

No. 12215

---

**UNITED STATES OF AMERICA  
and  
UNION OF SOVIET SOCIALIST REPUBLICS**

**Agreement with respect to purchases of grains by the Soviet Union in the United States and credit to be made available by the United States (with exchange of notes). Signed at Washington on 8 July 1972**

*Authentic texts : English and Russian.*

*Registered by the United States of America on 29 December 1972.*

---

**ÉTATS-UNIS D'AMÉRIQUE  
et  
UNION DES RÉPUBLIQUES SOCIALISTES  
SOVIÉTIQUES**

**Accord relatif aux achats de grains effectués par l'Union soviétique aux États-Unis et aux crédits accordés par les États-Unis (avec échange de notes). Signé à Washington le 8 juillet 1972**

*Textes authentiques : anglais et russe.*

*Enregistré par les États-Unis d'Amérique le 29 décembre 1972.*

**AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS WITH RESPECT TO PURCHASES OF GRAINS BY THE SOVIET UNION IN THE UNITED STATES AND CREDIT TO BE MADE AVAILABLE BY THE UNITED STATES**

The Government of the United States of America (USA) and the Government of the Union of Soviet Socialist Republics (USSR) have agreed as follows :

*Article 1.* 1. The Government of the USA through its Commodity Credit Corporation's Export Credit Sales Program hereby makes available a total amount of US \$750 million credit for financing the payment for USA grown grains (at buyer's option — wheat, corn, barley, sorghum, rye, oats) purchased by the USSR in the USA under this Agreement. Such total amount may be increased by the USA.

2. The USSR through its foreign trade organizations shall purchase from private United States exporters not less than US \$750 million port value of such grains (at buyer's option — wheat, corn, barley, sorghum, rye, oats) for delivery during the three-year period August 1, 1972, through July 31, 1975, and of such amount not less than US \$20 million shall be purchased for delivery prior to August 1, 1973. In case of purchases of such grains for cash for delivery during the period of August 1, 1972, through July 31, 1975, the U.S. dollar amount of such purchases shall be counted as if they were made on credit terms under this Agreement.

3. The following provisions shall apply with respect to the credit referred to in section 1 of this article 1.

3.1 It shall continue to be available, if not previously exhausted, for deliveries made not later than July 31, 1975.

3.2 The total amount of credit outstanding at one time shall not exceed US \$500 million.

3.3 Delivery for purchases shall be F.A.S. or F.O.B. port of export and interest shall run from date of delivery. The date of delivery shall be the on-board date of the ocean bill of lading.

3.4 The principal and interest for credit arising under each delivery shall be payable by the USSR as follows: one third of the principal annually, plus accrued interest on the outstanding principal balance to the date of each principal payment.

3.5 The amount of credit for each delivery will be limited to the United States port value of the commodity, without ocean freight, insurance, or other charges or costs.

3.6 The interest rate for purchases under this Agreement for which delivery is

<sup>1</sup> Came into force on 8 July 1972 by signature, in accordance with article 2.

made not later than March 31, 1973, shall be  $6\frac{1}{8}\%$  per annum on that portion of the obligation confirmed by a USA bank. This rate of interest for that portion of the obligation confirmed by a USA bank shall be applicable during the whole three-year period for repayment of the credit which arises under each delivery made not later than March 31, 1973.

*Article 2.* This Agreement shall enter into force from the day of its signing and shall remain valid until all the obligations arising from it for both sides are fulfilled.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto, have signed this Agreement.

DONE at Washington this 8th day of July 1972 in duplicate, in the English and Russian languages, each text equally authentic.

For the Government  
of the United States of America :

[Signed — Signé]<sup>1</sup>

[Signed — Signé]<sup>2</sup>

For the Government  
of the Union of Soviet Socialist  
Republics :

[Signed — Signé]<sup>3</sup>

---

<sup>1</sup> Signed by Peter G. Peterson — Signé par Peter G. Peterson.

<sup>2</sup> Signed by Earl L. Butz — Signé par Earl L. Butz.

<sup>3</sup> Signed by M. Kuzmin — Signé par M. Kouzmine.

## EXCHANGE OF NOTES

## I

Washington, D.C., July 8, 1972

Dear Mr. First Deputy Minister :

In connection with signing today of the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics with respect to purchases of grains by the Soviet Union in the United States and credit to be made available by the United States, we have the honor to confirm the understanding on interpretation reached between us that :

1. As to matters not covered in the above Agreement, the credits for grain purchases under the Export Credit Sales Program shall be governed by the "Regulations Covering Export Financing of Sales of Agricultural Commodities under the Commodity Credit Corporation Export Credit Sales Program (GSM-4)" effective in the USA on the day of signing this Agreement.
2. Grains purchased under the above Agreement shall be consumed primarily in the USSR. However the USSR shall have the right to divert some portion of the grain for consumption in European countries presently full members of the Council for Mutual Economic Assistance.

Please accept, Mr. First Deputy Minister, the assurances of our highest consideration.

PETER G. PETERSON

[Signed]

EARL L. BUTZ

[Signed]

Heads of the USA Government Delegation

The Honorable M. R. Kuzmin  
Head of the USSR Government Delegation  
Washington, D.C.

## II

[RUSSIAN TEXT — TEXTE RUSSE]

МИНИСТЕРСТВО ВНЕШНЕЙ ТОРГОВЛИ  
СССР

Вашингтон, « 8 » июля 1972 г.

Уважаемые господа министры,

В связи с подписанием сего числа Соглашения между Правительством Союза Советских Социалистических Республик и Правительством Соединенных Штатов Америки о закупках зерна Советским Союзом в Соединенных Штатах и кредите, предоставляемом Соединенными Штатами, имею честь подтвердить достигнутое между нами понимание интерпретации, что :

1. В отношении вопросов, не предусмотренных указанным Соглашением, кредиты для закупок зерна по Программе Кредитования Экспортных Продаж будут регулироваться действующими в США на день подписания этого Соглашения «Правилами, Относящимися к Экспортному Финансированию Продаж Сельскохозяйственных Товаров по Программе Кредитования Экспортных Продаж Товарно-Кредитной Корпорации (GSM-4)».

2. Зерно, закупаемое в соответствии с упомянутым выше Соглашением, будет потребляться преимущественно в СССР. Однако СССР будет иметь право направлять некоторую часть этого зерна для потребления в европейских странах, являющихся в настоящее время полноправными членами Совета Экономической Взаимопомощи.

Примите, господа министры, уверения в моем высоком к Вам уважении.

[Signed — Signé]

М. КУЗЬМИН

Глава Правительственной делегации СССР

Уважаемому господину Питеру Г. Питерсону  
Уважаемому господину Эрлу Л. Батцу  
Главам Правительственной делегации США  
г. Вашингтон

[TRANSLATION<sup>1</sup> — TRADUCTION<sup>2</sup>]

MINISTRY OF FOREIGN TRADE  
U.S.S.R.

Washington, July 8, 1972

Dear Sirs,

In connection with the signing today of the Agreement between the Government of the Union of Soviet Socialist Republics and the Government of the United States of America with respect to purchases of grains by the Soviet Union in the United States and credit to be made available by the United States, I have the honor to confirm the understanding on interpretation reached between us that :

[See note I]

Accept, Sirs, the assurances of my highest consideration.

[Signed]

M. KUZMIN

Head of the USSR Government Delegation

The Honorable Peter G. Peterson  
The Honorable Earl L. Butz  
Heads of the U.S. Government Delegation  
Washington, D.C.

<sup>1</sup> Translation supplied by the Government of the United States of America.

<sup>2</sup> Traduction fournie par le Gouvernement des Etats-Unis d'Amérique.