

August 6, 1940  
[E. A. S. No. 179]

*Commercial agreement between the United States of America and the Union of Soviet Socialist Republics continuing in force until August 6, 1941, the agreement of August 4, 1937. Effected by exchange of notes signed at Moscow August 6, 1940; approved by the Council of People's Commissars of the Union of Soviet Socialist Republics August 7, 1940; proclaimed by the President of the United States August 7, 1940; effective August 6, 1940. And related notes.*

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Continuance of previous agreement.

WHEREAS by my authority, the Chargé d'Affaires ad interim of the United States of America at Moscow exchanged at that capital on August 6, 1940, with the authorized representative of the Union of Soviet Socialist Republics identic notes, constituting an agreement in regard to commerce between the United States of America and the Union of Soviet Socialist Republics and the continuance of favorable commercial relations between the two countries, which notes are word for word as follows:

"Moscow, August 6, 1940.

Confirmation by U. S.

"MR. PEOPLE'S COMMISSAR:

"In accordance with the conversations which have taken place, I have the honor to confirm on behalf of my Government the agreement which has been reached between the Governments of our respective countries that the agreement regarding commercial relations between the United States of America and the Union of Soviet Socialist Republics recorded in the exchange of notes between the Ambassador of the United States of America and the People's Commissar for Foreign Affairs of the Union of Soviet Socialist Republics, of August 4, 1937, which came into force on August 6, 1937, on the date of proclamation thereof by the President of the United States of America and approval thereof by the Council of People's Commissars of the Union of Soviet Socialist Republics and which was renewed on August 5, 1938,<sup>1</sup> and August 2, 1939<sup>2</sup> shall continue in force until August 6, 1941.

Post, p. 2370.

53 Stat. 1947, 2404.

"The present agreement should be proclaimed by the President of the United States of America and approved by the Council of People's Commissars of the Union of Soviet Socialist Republics.

"Accept, Mr. People's Commissar, the renewed assurances of my highest consideration.

WALTER THURSTON

Mr. A. I. MIKOYAN,  
*People's Commissar for Foreign Trade of the  
Union of Soviet Socialist Republics,  
Moscow."*

<sup>1</sup> [Executive Agreement Series No. 132.]

<sup>2</sup> [Executive Agreement Series No. 151.]

[Translation]

"Moscow, August 6, 1940.

"MR. CHARGÉ D'AFFAIRES:

"In accordance with the conversations which have taken place, I have the honor to confirm on behalf of my Government the agreement which has been reached between the Governments of our respective countries that the agreement regarding commercial relations between the Union of Soviet Socialist Republics and the United States of America recorded in the exchange of notes between the People's Commissar for Foreign Affairs of the Union of Soviet Socialist Republics and the Ambassador of the United States of America, of August 4, 1937, which came into force on August 6, 1937, on the date of approval thereof by the Council of People's Commissars of the Union of Soviet Socialist Republics and proclamation thereof by the President of the United States of America and which was renewed on August 5, 1938, and August 2, 1939 shall continue in force until August 6, 1941.

Confirmation by  
Union of Soviet Social-  
ist Republics.

"The present agreement should be approved by the Council of People's Commissars of the Union of Soviet Socialist Republics and proclaimed by the President of the United States of America.

"Accept, Mr. Chargé d'Affaires, the renewed assurances of my highest consideration.

A. MIKOYAN

MR. WALTER THURSTON,  
*Chargé d'Affaires of the  
United States of America,  
Moscow."*

AND WHEREAS, it is provided in the said agreement that the agreement should be proclaimed by the President of the United States of America and approved by the Council of People's Commissars of the Union of Soviet Socialist Republics:

NOW, THEREFORE, BE IT KNOWN THAT I, Franklin D. Roosevelt, President of the United States of America, do hereby make known and proclaim the said agreement, and having been notified that the same has been approved on this day by the Council of People's Commissars of the Union of Soviet Socialist Republics, direct that it be observed and fulfilled with good faith by the United States of America on and after August 6, 1940.

Proclamation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the city of Washington this seventh day of August, in the year of our Lord one thousand nine hundred and forty [SEAL] and of the Independence of the United States of America the one hundred and sixty-fifth.

Effective date.

FRANKLIN D ROOSEVELT

By the President:

SUMNER WELLES

*Acting Secretary of State.*

## RELATED NOTES

## 1. CONCERNING THE AMOUNT OF PURCHASES TO BE MADE BY THE UNION OF SOVIET SOCIALIST REPUBLICS IN THE UNITED STATES OF AMERICA

*The American Chargé d'Affaires ad interim (Thurston) to the People's Commissar for Foreign Trade (Mikoyan)*

EMBASSY OF THE UNITED STATES OF AMERICA

*Moscow, August 6, 1940*

MR. PEOPLE'S COMMISSAR:

I have the honor to refer to our recent conversations in regard to the commerce between the United States of America and the Union of Soviet Socialist Republics and to ask you to let me know the value of articles, the growth, produce, or manufacture of the United States of America which the Government of the Union of Soviet Socialist Republics intends to purchase in the United States of America during the next twelve months for export to the Union of Soviet Socialist Republics.

Accept, Mr. People's Commissar, the renewed assurances of my highest consideration.

WALTER THURSTON

MR. A. I. MIKOYAN,

*People's Commissar for Foreign Trade of the  
Union of Soviet Socialist Republics,  
Moscow.*

*The People's Commissar for Foreign Trade (Mikoyan) to the  
American Chargé d'Affaires ad interim (Thurston)*

[Translation]

*Moscow, August 6, 1940.*

MR. CHARGÉ D'AFFAIRES:

In reply to your inquiry regarding the intended purchases by the Union of Soviet Socialist Republics in the United States of America in the course of the next twelve months, I have the honor to inform you that the economic organizations of the Union of Soviet Socialist Republics intend to buy in the United States of America in the course of the next twelve months American goods to the value of forty million dollars or more.

If, however, restrictions imposed on exports by the Government of the United States should render it difficult for Soviet economic organizations to satisfy their needs in the United States, it may be impossible for these organizations to carry out their intentions. The Government of the Union of Soviet Socialist Republics is there-

fore not in a position at the present time to guarantee the above-mentioned value of its purchases in the United States.

Accept, Mr. Chargé d'Affaires, the renewed assurances of my highest consideration.

A. MIKOYAN

Mr. WALTER THURSTON,  
*Chargé d'Affaires of the  
United States of America,  
Moscow.*

2. EXEMPTION FROM EXCISE TAX OF COAL, COKE, AND COAL OR COKE  
BRIQUETTES IMPORTED INTO THE UNITED STATES FROM THE UNION  
OF SOVIET SOCIALIST REPUBLICS

*The American Chargé d'Affaires ad interim (Thurston) to the  
People's Commissar for Foreign Trade (Mikoyan)*

EMBASSY OF THE UNITED STATES OF AMERICA

*Moscow, August 6, 1940*

MR. PEOPLE'S COMMISSAR:

With reference to the agreement signed today continuing the agreement concerning commerce between the United States of America and the Union of Soviet Socialist Republics which came into force on August 6, 1937, I have the honor to state that the Embassy has been informed that the authorities of the Treasury Department of the United States will admit coal of all sizes, grades, and classifications (except culm and duff), coke manufactured therefrom, and coal or coke briquettes, imported from the Union of Soviet Socialist Republics free from the import tax provided in Section 601 (c) (5) of the Revenue Act of 1932, as amended, during the life of the agreement unless other treatment is required by controlling judicial decision hereafter rendered.

Accept, Mr. People's Commissar, the renewed assurances of my highest consideration.

WALTER THURSTON

Mr. A. I. MIKOYAN,  
*People's Commissar for Foreign Trade of the  
Union of Soviet Socialist Republics,  
Moscow.*

*The People's Commissar for Foreign Trade (Mikoyan) to the  
American Chargé d'Affaires ad interim (Thurston)*

[Translation]

Moscow, August 6, 1940

MR. CHARGÉ D'AFFAIRES:

In reply to your inquiry regarding the intended exports of Soviet coal to the United States of America during the ensuing twelve months, I may state that the economic organizations of the Union of Soviet Socialist Republics will not in any case export to the United States of America during the year beginning August 6, 1940, more than 400,000 tons of Soviet coal.

Accept, Mr. Chargé d'Affaires, the renewed assurances of my highest consideration.

A. MIKOYAN

MR. WALTER THURSTON,  
*Chargé d'Affaires of the  
United States of America,  
Moscow.*

ACCOMPANIMENT

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE UNION  
OF SOVIET SOCIALIST REPUBLICS REGARDING COMMERCIAL RELATIONS,  
EFFECTED BY EXCHANGE OF NOTES SIGNED AUGUST 4, 1937

*The American Ambassador (Davies) to the People's Commissar for  
Foreign Affairs (Litvinoff)*

Moscow, August 4, 1937.

EXCELLENCY:

With reference to recent conversations which have taken place in regard to commerce between the United States of America and the Union of Soviet Socialist Republics, I have the honor to confirm and to make of record by this note the following agreement which has been reached between the Governments of our respective countries:

One. The United States of America will grant to the Union of Soviet Socialist Republics unconditional and unrestricted most-favored-nation treatment in all matters concerning customs duties and charges of every kind and in the method of levying duties, and, further, in all matters concerning the rules, formalities and charges imposed in connection with the clearing of goods through the customs, and with respect to all laws or regulations affecting the sale or use of imported goods within the country.

Accordingly, natural or manufactured products having their origin in the Union of Soviet Socialist Republics shall in no case be subject, in regard to the matters referred to above, to any duties, taxes or charges other or higher, or to any rules or formalities other

or more burdensome, than those to which the like products having their origin in any third country are or may hereafter be subject.

Similarly, natural or manufactured products exported from the territory of the United States of America and consigned to the territory of the Union of Soviet Socialist Republics shall in no case be subject with respect to exportation and in regard to the above-mentioned matters, to any duties, taxes, or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like products when consigned to the territory of any third country are or may hereafter be subject.

Any advantage, favor, privilege or immunity which has been or may hereafter be granted by the United States of America in regard to the above-mentioned matters, to a natural or manufactured product originating in any third country or consigned to the territory of any third country shall be accorded immediately and without compensation to the like product originating in or consigned to the territory of the Union of Soviet Socialist Republics.

It is understood that so long as and in so far as existing law of the United States of America may otherwise require, the foregoing provisions, in so far as they would otherwise relate to duties, taxes or charges on coal, coke manufactured therefrom, or coal or coke briquettes, shall not apply to such products imported into the United States of America. If the law of the United States of America shall not permit the complete operation of the foregoing provisions with respect to the above-mentioned products, the Union of Soviet Socialist Republics reserves the right within fifteen days after January 1, 1938, to terminate this agreement in its entirety on thirty days' written notice.

It is understood, furthermore, that the advantages now accorded or which may hereafter be accorded by the United States of America, its territories or possessions, the Philippine Islands, or the Panama Canal Zone to one another or to the Republic of Cuba shall be excepted from the operation of this agreement.

Nothing in this agreement shall be construed to prevent the adoption of measures prohibiting or restricting the exportation or importation of gold or silver, or to prevent the adoption of such measures as the Government of the United States of America may see fit with respect to the control of the export or sale for export of arms, ammunition, or implements of war, and, in exceptional cases, all other military supplies. It is understood that any action which may be taken by the President of the United States of America under the authority of Section 2 (b) of the Neutrality Act of 1937 in regard to the passage of title to goods shall not be considered as contravening any of the provisions of this agreement relating to the exportation of natural or manufactured products from the territory of the United States of America.

Subject to the requirement that no arbitrary discrimination shall be effected by the United States of America against importations from the Union of Soviet Socialist Republics and in favor of those

from any third country, the foregoing provisions shall not extend to prohibitions or restrictions (1) imposed on moral or humanitarian grounds, (2) designed to protect human, animal, or plant life, (3) relating to prison-made goods, or (4) relating to the enforcement of police or revenue laws.

Two. On its part the Government of the Union of Soviet Socialist Republics will take steps to increase substantially the amount of purchases in the United States of America for export to the Union of Soviet Socialist Republics of articles the growth, produce, or manufacture of the United States of America.

Three. This agreement shall come into force on the day of proclamation thereof by the President of the United States of America and of approval thereof by the Soviet of People's Commissars of the Union of Soviet Socialist Republics, which proclamation and approval shall take place on the same day. It shall continue in effect for twelve months. Both parties agree that not less than thirty days prior to the expiration of the aforesaid period of twelve months they shall start negotiations regarding the extension of the period during which the present agreement shall continue in force.

Accept, Excellency, the renewed assurances of my highest consideration.

JOSEPH E. DAVIES

*Ambassador Extraordinary and Plenipotentiary  
of the United States of America*

His Excellency

MAXIM LITVINOFF,

*People's Commissar for Foreign Affairs,  
Moscow.*

---

*The People's Commissar for Foreign Affairs (Litvinoff) to the  
American Ambassador (Davies)*

*Moscow, August 4, 1937.*

MR. AMBASSADOR:

With reference to recent conversations which have taken place in regard to commerce between the Union of Soviet Socialist Republics and the United States of America, I have the honor to confirm and to make of record by this note the following agreement which has been reached between the Governments of our respective countries:

One. The United States of America will grant to the Union of Soviet Socialist Republics unconditional and unrestricted most-favored-nation treatment in all matters concerning customs duties and charges of every kind and in the method of levying duties, and, further, in all matters concerning the rules, formalities, charges imposed in connection with the clearing of goods through the customs, and with respect to all laws or regulations affecting the sale or use of imported goods within the country.

Accordingly, natural or manufactured products having their origin in the Union of Soviet Socialist Republics shall in no case be subject, in regard to the matters referred to above, to any duties, taxes or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like products having their origin in any third country are or may hereafter be subject.

Similarly, natural or manufactured products exported from the territory of the United States of America and consigned to the territory of the Union of Soviet Socialist Republics shall in no case be subject with respect to exportation and in regard to the above-mentioned matters, to any duties, taxes, or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like products when consigned to the territory of any third country are or may hereafter be subject.

Any advantage, favor, privilege or immunity which has been or may hereafter be granted by the United States of America in regard to the above-mentioned matters, to a natural or manufactured product originating in any third country or consigned to the territory of any third country shall be accorded immediately and without compensation to the like product originating in or consigned to the territory of the Union of Soviet Socialist Republics.

It is understood that so long as and in so far as existing law of the United States of America may otherwise require, the foregoing provisions, in so far as they would otherwise relate to duties, taxes or charges on coal, coke manufactured therefrom, or coal or coke briquettes, shall not apply to such products imported into the United States of America. If the law of the United States of America shall not permit the complete operation of the foregoing provisions with respect to the above-mentioned products, the Union of Soviet Socialist Republics reserves the right within fifteen days after January 1, 1938, to terminate this agreement in its entirety on thirty days' written notice.

It is understood, furthermore, that the advantages now accorded or which may hereafter be accorded by the United States of America, its territories or possessions, the Philippine Islands, or the Panama Canal Zone to one another or to the Republic of Cuba shall be excepted from the operation of this agreement.

Nothing in this agreement shall be construed to prevent the adoption of measures prohibiting or restricting the exportation or importation of gold or silver, or to prevent the adoption of such measures as the Government of the United States of America may see fit with respect to the control of the export or sale for export of arms, ammunition, or implements of war, and, in exceptional cases, all other military supplies. It is understood that any action which may be taken by the President of the United States of America under the authority of Section 2 (b) of the Neutrality Act of 1937 in regard to the passage to title to goods shall not be considered as contravening any of the provisions of this agreement relating to the exportation of natural or manufactured products from the territory of the United States of America.

Subject to the requirement that no arbitrary discrimination shall be effected by the United States of America against importations from the Union of Soviet Socialist Republics and in favor of those from any third country, the foregoing provisions shall not extend to prohibitions or restrictions (1) imposed on moral or humanitarian grounds, (2) designed to protect human, animal, or plant life, (3) relating to prison-made goods, or (4) relating to the enforcement of police or revenue laws.

Two. On its part the Government of the Union of Soviet Socialist Republics will take steps to increase substantially the amount of purchases in the United States of America for export to the Union of Soviet Socialist Republics of articles the growth, produce, or manufacture of the United States of America.

Three. This agreement shall come into force on the day of proclamation thereof by the President of the United States of America and of approval thereof by the Soviet of People's Commissars of the Union of Soviet Socialist Republics, which proclamation and approval shall take place on the same day. It shall continue in effect for twelve months. Both parties agree that not less than thirty days prior to the expiration of the aforesaid period of twelve months they shall start negotiations regarding the extension of the period during which the present agreement shall continue in force.

Accept, Mr. Ambassador, the renewed assurances of my highest consideration.

M. LITVINOFF

Mr. JOSEPH E. DAVIES,  
*Ambassador of the United States of America,*  
*Moscow.*