

UNITED STATES DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service

ADMINISTRATIVELY CONFIDENTIAL UNTIL AGREEMENT IS SIGNED

Proposed Title I, PL 480 Agreement with Poland

SUMMARY

1. Planned Supply Period: CY 1964

2. Commodity Composition:

(a) Conventional Title I Agreement

<u>Commodity</u>	<u>Approx. Quantity</u> (metric tons)	<u>Export Market Value</u>	<u>Estimated CCC Cost</u>
		- - millions - -	
Wheat	150,000	\$ 9.7	\$14.7
Edible Oil	45,000	10.8	10.8
Cotton	40,000 bales	5.7	9.8
Tobacco	1,500	2.6	2.6
50% O.T.		<u>1.9</u>	<u>1.9</u>
Total		<u>\$30.7</u>	<u>\$39.8</u>

(b) Title I with 3-Year Currency Conversion

Wheat	325,000	\$21.0	\$31.8
Rice	10,000	1.4	1.9
Cotton	34,000 bales	4.8	8.3
50% O.T.		<u>3.0</u>	<u>3.0</u>
Total		<u>\$30.2</u>	<u>\$45.0</u>

3. Currency Uses:

U. S. Uses 100%

4. Usual Marketings:

Poland will purchase from the U.S.A. with its own resources during CY 1964 at least 200,000 MT of feedgrains, 66,000 bales of cotton, 5,500 MT of edible oil or tallow, 10,000 MT of rice, and other U.S. agricultural commodities in such amounts as to bring the total purchases of these commodities on commercial terms to \$30 million, and from the United States and countries friendly to the United States 14,500 MT of edible oil.

5. Deposit Rate:

Highest of any rate of exchange established by the Polish Government, or any agency thereof, prevailing on the dates of dollar disbursement by the United States Government, now 24 zlotys to one dollar. This is considered the highest of any rate of exchange established by the Government of Poland or any agency thereof.

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6. Convertibility:(a) Conventional Title I Agreement

104(a) - two (2) percent of the proceeds from this sale

104(h) - \$100,000 annually during calendar years 1964 through 1968

(b) Title I with Three (3) Year Conversion

\$3 million on January 2, 1965

\$9 million on January 2, 1967

\$9 million on July 2, 1967

Remainder in special dollar denominated account on January 2, 1968

All zlotys received from sales under (a) and (b) above will be deposited in a U. S. dollar-denominated account. Beginning January 2, 1974, and on each succeeding January 2, the Polish Government will begin converting remaining unspent zlotys in this account into U. S. dollars at the deposit rate in the sum of \$750,000 annually.

7. Other Provisions:

- (a) 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.
- (b) Polish exports of lard to Western European countries will not exceed 7,000 MT and all possible efforts will be made to hold the amount to 6,000 MT and Polish exports of lard to Eastern European countries will be held to as low a level as existing commitments to these countries will permit, from 4,000 to 5,000 MT.
- (c) Should Polish exports of butter be increased during CY 1964 as compared with 1963, Poland will purchase and import from the U. S. with its own resources a quantity of vegetable oil corresponding to such increase.
- (d) Poland will maintain its usual imports of tobacco from its usual suppliers during 1964 and Poland's usual exports of tobacco will not be affected by imports of tobacco under this agreement.

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1/24/64