

GUARANTY OF PRIVATE INVESTMENTS

Agreement Between the  
UNITED STATES OF AMERICA  
and FINLAND

Effected by Exchange of Notes  
Signed at Helsinki July 22, 1959



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DEPARTMENT OF STATE

[Literal print]

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*For sale by the Superintendent of Documents, U.S. Government Printing Office  
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# FINLAND

## Guaranty of Private Investments

*Agreement effected by exchange of notes  
Signed at Helsinki July 22, 1959;  
Entered into force July 22, 1959.*

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*The American Ambassador to the Finnish Minister for Foreign  
Affairs*

No. 15

HELSINKI, July 22, 1959

EXCELLENCY:

I have the honor to refer to conversations which have recently taken place between representatives of our two Governments, relating to guaranties authorized by Section 413 (b) (4) of the Mutual Security Act of 1954, [1] as amended. I also have the honor to confirm the following understandings reached as a result of these conversations:

1. The Governments of the Republic of Finland and the United States of America will, upon the request of either of them, consult respecting projects in Finland proposed by nationals of the United States of America with regard to which guaranties under Section 413 (b) (4) of the Mutual Security Act of 1954, as amended, have been made or are under consideration.
2. The Government of the United States of America agrees that it will issue no guaranty with regard to any project unless it is approved by the Government of the Republic of Finland.
3. With respect to such guaranties extending to projects which are approved by the Government of the Republic of Finland in accordance with the provisions of the aforesaid Section 413 (b) (4), the Government of the Republic of Finland agrees:
  - a. That if the Government of the United States of America makes payment in United States dollars to any person under any such guaranty, the Government of the Republic of Finland will recognize the transfer to the United States of America of any right, title or interest of such person in assets, currency, credits, or other property on account of which such payment was made

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<sup>1</sup> 68 Stat. 847; 22 U.S.C. § 1933 (b) (4).

and the subrogation of the United States of America to any claim or cause of action, or right of such person arising in connection therewith.

- b. That Finnmark amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such Finnmark amounts will be freely available to the Government of the United States of America for administrative expenditures.
- c. That if the Government of the United States of America issues guaranties to cover losses by reason of war with respect to investments in Finland the Government of the Republic of Finland agrees that nationals of the United States of America to whom such guaranties have been issued, will be accorded by the Government of the Republic of Finland treatment no less favorable than that accorded, in like circumstances, to its nationals or nationals of third countries, with reference to any reimbursement, compensation, indemnification, or any other payment, including the distribution of reparations received from enemy countries, that the Government of Finland may make or pay for losses incurred by reason of war; if the Government of the United States of America makes payment in U.S. dollars to any national of the United States of America under a guaranty for losses by reason of war, the Government of the Republic of Finland will recognize the transfer to the United States of America of any right, privilege, or interest, or any part thereof, that such nationals may be granted or become entitled to as a result of the aforementioned treatment by the Government of the Republic of Finland.
- d. That any claim against the Government of the Republic of Finland to which the Government of the United States of America may be subrogated as a result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government. This sub-paragraph (d) shall not be applicable to the type of guaranties provided for in sub-paragraph (c), immediately above.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of the Republic

lic of Finland, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of your note in reply.

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

JOHN D. HICKERSON

His Excellency  
RALF TORNGREN,  
*Minister for Foreign Affairs,  
Helsinki.*

*The Finnish Minister for Foreign Affairs to the American  
Ambassador*

MINISTÈRE DES AFFAIRES ÉTRANGÈRES  
DE FINLANDE

N<sup>o</sup> 37052.

HELSINKI, *July 22, 1959.*

YOUR EXCELLENCY,

I have the honour to acknowledge the receipt of your Note No. 15 of July 22, 1959, which reads as follows:

“Excellency:

I have the honour to refer to conversations which have recently taken place between representatives of our two Governments, relating to guaranties authorized by Section 413 (b) (4) of the Mutual Security Act of 1954, as amended. I also have the honour to confirm the following understandings reached as a result of these conversations:

1. The Governments of the Republic of Finland and the United States of America will, upon the request of either of them, consult respecting projects in Finland proposed by nationals of the United States of America with regard to which guaranties under Section 413 (b) (4) of the Mutual Security Act of 1954, as amended, have been made or are under consideration.
2. The Government of the United States of America agrees that it will issue no guaranty with regard to any project unless it is approved by the Government of the Republic of Finland.
3. With respect to such guaranties extending to projects which are approved by the Government of the Republic of Finland in accordance with the provisions of the aforesaid Section 413 (b) (4), the Government of the Republic of Finland agrees:
  - a. That if the Government of the United States of America makes payment in United States dollars to any person under

any such guaranty, the Government of the Republic of Finland will recognize the transfer to the United States of America of any right, title or interest of such person in assets, currency, credits, or other property on account of which such payment was made and the subrogation of the United States of America to any claim or cause of action, or right of such person arising in connection therewith.

- b. That Finnmark amounts acquired by the Government of the United States of America pursuant to such guaranties shall be accorded treatment not less favorable than that accorded to private funds arising from transactions of United States nationals which are comparable to the transactions covered by such guaranties, and that such Finnmark amounts will be freely available to the Government of the United States of America for administrative expenditures.
- c. That if the Government of the United States of America issues guaranties to cover losses by reason of war with respect to investments in Finland the Government of the Republic of Finland agrees that nationals of the United States of America to whom such guaranties have been issued, will be accorded by the Government of the Republic of Finland treatment no less favorable than that accorded, in like circumstances, to its nationals or nationals of third countries, with reference to any reimbursement, compensation, indemnification, or any other payment, including the distribution of reparations received from enemy countries, that the Government of Finland may make or pay for losses incurred by reason of war; if the Government of the United States of America makes payment in U.S. dollars to any national of the United States of America under a guaranty for losses by reason of war, the Government of the Republic of Finland will recognize the transfer to the United States of America of any right, privilege, or interest, or any part thereof, that such nationals may be granted or become entitled to as a result of the aforementioned treatment by the Government of the Republic of Finland.
- d. That any claim against the Government of the Republic of Finland to which the Government of the United States of America may be subrogated as a result of any payment under such a guaranty, shall be the subject of direct negotiations between the two Governments. If within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either Government. This sub-paragraph (d) shall



not be applicable to the type of guaranties provided for in sub-paragraph (c), immediately above.

Upon receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of the Republic of Finland, the Government of the United States of America will consider that this note and your reply thereto constitute an agreement between the two Governments on this subject, the agreement to enter into force on the date of your note in reply.

Accept, Excellency, the renewed assurance of my highest consideration."

I have the honour to confirm to you that the provisions set forth in the said Note are acceptable to the Government of Finland and that it is agreed that your Note and this reply constitute an agreement between our two Governments on this subject, the agreement to enter into force on the date of receipt of this note.

I avail myself of this opportunity to present to Your Excellency the assurance of my highest consideration.

RALF TÖRNGREN

His Excellency

Mr. JOHN D. HICKERSON,  
*Ambassador of the  
United States of America,  
Helsinki.*