

**UNITED STATES OF AMERICA
and
POLAND**

✓ Agreement relating to the purchase by Poland of surplus property prior to January 1, 1948. Signed at Washington, on 22 April 1946

✓ Protocol concerning the implementation of paragraph six of the above-mentioned Agreement. Signed at Warsaw, on 17 September 1947

✓ Agreement extending the period of purchase of surplus property under the above-mentioned Agreement. Signed at Paris, on 10 December 1947, and at Warsaw, on 31 December 1947

✓ Exchange of notes constituting an agreement relating to the payment by the Polish Government of the difference in repaying the principal of the above-mentioned Agreement of 22 April 1946. Warsaw, 20 March 1961

Official text of the Agreements and Protocol: English.

Official texts of the exchange of notes: English and Polish.

Registered by the United States of America on 6 September 1961.

No. 5851. AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND POLAND RELATING TO THE PURCHASE BY POLAND OF SURPLUS PROPERTY PRIOR TO JANUARY 1, 1948. SIGNED AT WASHINGTON, ON 22 APRIL 1946

22 April 1946

His Excellency Oskar Lange
Ambassador of Poland
Washington, D. C.

My Dear Mr. Ambassador :

Representatives of your Government have expressed an interest in the purchase of United States surplus property. I am glad to inform you that the Office of The Foreign Liquidation Commissioner has surplus property available which may be acquired by your Government. The quantities and types of such surplus property, the prices thereof and other terms of sale, including provisions for exchanges of property, are matters for agreement between the Office of the Foreign Liquidation Commissioner, or its Field Commissioners, and the representatives of your Government. For the purposes of any purchases which are made by your Government prior to January 1, 1948 of surplus property made available by the Office of the Foreign Liquidation Commissioner, we would be willing to extend a line of credit to your Government for an aggregate amount not in excess of \$50,000,000, subject to the following conditions and terms of payment :

(1) A sum in United States dollars, equal to the total purchase price of individual sales of such surplus property shall be paid in twenty-five (25) equal annual installments beginning on July 1, 1952 and continuing thereafter on July 1, of each year up to and including July 1, 1976, subject to the provisions of paragraphs (4), (5) and (6) of this letter.

(2) Interest shall accrue from the respective dates specified in the individual sales contracts for the taking of delivery by the Government of Poland, and shall be paid on the outstanding unpaid balance of the total purchase price. The rate of interest shall be two and three-eighths percent ($2\frac{3}{8}\%$) per annum, payable on July 1 of each year, the first payment to be made on July 1, 1947.

(3) Except as otherwise provided herein, all payments of principal and interest shall be made in United States dollars to the Treasurer of the United States, through the Federal Reserve Bank of New York.

¹ Came into force on 22 April 1946, upon signature.

(4)(a) In the event the Government of the United States wishes to receive local currency of the Government of Poland for the payment of any or all expenditures in Poland of the Government of the United States and its agencies, the Government of the United States may request at any time or times, and the Government of Poland agrees to furnish at such time or times, Polish currency at an exchange rate as provided in sub-paragraph (4)(b), in any amount not in excess of the net outstanding balance of principal (whether or not then due in United States dollars) plus interest (then due in United States dollars) payable under the terms of this letter : provided, however, that except by mutual agreement between the Government of the United States and the Government of Poland, the Government of the United States shall not be entitled to receive in any single calendar year under the terms of this paragraph (4) and paragraph (6) any local currency or property the combined total value of which is in excess of \$2,000,000. In the event that local currency is received by the Government of the United States under the terms of this paragraph, the United States dollar equivalent of the amount received shall be credited first to past due interest, if any, and then *pro rata* to all remaining unpaid installments of principal.

(4)(b) The exchange rate shall be that established by the International Monetary Fund, provided that, if no such rate exists, the rate shall be that rate most favorable to the United States which was used in any Polish Government transactions with any party during the preceding twelve months period.

(5) The Government of Poland may anticipate the payment, in United States dollars, of any installment of principal, or any part thereof, provided that this right of anticipation may not be exercised when any installment of principal or interest is past due and unpaid.

(6) When the Government of the United States wishes to acquire any property, real or personal, tangible or intangible, or to improve any property in which it has interest, at the expense of the Government of Poland, the Government of the United States will request at any time or times and the Government of Poland agrees at any such time or times to enter into negotiations with the Government of the United States and to use its best efforts to consummate without any undue delay appropriate contracts by mutual agreement wherein the Government of Poland will furnish to the Government of the United States the properties or improvements it desires or which its representatives have selected. Representatives of the Government of the United States may at their discretion conduct discussions directly with owners of property or with contractors for improvements as to fair terms and price prior to the acquisition of such property or improvements by the Government of Poland for delivery to the Government of the United States. When performance of any such contract is made by the Government of Poland, the Government of the United States shall credit the Government of Poland with the United States dollar equivalent of the fair value received at an exchange rate as provided in sub-paragraph (4)(b), such credit being applied first to past due interest, if any, and then *pro rata* to all

remaining unpaid installments of principal. The total value of property to be delivered by the Government of Poland in any calendar year shall be subject to the annual limitation specified in sub-paragraph 4 (a).

(7) If these terms are agreeable to your Government it is requested that you indicate its acceptance thereof by signing and returning to me the enclosed duplicate original of this letter. When this has been done I shall inform my Field Commissioners as to the terms in order that they may be appropriately incorporated or referred to in any contracts for the sale or exchange of surplus property which may be executed between my Field Commissioners and representatives of your Government.

As we have explained in our informal discussions with representatives of your Government, the purpose of this letter is to facilitate our surplus property transactions by arriving at an overall understanding as to a maximum line of credit, credit terms and exchanges of property.

My letter to you dated February 7, 1946 regarding a dollar credit agreement for surplus property sales is hereby withdrawn.

Sincerely yours,

Thomas B. McCABE
Special Assistant to the Secretary of State
and Foreign Liquidation Commissioner

The terms of the foregoing letter
are hereby accepted.

Oskar LANGE
April 22, 1946

PROTOCOL¹ BETWEEN THE UNITED STATES OF AMERICA AND POLAND CONCERNING THE IMPLEMENTATION OF PARAGRAPH SIX OF THE AGREEMENT OF 22 APRIL 1946² RELATING TO THE PURCHASE BY POLAND OF SURPLUS PROPERTY PRIOR TO JANUARY 1, 1948. SIGNED AT WARSAW, ON 17 SEPTEMBER 1947

With reference to the provisions of the Surplus Property Agreement entered into by the Governments of the United States and Poland at Washington on April 22, 1946,² the contracting parties agree to the following terms in connection with the implementation of the foregoing Agreement :

1) If the Government of the United States shall acquire the use of *either by fee or lease* any real property in Warsaw the Embassy of the United States in Warsaw shall so notify the Ministry of Finance in Warsaw transmitting the original or a certified copy of the *purchase or lease* agreement, which shall contain precise data as to the amount and date or dates of payment of the agreed purchase price *or rental* of the property in question.

2) In the event an agreement is entered into for repair, *renovation or construction of property owned or leased or to be owned or leased by the Government of the United States*, the Embassy of the United States will also submit to the Ministry of Finance the original or a certified copy of the agreement with the contractor which shall show the total value of the contract and the terms of payment. *In the event that no formal agreement exists, then the Embassy shall submit to the Ministry of Finance certified copies of bills for work or services performed.*

3) *It is agreed that costs chargeable by the Embassy of the United States under this Protocol for the purposes described in paragraphs 1 and 2 may include :*

1. *United States Embassy architects' and engineers' fees.*
2. *Legal charges, notarial fees, land transfer tax, stamp tax.*
3. *Costs involved in removal of tenants.*
4. *Equipment purchased locally.*
5. *All other auxiliary costs and charges payable in zlotys.*
6. *All back charges by the Government of Poland or others on property occupied or leased by the United States Embassy if payable in zlotys and if approved and accepted by the United States Embassy !*

4) The Government of Poland shall place at the disposal of the Government of the United States through the United States Embassy in Warsaw the amounts

¹ Came into force on 17 September 1947, upon signature.

² See p. 216 of this volume.

in Polish currency required for the payment of contracts and bills submitted to the Ministry of Finance in accordance with paragraphs 1, 2, and 3 of this Protocol.

5) The total sum in Polish currency placed at the disposal of the Government of the United States in accordance with paragraph 7 of this Protocol will not exceed in any one calendar year the equivalent in Polish currency as defined below in paragraph 7 of \$2,000,000 in accordance with the limitation contained in sub-paragraph 4a of the Surplus Property Agreement of April 22, 1946.

6) *It is agreed that upon the signature of the present Protocol, the Polish Ministry of Finance will deposit to the account of the United States Embassy in Warsaw zloty funds in amounts requested by the United States Embassy in Warsaw not to exceed the amount to which the United States Government may be entitled under the provisions of paragraphs 5 and 7 of this Protocol for any one calendar year, it being understood however that the United States Government will credit the Polish Government under the Surplus Property Agreement with dollars converted in accordance with the procedure described below in paragraph 7 only against such withdrawals of zlotys as are made from time to time by the United States Embassy in Warsaw from the deposits of zloty funds described above.*

7) The sums in Polish currency placed at the disposal of the United States Government under this Protocol shall be credited by the United States Government to the Polish Government in dollars. The conversion rate to be used shall be 100 zlotys to 1 dollar supplemented by an addition of 300 zlotys for each dollar, this supplement to be granted by the Government of Poland to offset the abnormally high construction costs in Warsaw. This supplement shall apply to this Protocol only, shall not constitute a precedent, and shall be considered as having no connection with the rate of exchange.

8) In the event that the *dollar-zloty rate of exchange is established in accordance with paragraph 4b of the Surplus Property Agreement*, the provisions of paragraph 7 of this Protocol will become inoperative and conversion of zlotys into dollars will be in accordance with the rate of exchange so established; provided however, that if this rate is less advantageous to the Government of the United States than the procedure described in paragraph 7 of this Protocol, the Government of Poland shall grant the Government of the United States, under a similar arrangement to that described in paragraph 7 of this Protocol, a supplement to offset abnormal construction costs in Warsaw so that the net sum received will not be less than 400 zlotys for each dollar.

9) *It is mutually agreed that the present Protocol may be cancelled by either Contracting Party on thirty days' notice, excepting as to contracts already entered into and for which funds are not already on deposit.*

Nowicki ZYGMUNT

Edward S. CROCKER

Warsaw, September 17, 1947

AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND POLAND EXTENDING THE PERIOD OF PURCHASE OF SURPLUS PROPERTY UNDER THE AGREEMENT OF 22 APRIL 1946² RELATING TO THE PURCHASE BY POLAND OF SURPLUS PROPERTY PRIOR TO JANUARY 1, 1948. SIGNED AT PARIS, ON 10 DECEMBER 1947, AND AT WARSAW, ON 31 DECEMBER 1947

UNITED STATES OF AMERICA
OFFICE OF THE FOREIGN LIQUIDATION COMMISSIONER
Headquarters, Central Field Commissioner for Europe
Paris XVI, France

December 10, 1947

The Minister of Finance
Government of Poland
Warsaw, Poland

Dear Mr. Minister:

Reference is made to the Letter of Credit Agreement dated 22 April 1946² between the Government of the United States and the Government of Poland which provides for the purchase of surplus property made available by the Office of the Foreign Liquidation Commissioner prior to 1 January 1948.

I take this occasion to inform you that, although no final decision has yet been reached as to the prolongation of the period for purchase of surplus property, my government has authorized me to inform you that it is now willing to extend this period to 31 January 1948 subject to the same terms and conditions as stated in the present credit agreement dated 22 April 1946. It is hoped that this limited extension will provide ample opportunity to complete consideration of any further extension of the period during which surplus property may be made available by the Office of the Foreign Liquidation Commissioner.

If these terms are agreeable to your government, it is requested that you indicate the acceptance of your government by signing and returning to me the inclosed duplicate original of this letter.

Sincerely yours,

Clyde L. HYSSONG
Maj. Gen. USA
Central Field Commissioner for Europe

The terms of the foregoing letter
are hereby accepted.

K. DABROWSKI
Minister of Finance
of the Republic of Poland
Warsaw, December 31, 1947

¹ Came into force on 31 December 1947, upon signature.

² See p. 216 of this volume.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹
BETWEEN THE UNITED STATES OF AMERICA AND
POLAND RELATING TO THE PAYMENT BY THE
POLISH GOVERNMENT OF THE DIFFERENCE IN
REPAYING THE PRINCIPAL OF THE AGREEMENT OF
22 APRIL 1946² RELATING TO THE PURCHASE OF
POLAND OF SURPLUS PROPERTY PRIOR TO JAN-
UARY 1, 1948. WARSAW, 20 MARCH 1961

I

The American Ambassador to the Director-General, Polish Ministry of Finance

EMBASSY OF THE UNITED STATES OF AMERICA

No. 514

Warsaw, March 20, 1961

Excellency :

I have the honor to refer to the negotiations which have been conducted between the representatives of the Government of the United States of America and the Government of the Polish People's Republic relative to the payment by the Polish Government of the difference in repaying the principal of the Surplus Property Agreement dated April 22, 1946² which arose as a result of different methods of bookkeeping by the Ministry of Finance of the Polish People's Republic and the Treasury Department of the United States of America.

After reciprocal examination of the documentation it has been agreed that this difference amounts to \$1,901,963.15 calculated as of July 15, 1960.

It has been agreed that the Government of Poland will, in addition to the regular annual installments of principal and interest required under the Agreement of April 22, 1946, pay this difference to the Government of the United States of America in seven annual installments in the amount of \$271,709.02 plus interest beginning July 1, 1961 and on July 1 of each year thereafter to July 1, 1967 inclusive with the exception that the payment on July 1, 1967 will be \$271,709.03 plus interest. All payments will be in U.S. dollars and, in accordance with the Agreement of April 22, 1946, interest at the rate of 2³/₈ percent per annum will accrue on the unpaid balance.

It has been agreed that in making payments against the difference plus the regular annual installments of principal and interest, the Government of Poland will identify the amounts separately.

It is, of course, understood that at its option the Government of Poland may pre-pay installments or any part thereof.

¹ Came into force on 20 March 1961 by the exchange of the said notes.

² See p. 216 of this volume.

The foregoing agreements and arrangements do not modify or affect in any way the provisions of the Agreement of April 22, 1946.

I have the honor to propose that this note and the reply of the Government of Poland shall be regarded as constituting an agreement between our two governments with effect as from today's date.

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

Jacob D. BEAM

His Excellency Henryk Kotlicki
Director-General
Ministry of Finance
Warsaw

II

The Director-General, Polish Ministry of Finance, to the American Ambassador

[POLISH TEXT — TEXTE POLONAIS]

Warszawa, 20 marca 1961 r.

Ekscelencjo,

Mam zaszczyt potwierdzić odbiór Pańskiej noty z dnia dzisiejszego, której tekst jest następujący :

„Mam zaszczyt nawiązać do rozmów, które zostały przeprowadzone pomiędzy przedstawicielami Rządu Polskiej Rzeczypospolitej Ludowej i Rządu Stanów Zjednoczonych Ameryki, odnośnie zapłacenja przez Rząd Polski różnicy w spłacie kapitału z układu o kredycie demobilowym (*Surplus Property Agreement*) z dnia 22 kwietnia 1946 r., powstałej wskutek odmiennych metod księgowania stosowanych przez Ministerstwo Finansów Polskiej Rzeczypospolitej Ludowej i przez Departament Skarbu Stanów Zjednoczonych Ameryki.

Po wzajemnym zbadaniu dokumentacji uzgodniono, że wysokość różnicy wynosi \$ USA 1.901.963,15 obliczonej na dzień 15 lipca 1960 r.

Uzgodniono, że Rząd Polski zapłaci poza normalnymi rocznymi ratami na kapitał i odsetki, wymaganymi na zasadzie układu z dnia 22 kwietnia 1946 r., tę różnicę Rządowi Stanów Zjednoczonych Ameryki w siedmiu rocznych ratach w wysokości \$ 271.709,02 każda wraz z odsetkami, poczynając od dnia 1 lipca 1961 r. i w dniu 1 lipca każdego roku po tej dacie aż do dnia 1 lipca 1967 r. włącznie z tym, że wpłata w dniu 1 lipca 1967 r. wyniesie kwotę \$ 271.709,03 wraz z odsetkami. Wszystkie wpłaty dokonywane będą w dolarach Stanów Zjednoczonych, i — stosownie do układu z dnia 22 kwietnia 1946 r. — od niezapłaconego salda narastać będą odsetki według stopy 2 3/8 procent rocznie.

Uzgodniono, że przy dokonywaniu wpłat na poczet różnicy oraz na normalne roczne raty kapitału i odsetek, Rząd Polski będzie określał tytuły tych wpłat oddzielnie.

Rozumie się oczywiście, że Rządowi Polskiemu pozostawia się prawo przedterminowej spłaty poszczególnych rat względnie jakiegokolwiek ich części.

Powyższe uzgodnienia i ustalenia nie zmieniają ani nie oddziałują w żaden sposób na postanowienia układu z dnia 22 kwietnia 1946 r.

Mam zaszczyt zaproponować, aby niniejsza nota oraz odpowiedź Rządu Polskiego były uważane jako stanowiące porozumienie pomiędzy naszymi obydwooma rządami z mocą obowiązującą od dnia dzisiejszego¹.

Mam zaszczyt zakomunikować, że Rząd Polski akceptuje propozycję Pana, aby niniejsza nota i odpowiedź Rządu Polskiego na nią były uważane jako stanowiące porozumienie pomiędzy naszymi obydwooma rządami z mocą obowiązującą od dnia dzisiejszego.

Proszę przyjąć, Ekscelencjo, ponowne zapewnienia mego najwyższego poważania.

H. KOTLICKI

Jego Ekscelencja Jacob D. Beam
Ambasador Stanów Zjednoczonych
w Warszawie

[TRANSLATION¹ — TRADUCTION²]

Warsaw, March 20, 1961

Excellency :

I have the honor to confirm the receipt of your note of this date, the text of which is as follows :

[See note I]

I have the honor to communicate that the Government of Poland accepts your proposal that this note and the reply of the Government of Poland shall be regarded as constituting an agreement between our two governments, effective as of this date.

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

H. KOTLICKI

His Excellency Jacob D. Beam
Ambassador of the United States
Warsaw

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

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