

RECIPROCAL TRADE

*Agreement signed at Washington May 18, 1936*¹

Approved by the President of Finland October 2, 1936

Proclaimed by the President of the United States October 3, 1936

Entered into force November 2, 1936

*Terminated May 25, 1950, by agreement of January 18, 1950*²

50 Stat. 1436; Executive Agreement Series 97

The President of the United States of America and the President of the Republic of Finland, being desirous of strengthening the traditional bonds of friendship between the two countries by maintaining the principle of equality of treatment as the basis of commercial relations and by granting mutual and reciprocal concessions and advantages for the promotion of trade, have through their respective Plenipotentiaries arrived at the following Agreement:

ARTICLE I

Articles the growth, produce or manufacture of the United States of America, enumerated and described in Schedule I¹ annexed to this Agreement and made a part thereof, shall, on their importation into Finland, be exempt from ordinary customs duties in excess of those set forth and provided for in the said Schedule. The said articles shall also be exempt from all other duties, taxes, fees, charges or exactions, imposed on or in connection with importation, in excess of those imposed on the day of the signature of this Agreement, or required to be imposed thereafter, under laws of Finland in force on the day of the signature of this Agreement.

ARTICLE II

Articles the growth, produce or manufacture of Finland, enumerated and described in Schedule II annexed to this Agreement and made a part thereof, shall, on their importation into the United States of America, be exempt from ordinary customs duties in excess of those set forth and provided for in the said Schedule. The said articles shall also be exempt from all other duties, taxes, fees, charges or exactions, imposed on or in connection with importation,

¹ For schedules annexed to agreement, see 50 Stat. 1448 or p. 14 of EAS 97.

² 1 UST 459; TIAS 2083.

in excess of those imposed on the day of the signature of this Agreement, or required to be imposed thereafter, under laws of the United States of America in force on the day of the signature of this Agreement.

ARTICLE III

The provisions of Articles I and II of this Agreement shall not prevent the Government of either country from imposing at any time on the importation of any product a charge equivalent to an internal tax imposed in respect of a like domestic product or in respect of a commodity from which the imported product has been manufactured or produced in whole or in part.

ARTICLE IV

The United States of America and Finland agree that the notes included in Schedules I and II are hereby given force and effect as integral parts of this Agreement.

ARTICLE V

Articles the growth, produce or manufacture of the United States of America or Finland, shall, after importation into the other country, be exempt from all internal taxes, fees, charges or exactions other or higher than those payable on like articles of national origin or any other foreign origin.

ARTICLE VI

In respect of articles the growth, produce or manufacture of the United States of America or Finland, enumerated and described in Schedules I and II, respectively, imported into the other country, on which ad valorem rates of duty, or duties based upon or regulated in any manner by value, are or may be assessed, it is understood and agreed that the bases and methods of determining dutiable value and of converting currencies shall be no less favorable to importers than the bases and methods prescribed under laws and regulations of Finland and the United States of America, respectively, in force on the day of signature of this Agreement.

ARTICLE VII

No prohibitions, import or customs quotas, import licenses, or any other form of quantitative regulation, whether or not operated in connection with any agency of centralized control, shall be imposed by Finland on the importation or sale of any article the growth, produce or manufacture of the United States of America enumerated and described in Schedule I, except as specifically provided for in that Schedule, nor by the United States of America on the importation or sale of any article the growth, produce or manufacture of Finland enumerated and described in Schedule II.

The foregoing provision shall not apply to quantitative restrictions in whatever form imposed by either country on the importation or sale of any article the growth, produce or manufacture of the other country in conjunction with governmental measures operating to regulate or control the production, market supply or prices of like domestic articles, or tending to increase the labor costs of production of such articles. Whenever the Government of either country proposes to establish or change any restriction authorized by this paragraph, it shall give notice thereof in writing to the other Government and shall afford such other Government an opportunity within thirty days after receipt of such notice to consult with it with respect to the proposed action; and if an agreement with respect thereto is not reached within thirty days following receipt of the aforesaid notice, the Government which proposes to take such action shall be free to do so at any time thereafter, and the other Government shall be free within fifteen days after such action is taken to terminate this Agreement in its entirety on thirty days' written notice.

ARTICLE VIII

1. If the Government of the United States of America or the Government of Finland establishes or maintains any form of quantitative restriction or control of the importation or sale of any article in which the other country has an interest, or imposes a lower import duty or charge on the importation or sale of a specified quantity of any such article than the duty or charge imposed on importations in excess of such quantity, the Government taking such action shall:

(a) Give public notice of the total quantity, or any change therein, of any such article permitted to be imported or sold, or permitted to be imported or sold at such lower duty or charge, during a specified period;

(b) Unless otherwise mutually agreed, allot to the other country for such specified period a share of such total quantity as originally established, or subsequently changed in any manner, equivalent to the proportion of the total importation of such article which such other country supplied during a previous period, such period to be such as to result in a fair and equitable allotment to the other country; and

(c) Give public notice of the allotments of such quantity among the several exporting countries, and at all times upon request advise the Government of the other country of the quantity of any such article the growth, produce or manufacture of each exporting country which has been imported or sold or for which licenses or permits for importation or sale have been granted.

2. Neither the United States of America nor Finland shall regulate the total quantity of importations into its territory or sales therein of any article in which the other country has an interest, by import licenses or permits

issued to individuals or organizations, unless the total quantity of such article permitted to be imported or sold, during a quota period of not less than three months, shall have been established, and unless the regulations covering the issuance of such licenses or permits shall have been made public before such regulations are put into force.

ARTICLE IX

In the event that the Government of the United States of America or the Government of Finland establishes or maintains a monopoly for the importation, production or sale of a particular commodity or grants exclusive privileges, formally or in effect, to one or more agencies to import, produce or sell a particular commodity, the Government of the country establishing or maintaining such monopoly, or granting such monopoly privileges, agrees that in respect of the foreign purchases of such monopoly or agency the commerce of the other country shall receive fair and equitable treatment. To this end it is agreed that in making its foreign purchases of any product such monopoly or agency will be influenced solely by those considerations, such as price, quality, marketability, and terms of sale, which would ordinarily be taken into account by a private commercial enterprise interested solely in purchasing such product on the most favorable terms.

ARTICLE X

The tariff advantages and other benefits provided for in this Agreement are granted by the United States of America and Finland to each other subject to the condition that if the Government of either country shall establish or maintain, directly or indirectly, any form of control of foreign exchange, it shall administer such control so as to insure that the nationals and commerce of the other country will be granted a fair and equitable share in the allotment of exchange.

With respect to the exchange made available for commercial transactions, it is agreed that the Government of each country shall be guided in the administration of any form of control of foreign exchange by the principle that, as nearly as may be determined, the share of the total available exchange which is allotted to the other country shall not be less than the share employed in a previous representative period, prior to the establishment of any exchange control, for the settlement of commercial obligations to the nationals of such other country.

The Government of each country shall give sympathetic consideration to any representations which the other Government may make in respect of the application of the provisions of this Article.

ARTICLE XI

With respect to (1) customs duties or charges of any kind imposed on or in connection with importation or exportation; (2) the method of levying

such duties or charges; (3) all rules and formalities in connection with importation or exportation; and (4) all laws or regulations affecting the sale or use of imported goods within the country, any advantage, favor, privilege or immunity which has been or may hereafter be granted by the United States of America or Finland to any article originating in or destined for any third country, shall be accorded immediately and unconditionally to the like article originating in or destined for Finland or the United States of America, respectively.

The provisions of the first paragraph of this Article shall not extend:

(1) to the treatment which is accorded by the United States of America to the commerce of Cuba under the provisions of the Commercial Convention concluded by the United States and Cuba on December 11, 1902,³ or any other commercial agreement thereafter concluded by the United States with Cuba; or to the advantages now accorded or which may hereafter be accorded by the United States of America, its territories or possessions or the Panama Canal Zone to one another or to the Republic of Cuba. This provision shall continue to apply in respect of any advantages now or hereafter accorded by the United States of America, its territories or possessions or the Panama Canal Zone to the Philippine Islands irrespective of any change in the political status of the Philippine Islands;

(2) to the benefits which either country has accorded, or may accord, to its neighboring states in order to facilitate local traffic;

(3) to the treatment which Finland accords or may hereafter accord to the commerce of Estonia.

ARTICLE XII

Greater than nominal penalties will not be imposed in the United States of America or in Finland upon importations of articles the growth, produce or manufacture of the other country because of errors in documentation obviously clerical in origin or where good faith can be established.

The Government of each country will accord sympathetic consideration to, and when requested afford adequate opportunity for consultation regarding, such representations as the other Government may make with respect to the operation of customs regulations, quantitative restrictions or the administration thereof, the observance of customs formalities, and the application of sanitary laws and regulations for the protection of human, animal, or plant life.

In the event that the Government of either country makes representations to the Government of the other country in respect of the application of any sanitary law or regulation for the protection of human, animal, or plant life, and if there is disagreement with respect thereto, a committee of technical experts on which each Government will be represented shall, on the request

³ TS 427, *ante*, vol. 6, p. 1106, CUBA.

of either Government, be established to consider the matter and to submit recommendations to the two Governments.

ARTICLE XIII

In the event that a wide variation occurs in the rate of exchange between the currencies of the United States of America and Finland, the Government of either country, if it considers the variation so substantial as to prejudice the industries or commerce of the country, shall be free to propose negotiations for the modification of this Agreement or to terminate this Agreement in its entirety on thirty days' written notice.

ARTICLE XIV

Laws, regulations of administrative authorities and decisions of administrative or judicial authorities of the United States of America or Finland, respectively, pertaining to the classification of articles for customs purposes or to rates of duty shall be published promptly in such a manner as to enable interested persons to become acquainted with them. Such laws, regulations and decisions shall be applied uniformly at all ports of the respective country, except as otherwise specifically provided in statutes of the United States of America relating to articles imported into Puerto Rico.

ARTICLE XV

Except as otherwise provided in the second paragraph of this Article, the provisions of this Agreement relating to the treatment to be accorded by the United States of America and Finland, respectively, to the commerce of the other country, shall not apply to the Philippine Islands, the Virgin Islands, American Samoa, the Island of Guam, or to the Panama Canal Zone.

The provisions of this Agreement regarding most-favored-nation treatment shall apply to articles the growth, produce or manufacture of any territory under the sovereignty or authority of the United States of America or Finland, imported from or exported to any territory under the sovereignty or authority of the other country. It is understood, however, that the provisions of this paragraph do not apply to the Panama Canal Zone.

ARTICLE XVI

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 either Government 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 circumstances, all other military supplies.

Subject to the requirement that there shall be no arbitrary discrimination by either country against the other country in favor of any third country under

like circumstances, the provisions of this Agreement shall not extend to regulations for the enforcement of police or revenue laws of the United States or of Finland relating to imports the importation, transportation, or sale of which is prohibited or restricted; or to prohibitions or restrictions (1) imposed on moral or humanitarian grounds; (2) designed to protect human, animal or plant life or health; or (3) relating to prison-made goods.

ARTICLE XVII

In the event that the Government of the United States of America or the Government of Finland adopts any measure or takes any action which, even though it does not conflict with the terms of this Agreement, is considered by the Government of the other country to have the effect of nullifying or impairing any object of the Agreement, the Government which has adopted such measure or taken such action shall consider such representations and proposals as the other Government may make with a view to effecting a mutually satisfactory adjustment of the matter.

ARTICLE XVIII

Nothing in this Agreement shall be deemed to affect the rights and obligations arising out of the Treaty of Friendship, Commerce, and Consular Rights, signed at Washington on February 13, 1934.⁴

ARTICLE XIX

The present Agreement shall come into full force on the thirtieth day following proclamation thereof by the President of the United States of America and approval thereof by the President of Finland, or should the proclamation be issued and the approval be given on different days, on the thirtieth day following the date of the later in time of such proclamation or approval, and shall remain in force for the term of three years thereafter, subject to the provisions of Article VII and Article XIII. The Government of each country shall notify the Government of the other country of the date of its proclamation or approval.

Unless at least six months before the expiration of the aforesaid term of three years the Government of either country shall have given to the other Government notice of intention to terminate this Agreement upon the expiration of the aforesaid term, the Agreement shall remain in force thereafter, subject to the provisions of Article VII and Article XIII, until six months from such time as the Government of either country shall have given notice to the other Government.

⁴ TS 868, *ante*, p. 718.

In witness whereof the respective Plenipotentiaries have signed this Agreement and have affixed their seals hereto.

Done in duplicate, in the English and Finnish languages, both authentic, at the city of Washington, this eighteenth day of May, nineteen hundred and thirty-six.

For the President of the United States of America:
CORDELL HULL [SEAL]

For the President of Finland:
EERO JÄRNEFELT [SEAL]

[For schedules annexed to agreement, see 50 Stat. 1448 or p. 14 of EAS 97.]