

No. 12828

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

Agreement regarding the settlement of lend lease, reciprocal aid and claims. Signed at Washington on 18 October 1972

Authentic texts: English and Russian.

Registered by the United States of America on 21 November 1973.

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

Accord de règlement en matière de prêt-bail, d'aide mutuelle et de certaines créances. Signé à Washington le 18 octobre 1972

Textes authentiques : anglais et russe.

Enregistré par les États-Unis d'Amérique le 21 novembre 1973.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS REGARDING SETTLEMENT OF LEND LEASE, RECIPROCAL AID AND CLAIMS

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics,

Considering the need to settle obligations arising out of prosecution of the war against aggression in order to foster mutual confidence and the development of trade and economic relations between the two countries,

Desiring to further the spirit of friendship and mutual understanding achieved by the leaders of both countries at the Moscow Summit,

Recognizing the benefits of cooperation already received by them in the defeat of their common enemies, and of the aid furnished by each Government to the other in the course of the war, and

Desiring to settle all rights and obligations of either Government from or to the other arising out of lend lease and reciprocal aid or otherwise arising out of the prosecution of the war against aggression,

Have agreed as follows:

1. This Agreement represents a full and final settlement of all rights, claims, benefits and obligations of either Government from or to the other arising out of or relating to:

- (a) the Agreement of June 11, 1942, between the Governments of the United States of America and the Union of Soviet Socialist Republics on principles applying to mutual aid in the prosecution of the war against aggression,² including the arrangements between the two Governments preliminary to and replaced by said Agreement,
- (b) the Agreement of October 15, 1945, between the Governments of the United States of America and the Union of Soviet Socialist Republics concerning the disposition of lend-lease supplies in inventory or procurement in the United States of America,³ and
- (c) any other matter in respect of the conduct of the war against aggression during the period June 22, 1941 through September 2, 1945.

2. In making this Agreement both Governments have taken full cognizance of the benefits and payments already received by them under the arrangements referred to in paragraph 1 above. Accordingly, both Governments have agreed that no further benefits will be sought by either Government for any obligation to it arising out of or relating to any matter referred to in said paragraph 1.

¹ Came into force on 18 October 1972 by signature.

² United Nations, *Treaty Series*, vol. 105, p. 285.

³ *Ibid.*, vol. 278, p. 151.

3. (a) The Government of the Union of Soviet Socialist Republics hereby acquires, and shall be deemed to have acquired on September 20, 1945, all such right, title and interest as the Government of the United States of America may have in all lend lease materials transferred by the Government of the United States of America to the Government of the Union of Soviet Socialist Republics, including any article (i) transferred under the Agreement of June 11, 1942, referred to above, (ii) transferred to the Government of the Union of Soviet Socialist Republics under Public Law 11 of the United States of America of March 11, 1941, or transferred under that Public Law to any other government and retransferred prior to September 20, 1945 to the Government of the Union of Soviet Socialist Republics, (iii) transferred under the Agreement of October 15, 1945, referred to above, or (iv) otherwise transferred during the period June 22, 1941 through September 20, 1945 in connection with the conduct of the war against aggression.

(b) The Government of the United States of America hereby acquires, and shall be deemed to have acquired on September 20, 1945, all such right, title and interest as the Government of the Union of Soviet Socialist Republics may have in all reciprocal aid materials transferred by the Government of the Union of Soviet Socialist Republics to the Government of the United States of America during the period June 22, 1941 through September 20, 1945.

4. (a) The total net sum due from the Government of the Union of Soviet Socialist Republics to the Government of the United States of America for the settlement of all matters set forth in paragraph 1 of this Agreement shall be U.S. \$722,000,000 payable as provided in subparagraphs (b), (c), and (d) of this paragraph 4.

(b) (i) Three installments shall be due and payable as follows: \$12,000,000 on October 18, 1972, \$24,000,000 on July 1, 1973, and \$12,000,000 on July 1, 1975. (ii) Subject to subparagraph (c) of this paragraph 4, after the date ("Notice Date") on which a note from the Government of the United States of America is delivered to the Government of the Union of Soviet Socialist Republics stating that the Government of the United States of America has made available most-favored-nation treatment for the Union of Soviet Socialist Republics no less favorable than that provided in an Agreement Between the Governments of the United States of America and the Union of Soviet Socialist Republics Regarding Trade signed on the date hereof, the balance of \$674,000,000 in payment of lend lease accounts shall be paid in equal installments ("Regular Installments") as follows:

- (1) If the Notice Date falls on or before May 31, 1974, the first Regular Installment shall be due and payable on July 1, 1974, and subsequent Regular Installments shall be due and payable annually on July 1 of each year thereafter through July 1, 2001, or
- (2) If the Notice Date falls on or after June 1, 1974, and (A) If the Notice Date occurs in the period of June 1 through December 1 of any year, the first Regular Installment shall be due and payable not more than 30 days following the Notice Date and subsequent Regular Installments shall be due and payable annually on July 1 of each year thereafter through July 1, 2001; or (B) If the Notice Date occurs in the period of December 2 of any year through May 31 of the following year, the first Regular Installment shall be due and payable on the July 1 next following the Notice Date and subse-

quent Regular Installments shall be due and payable annually on July 1 of each year thereafter through July 1, 2001.

(c) In any year, upon written notice to the Government of the United States of America that a deferment of a Regular Installment (except the first and last Regular Installment) next due is necessary in view of its then current and prospective economic conditions, the Government of the Union of Soviet Socialist Republics shall have the right to defer payment of such Regular Installment ("Deferred Regular Installment"). Such right of deferment may be exercised on no more than four occasions. On each such occasion, without regard to whether the Government of the Union of Soviet Socialist Republics defers any subsequent Regular Installments, the Deferred Regular Installment shall be due and payable in equal annual installments on July 1 of each year commencing on the July 1 next following the date the Deferred Regular Installment would have been paid if the Government of the Union of Soviet Socialist Republics had not exercised its right of deferment as to such Regular Installment with the final payment on the Deferred Regular Installment on July 1, 2001, together with interest on the unpaid amount of the Deferred Regular Installment from time to time outstanding at three percent per annum, payable at the same time as the Deferred Regular Installment is due and payable.

(d) The Government of the Union of Soviet Socialist Republics shall have the right to prepay at any time all or any part of its total settlement obligation, provided that no such prepayment may be made at any time when any payment required to be made under this paragraph 4 has not been paid as of the date on which it became due and payable.

5. Both Governments have agreed that this Agreement covers only rights, claims, benefits and obligations of the two Governments. Further, nothing in this Agreement shall be deemed to terminate the provisions of article III of the Agreement of June 11, 1942, referred to above.

DONE at Washington in duplicate this eighteenth day of October, 1972, in the English and Russian languages, each text being equally authentic.

For the Government
of the United States of America:

[Signed — Signé]¹

For the Government
of the Union of Soviet Socialist
Republics:

[Signed — Signé]²

¹ Signed by William P. Rogers — Signé par William P. Rogers.

² Signed by N. S. Patolichev — Signé par N. S. Patolitchev.