

No. 3529

**UNITED STATES OF AMERICA
and
FINLAND**

Surplus Agricultural Commodities Agreement (with exchange of notes) under Title I of the Agricultural Trade Development and Assistance Act. Signed at Helsinki, on 6 May 1955

Official text: English.

Registered by the United States of America on 26 September 1956.

**ÉTATS-UNIS D'AMÉRIQUE
et
FINLANDE**

Accord (avec échange de notes) relatif aux denrées agricoles en surplus, conclu dans le cadre du titre I de la loi tendant à développer et à favoriser le commerce agricole. Signé à Helsinki, le 6 mai 1955

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 26 septembre 1956.

No. 3529. SURPLUS AGRICULTURAL COMMODITIES AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND FINLAND UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT. SIGNED AT HELSINKI, ON 6 MAY 1955

The Government of the United States of America and the Government of Finland :

Recognizing the desirability of expanding trade in agricultural commodities between their two countries and with other friendly nations in a manner which would not displace usual marketings of the United States in these commodities or unduly disrupt world prices of agricultural commodities;

Considering that the purchase of surplus agricultural commodities produced in the United States for Finnmarks will assist in achieving such an expansion of trade;

Considering that the Finnmarks accruing from such purchases will be utilized in a manner beneficial to both countries;

Desiring to set forth the understandings which govern the sales of surplus agricultural commodities by the Government of the United States of America pursuant to the Agricultural Trade Development and Assistance Act of 1954, and the measures which the two Governments will take individually and collectively in furthering the expansion of trade in such commodities;

Have agreed as follows :

Article I

SALE FOR FINNMARKS

1. Subject to the issuance and acceptance of purchase authorizations referred to in paragraph 2 of this Article, the Government of the United States of America undertakes to finance the sale for Finnmarks of certain agricultural commodities determined to be surplus pursuant to the Agricultural Trade Development and Assistance Act of 1954 to purchasers authorized by the Government of Finland.

¹ Came into force on 6 May 1955, upon signature, in accordance with article VI.

2. The United States Government will issue purchase authorizations which shall include provisions relating to the sale and delivery of commodities, the time and circumstances of deposits of the Finnmarks accruing from such sales and other relevant matters, and which shall be subject to acceptance by the Government of Finland. Certain commodities, and amounts, with respect to which tentative agreement has been reached by the two Governments are listed in paragraph 3 of this Article.

3. The United States Government undertakes to finance the sale to Finland of the following commodities, in values indicated, during the United States Fiscal Year 1955, under the terms of Title I of United States Public Law 480 of the 83rd Congress. These values include the estimated dollar cost of ocean transportation on at least 50 percent of the tonnage for each commodity. The ocean freight cost on remaining tonnage is financed by Finland. The exact quantities of these commodities which are procured depend upon the prices agreed between buyers and sellers and upon the transport arrangements which are made.

<i>Commodity</i>	<i>Value (US dollars)</i>
Cotton	\$3,000,000
Tobacco	2,250,000
	<hr/>
TOTAL	\$5,250,000

Article II

USES OF FINNMARKS

1. The two Governments agree that Finnmarks accruing to the Government of the United States of America as a consequence of sales made pursuant to this agreement will be used by the Government of the United States of America in accordance with Sub-sections (a), (b) and (f) of Section 104 of the Act in the approximate amount of \$5.25 million :

(i) For payment of United States expenses in Finland, including international educational exchange and activities to help develop new markets for United States agricultural commodities, \$450,000;

(ii) For procurement of goods and services obtainable from Finland for the U.S. Government, \$4,800,000.

2. The Finnmarks accruing to the United States under this agreement shall be expended by the U.S. Government for the purposes stated in paragraph 1 of this Article in such manner and order of priority as the Government of the United States shall determine.

Article III

DEPOSITS OF FINNMARKS

The amount of Finnmarks to be deposited to the account of the United States shall be the dollar sales value of the commodities reimbursed or financed by the Government of the United States converted into Finnmarks at the par value of the Finnmark agreed with the International Monetary Fund on the last day of the disbursement period covered by notification to the Government of Finland by the Government of the United States. Such dollar sales value shall include ocean freight and handling reimbursed or financed by the Government of the United States, except that it shall not include any extra cost of ocean freight resulting from a United States requirement that the commodities be transported on United States flag vessels.

Article IV

GENERAL UNDERTAKINGS

1. The Government of Finland agrees that it will take all possible measures to prevent the resale or transshipment to other countries, or use for other than domestic purposes, (except where such resale, transshipment or use is specifically approved by the Government of the United States) of surplus agricultural commodities purchased pursuant to the provisions of the Agricultural Trade Development and Assistance Act of 1954, and to assure that its purchase of such commodities does not result in increased availability of these or like commodities to nations unfriendly to the United States.
2. The two Governments agree that they will take reasonable precautions to assure that all sales of surplus agricultural commodities pursuant to the Agricultural Trade Development and Assistance Act of 1954 will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States in these commodities, or materially impair trade relations among the countries of the free world.
3. In carrying out this agreement the two Governments will seek to assure conditions of commerce permitting private traders to function effectively and will use their best endeavors to develop and expand continuous market demand for agricultural commodities.

Article V

CONSULTATION

The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to the operation or arrangements carried out pursuant to this Agreement.

Article VI

ENTRY INTO FORCE

This Agreement shall enter into force upon signature.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE at Helsinki this 6th day of May, 1955.

Jack K. McFALL
Gunnar PALMROTH

[SEAL]

EXCHANGE OF NOTES

I

The Finnish Ministry for Foreign Affairs to the American Embassy

MINISTÈRE DES AFFAIRES ÉTRANGÈRES DE FINLANDE¹

N° 26100.

The Ministry for Foreign Affairs present their compliments to the Embassy of the United States of America and have the honour to confirm the following understanding reached in connection with the Surplus Agricultural Commodities Agreement of May 6, 1955,² with respect to the maintenance of usual marketings in Finland of commodities sold under the Agreement and with respect to transportation arrangements and to United States purchases in Finland pursuant to Article II, paragraph I, of the Agreement :

1. The Government of Finland will provide facilities for Finnish importers to purchase cotton of United States origin during the present crop year, over and above the quantity mentioned in the Agreement to the value of at least \$2,000,000;

2. The Government of Finland will provide facilities for Finnish importers to purchase tobacco of United States origin during the year 1955, over and above the quantity mentioned in the Agreement to the value of at least \$750,000, if possible from the present (1954-1955) crop. If a part or all of these purchases are made from the next crop (1955-1956), such purchases will not influence normal commercial purchases from that crop;

¹ Ministry of Foreign Affairs of Finland

² See p. 3 of this volume.

3. The Government of Finland will, if necessary, take steps to assure that the prices of prefabs or component construction material in the case of purchases made in Finnmarks will not be higher than prices charged generally for sales of the same products against payment in dollars;

4. The Government of Finland will take steps to assure that at least 50 percent of the tonnage of each commodity purchased under the Agreement shall be transported on United States flag vessels, to the extent that such vessels are available at fair and reasonable rates for United States vessels. The Government of Finland, however, consider that their acceptance of the above shipping-arrangement is not to constitute a precedent.

G. P

[SEAL]

Helsinki, May 6, 1955

To the Embassy of the United States of America

Helsinki

II

The American Embassy to the Finnish Ministry for Foreign Affairs

THE FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

No. 202

The Embassy of the United States of America presents its compliments to the Ministry for Foreign Affairs and has the honor to acknowledge receipt of the Ministry's Note No. 26100 confirming certain understandings reached in connection with the Surplus Agricultural Commodities Agreement of May 6, 1955, with respect to the maintenance of usual marketings in Finland of commodities sold under the Agreement and with respect to transportation arrangements and to United States purchases in Finland pursuant to Article II, paragraph 1, of the Agreement.

J. K. M.

American Embassy
Helsinki, May 6, 1955