

No. 6014

**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 14 August 1961**

Official text: English.

Registered by the United States of America on 20 December 1961.

**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 14 août 1961**

Texte officiel anglais.

Enregistré par les États-Unis d'Amérique le 20 décembre 1961.

No. 6014. 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 14 AUGUST
1961

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 of America 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 of America will assist in achieving such an expansion of trade;

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

Desiring to set forth the understandings which will govern the sales, as specified below, of surplus 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 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 purchasers authorized by the Government of Finland of the following agricultural commodities determined to be surplus pursuant to the Act, in the amounts indicated :

¹ Came into force on 14 August 1961, upon signature, in accordance with article VI.

<i>Commodity</i>	<i>Export Market Value</i>
Cotton	\$1,500,000
Tobacco	250,000
Ocean Transportation	50,000
	TOTAL \$1,800,000

2. Applications for purchase authorizations will be made within 90 calendar days after the effective date of this Agreement, except that applications for purchase authorizations for any additional commodities or amounts of commodities provided for in any amendment to this Agreement will be made within 90 days after the effective date of such amendment. Purchase authorizations 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.

3. Purchase and shipment of the commodities mentioned above will be made within 18 calendar months of the effective date of this Agreement.

Article II

USES OF FINNMARKS

The 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 such manner and order of priority as the Government of the United States of America shall determine, for the following purposes, in the amounts shown :

(a) For United States expenditures under subsections (a), (d), (f), (h), (i) and (k) through (r) of Section 104 of the Act or under any of such subsections, sixty-five percent of the Finnmarks accruing pursuant to this Agreement.

(b) 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, 25 percent of the Finnmarks accruing pursuant to this Agreement. It is understood that :

- (1) Such loans under Section 104 (e) of the Act will be made to United States business firms and branches, subsidiaries, or affiliates of such firms in Finland for business development and trade expansion in Finland, and to United States firms and Finnish firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of and markets for United States agricultural products.
- (2) Loans will be mutually agreeable to the Export-Import Bank of Washington and the Government of Finland, acting through the Bank of Finland. The Governor of the Bank of Finland, or his designate, will act for the Govern-

ment of Finland, and the President of the Export-Import Bank of Washington, or his designate, will act for the Export-Import Bank of Washington.

- (3) Upon receipt of an application which the Export-Import Bank is prepared to consider, the Export-Import Bank will inform the Bank of Finland of the identity of the applicant, the nature of the proposed business, the amount of the proposed loan, and the general purposes for which the loan proceeds would be expended.
- (4) When the Export-Import Bank is prepared to act favorably upon an application, it will so notify the Bank of Finland and will indicate the interest rate and the repayment period which would be used under the proposed loan. The interest rate will be similar to that prevailing in Finland on comparable loans, and the maturities will be consistent with the purposes of the financing.
- (5) Within sixty days after the receipt of the notice that the Export-Import Bank is prepared to act favorably upon an application, the Bank of Finland will indicate to the Export-Import Bank whether or not the Bank of Finland has any objection 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.
- (6) In the event the Finnmarks set aside for loans under Section 104 (e) of the Act are not advanced within three years from the dates of this Agreement because of the Export-Import Bank of Washington has not approved loans or because proposed loans have not been mutually agreeable to the Export-Import Bank of Washington and the Bank of Finland, the Government of the United States of America may use the Finnmarks for any purpose authorized by Section 104 of the Act.

(c) For a loan to the Government of Finland under subsection (g) of Section 104 of the Act for financing such projects to promote economic development as may be mutually agreed, including projects not heretofore included in plans of the Government of Finland, ten percent of the Finnmarks accruing pursuant to this agreement. The terms and conditions of the loan and other provisions will be set forth in a separate loan agreement between the Export-Import Bank of Washington and the Government of Finland.

In the event that agreement is not reached on the use of the Finnmarks for loan purposes within three years from the date of this agreement, the Government of the United States of America may use the local currency for any purposes authorized by Section 104 of the Act.

Article III

DEPOSIT OF FINNMARKS

1. 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 (except excess costs resulting from the requirement that United States flag vessels be used) shall be made at the rate of exchange for United States dollars generally applicable to import transactions (excluding imports granted a preferential rate) in effect on the dates of dollar disbursement by United States banks, or by the Government of the United States of America, as provided in the purchase authorizations.

2. In the event that a subsequent agricultural commodities agreement or agreements should be signed by the two Governments under the Act, any refunds of Finnmarks which may be due or become due under this agreement more than two years from the effective date of this agreement would be made by the Government of the United States of America from funds available from the most recent agricultural commodities agreement in effect at the time of the refund.

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 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 all sales or purchases of agricultural commodities pursuant to the Agreement will not displace usual marketings of the United States of America in these commodities, or unduly disrupt world prices of agricultural 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 United States of America, information on the progress of the program, particularly with respect to the arrival and condition 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

The 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 in duplicate this 14th day of August 1961.

For the Government of the United States of America :
Bernard GUFLER

For the Government of Finland :
Ahti KARJALAINEN

[SEAL]

EXCHANGE OF NOTES

I

The American Ambassador to the Finnish Minister for Foreign Affairs

EMBASSY OF THE UNITED STATES OF AMERICA

Helsinki, August 14, 1961

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

¹ See p. 20 of this volume.

I wish to confirm my Government's understanding of the agreement reached in conversations which have taken place between representatives of the Government of the United States of America and the Government of Finland with respect to certain matters under the subject agreement.

1. The Government of Finland will provide facilities for Finland importers to purchase at least the following amounts of commodities of United States origin during the period January 1, 1961 to December 31, 1961, 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 1961 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 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 agrees, upon request of the United States Government, to convert the Finnmark equivalent of up to \$36,000 of the amount of Finnmark deposits reserved for United States uses into other non-dollar currencies for agricultural market development projects in countries where Title I local currency funds are not available or are inadequate.

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

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

Bernard GUFLER

His Excellency Ahti Karjalainen
Minister for Foreign Affairs
Helsinki

II

*The Finnish Minister for Foreign Affairs to the American Ambassador*MINISTÈRE DES AFFAIRES ÉTRANGÈRES DE FINLANDE¹

N° 38471

Helsinki, August 14, 1961

Excellency,

I have the honor to acknowledge the receipt of your note of August 14, 1961, which reads as follows :

[See note I]

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

Accept, Excellency, the assurance of my highest consideration.

Ahti KARJALAINEN

His Excellency Bernard Gufler
Ambassador of the United States of America
Helsinki

¹ Ministry of Foreign Affairs of Finland.