No. 5851

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. AGREEMENT[1] 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 ($2^3/_8$%) 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.

V [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 exchage 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

PROTOCOL[1] BETWEEN THE UNITED STATES OF AMERICA AND POLAND CONCERNING THE IMPLEMENTATION OF PARAGRAPH SIX OF THE AGREEMENT OF 22 APRIL 1946[2] 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.