

No. 5274

**UNITED STATES OF AMERICA
and
FINLAND**

**Agricultural Commodities Agreement under Title I of the
Agricultural Trade Development and Assistance Act,
as amended (with exchange of notes). Signed at
Helsinki, on 23 March 1960**

Official text : English.

Registered by the United States of America on 4 August 1960.

**ÉTATS-UNIS D'AMÉRIQUE
et
FINLANDE**

**Accord relatif aux produits agricoles, conclu dans le cadre
du titre I de la loi tendant à développer et à favoriser
le commerce agricole, telle qu'elle a été modifiée
(avec échange de notes). Signé à Helsinki, le 23 mars
1960**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 4 août 1960.

No. 5274. AGRICULTURAL COMMODITIES AGREEMENT¹
BETWEEN THE GOVERNMENT OF THE UNITED
STATES OF AMERICA AND THE GOVERNMENT OF
FINLAND UNDER TITLE I OF THE AGRICULTURAL
TRADE DEVELOPMENT AND ASSISTANCE ACT, AS
AMENDED. SIGNED AT HELSINKI, ON 23 MARCH 1960

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, or normal patterns of commercial trade with friendly countries ;

Considering that the purchase for Finnmarks of surplus agricultural commodities produced in the United States 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 will govern the sales of agricultural commodities to Finland pursuant to Title I of the Agricultural Trade Development and Assistance Act, as amended, (hereinafter referred to as the "Act") 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

SALES FOR FINNMARKS

1. Subject to the availability of commodities for programming under the Act and to the issuance by the Government of the United States of America and acceptance by the Government of Finland of purchase authorizations, the Government of the United States of America undertakes to finance the sales for Finnmarks to pur-

¹ Come into force on 23 March 1960, upon signature, in accordance with article VI.

chasers authorized by the Government of Finland of the following agricultural commodities determined to be surplus pursuant to Title I of the Act, as amended, in the amounts indicated :

<i>Commodity</i>	<i>Value</i>
Cotton	\$1,750,000
Tobacco	2,400,000
Fruit	325,000
Ocean transportation	85,000
	TOTAL \$4,560,000

Purchase authorizations will be issued not later than 90 calendar days after the effective date of this agreement. They will include provisions relating to the sale and delivery of commodities, the time and circumstances of deposit of the Finnmarks accruing from such sale and other relevant matters.

Article II

USES OF FINNMARKS

1. The two Governments agree that the Finnmarks accruing to the Government of the United States of America as a consequence of the sales made pursuant to this Agreement, will be used by the Government of the United States of America, in such manner and order of priority as the Government of the United States of America shall determine, for the payment of United States obligations, and for other expenditures by the Government of the United States of America under Subsections (*a*), (*d*), (*e*), (*f*), (*h*), (*i*), (*k*), (*l*), (*m*), (*n*), (*o*), (*p*), (*q*) and (*r*) of Section 104 of the Act, the Finnmark equivalent of \$3,160,000, including, at the option of the Government of the United States of America, the Finnmark equivalent of \$1,140,000, but not more than 25 percent of the Finnmarks accruing under this Agreement, for loans to be made by the Export-Import Bank of Washington under Section 104 (*e*) of the Act and for administrative expenses of the Export-Import Bank of Washington in Finland incident thereto.

2. It is understood that any such loans under Section 104 (*e*) will be mutually agreeable to the Export-Import Bank of Washington and the Government of Finland.

If the Government of the United States uses Finnmarks for loans by the Export-Import Bank of Washington under section 104 (*e*), it is understood that upon receipt of an application which the Export-Import Bank is prepared to consider, the Export-Import Bank will notify the Government of Finland, represented by the Bank of Finland, of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, the general purposes for which the loan proceeds would be expended, and the probable range of (1) the interest rate and (2) the repayment period.

Within sixty days after the receipt of such notice, the Bank of Finland will indicate to the Export-Import Bank whether or not the Bank of Finland is receptive to the proposed loan. Unless within the sixty-day period the Export-Import Bank has received such a communication from the Bank of Finland it shall be understood that the Bank of Finland has no objection to the proposed loan.

When the Export-Import Bank approves or declines the proposed loan, it will notify the Bank of Finland.

In approving a loan, the Export-Import Bank will (1) fix an interest rate similar to that prevailing in Finland on comparable loans; and (2) establish maturities consistent with the purposes of the financing.

3. For a loan to the Government of Finland under Section 104 (g) of the Act, the Finnmark equivalent of not more than \$1,400,000, for financing such projects to promote economic development, including projects not heretofore included in plans of the Government of Finland, as may be mutually agreed. The terms and conditions of the loan and other provisions will be set forth in a supplementary loan agreement between the two Governments. In the event the Finnmarks set aside for loans to the Government of Finland are not advanced within three years from the date of this Agreement as a result of failure of the two Governments to reach agreement on the use of the Finnmarks for loan purposes, the Government of the United States of America may use the Finnmarks for any purpose authorized by paragraphs 1 and 2 of this article.

In the event the total of Finnmarks accruing to the Government of the United States of America as a consequence of sales made pursuant to this Agreement is less than the Finnmark equivalent of \$4,560,000, the amount available for a loan to the Government of Finland under Section 104 (g) of the Act will be reduced by the amount of such difference; in the event the total Finnmark deposit exceeds the equivalent of \$4,560,000, the excess will be available for any use or uses authorized by paragraphs 1 and 2 of this article as the Government of the United States of America may determine.

Article III

DEPOSIT OF FINNMARKS

The deposit of Finnmarks to the account of the Government of the United States of America in payment for the commodities and for ocean transportation costs financed by the Government of the United States of America shall be made at the rate of exchange generally applicable to import transactions (excluding imports granted a preferential rate) in effect on the dates of dollar disbursements by United States banks, or by the Government of the United States of America, as provided in the purchase authorizations.

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 the use for other than domestic purposes (except where such resale, transshipment or use is specifically approved by the Government of the United States of America), of the surplus agricultural commodities purchased pursuant to the provisions of this Agreement, and to assure that the purchase of such commodities does not result in increased availability of these or like commodities for export to other countries.

2. The two Governments agree that they will take reasonable precautions to assure that sales or purchases of surplus agricultural commodities pursuant to this Agreement will not unduly disrupt world prices of agricultural commodities, displace usual marketings of the United States of America in those 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.

4. The Government of Finland agrees to furnish, upon request of the Government of the United States of America, information on the progress of the program, particularly with respect to arrivals and conditions of commodities and the provisions for the maintenance of usual marketings and information relating to exports of the same or like 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 of 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 23rd day of March, 1960.

For the Government of the United States of America :
E. O. SESSIONS

For the Government of Finland :
Ahti KARJALAINEN

[SEAL]

EXCHANGE OF NOTES

I

The American Ambassador to the Finnish Minister in the Ministry for Foreign Affairs

EMBASSY OF THE UNITED STATES OF AMERICA

Helsinki, March 23, 1960

Excellency :

I have the honor to refer to the Agricultural Commodities Agreement between the Government of the United States of America and the Government of Finland signed today.¹

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between this Embassy and the Ministry for Foreign Affairs with respect to certain matters under the subject agreement.

1. The Government of Finland will provide facilities for Finnish importers to purchase at least the following amounts of commodities of United States origin during the period January 1, 1960 to December 31, 1960, over and above the quantities provided for in the agreement :

Cotton	\$1,750,000
Tobacco	\$750,000

2. The Government of Finland will not export raw cotton during calendar year 1960 and undertakes to maintain its normal purchases of tobacco from countries friendly to the United States.

3. The Government of Finland will take steps to assure that at least 50 percent of the tonnage of each commodity purchased under the agreement (except fruit) shall be transported on United States flag vessels, to the extent that such vessels are available

¹ See p. 118 of this volume.

at fair and reasonable rates for United States vessels. The Government of Finland, however, considers that its acceptance of the above shipping arrangement is not to constitute a precedent.

4. The Government of Finland will provide facilities for the conversion of up to \$50,000 worth of Finnmarks into other currencies for agricultural market development in other countries. The Government of the United States will consult with the Government of Finland before making requests for the conversion of the Finnmarks into other currencies.

5. The Government of Finland will provide facilities for the conversion of up to \$50,000 worth of Finnmarks into other European currencies for use by the Government of the United States in educational exchange activities in the other European countries. The Government of the United States will consult with the Government of Finland before making requests for the conversion of Finnmarks into other European currencies.

I shall appreciate receiving Your Excellency's confirmation of the above understandings.

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

Edson O. SESSIONS

His Excellency Ahti Karjalainen
Minister in the Ministry for Foreign Affairs
Helsinki

II

The Finnish Minister in the Ministry for Foreign Affairs to the American Ambassador

Helsinki, March 23, 1960

Excellency :

I have the honor to acknowledge receipt of Your Excellency's Note of March 23, 1960, which reads as follows :

[See note I]

In reply, I have the honour to confirm the above understandings.

Accept, Excellency, the assurance of my highest consideration.

Ahti KARJALAINEN
Minister in the Ministry for Foreign Affairs

His Excellency Edson O. Sessions
Ambassador of the United States of America
Helsinki