

30 Jan. ".... one of Compton's Representatives advised our people in Berlin that they
"had been asked to bid on a Helsingfors City Loan, and that their Representative
"expected to go to Helsingfors for the purpose. I at once served notice on them
"that we would not be prepared to discuss this business with their firm. THE
"INCIDENT, HOWEVER, INDICATES THAT PROBABLY THE CITY IS MAKING FRANTIC EFFORTS
"TO GET ANY SORT OF A SECOND-CLASS HOUSE TO BID ON THE PROPOSED LOAN.
"THIS IS A SITUATION WHICH, IF THE FINNISH GOVERNMENT STILL DESIRES US TO BE
"PRIMARILY RESPONSIBLE FOR THE SPONSORING OF FINNISH CREDIT, WE SHOULD BRING
"VERY DEFINITELY TO THE ATTENTION OF THE FINNISH GOVERNMENT, IN ORDER TO SECURE
"A CLEAR DEFINITE STATEMENT OF WHAT THE GOVERNMENT POLICY WILL BE....."
"SUMMARIZING, it seems to me that the most important thing to do immediately is
"to get the Finnish Government to definitely assert its authority for public
"borrowing, and decide officially what Loan (i.e. either Helsingfors or Osuus-
"kassojen Keskuslainarahasto) it is desired be issued in the American Market,
"shutting off other borrowers from approaching our market....."

"There does not seem to me much point in discussing the possible set-up of a
"Long-Term City of Helsingfors Loan, inasmuch as we have most emphatically
"pointed out that IT IS ENTIRELY IMPRACTICABLE TO CONSIDER BOTH A COOPERATIVE
"BANK LOAN AND A CITY OF HELSINGFORS LOAN in New York within the near future.
"Nevertheless, in connection with discussions which you may have, I hope you
"will bear strictly in mind that at no time in December did the City Company
"authorize any proposition, or indicate its ability to proceed on any basis
"more favorable to the City than an effective price of $86\frac{1}{2}$ for a $5\frac{1}{2}\%$ bond,
"covered by an immediate Sinking Fund for the investment of which there would
"be a forced call of bonds at par (compulsory call)...."

28 Jan. "...If our Helsingfors friends were disposed to negotiate on a frank and reason-
"able basis, we might possibly carry their situation by means of negotiable six
"months' bills, with privilege of one or two renewals,..... provided, of course
"the City would follow our advice as to the time for approaching the market with
"a Long-Term Funding Loan....."

"....As far as the Cooperative Bank issue is concerned, IF SOME DEFINITE ARRAN-
"GEMENT CAN BE MADE TO KEEP THE HELSINGFORS ISSUE OFF THE MARKET, it seems to me
"the best we could do would be to take a sixty-day option on that Loan, provided
"we can come to an agreement on terms and conditions, etc., leaving the matter
"in such shape that an issue may be immediately made upon any favorable turn
"in New York market sentiment.....".... At present there is no interest whatever
"in Finnish Bonds on the part of the American general dealers, and I am convinced
"that a Finnish issue by any other house in New York would be an absolute "frost%",
"even if made substantially under any price which has been tentatively mentioned
"in recent discussions (referring to the City of Helsingfors). There is no use of
"ignoring or underrating market conditions; it is only possible to make satisfact-
"ory progress by facing the existing situation, finding out exactly what our Fin-
"nish friends want, and - after making sure they realize said market conditions-
"endeavoring to agree upon a definite unchangeable program for accomplishing the
"purposes in mind....."