

No. 6949

**FINLAND
and
UNION OF SOVIET SOCIALIST REPUBLICS**

Agreement concerning the lease to the Republic of Finland of the Soviet part of the Saimaa Canal and Maly Vysotsky Island (with exchange of notes and annexed maps). Signed at Moscow, on 27 September 1962

Official texts: Finnish and Russian.

Registered by Finland on 7 October 1963.

**FINLANDE
et
UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES**

Traité relatif à la cession à bail, à la République de Finlande, de la partie soviétique du canal de Saimaa et de l'île de Maly Vyssotsky (avec échange de notes et cartes annexées). Signé à Moscou, le 27 septembre 1962

Textes officiels finnois et russe.

Enregistré par la Finlande le 7 octobre 1963.

[TRANSLATION — TRADUCTION]

No. 6949. AGREEMENT¹ BETWEEN THE REPUBLIC OF FINLAND AND THE UNION OF SOVIET SOCIALIST REPUBLICS CONCERNING THE LEASE TO THE REPUBLIC OF FINLAND OF THE SOVIET PART OF THE SAIMAA CANAL AND MALY VYSOTSKY ISLAND. SIGNED IN MOSCOW, ON 27 SEPTEMBER 1962

The President of the Republic of Finland and the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics,

Considering that the friendly and good-neighbourly relations between the Republic of Finland and the Union of Soviet Socialist Republics based on the Treaty of Friendship, Co-operation and Mutual Assistance between the Republic of Finland and the Union of Soviet Socialist Republics of 1948² have been developing favourably and are founded on firm mutual trust, and being convinced that these relations will develop just as favourably in future,

Considering that the Union of Soviet Socialist Republics, in compliance with the wishes of the Republic of Finland, agrees to lease the Soviet part of the Saimaa Canal to the Republic of Finland,

Have agreed to conclude this Agreement and to that end have appointed as their plenipotentiaries :

The President of the Republic of Finland :

Veikko Savela, Minister of Transport and Public Works,

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics :

Viktor Georgievich Bakaev, Minister of the Marine of the USSR,
who, having exchanged their full powers, found in good and due form, have agreed as follows :

Article 1

The Union of Soviet Socialist Republics shall lease to the Republic of Finland, for the transport of goods to or from the Republic of Finland, the Soviet part of the Saimaa Canal together with a strip of bank averaging thirty metres wide on either side of the artificial channel of the canal (in the vicinity of locks, bridges and similar installations, up to 200 metres wide), the Soviet land area between

¹ Came into force on 27 August 1963 by the exchange of the instruments of ratification at Helsinki, in accordance with the provisions of article 19.

² United Nations, *Treaty Series*, Vol. 48, p. 149 and Vol. 226, p. 338.

the Nuijamaa-Brusnichnoe (Juustila) road and the track of the Soviet part of the Saimaa Canal (this road being included in the leased territory), and Maly Vysotsky (Ravansaari) Island for the trans-shipment and storage of goods. These areas are hereinafter referred to as the "leased territories". The boundaries of the leased territories are shown on the maps¹ attached to this Agreement.

The boundaries of the leased territories shall be determined by a field survey to be carried out by the competent authorities of the Contracting Parties as soon as possible after the entry into force of this Agreement. The boundary line may subsequently be adjusted on the basis of the plans for the reconstruction of the Canal and the road, upon which agreement is to be reached in accordance with article 4 of this Agreement.

Article 2

The Union of Soviet Socialist Republics agrees that non-military vessels of the Republic of Finland and trading vessels of third countries engaged in the commercial transport of goods or in towing to or from the Republic of Finland may pass through the Soviet part of the Saimaa Canal and through the internal and territorial waters of the Soviet Union along the fairway from the Saimaa Canal to the Gulf of Finland. Troops, armaments, ammunition and other military supplies may not be carried by these vessels.

Vessels of any kind sailing under the USSR flag shall have free passage through the Soviet part of the Saimaa Canal. USSR vessels which use only that part of the Canal shall not be liable to payment of the prescribed tolls.

Article 3

Finland shall be responsible for the operation of the Soviet part of the Saimaa Canal and all the installations and equipment necessary for that purpose in the leased territories. The personnel engaged in servicing the Canal and the other leased territories or employed on the projects provided for in article 4 of this Agreement shall not include nationals of third countries.

Finland undertakes to maintain the aforementioned part of the Canal and the installations and equipment thereon in proper condition for normal operation.

In order to cover the cost of keeping the Canal open for navigation, Finland may impose and collect tolls for the passage of vessels through the Soviet part of the Saimaa Canal.

¹ See insert in a pocket at the end of this volume.

Article 4

Finland shall, within five years and at its own expense, widen and deepen the Soviet part of the Saimaa Canal, re-equip the locks, build bridges having a load capacity not less than the present ones, construct other necessary installations on the Canal and dredge a new fairway in Zashchitnaya Bay (Suomenvedenpohja) and Vyborg Bay. In addition, Finland shall, within time limits to be agreed upon by the Contracting Parties and at its own expense, set up storage areas and construct trans-shipment facilities on Maly Vysotsky Island.

The scope of these projects and their technical specifications and the technical specifications and operating procedure for the Soviet part of the Saimaa Canal and all other installations on the leased territories shall be agreed upon by the Ministry of Transport and Public Works of Finland and the Ministry of the Marine of the USSR and the Ministry of River Transport of the RSFSR.

Article 5

The Soviet Union shall construct at Finland's expense the necessary engineering works (railway bridge, road bridge having a load capacity of sixty to sixty-five tons, embankments for these bridges and a road) to enable rail and road traffic to cross Kivisillansalmi Strait.

The scope, cost and procedure for payment of the projects for the construction of these facilities shall be determined by special agreement.

Article 6

Finland shall, in the leased territories, be entitled to erect the installations necessary for the operation of the Soviet part of the Saimaa Canal and for carrying out the projects provided for in article 4 of this Agreement and to build roads and provide housing and other premises and buildings necessary for the personnel engaged in servicing the leased territories or employed on the projects provided for in article 4 of this Agreement.

The Soviet Union shall be entitled, in return for a special payment and upon conditions to be determined by special agreement, to use electric power supplied from Finland to the Soviet part of the Saimaa Canal and the telephone and telegraph lines in the leased territories. The Soviet Union shall have the use of roads in the leased territories free of charge.

The Soviet Union shall, in return for a special payment and upon conditions to be determined by special agreement, supply Finland with electricity on Maly Vysotsky Island.

Article 7

Finland undertakes to make compensation for any damage suffered by the Soviet Union, its nationals or organizations or the nationals or organizations of third countries as a result of the construction provided for in article 4 of this Agreement or of the use of the leased territories.

Article 8

The navigations regulations in force in the Soviet Union shall be complied with in Zashchitnaya Bay, Vyborg Bay and the Gulf of Finland within the boundaries of the USSR.

The navigation regulations in force in the Finnish part of the Saimaa Canal shall be complied with in the Soviet part of the said Canal.

The period during which the Canal and the fairway leading to the Gulf of Finland may be used for navigation shall be determined each year with due regard to ice conditions by agreement between the plenipotentiaries referred to in article 14 of this Agreement. During the said period the Canal and the fairway shall be open to shipping twenty-four hours a day.

Article 9

Goods carried along the Soviet part of the Saimaa Canal from one part of the Republic of Finland to another, from the Republic of Finland to a third country or from a third country to the Republic of Finland shall not be subject to customs or similar duties imposed by the USSR.

Goods, materials, machinery and equipment brought into the leased territories by Finland for the purposes of the projects provided for in this Agreement and for the operation of the Saimaa Canal shall likewise not be subject to such duties.

Article 10

From the time when the Soviet part of the Saimaa Canal is put into operation, the Republic of Finland shall pay the Union of Soviet Socialist Republics an annual rental for the use of the Soviet part of the Saimaa Canal and the other leased territories in accordance with the following scale:

- For a freight turnover of less than 1.0 million tons, 180,000 roubles;
- For a freight turnover between 1.0 and 1.5 million tons, 210,000 roubles;
- For a freight turnover between 1.5 and 2.0 million tons, 240,000 roubles;
- For a freight turnover of more than 2.0 million tons, 260,000 roubles.

The rental shall include reimbursement of expenditure by the Soviet Union on the servicing and maintenance of navigation safety devices on the Brusnichnoe-Vysotsk (Uuras) fairway.

Finland shall pay 960,000 roubles in equal annual instalments over a period of five years from the date on which this Agreement comes into force, as a non-recurring payment in compensation for the material expenditure and loss incurred by the Soviet Union in connexion with the letting of the leased territories to Finland, and shall, during the reconstruction of the Canal, make an annual payment of 140,000 roubles in compensation for the expenditure of the Soviet Union.

Payment of the rental and the non-recurring compensation shall be effected in accordance with the trade and payments agreement in force on the date of payment between the Government of the Republic of Finland and the Government of the Union of Soviet Socialist Republics.

If the gold content of the rouble, which at present is 0.987412 grammes of fine gold, is altered, the above-mentioned sums shall be revalued accordingly.

Article 11

The transport by rail of the machinery, equipment and materials necessary for the construction and dredging operations and of workers from Finland to the places where these operations are carried out (the Soviet part of the Saimaa Canal, Zashitnaya Bay, Vyborg Bay and Maly Vysotsky Island) shall be effected in accordance with the conditions laid down in the Agreement on direct rail service between Finland and the Soviet Union.

The procedure for the transport aforesaid shall be agreed upon by the Ministry of Transport and Public Works of Finland and the Ministry of Transport of the USSR. The workers and goods necessary for the operation of the port on Maly Vysotsky Island shall be transported according to the same conditions.

The transfer of goods to vessels for transport through the strait to Maly Vysotsky Island shall be done by Soviet organizations at Finland's expense. The Soviet Union shall lay the spur tracks and build the port installations and warehouses necessary for this purpose in the port of Vysotsk.

The scope of the construction operations for such tracks, installations and warehouses and the procedure for the payment thereof by Finland shall be determined by special agreement.

The possible use of road or other forms of transport shall be subject to agreement between the competent authorities of the Contracting Parties.

Article 12

In the event of an accident at sea in the area between the leased territory of the Saimaa Canal and the sea frontier of the USSR, the USSR shall assist the vessel that has had the accident in accordance with the principles of the Agreement between the Government of Finland and the Government of the Union of Soviet Socialist Republics concerning Co-operation for the Saving of Human Lives in the Baltic Sea of 7 December 1956.¹

Article 13

Soviet law shall apply and Soviet authorities shall have jurisdiction in the leased territories, subject to appropriate exceptions which shall not, however, affect the interests or sovereignty of the USSR.

Finland shall be granted the right to regulate relations between Finnish nationals and institutions in the leased territories in accordance with its laws in matters relating to labour relations (including labour relations as between Finnish nationals and institutions and the crews of vessels of third countries); and in matters concerning supplies for the personnel servicing the leased territories and members of their families, including the right to open commercial and service establishments and to use Finnish currency; banking and savings bank operations; postal, telegraph and telephone services, including the delivery of printed matter to the leased territories; the use of radio and television receivers; family relations, guardianship and inheritance; education of children and public health; the performance of religious rites; and taxation, insurance and social security. This list may be subsequently amended by common agreement through an exchange of notes between the Contracting Parties.

Cases involving offences committed in the leased territories by Finnish nationals against Finnish individuals or bodies corporate or against individuals or bodies corporate of third countries or by nationals of third countries against Finnish individuals or bodies corporate, being offences which do not affect the interests or sovereignty of the USSR, shall be handed over by the Soviet authorities to the Finnish authorities in Finland for investigation and settlement.

Article 14

Each Contracting Party shall appoint a plenipotentiary to investigate and settle such matters connected with the application of this Agreement as affect

¹ United Nations, *Treaty Series*, Vol. 258, p. 89.

both Parties. All decisions taken by the plenipotentiaries must be unanimous.

Article 15

For the purposes of the operation of the Saimaa Canal and the administration of the Canal and the leased territories, the Finnish authorities shall establish a special "Saimaa Canal Administrative Committee" with headquarters in Finnish territory. The head of the Administrative Committee shall also be the plenipotentiary of Finland referred to in article 14 of this Agreement.

Article 16

Any disputes concerning the interpretation or application of this Agreement which cannot be settled by the plenipotentiaries referred to in article 14 of this Agreement shall be settled by a Mixed Commission, to which Finland and the USSR shall each appoint two members. If the Mixed Commission does not reach unanimous agreement, the dispute shall be settled through the diplomatic channel.

Article 17

If the competent Soviet authorities consider it necessary, in order to safeguard the general or local security of the USSR, to introduce special regulations temporarily in the area in which the Soviet part of the Saimaa Canal is situated, the said regulations shall apply to all nationals and vessels in the Soviet part of the Saimaa Canal.

In special circumstances the Soviet Union shall have the right to refuse admission to vessels of any third country if their presence in the Soviet part of the Saimaa would be contrary to the security interests of the USSR.

The Soviet authorities shall give the Finnish authorities as much advance notice as possible of the measures referred to in this article.

Article 18

Upon the expiry of this Agreement, Finland shall, within a period of eight months, hand over to the Soviet Union without compensation all installations and equipment in the Soviet part of the Saimaa Canal and in the other leased territories in a proper condition for normal operation.

The installations and equipment shall be handed over free of any payments, taxes or other servitudes or rights which, during the period of the lease, may have accrued to Finland, to Finnish companies, associations or nationals, or to third countries or their companies, associations or nationals.

Article 19

This Agreement shall be subject to ratification and shall come into force on the date of the exchange of the instruments of ratification, which shall take place at Helsinki.

The Agreement shall remain in effect for a period of fifty years from the date of its entry into force.

DONE in Moscow on 27 September 1962, in duplicate, in the Finnish and Russian languages, both texts being equally authentic.

For the President of the Republic of Finland :

Veikko SAVELA

For the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics :

V. G. BAKAEV

EXCHANGE OF NOTES

I

CHAIRMAN OF THE DELEGATION OF THE GOVERNMENT OF THE REPUBLIC OF FINLAND

Moscow, 27 September 1962

Sir,

In connexion with the signing this day of the Agreement¹ between the Republic of Finland and the Union of Soviet Socialist Republics concerning the lease to the Republic of Finland of the Soviet part of the Saimaa Canal and Maly Vysotsky Island, I have the honour to state that the Contracting Parties have agreed as follows :

The boundary of the leased territory along the rebuilt Nuijamaa-Brusnichnoe road shall be at such distance from the road as is necessary for the normal use thereof and shall not entail any increase in the size of the leased territory as a whole.

¹ See p. 122 of this volume.

For the purposes of improving and using that portion of the fairway of the Soviet part of the Saimaa Canal which passes through lakes, Finland shall be given access to the fairway from those banks of the lakes along which the Nuijamaa-Brusnichnoe road passes.

This agreement is to be regarded as an integral part of the above-mentioned Agreement concerning the lease of the Soviet part of the Saimaa Canal.

I have the honour to be, etc.

Veikko SAVELA

Mr. V. G. Bakaev
Chairman of the Delegation of the Government
of the Union of Soviet Socialist Republics

II

CHAIRMAN OF THE DELEGATION OF THE GOVERNMENT OF THE UNION OF SOVIET
SOCIALIST REPUBLICS

Moscow, 27 September 1962

[*See note I*]

V. G. BAKAEV

Mr. Veikko Savela
Chairman of the Delegation of the Government
of the Republic of Finland

III

CHAIRMAN OF THE DELEGATION OF THE GOVERNMENT OF THE REPUBLIC OF FINLAND

Moscow, 27 September 1962

Sir,

In connexion with the signing this day of the Agreement between the Republic of Finland and the Union of Soviet Socialist Republics concerning the lease to the Republic of Finland of the Soviet part of the Saimaa Canal and Maly Vysotsky Island, I have the honour to state that the Contracting Parties have agreed as follows :

The bridges referred to in article 5 of the above-mentioned Agreement shall be so constructed that the clearance at high water is sufficient for the unhindered passage of vessels along the fairway that is to pass through Kivisillansalmi Strait. It is therefore intended that the railway bridge should be movable and the road bridge stationary.

Finland shall, on an annual basis and in the manner prescribed in article 10, fourth and fifth paragraphs, of the Agreement, compensate the Soviet Union for its expenditure on the operation and maintenance of the movable railway bridge. The amount of such expenditure shall be determined by virtue of the special agreement referred to in article 5 of the Agreement.

This Agreement is to be regarded as an integral part of the above-mentioned Agreement concerning the lease of the Soviet part of the Saimaa Canal.

I have the honour to be, etc.

Veikko SAVELA

Mr. V. G. Bakaev

Chairman of the Delegation of the Government
of the Union of Soviet Socialist Republics

IV

CHAIRMAN OF THE DELEGATION OF THE GOVERNMENT OF THE UNION OF SOVIET
SOCIALIST REPUBLICS

Moscow, 27 September 1962

[See note III]

V. G. BAKAEV

Mr. Veikko Savela

Chairman of the Delegation of the Government
of the Republic of Finland

V

CHAIRMAN OF THE DELEGATION OF THE GOVERNMENT OF THE REPUBLIC OF FINLAND

Moscow, 27 September 1962

Sir,

In connexion with the signing this day of the Agreement between the Republic of Finland and the Union of Soviet Socialist Republics concerning the lease to

the Republic of Finland of the Soviet part of the Saimaa Canal and Maly Vysotsky Island, I have the honour to state that the Contracting Parties have agreed as follows :

The Contracting Parties shall get in touch with each other concerning the possible extension of the Agreement in ample time before its expiry.

This agreement is to be regarded as an integral part of the above-mentioned Agreement concerning the lease of the Soviet part of the Saimaa Canal.

I have the honour to be, etc.

Veikko SAVELA

Mr. V. G. Bakaev

Chairman of the Delegation of the Government
of the Union of Soviet Socialist Republics

VI

CHAIRMAN OF THE DELEGATION OF THE GOVERNMENT OF THE UNION OF SOVIET
SOCIALIST REPUBLICS

Moscow, 27 September 1962

[*See note V*]

V. G. BAKAEV

Mr. Veikko Savela

Chairman of the Delegation of the Government
of the Republic of Finland