

July 8th

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Dear Mr. Weeks,

I beg to acknowledge receipt of your letter of the 2nd inst. In reply I may say that when suggesting to use 6% bonds of the year 1923 for certain arrangements to be made in France with franc bonds, I only intended increasing thereby the demand for the said Dollar bonds and improving their rate by this means. Main part of the franc bonds is in the hands of rather small investors who would very likely also keep the Dollar bonds in their possession without putting them in circulation. Should you think, however, that this may be doubted, we have naturally to dispense with the plan.

As regards the loan of the Industrial Mortgage Bank, I have not failed to lay your telegram and your letter before the Minister of Finances, who, it is true, has been absent of late, which has caused some delay. For my part, I must still adhere to my opinion that \$ 16 of the loan contract of 1923 has not been infringed upon, though it is naturally regrettable that the emission affects the rate of the 1923 bonds unfavourably. Just as for instance the Austrian loan which was emitted a couple of years ago cannot be ranged in the same category as the English loans, even if England stands security for the former, the loan contracted by the Industrial Mortgage Bank can

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juridically not be ranged in the same category as the loans of the Finnish State. Of course, the loan of the said Mortgage Bank may, apart from this, affect the rate of the State loans.

As to the loan plans of Finland in general, we have, acting in accordance with your advice, postponed until further the realization of the municipal loan. The arrangements for this loan having been entrusted to us, we have been in a position to fix the date for same, whereas the Industrial Mortgage Bank, urgently needing capital, did not wish to put off their plan. As you had informed that you did not take an interest in loans of this kind, such loans not being common in America, I could not induce the Bank to address to you. The Bank intended emitting its loan in England. However, for reasons which I ignore, the negotiations were transferred to America all the same. I fully conceive and appreciate your valuable efforts for the stabilization of our credit in America and regret deeply that an interruption of this kind was met with in the successful development of matters in this direction. I personally have been absolutely unable to avert it.

With my kindest regards, I am,

Yours very truly