

BANK FOR INTERNATIONAL SETTLEMENTS

BASLE.

20th December 1934.

*Johannes  
arkisto*

Risto Ryti, Esq.,  
Governor,  
Suomen Pankki,  
H e l s i n g f o r s.  
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My dear Ryti,

I am very grateful to you for your letter of 28th November and for sending me the booklet in English containing the "Monetary Law; Law containing certain regulations evoked by the reversion to the gold standard; Regulations for the Bank of Finland", and also for the booklet giving your new Bank Law.

In Ireland there is a large body of opinion which would like to see a State-owned Bank. I do not really think it matters much who is owner of the Bank if the finances of the Bank and those of the Government can be kept strictly apart. I even feel sometimes that a Bank that is not <sup>mainly</sup> privately owned and therefore cannot be expected to run the errands of private capitalists can exert a greater influence on politicians than a private bank can do. Professor Gregory from London University, with whom I have discussed this subject, is inclined to think that the leading people in the Bank of England would be wise to make a change in their statutory position. He says that British public opinion is rather moving round to the view that currency matters should not simply be a preoccupation of the City. The Socialists will certainly



make some changes when they come into power; and Professor Gregory is of the opinion that it would be a good thing if these changes were made in advance by the Nationalist Government in agreement with the Bank of England. I am not able to tell to what extent Professor Gregory judges the situation correctly. I am sure, however, that Montagu Norman himself devotes some thought to this problem, though I have had no indication of the lines along which his mind is moving.

Sir Otto Niemeyer believes that at the next elections the National Government will retain <sup>a</sup> ~~its~~ majority in Parliament. There would thus be another 5 years in which to reorganise the Bank if that were considered useful. Naturally people hesitate when it is a question of an institution with the competence, ~~and~~ <sup>and</sup> tradition ~~of~~ authority of the Bank of England.

Here we are having extraordinarily mild weather, which we hope will change so that the many tourists will get their winter sport.

Yours very sincerely,

*Per Jacobsson*