

Valtion F. O. Day. Laina - 1925
copy

1 THE FOLLOWING CONTRACT is concluded, this 17th
2 day of March, 1925, between the GOVERNMENT OF THE REPUBLIC OF
3 FINLAND, acting through its duly authorized representative,
4 Mr. Risto Ryti, Governor of the Bank of Finland, party of the
5 first part (hereinafter referred to as the "Government"), THE
6 NATIONAL CITY COMPANY, a corporation of the State of New York,
7 in the United States of America, LEE, HIGGINSON AND COMPANY, a
8 co-partnership, (STOCKHOLMS ENSKILDA BANK, Stockholm, Sweden, a
9 corporation of the Kingdom of Sweden, and SKANDINAVISKA KREDIT-
10 AKTIEBOLAGET, Stockholm, Sweden, a corporation of the Kingdom of
11 Sweden,) parties of the second part (hereinafter referred to as the
12 "Purchasers"), and THE NATIONAL CITY BANK OF NEW YORK, a national
13 banking association of the United States of America, party of the
14 third part (hereinafter referred to as the "Bank").

15 ARTICLE I. The Government covenants with the Purchasers
16 that it will cause to be duly sanctioned and created, in conformity
17 with the Constitution and Laws of the Republic of Finland (hereinafter
18 referred to as the "State"), an issue of Seven Per Cent. External
19 Loan Sinking Fund Gold Bonds of the Government (hereinafter referred
20 to collectively as the "Bonds") in the aggregate principal amount of
21 Ten Million Dollars (\$10,000,000), in gold coin of the United States
22 of America, constituting and to constitute an External Loan of the
23 Government; and the Government hereby appoints the Bank to act as its
24 Fiscal Agent for the Loan, with the duties and powers herein set
25 forth.

26 ARTICLE II. The Bonds of the Loan will be dated March
27 2, 1925, will mature March 1, 1950, will bear interest from

28 March 1, 1925, at the rate of seven per cent. per annum, payable
29 semi-annually on March 1 and September 1 in each year.

30 Definitive Bonds will be issued in the denominations of
31 \$1000 and \$500, in such amounts as to each denomination as The
32 National City Company may designate, and shall be in negotiable form,
33 payable to bearer and transferable by delivery. Any definitive Bond may,
34 however, be registered in the owner's name on books to be kept by
35 the Bank at its head office in the Borough of Manhattan, City of
36 New York, United States of America, such registration being noted
37 on the Bond by the Bank as Fiscal Agent, after which registration
38 no further transfer of such Bond shall be valid unless such transfer
39 be registered on the said books by the registered owner in person
40 or by duly authorized attorney and similarly noted on the Bond;
41 but such Bond may be discharged from registration by being in like
42 manner transferred to bearer, and thereupon transferability by
43 delivery shall be restored. Definitive Bonds shall continue to
44 be subject to successive registrations and transfers to bearer at
45 the option of their respective holders or registered owners.

46 Definitive Bonds shall have coupons attached, representing
47 the respective instalments of interest to become due thereon, which
48 interest coupons shall be and remain payable to bearer and transfer-
49 able by delivery, notwithstanding any registration of the Bonds;
50 and instalments of interest falling due on any definitive Bond at
51 or before the maturity thereof shall be paid only upon the presenta-
52 tion and surrender of the respective coupons therefor as they

53 severally mature, and shall be so paid without the presentation
54 of the Bond itself.

55 Definitive Bonds shall be executed on behalf of the
56 Government with the facsimile signatures of its Minister of
57 Finance and a Permanent Secretary of the Ministry of Finance,
58 shall be countersigned with the autograph signature of the
59 Republic of Finland's Envoy Extraordinary and Minister Pleni-
60 potentiary at Washington, and shall bear a facsimile of the
61 seal of the Council of State impressed or imprinted thereon.
62 Interest coupons shall be executed with the facsimile signatures
63 of the said Minister of Finance and a Permanent Secretary of the
64 Ministry of Finance.

65 Pending the preparation of definitive Bonds, the
66 Government shall issue one temporary Bond in the denomination of
67 \$10,000,000, in negotiable form, payable to bearer and transferable
68 by delivery, without interest coupons and not susceptible of regis-
69 tration. Such temporary Bond shall be executed on behalf of the
70 Government by its duly authorized representative, and the seal of
71 the Finnish Legation at Washington shall be impressed thereon.
72 Such temporary Bond shall be exchangeable, without charge to the
73 holder thereof, for a like aggregate principal amount of other
74 temporary Bonds of any other denomination or denominations as
75 The National City Company may from time to time request, and
76 shall also be exchangeable, without charge to the holder thereof,
77 for a like principal amount of definitive Bonds of the Loan, with
78 all unmatured interest coupons attached, when such definitive Bonds

79 are prepared and ready for delivery. Interest on such temporary
80 Bond shall be payable only upon presentation thereof for the notation
81 of such payment thereon.

82 Each and every Bond of the Loan (whether temporary or definitive)
83 shall be authenticated as such by the Bank as Fiscal Agent; and no Bond
84 shall be valid or obligatory for any purpose until so authenticated.

85 The text of the Bonds and their interest coupons shall be
86 in the English language only, and definitive Bonds shall be printed
87 from steel engraved plates in such manner and form, approved by The
88 National City Company, that the same shall be eligible for listing on
89 the New York Stock Exchange.

90 ARTICLE III. The Government reserves the right, at its
91 option, to redeem all of the outstanding Bonds of the Loan, but
92 not a part only thereof (except through the operation of the
93 Sinking Fund hereinafter provided for), on March 1, 1930, or on
94 any semi-annual interest date thereafter prior to maturity, at a
95 redemption price equivalent to 100 per cent. of the principal
96 thereof, upon giving notice of such redemption by publishing the
97 same at least once a week for four consecutive weeks in each of two
98 daily newspapers of general circulation published in the Borough of
99 Manhattan, City of New York, United States of America, the first
100 publication to be at least thirty days prior to the date designated
101 for redemption, and, in case any of the Bonds shall at the time
102 be registered, by mailing a copy of such notice, on or before the
103 date of the first publication thereof, to each registered owner of
104 such Bonds at his address appearing upon the registry books as kept
105 by the Bank as Fiscal Agent. Such notice shall call upon the

106 respective holders and owners of the Bonds to surrender the same
107 with all unmatured interest coupons attached at the head office
108 of the Bank in the Borough of Manhattan, City of New York, United
109 States of America, for redemption at the said redemption price on
110 the date designated therefor, and shall give notice, also, that
111 interest on such Bonds shall cease from and after such designated
112 date.

113 Notice of redemption having been given as in this Article
114 III provided, and an amount in cash sufficient to redeem all the
115 outstanding Bonds having been deposited with the Bank on or before
116 the designated redemption date, the Bonds shall on such date become
117 due and payable at the said head office of the Bank at the said
118 redemption price; and, upon the presentation and surrender thereof,
119 with all interest coupons maturing subsequently to the said redemption
120 date, and, in the case of Bonds which shall at the time be registered,
121 accompanied by duly executed assignments or transfer powers, such Bonds
122 shall be paid and redeemed at the said redemption price. After the
123 said redemption date, provided that cash sufficient to redeem all
124 the outstanding Bonds shall have been deposited with the Bank for that
125 purpose, the Bonds shall cease to bear further interest; but all interest
126 coupons pertaining thereto, which shall have matured on or prior to
127 the redemption date, shall continue to be payable to the respective
128 holders thereof, but without interest thereon.

129 ARTICLE IV. As and for a Sinking Fund for the amortization
130 of the principal of the Bonds at or before maturity, the Government
131 covenants, and will so covenant in the Bonds, that, on or before
132 September 1, 1930, and on or before each semi-annual interest date

133 thereafter, so long as any of the Bonds remain outstanding, the Govern-
134 ment will remit or cause to be remitted to the Bank, for the redemption
135 of Bonds on such interest date, a sum in gold coin of the United States
136 of America, or its equivalent; equal to one-fortieth (1/40) part of
137 the aggregate principal amount of the Bonds of the Loan which shall
138 have been outstanding on March 1, 1930, or, if such fortieth part shall
139 not be an exact multiple of \$1000, equal to the next multiple of \$1000
140 in excess of such fortieth part; provided, that such sum may be paid,
141 in whole or in part, at the option of the Government, by the delivery
142 to the Bank of outstanding Bonds of this Loan, which shall be accepted
143 by the Bank at the face value thereof. At least forty-five days prior
144 to September 1, 1930, and at least forty-five days prior to each semi-
145 annual interest date thereafter, the Government will notify the Bank
146 of the amount of cash that will be paid into the Sinking Fund for the
147 redemption of Bonds on such interest date, as above provided, and the
148 Bank shall thereupon select, by lot, for redemption on such interest
149 date, an aggregate principal amount of Bonds equal to the amount of
150 cash so indicated by the Government, and shall thereupon, under
151 authority of and on behalf of the Government, as Fiscal Agent of the
152 Loan, cause notice of/^{the} redemption of the Bonds so selected to be given
153 by publication and mailing in substantially the same manner, and with
154 like effect, as hereinbefore provided in Article III hereof. All
155 amounts of cash remitted as hereinbefore provided shall be applied
156 only to the payment of the principal of the Bonds designated for
157 redemption, and not to the payment of interest thereon, which interest
158 shall be paid by the Government as part of the regular service of the
159 Loan.

160 ARTICLE V. Any and all Bonds, paid or redeemed or delivered
161 to the Bank pursuant to any of the provisions of Article III and
162 Article IV hereof, respectively, shall forthwith be cancelled by
163 the Bank, acting as Fiscal Agent for the Loan, and shall be per-
164 manently retired; and no further Bonds of this Loan shall be issued
165 in lieu thereof. The amount of cash applied to the redemption of
166 Bonds through the operation of the Sinking Fund on any interest date
167 shall in no case exceed the sum provided for in Article IV hereof;
168 provided, that this provision shall not be construed as preventing
169 the Government from acquiring additional Bonds, from time to time,
170 by purchase or otherwise (except through redemption) and delivering
171 them to the Bank for cancellation

172 ARTICLE VI. The Government covenants, and will so covenant
173 in the Bonds, that both principal and interest of the Bonds shall
174 be payable at the head office of the Bank, in the Borough of Man-
175 hattan, City of New York, United States of America, in gold coin of
176 the United States of America of or equal to the present standard of
177 weight and fineness, and shall be paid in time of war as well as in
178 time of peace, whether the respective holders or owners of the Bonds
179 or of any of the interest coupons pertaining thereto are citizens of a
180 friendly or a hostile state, without requiring any declaration as to
181 the citizenship or residence of such holders or owners, or as to the
182 length of time they have been in possession of the Bonds, or of such
183 interest coupons, as the case may be, and without deduction from either
184 principal or interest for or on account of any taxes or duties now
185 or hereafter imposed or levied by the Government or within the State
186 by any political subdivision or taxing authority thereof.

187 ARTICLE VII. The Government covenants, and will so

*financial
subacts*

188 covenant in the Bonds, that, if in the future it shall sell, offer
189 for public subscription or in any manner dispose of any bonds, or
190 contract or create any loan (internal or external), secured by lien
191 or charge on any revenue or asset of the State, the Bonds of this
192 Loan shall be secured equally and ratably therewith.

193 ARTICLE VIII. The Government will covenant in the Bonds
194 that all acts, conditions and things required to be done and per-
195 formed and to have happened precedent to and in the issue of the
196 Bonds, have been done and performed and have happened in due and
197 strict compliance with the Constitution and Laws of the State.

*other than
purchase money
mortgages.*

198 ARTICLE IX. The Government agrees that, in case any
199 Bond or its interest coupons (if any) shall be mutilated, destroyed
200 or lost, the Government will issue, and will thereupon cause the
201 Bank to authenticate and deliver as Fiscal Agent, a new Bond of
202 like denomination, tenor and date, in exchange and substitution
203 for and upon the cancellation of the Bond and its interest coupons
204 (if any) so mutilated, or in lieu of and in substitution for the
205 Bond and its interest coupons (if any) so destroyed or lost, but
206 only upon receipt, in each case, of indemnity satisfactory to
207 the Government and to the Bank as its Fiscal Agent for the Loan,
208 and, in case of the destruction or loss of any Bond or interest
209 coupons, upon the receipt, also, of evidence satisfactory to the
210 Government and to the Bank of such destruction or loss.

211 ARTICLE X. The form of the Bonds and the legality of all
212 proceedings in connection with the issue thereof and the sanction and

213 creation of the Loan shall in all respects be subject to the approval
214 of counsel for the Purchasers; and the Government agrees to furnish
215 the Purchasers, prior to the delivery of the temporary Bond of the
216 Loan, as hereinafter provided, all such documents, assurances and
217 proofs of legality as counsel for the Purchasers may require. —

218 ARTICLE XI. The Government agrees to issue and sell to
219 the Purchasers, for the purchase price hereinafter named, the said Ten
220 Million Dollars (\$10,000,000), aggregate principal amount, of Bonds of
221 the Loan, as herein described, and to deliver to The National City
222 Company, for account of the Purchasers, a temporary Bond of the Loan,
223 in the said principal amount, between the hours of ten o'clock, A. M.,
224 and three o'clock, P. M., on *April*, at the head office of the
225 Bank in the Borough of Manhattan, City of New York, United States of
226 America. Subject to the approval of their counsel, as hereinbefore
227 provided, the Purchasers agree to purchase the said Bonds at the said
228 purchase price hereinafter named, upon the delivery to The National
229 City Company, for their account, of the said temporary Bond at the
230 time and place herein designated; provided, that, at the option of
231 the Purchasers, delivery of the temporary Bond may be deferred for
232 a period or periods not exceeding ten days in the aggregate.

233 The purchase price to be paid upon the delivery of such
234 temporary Bond shall be the sum of _____ Dollars
235 (\$ _____), being the equivalent of _____ per cent. of the
236 aggregate principal amount of the Bonds, to which shall be added a
237 sum equivalent to interest on such principal at the rate of seven

238 per cent. per annum from March 1, 1925, to the date of delivery of
2399 the temporary Bond as above provided.

240 Payment to the Government under any of the provisions of
241 this Article XI shall be made by depositing the amount thereof with
242 the Bank for account of the Government.

243 ARTICLE XII. In consideration of the purchase of the Bonds
244 by the Purchasers, the Government agrees with the Purchasers as follows:

245 (a) The Government will promptly comply with all reasonable
246 requests of The National City Company for such information concerning
247 the governmental organization and administration, laws, finances and
248 general trade and industrial conditions of the State, and other similar
249 information, as The National City Company may reasonably deem necessary
250 or useful in connection with any application to have the Bonds of the
251 Loan listed on the New York Stock Exchange, if the Purchasers deem
252 such listing to be desirable, or in connection with the sale or offer-
253 ing of the Bonds to investors; and the Government hereby authorizes
254 and instructs its official representative in the United States of
255 America, the Republic of Finland's Envoy Extraordinary and Minister
256 Plenipotentiary at Washington, to sign in its name, or otherwise, any
257 such application to have the Bonds listed on the New York Stock Exchange
258 and all other appropriate statements or circulars to be used in connection
259 with such listing or in connection with the sale or offering of the
260 Bonds to investors.

261 (b) The Government will pay, as part of the expenses in
262 connection with the service of the Loan, all expenses incident to the

263 preparation and issue of both temporary and definitive Bonds
264 and any interim certificates representing the same which may be
265 issued by The National City Company, including, among other things,
266 the cost of printing and engraving such Bonds and interim certificates
267 (if issued), the fees of the Bank as Fiscal Agent for authenticating
268 or registering Bonds, the charges for the use of any mechanical device
269 employed in the signing, execution, countersigning or authentication
270 of Bonds and interim certificates, the expenses of The National City
271 Company necessarily incurred in exchanging its interim certificates
272 (if issued) for definitive Bonds, the cost of listing the Bonds on
273 the New York Stock Exchange (if the Purchasers deem such listing
274 to be desirable), and the charges and fees of the Government's own
275 ~~counsel and counsel for the Purchasers.~~ The Government authorizes
276 The National City Company to approve any and all such bills or state-
277 ments as may be rendered for or in respect to any expenses and charges
278 of the foregoing character, and authorizes and requests the Bank as
279 Fiscal Agent for the Loan, to set aside from the proceeds of the Loan
280 a sum equivalent to one-quarter of one per cent. (1/4%) of the principal
281 amount of the Loan, and to pay therefrom any and all such bills or state-
282 ments as may be approved in writing by The National City Company, from
283 time to time. Any balance of the said sum which shall remain with the
284 Bank after all such expenses and charges shall have been paid or provided
285 for, shall be transferred to the credit of the Government's account with
286 the Bank.

287 (c) The Government will not offer or cause or suffer to
288 be offered for sale or public subscription in the United States of

289 *Within six months of the date of this contract*
America or the Dominion of Canada any additional obligations in
290 respect to the payment of which the Government shall or may be liable
291 or responsible, directly or indirectly, as obligor, guarantor or other-
292 wise, unless, in the opinion of The National City Company, the Bonds
293 of this Loan shall have been satisfactorily distributed.

294 (d) If during the period of ten days after the signing of
295 this Contract the investment market in the United States of America
296 or the Dominion of Canada shall be affected by any financial, commercial
297 or political condition or circumstances, or by conditions of the nature
298 of "force majeure," so as to preclude, in the judgment of the Purchasers,
299 the successful sale and distribution of the Bonds of the Loan to
300 investors, or so as to render the offer of the same by them to be in-
301 advisable, the Purchasers shall have the right, in their discretion,
302 to terminate their obligations under this Contract, by giving notice
303 of such termination to the Government by cablegram addressed to the
304 Government's Minister of Finance by The National City Company, acting
305 on behalf of the Purchasers, and, in any such case, the parties hereto
306 shall thereupon be mutually and severally released from any obligation
307 or duty under or in respect to this Contract.

308 ARTICLE XIII. Within sixty days after the close of each
309 six-months' period ending February 28 (or February 29 as the case
310 may be) and August 31, respectively, in each year, the Bank shall
311 render to the Government a statement of account covering such period,
312 setting forth in reasonable detail all receipts and all payments and
313 expenses made or incurred by the Bank as Fiscal Agent for the Loan
314 during the said period, together with a calculation of the sums due

315 to the Bank, as hereinafter provided, as compensation for its services
316 as such Fiscal Agent rendered during such period.

317 ARTICLE XIV. As part of the expenses of the service of
318 the Loan, the Government will pay to the Bank, from time to time, as
319 compensation for its services as Fiscal Agent for the Loan, in addition
320 to its fees for authenticating and registering Bonds, a sum equivalent
321 to one-quarter of one per cent. of all sums paid as interest on the
322 Bonds of the Loan, whether upon the presentation and payment of interest
323 coupons or upon the purchase of Bonds for the account of the Government,
324 or otherwise, and a sum equivalent to one-eighth of one per cent. of the
325 principal amount of all Bonds of the Loan paid, purchased, redeemed or
326 cancelled by it as Fiscal Agent. The Government will also promptly pay
327 or cause to be paid to the Bank all other sums due and payable to it
328 for the service of the Loan, including, among other things, any and all
329 expenses incurred and paid by it for printing and advertising, cost of
330 exchange and remittance of funds, brokerage charges, postage, cable,
331 telegraph and telephone charges, charges of legal counsel and all other
332 usual or reasonable expenditures.

333 ARTICLE XV. The Government agrees with the Bank that
334 any and all sums which may become payable for principal or for interest,
335 or for or on account of any instalment of the Sinking Fund, shall be
336 placed on deposit with the Bank at its head office in the Borough of
337 Manhattan, City of New York, United States of America, at least five
338 full business days before the date on which such sums respectively
339 become payable by the terms of this Contract, and that any and all other
340 sums and expenses payable by the Government in connection with the

341 service of the Loan will be paid in due and strict conformity
342 with the provisions therefor set forth in this Contract, in gold coin
343 of the United States of America, or its equivalent.

344 ARTICLE XVI. The Bank will allow and pay to the Govern-
345 ment on all moneys received by the Bank for or on account of any
346 instalment of the Sinking Fund, and remaining with it for thirty days,
347 or more, interest from the thirtieth day after the receipt thereof
348 to the date upon which the same shall be paid out, at a rate which
349 shall be two per cent. less than the current discount rate of the
350 Federal Reserve Bank of New York for prime bankers' acceptances maturing
351 within ninety days, but in no event at a rate less than two per cent.
352 per annum or more than three per cent. per annum.

353 ARTICLE XVII. The Bank hereby accepts its appointment as
354 Fiscal Agent for the Loan and agrees to act as such under this Contract,
355 upon the terms and conditions herein set forth, including the following:

356 (a) If the Bank shall at any time be in doubt with respect
357 to its rights or obligations hereunder or with respect to the rights
358 of any holder of any Bond, the Bank may advise with its legal counsel;
359 and the Bank shall not be answerable or responsible to the Government
360 for anything done or suffered by it in good faith in accordance with
361 the opinion of such counsel or in the exercise of its reasonable discretion.

362 (b) The Bank may resign at any time as Fiscal Agent, by
363 mailing written notice of resignation to the Government addressed to its
364 Minister of Finance, at Helsingfors, Finland, at least four weeks prior
365 to the date upon which such resignation is to take effect, and by publish-

366 ing notice of such resignation at least once a week for four
367 consecutive weeks prior to such date in each of two daily newspapers
368 of general circulation published in the City of New York, United States
369 of America.

370 (c) In acting under this Contract, the Bank is solely the
371 agent of the Government and does not enter into or assume any obligation
372 or relationship of agency or trust for or with any of the holders or
373 owners of the Bonds or their interest coupons.

374 ARTICLE XVIII. Nothing in this Contract expressed or implied
375 is intended, or shall be construed, to give any person, other than the
376 parties hereto, any right, remedy or claim hereunder or by reason hereof
377 or by reason of any covenant, stipulation or condition herein contained.

378 ARTICLE XIX. This Contract shall bind and inure to the
379 benefit of the parties herto, their respective successors and assigns.
380 This Contract shall be construed in accordance with the laws of the
381 State of New York, United States of America.

382 IN WITNESS WHEREOF, this Contract is signed and delivered, in
383 six counterparts, at _____, the day and year first above written.