United States of America to purchase international air transportation originating either in Poland or in the United States including connecting travel in Europe for personnel of the United States Government and for persons included in official delegations of the Department of Agriculture. It is also understood that the Government of the Polish People's Republic will provide facilities for the conversion of up to \$100,000 worth of zlotys per annum for five years (U.S. fiscal years 1962 to 1966 inclusive) for use by the Government of the United States of America to finance an exchange of persons program between Poland and the United States of America under Section 104 (h) of the Act.

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

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

For the Secretary of State :

Thomas C. MANN
Assistant Secretary

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

[TRANSLATION¹ — TRADUCTION²]

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

Washington, July 21, 1960

Excellency :

I have the honor to confirm the receipt of your note of July 21, 1960, which reads as follows :

[*See note I*]

On behalf of my Government, I have the honor to confirm the understanding set forth in the aforesaid note.

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

Tadeusz ŁYCHOWSKI
Minister Plenipotentiary
Economic Counselor

His Excellency Christian A. Herter
Secretary of State

III

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

DEPARTMENT OF STATE
WASHINGTON

July 21, 1960

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 today 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

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

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

“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 Secretary of State :

Thomas C. MANN
Assistant Secretary

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

IV

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

EMBASSY OF THE POLISH PEOPLE’S REPUBLIC

WASHINGTON, D. C.

[POLISH TEXT — TEXTE POLONAIS]

Waszyngton, dnia 21 lipca 1960 r.

Ekscelencjo,

Mam zaszczyt powołać się na Pakską notę z dnia 21 li3ca 1960 r., która brzmi następująco :

„Mam zaszczyt powołać się na podpisaną dzisiaj między Rządem Stanów Zjednoczonych Ameryki i Rządem Polskiej Rzeczypospolitej Ludowej Umowę o Nadwyżkach Produktów Rolnych, a w szczególności na Artykuł III, paragraf 1, dotyczący kursu stosowanego przy deponowaniu przez Rząd Polskiej Rzeczypospolitej Ludowej słotych z tytułu zapłaty za nadwyżkowe produkty rolne.

Pragnę potwierdzić, że Rząd Stanow Zjednoczonych interpretuje osiągniętią Umowę w ten sposób, że dopóki nie nastąpi w Polsce zmiana w obecnym systemie kursów, kurs 24 złote za dolara US będzie uważany za “najwyższy ze wszystkich kursów (tj. wedle największej ilości złotych za dolara US), ustanowionych przez Rząd Polskiej Rzeczypospolitej Ludowej lub jakikolwiek jego organ”.

Będę zobowiązany Ekszelencij za potwierdzenie przez Waszą Ekszelencję powyższej interpretacji.

Proszę Ekszelencję o przyjęcie ponownych zapewnień mojego najwyższego szacunku.“

Mam zaszczyt potwierdzić w imieniu mojego Rządu interpretację przedstawioną w wyżej zacytowanej nocie.

Proszę Ekszelencję o przyjęcie zapewnień mojego najwyższego szacunku.

Tadeusz ŁYCHOWSKI
Minister Pełnomocny
Radca Ekonomiczny

Jego Ekszelencja Christian A. Herter
Sekretarz Stanu

[TRANSLATION¹ — TRADUCTION²]

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

Washington, July 21, 1960

Excellency :

I have the honor to refer to your note of July 21, 1960, which reads as follows :

[See note III]

On behalf of my Government, I have the honor to confirm the understanding set forth in the aforesaid note.

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

Tadeusz ŁYCHOWSKI
Minister Plenipotentiary
Economic Counselor

His Excellency Christian A. Herter
Secretary of State

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

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