

No. 6252

**UNITED STATES OF AMERICA
and
POLAND**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at
Washington, on 15 December 1961**

Official texts : English and Polish.

Registered by the United States of America on 16 July 1962.

**ÉTATS-UNIS D'AMÉRIQUE
et
POLOGNE**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée (avec
échange de notes). Signé à Washington, le 15 décembre
1961**

Textes officiels anglais et polonais.

Enregistré par les États-Unis d'Amérique le 16 juillet 1962.

No. 6252. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED STATES
OF AMERICA AND THE GOVERNMENT OF THE POLISH
PEOPLE'S REPUBLIC UNDER TITLE I OF THE AGRI-
CULTURAL TRADE DEVELOPMENT AND ASSISTANCE
ACT, AS AMENDED. SIGNED AT WASHINGTON, ON
15 DECEMBER 1961

The Government of the United States of America and the Government of the Polish Peoples'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 in these commodities or unduly disrupt world prices of agricultural commodities ;

Considering that the purchase for zlotys of 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 agricultural commodities to Poland pursuant to Title I of the Agricultural Trade Development and Assistance Act, 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 issuance by the Government of the United States of America and acceptance by the Government of the Polish People's Republic of purchase authorizations and to the availability of commodities under the Act at the time of exportation, 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 in the amounts indicated :

¹ Came into force on 15 December 1961, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Export Market Value (millions)</i>
Wheat	\$25.5
Barley	5.7
Soybean/cottonseed oil	7.7
Tallow	1.8
Ocean transportation (est.)	3.9
	<u>TOTAL \$44.6</u>

2. Applications for purchase authorizations will be made within 90 calendar days of the effective date of this Agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this Agreement will be made within 90 days of the effective date of such amendment. 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.

3. Purchase and shipment of the commodities mentioned above will be made within 18 calendar months of the effective date of this Agreement.

4. The financing, sale and delivery of commodities under this Agreement may be terminated by either Government if that Government determines that because of changed conditions the continuation of such financing, sale or delivery is unnecessary or undesirable.

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 (j), (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 amount of zlotys to be deposited to the account of the Government of the United States of America shall be the equivalent of the dollar sales value of the commodities and ocean transportation costs reimbursed or financed by the Government of the United States of America (except excess costs resulting from the requirement that United States flag vessels be used) converted into zlotys, as follows :

- (a) at the rate for dollar exchange applicable to commercial import transactions on the dates of dollar disbursements by the United States, provided that a unitary exchange rate applying to all foreign exchange transactions is maintained by the Government of the Polish People's Republic, or
- (b) if more than one legal rate for foreign exchange transactions exists, at the highest of any rate of exchange (i.e., the largest number of zlotys per US dollar) established by the Government of the Polish People's Republic or any agency thereof, prevailing on the dates of dollar disbursement by the Government of the United States of America.

2. In the event that a subsequent agricultural commodities agreement or agreements should be signed by the two Governments under the Act, any refunds of zlotys which may be due or become due under this Agreement more than two years from the effective date of this Agreement would be made by the Government of the United States of America from funds available from the most recent agricultural commodities agreement in effect at the time of the refund.

3. 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 US 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 January 2, 1972, 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 \$1,500,000 in dollar exchange annually, beginning on January 2, 1972, and on each succeeding January 2, 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 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 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 will take reasonable precautions to assure that all sales or purchases of agricultural commodities made 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 will furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to the arrival and condition of commodities and the understandings regarding commercial imports, 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 15th day of December, 1961.

For the Government of the United States of America :

Edwin M. MARTIN

For the Government of the Polish People's Republic :

Tadeusz ŁYCHOWSKI

EXCHANGE OF NOTES

I

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

DEPARTMENT OF STATE
WASHINGTON

December 15, 1961

Excellency :

I have the honor to refer to the 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 two Governments with respect to several matters related to the Agreement.

It is understood that during the periods in which the commodities included in the Agreement are being imported and utilized, consultation will take place prior to any export of these or like commodities from Poland.

It is understood that the barley included in this Agreement will be used only for human consumption and will not affect Poland's exports of barley for brewing.

It is understood that Poland will purchase and import from the United States of America with its own resources at least 200,000 metric tons of feedgrains during the year ending December 31, 1962.

It is understood that Poland will purchase and import with its own resources at least as much United States tallow during calendar year 1962 as was imported in calendar year 1961.

It is understood that during the year ending December 31, 1962, 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, i.e., from 4,000 to 5,000 metric tons. With respect to butter, it is understood that should Polish exports of butter be increased during the year ending December 31, 1962 (or any subsequent period during which vegetable oil included in this Agreement is utilized) as compared with the immediately preceeding corresponding period, Poland will purchase and import from the United States of America with its own resources a quantity of vegetable oil corresponding to such increase.

It is understood that in connection with the use of zlotys for the purposes referred to in paragraph 1, Article II of the Agreement that the Government of the

¹ See p. 4 of this volume.

Polish People's Republic agrees to the expenditure of up to \$200,000 worth of zlotys by the Government of the United States of America to purchase international 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 traveling in connection with activities financed by the United States Government under Section 104 of the Agricultural Trade Development and Assistance Act, as amended, including official delegations of the United States Department of Agriculture. It is understood that the Government of the Polish People's Republic will also provide for the conversion of zlotys within the above limitation into other currencies for the payment of per diem and incidental expenses of Polish scientists traveling abroad with transportation financed under Section 104 referred to above.

It is understood that the Government of the Polish People's Republic will provide facilities for the conversion of two percent of the zlotys accruing from sales pursuant to this Agreement into such other currencies as shall be requested by the Government of the United States of America for financing agricultural market development activities in other countries under Section 104 (a) of the 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 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 (United States 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.

It is understood that the provision in Article II of the Agreement for the use of zlotys for expenditures under subsection (j) of the Act is intended to provide for such use solely for financial assistance and support to the "Warsaw Elementary School", a school founded and sponsored by personnel of the United States Embassy at Warsaw.

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

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

For the Acting Secretary of State :

Edwin M. MARTIN
Assistant Secretary

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

Proszę, Ekszelencję o przyjęcie ponownych zapewnień mojego najwyższego szacunku.

Tadeusz ŁYCHOWSKI
Minister Pełnomocny
Radca Ekonomiczny

Jego Ekszelencja George W. Ball
Pełniący Obowiązki Sekretarza Stanu

[TRANSLATION¹ — TRADUCTION²]

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

Washington, December 15, 1961

Excellency :

I have the honor to confirm the receipt of your note of December 15, 1961, 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 George W. Ball
Acting Secretary of State

III

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

DEPARTMENT OF STATE
WASHINGTON

December 15, 1961

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of the Polish

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

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

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 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 :

Edwin M. MARTIN
Assistant Secretary

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

IV

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

[POLISH TEXT — TEXTE POLONAIS]

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

Waszyngton, dnia 15 grudnia 1961 r.

Ekscelencjo,

Mam zaszczyt powołać się na Pańską notę z dnia 15 grudnia 1961 r., która brzmi następująco :

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

Pragnę potwierdzić, że Rząd Stanów Zjednoczonych interpretuje osiągniętą 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 Ekszelencji 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 George W. Ball
Pełniący Obowiązki Sekretarza Stanu

[TRANSLATION¹ — TRADUCTION²]

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

Washington, December 15, 1961

Excellency :

I have the honor to refer to your note of December 15, 1961, 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 George W. Ball
Acting Secretary of State

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

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