

No. 14204

**CANADA
and
POLAND**

Long Term Grain Agreement. Signed at Ottawa on 12 December 1973

Authentic texts: English and French.

Registered by Canada on 18 August 1975.

**CANADA
et
POLOGNE**

Accord à long terme sur les céréales. Signé à Ottawa le 12 décembre 1973

Textes authentiques : anglais et français.

Enregistré par le Canada le 18 août 1975.

LONG TERM GRAIN AGREEMENT¹ BETWEEN CANADA AND POLAND

The Government of Canada and the Government of the Polish People's Republic, desirous of concluding a long term grain agreement, have agreed as follows:

Article I. The Polish People's Republic shall buy in Canada, through the Polish Foreign Trade Enterprise, Rolimpex, and Canada shall supply through the Canadian Wheat Board, a minimum of 750,000 and a maximum of 1.0 million metric tons of Canadian grain, five per cent more or less, quantity at Rolimpex option, for shipment from Canadian ports during the three year tenure of this Agreement in the following quantities:

In each year a minimum of 250,000 and a maximum of 350,000 metric tons, the precise quantity within this range being at Rolimpex option at time of concluding each specific contract, except that:

- not less than 50,000 metric tons and not more than 90,000 metric tons shall be Canada Western Amber Durum Wheat;
- the balance shall be Canadian Feed Barley and/or Canada Western Red Spring Wheat at Buyer's option, on the understanding that not more than 100,000 metric tons shall be Canada Western Red Spring Wheat.

Article II. In consideration of the above undertaking both parties have agreed that the following payment terms shall apply to sales and purchases made under the provisions of this Agreement. Payment is by credit and the following terms shall apply:

(a) For shipment ex St. Lawrence River Ports, upon declaration of carrying vessel, the Buyer shall open an irrevocable, without recourse, Letter of Credit by Bank Handlowy w Warszawie S. A., Warszawa, in favour of the Seller, to be advised through a chartered bank in Montreal, Canada, for an amount equivalent to 100% of the elevator loading charge for outward elevation, if any.

(b) Bills of Exchange (drafts) covering 100% of the F. O. B. invoice value shall be prepared by the Seller and forwarded along with shipping documents for acceptance by C. H. Z. "Rolimpex", Warszawa, and guaranteed by the Bank Handlowy w Warszawie S. A., Warszawa, as set out hereunder:

- 33.333% of the F. O. B. St. Lawrence Port value of each shipment shall be available against draft payable in Montreal, Canada, in Canadian dollars, 18 months from date of Bills of Lading.
- 33.333% of the F. O. B. St. Lawrence Port value of each shipment shall be available against draft payable in Montreal, Canada, in Canadian dollars, 27 months from date of Bills of Lading.
- 33.334% of the F. O. B. St. Lawrence Port value of each shipment shall be available against draft payable in Montreal, Canada, in Canadian dollars, 36 months from date of Bills of Lading.

(c) The Bank Handlowy w Warszawie S. A., Warszawa, shall issue and transmit to the Seller a Letter of Guarantee that the Bills of Exchange referred to in para-

¹ Came into force on 12 December 1973 by signature, in accordance with article VI.

graph (b) above will be guaranteed by the Bank Handlowy w Warszawie S. A., after acceptance by the Buyer.

(d) After the loading of the grain the Bills of Exchange drawn by the Seller shall be sent by him to C. H. Z. "Rolimpex", Warszawa, Al. Jerozolimskie 44, for acceptance and obtaining of the guarantee of the Bank Handlowy w Warszawie S. A., Warszawa. Completed Bills of Exchange are to be returned to the Seller within 15 (fifteen) days after receipt of the Bills of Exchange of "Rolimpex", Warszawa. The Buyer shall have the option to prepay the drafts referred to in paragraph (b) above, prior to maturity, with interest calculated to the date of actual payment at the rate applicable at the time the option is exercised.

(e) Interest shall be payable successively at the end of each three-month period from the Bill of Lading date and shall be calculated on each cargo at the rate per annum payable by the Seller at the time each cargo is shipped. The payment of interest when due will be guaranteed by a Letter of Guarantee issued on the instructions of "Rolimpex" by the Bank Handlowy w Warszawie S.A., Warszawa. The said Letter of Guarantee is to be sent to the Seller simultaneously with the return of the completed Bills of Exchange referred to in paragraphs (b), (c) and (d) above.

(f) Bank charges for opening any Letter of Credit shall be for account of the Buyer: all other bank charges for negotiating documents, etc., in Canada shall be for account of the Seller.

(g) These credit terms shall apply to the contract dated August 13, 1973 between Rolimpex and the Canadian Wheat Board. All quantities shipped after August 1, 1973 shall form part of the overall quantity to be shipped during the first year of this Agreement.

Article III. Under this Agreement, Rolimpex and the Canadian Wheat Board shall conclude specific contracts in respect of each transaction. The grades of grain, delivery terms, prices and other commercial conditions will be negotiated and agreed upon by Rolimpex and the Canadian Wheat Board.

Article IV. Quantities of Canadian grain which may be purchased and supplied in excess of the maximum amounts provided for in Article I will be subject to separate negotiations between the two parties on the basis of Buyer's requirements. Seller's supply position, and buying and selling terms, including the possibility of credit, which will be examined in the light of circumstances prevailing at the time.

Article V. The Polish People's Republic shall not divert to another country any grain purchased under these arrangements without obtaining prior approval from Canada.

Article VI. This Agreement shall come into force on the date of signature, and shall remain in effect for a period of three years from that date.

IN WITNESS WHEREOF the undersigned, duly authorized for this purpose by their respective governments, have signed the present Agreement and have affixed thereto their seals.

DONE in two copies at Ottawa this 12th day of December 1973, in the English and French languages, each version being equally authentic.

EN FOI DE QUOI les soussignés, dûment autorisés à cet effet par leurs gouvernements respectifs, ont signé le présent Accord et y ont apposé leurs sceaux.

FAIT en deux exemplaires à Ottawa ce 12^e jour de décembre 1973, en langues anglaise et française, chaque version faisant également foi.

Pour le Gouvernement du Canada :

OTTO LANG

For the Government of Canada

Pour le Gouvernement de la République Populaire de Pologne :

Dr. WŁODZIMIERZ WISNIENSKI

For the Government of the Polish People's Republic
