

No. 7375

**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 Wash-
ington, on 3 February 1964**

Official texts: English and Polish.

Registered by the United States of America on 11 August 1964.

**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 3 février 1964**

Textes officiels anglais et polonais.

Enregistré par les États-Unis d'Amérique le 11 août 1964.

No. 7375. 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 AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE
ACT, AS AMENDED, SIGNED AT WASHINGTON, ON
3 FEBRUARY 1964

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

Considering that the purchase for Polish 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 POLISH 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 Polish 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 3 February 1964, by signature, in accordance with article VI.

<i>Commodity</i>	<i>Export market value (millions)</i>
Wheat	\$9.7
Cotton	5.7
Edible oil.	10.8
Tobacco (leaf).	2.6
Ocean transportation (est.)	1.9
	TOTAL \$30.7

2. Applications for purchase authorizations will be made within 90 calendar days after 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 after the effective date of such amendment. Purchase authorizations will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of Polish zlotys accruing from such sale, and other relevant matters.

3. 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 may 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 the Agreement may 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 Polish 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 if¹ 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. Any refunds of Polish zlotys which may become due under this Agreement may be made by the Government of the United States of America from funds available under this Agreement. Any refunds of Polish zlotys which may be due or become due under any prior agreement under the Act for which undisbursed funds are no longer available in the accounts of the Government of the United States of America in Poland may be made by the Government of the United States of America from funds available under this Agreement. 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 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

¹ According to the information provided by the United States of America this word should read "is".

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, 1974, the Government of the Polish People's Republic agrees that, if the Government of the United States of America shall so elect, the National Bank of Poland will sell to the Government of the United States the sum of \$750,000 in dollar exchange annually, beginning January 2, 1974, and on each succeeding January 2, such dollar exchanges 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 of the agricultural commodities purchased pursuant to this Agreement (except where such resale, transshipment or use is specifically approved by the Government of the United States of America); to prevent the export of any commodity of either domestic or foreign origin which is the same as the commodities purchased pursuant to this Agreement during the period beginning on the date of this Agreement and ending with the final date on which such commodities are received and utilized (except where such export is specifically approved by the Government of the United States of America), 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 and purchases of 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 will furnish quarterly information on the progress of the program, particularly with respect to the arrival and condition of commodities ; provisions for the maintenance of usual marketings as described in paragraph 1 of the letter¹ accompanying the Agreement ; and information relating to imports and exports of the same or like commodities.

Article V

CONSULTATION

The two Governments will, upon 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 3rd day of February, 1964.

For the Government of the United States of America :

George W. BALL

For the Government of the Polish People's Republic :

F. MODRZEWSKI

¹ See p. 228 of this volume.

EXCHANGE OF NOTES

I

The Secretary of State to the Polish Deputy Minister of Foreign Trade

DEPARTMENT OF STATE
WASHINGTON

Feb. 3, 1964

Excellency :

I have the honor to refer to the two Agricultural Commodities Agreements 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 of both Agreements, 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 United States dollar shall be considered "the highest of any rate of exchange (i.e., the largest number of zlotys per United States 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 :

George W. BALL
Under Secretary

His Excellency Franciszek Modrzewski
Deputy Minister of Foreign Trade
of the Polish People's Republic

¹ See pp. 216 and 252 of this volume.

[TRANSLATION¹ — TRADUCTION²]

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

February 3, 1964

Excellency :

I have the honor to refer to Your Excellency's note of February 3, 1964, 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.

F. MODRZEWSKI
Deputy Minister of Foreign Trade

His Excellency George W. Ball
Under Secretary of State

III

The Secretary of State to the Polish Deputy Minister of Foreign Trade

DEPARTMENT OF STATE
WASHINGTON

Feb. 3, 1964

Excellency :

I have the honor to refer to the two Agricultural Commodities Agreements signed today by representatives of our two Governments, the first Agreement providing for the sale of agricultural commodities in the amount of \$30.7 million, hereinafter referred to as Agreement A, and the second Agreement providing for the sale of agricultural commodities in the amount of \$30.2 million, hereinafter referred to as Agreement B,³ and to inform you of my Government's understanding of the following :

(1) In expressing its agreement with the Government of the United States of America that the above-mentioned deliveries should not unduly disrupt world prices of agricultural commodities, the Government of the Polish People's Republic agrees that it will procure

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

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

³ See p. 245 of this volume.

and import during the year ending December 31, 1964 with its own resources on commercial terms the following agricultural commodities in addition to those to be purchased under the terms of the two cited Agreements :

- (a) From the United States, at least 200,000 metric tons of feedgrains, 66,000 bales of cotton, 5,500 metric tons of edible oil or tallow, 10,000 metric tons of rice, and other United States agricultural commodities in such amounts as to bring the total purchases of these commodities on commercial terms to \$30 million.
- (b) From the United States and/or other usual suppliers at least an additional 14,500 metric tons of edible oil or the oil equivalent of oil seeds.
- (c) It is understood that if deliveries of commodities purchased under the two cited Agreements should extend into calendar year 1965 the level of usual marketing requirements for the extended period will be determined at the time the request for extension of deliveries is made.
- (d) It is understood that should Poland's exports of cotton textiles be increased during calendar year 1964, as compared with calendar year 1963, Poland will purchase and import from the United States with its own resources an additional quantity of cotton at least equal to the raw cotton equivalent of the increase in Poland's textiles exports.
- (e) It is understood that during the year ending December 31, 1964, the 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, 1964 as compared with 1963, Poland will purchase and import from the United States of America with its own resources a quantity of vegetable oil corresponding to such increase.
- (f) It is also understood that Poland will maintain its usual imports of tobacco from its usual suppliers during 1964 and that Poland's usual exports of tobacco are not affected by imports of tobacco under the Agreements.

(2) With regard to Article IV, paragraph 4¹ of the two cited Agreements the Government of the Polish People's Republic agrees to furnish quarterly the following information in connection with each shipment of commodities received under these Agreements : The name of each vessel ; the date of arrival ; the port of arrival ; the commodity and quantity received ; the condition in which received ; date unloading was completed ; and the disposition of the cargo, i.e., stored, distributed locally or if shipped where shipped. In addition, the Government of the Polish People's Republic agrees to furnish quarterly : (a) a statement of measures it has taken to prevent the resale or transshipment of commodities furnished ; (b) assurances that the program will not result in increased availability of the same or like commodities to other nations ; and (c) a statement showing progress made toward fulfilling commitments on usual marketings. The Government of the Polish People's Republic further agrees that the above statements will be accompanied by statistical data on imports and exports by country of origin or destination of commodities which are the same or like those imported under these Agreements.

¹ According to the information provided by the United States of America this word should read "paragraph 3".

(3) For purposes of Section 104 (a) and 104 (h) of the Act, the Government of the Polish People's Republic will provide, upon request of the Government of the United States of America, facilities for the conversion into other non-dollar currencies of the following amounts of zlotys : For 104 (a) purposes, \$600,000 worth of zlotys or two percent of the zlotys accruing under Agreement A, whichever is greater ; 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 ; for 104 (h) purposes, the Government of the Polish People's Republic will provide facilities for the conversion in such amounts, and at such time as the Government of the United States of America shall request, a total of \$500,000 worth of the zlotys accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement, to finance programs of the United States of America under the Mutual Educational and Cultural Exchange Act of 1961 with Poland and/or other countries, as the Government of the United States of America shall determine ; provided, however, that the sum of all amounts requested for conversion by the Government of the United States of America pursuant to this paragraph shall not exceed during calendar year 1964 the equivalent of \$100,000, during calendar year 1965 the equivalent of \$200,000, during calendar year 1966 the equivalent of \$300,000, during calendar year 1967 the equivalent of \$400,000 and during calendar year 1968 the equivalent of \$500,000. Currencies obtained through these provisions will be utilized in the case of Section 104 (a) to finance agricultural market development activities in other countries and in the case of 104 (h) to finance educational and cultural exchange programs and activities in Poland and/or other countries.

(4) The Government of the United States of America may utilize a total of \$400,000 worth of zlotys in Poland accruing under Agreement A and under the Agreement signed February 1, 1963¹ to pay for international travel originating in Poland, or originating outside Poland when the travel (including connecting travel) is to or through Poland, and for travel within the United States of America or other areas outside Poland when the travel is part of a trip in which the traveler travels from, to or through Poland. It is understood that these funds are intended to cover only travel by persons who are traveling on official business for the Government of the United States of America or in connection with activities financed by the Government of the United States of America. It is further understood that the travel for which zlotys may be utilized shall not be limited to services provided by Polish transportation facilities.

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 :

George W. BALL
Under Secretary

His Excellency Franciszek Modrzewski
Deputy Minister of Foreign Trade
of the Polish People's Republic

¹ United Nations, *Treaty Series*, Vol. 487, p. 143.

[TRANSLATION¹ — TRADUCTION²]

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

February 3, 1964

Excellency :

I have the honor to confirm the receipt of Your Excellency's note of February 3, 1964, 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.

F. MODRZEWSKI
Deputy Minister of Foreign Trade

His Excellency George W. Ball
Under Secretary of State

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

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