

## PROSPEKT

ÖVER

## FINSKA STATENS

5<sup>1</sup>/<sub>2</sub> % obligationslån av den 1 Februari 1928

å

\$ 15.000.000:—.

Lånet, som upptagits för konvertering av Finska Statens 6<sup>1</sup>/<sub>2</sub> % lån av 1921 (det s. k. Skandinaviska lånet), har övertagits av ett konsortium under ledning av **The National City Company** och **Messrs. Lee, Higginson & Co., New York**, samt försäljes samtidigt i New York, Amsterdam, Helsingfors och Stockholm. Den svenska andelen utgör

\$ 1.000.000:—,

som härmed utbjudes till teckning.

**Inlösen av kuponger och utlottade obligationer äger rum utan avdrag för nuvarande eller framtida finska skatter.**

**Emissionskurs: 92<sup>1</sup>/<sub>2</sub> %.****Effektiv avkastning till 1958: 6.05 %.**

Valörer .....	\$ 1.000:— och \$ 500:—.
Ränteterminer .....	1 Februari och 1 Augusti.
Amortering.....	äger rum under tiden 1928—1958 och sker endast genom utlottning, som företages 2 gånger årligen till pari.
Rätt till ökad amortering .....	Låntagaren har rätt att å varje kupongdag inlösa lånet i dess helhet till pari.
Förfallna kuponger och utlottade obligationer inlöses .....	i New York i Dollars. I Sverige sker inlösen hos undertecknade banker efter gällande a/v-köpkurs å Dollars.
Likvid och leverans .....	Likvid erlägges efter köparens bekvämlighet under tiden <sup>1</sup> / <sub>3</sub> — <sup>31</sup> / <sub>5</sub> 1928 mot bevis, försedda med svensk stämpel.

**SÄKERHET:**

Finska Regeringen har bemyndigats upplägga detta lån genom en den 2 februari 1928 daterad lag, i enlighet varmed Finska Staten förbundit sig att icke i framtiden upptaga något lån mot särskild säkerhet utan att densamma med lika rätt pantförskrivs till säkerhet för utelöpande obligationer tillhörande detta lån.

Finlands statsskuld, som i sin helhet är konsoliderad, uppgick den 31 december 1927 till motvärdet av \$ 91.368.894: — (Kr. 340.805.975: —). Skulden per innevånare utgjorde \$ 25: 45 (Kr. 94: 93). Staten har dessutom iklätt sig borgensförbindelser för vissa av kommuner och hypoteksinstitutioner upptagna lån till ett belopp av \$ 29.051.470: — (Kr. 108.361.983: —).

Å andra sidan uppgår värdet av Statens egendom efter försiktig uppskattning till cirka \$ 500.000.000: — (Kr. 1.865.000.000: —). Största delen av denna egendom är produktiv.

Hela statsskulden inklusive borgensansvaret motsvarar ungefär  $3\frac{1}{2}$  % av nationalförmögenheten.

I 1927 års budget uppgingo ordinarie verkliga inkomster till \$ 97.230.000: — (Kr. 362.667.900: —) och ordinarie utgifter till \$ 83.380.000: — (Kr. 311.007.400: —). Överskottet utgjorde alltså \$ 13,850.000: — (Kr. 51.660.500: —). Under de fem sista budgetåren överstego inkomsterna utgifterna med i medeltal \$ 14.799.209: — (Kr. 55.201.050: —) om året.

Under åren 1921—1926 användes av löpande inkomster ett belopp av inalles \$ 27.300.000: — (Kr. 101.829.000: —) för kapitalökning.

Under år 1927 togo utgifterna för ränta och amortering å statsskulden in anspråk ett belopp, som motsvarade 13 % av ordinarie inkomster.

De upplysningar, som innehållas i detta prospekt, hava erhållits från källor, som enligt vår mening äro tillförlitliga. Vi anse uppgifterna korrekta utan att därför garantera riktigheten.

Stockholm i Februari 1928.

STOCKHOLMS ENSKILDA BANK.

SKANDINAVISKA KREDITAKTIEBOLAGET.

Till

STOCKHOLMS ENSKILDA BANK,

STOCKHOLM.

Med anledning av Edert prospekt av Februari 1928 anmäl sig under-  
tecknad härmed som köpare av

Nom. \$ .....\*)

obligationer tillhörande Finska Statens 5<sup>1</sup>/<sub>2</sub> % obligationslån av den 1 Februari 1928  
till en kurs av 92<sup>1</sup>/<sub>2</sub> % jämte hel fondstämpel och upplupen kupongränta, att av  
 $\frac{\text{mig}}{\text{oss}}$  efter  $\frac{\text{min}}{\text{vår}}$  bekvämlighet likvideras under tiden 1 Mars—31 Maj 1928.

..... den ..... 1928.

Namn .....

Titel .....

Adress .....

Obligationerna önskas om möj-  
ligt i följande valörer:

..... st. å nom. \$ 1.000:—

» » » » 500:—

\*) eller det mindre belopp, som tillfölje övertäckning må bliva  $\frac{\text{mig}}{\text{oss}}$  tilldelat.

*ad a cli*

# *The National City Bank*

*of New York.*

*With which is affiliated the International Banking Corporation.*

ESTABLISHED 1812.  
CABLES: CITIBANK.

IN REPLYING PLEASE QUOTE INITIALS.

*36, Bishopsgate,  
London, E.C.2.*

The Hon. Risto Ryti,  
Governor,  
Finlands Bank,  
Helsingfors.

2nd January 1928

Dear Governor Ryti,

I hasten to acknowledge receipt of your very interesting and thoughtful letter of December 29th, which I have studied with the greatest care. I understand quite clearly your viewpoint as set forth therein, and your disposition to advise the Government to proceed in such an important matter as External Financing only as it is able to do so on a really advantageous basis.

There is only one point on which perhaps you will permit me to continue the discussion contained in my letter of December 22nd. I greatly appreciate your frankness in indicating quite openly that you consider the economic conditions in Finland superior to those in Norway, and believe the bonds of your Government should sell at a basis more nearly comparable to Norwegian Government Issues. It is impossible, however, in such a matter to overlook the extremely conservative viewpoints of the class of investors who buy Government securities. The fact that Norway, Sweden and Denmark have been promptly meeting the interest and amortisation of External bonds without a single default or delay, for a period of more than two generations, including the disorganising period of the Great War, is a fact which carries tremendous weight with the type of investors which we have in America, and whose viewpoints, I think, do not differ materially from the viewpoint of the British investor here in England. Speaking myself with the utmost candour and frankness, I may say that I would not personally buy for my family investment a Norwegian or a Danish bond at the prices at which they are selling today, because, from my standpoint, they do not afford an adequate return on the investment, inasmuch-as I believe there are a considerable number of bonds obtainable yielding around  $6\frac{1}{4}\%$  -  $6\frac{1}{2}\%$  which are intrinsically as sound as these Scandinavian Issues. Nevertheless, the conservative tradition of the average investor is a powerful influence (undoubtedly properly so) in placing a premium on a very long record of

prompt meeting of obligations during adverse conditions. The weight of economic facts and the continuous campaign of education, which I am most happy to note you recognise we are maintaining in favour of Finnish Government and Government-guaranteed obligations, will, I am satisfied, in the course of time, bring them to sell always closer and closer to the market level of the Norwegian, Danish and Swedish bonds, but to bring them anywhere near together is, I fear, a question of years even with the most powerful educational influences which can be brought to bear.

Returning to the practical calculations involved in the present situation, I observe that you fix a gross cost of  $6\frac{1}{2}\%$  as the maximum at which the Finnish Government would be justified in undertaking a Dollar Refunding Loan.

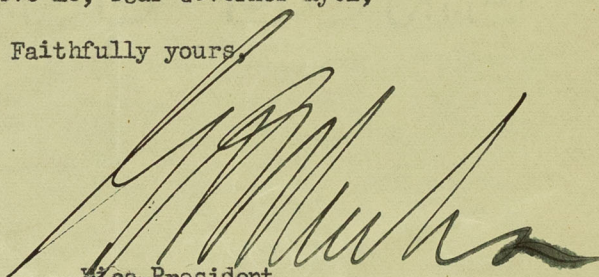
I am taking the liberty of forwarding your letter to our President and my other colleagues in New York, for their information and suggestions. Meantime, it occurs to me that, irrespective of the question of improvement in market prices in New York, a somewhat longer maturity with a  $5\frac{1}{2}\%$  coupon, - say a 30-Year  $5\frac{1}{2}\%$  Sinking Fund Issue, would come more easily within the cost which you indicate as a maximum, than would a 20-Year or a 25-Year Issue.

In any event you can be sure we will watch the situation very closely and will communicate with you promptly in regard to any opportunities for effective action along the lines of your indication.

With renewed expressions of our best wishes for the  
New Year 1928,

Believe me, Dear Governor Ryti,

Faithfully yours,



Vice-President.

*Stm*  
**ERNST E. GRIFFEL, BANKIER**

EUROPÄISCHER VERTRETER DER EMISSIONSBANK

**JOHN NICKERSON & CO.**

NEW YORK, 61 BROADWAY

ST. LOUIS, SAN FRANCISCO

TEL.-ADR.: GRIFFELBANK, BERLIN

FERNRUF: NOLLENDORF 569, 6027

CODES: RUDOLF MOSSE

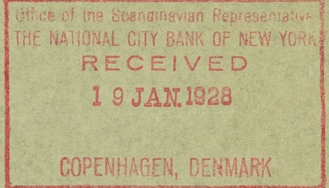
PETERSON SECOND EDITION

BERLIN W 35, SCHÖNEBERGER UFER 24

January 17th 1928

*all*

Mr. Nelson,  
Representative of  
the National City  
Bank for Scandinavia,  
COPENHAGEN.



Dear Sir:-

I refer to my letter of the 3rd inst., to which I have not yet received your reply. I should therefore very much appreciate your letting me know whether you received this letter or not.

Meanwhile our agent in Finland has informed us that the Financial Ministry of Finland would like to receive from us a bid. But I would not like to suggest to my American house to take this matter up direct without first having heard from you in answer to my above mentioned letter. I think that a mutual action in this matter would be preferable.

Looking forward to your reply at your very earliest convenience, I remain, dear Sir,

Yours very truly

*Ernst E. Griffel*

den 3. January 1928

Herrn Nelson,  
16, Holmenf Kanal,  
C o p e n h a g e n .

(Representative of the  
National City Company  
for Scandinavia)

Dear Sir:-

As European representative of the American  
Investment Bank

John Nickerson & Co., New York,

I would be very glad to get in touch with you.

I heard from New York that you have opened negotiations with the Finnish Minister of Finance, and as my house in New York is also in negotiation with this party, I would propose that, instead of competing against each other in this matter, we perhaps may try to get this business together. I am sure that it would be for you and my house in America be well possible to make a joint bid to the credit-seeker in question.

Hoping to hear from you at your earliest convenience, I remain, dear Sir,

Yours very truly

*Correspondent Office*  
*The National City Bank*  
*of New York*

*Copenhagen, Denmark*

ESTABLISHED 1812  
CABLE ADDRESS "CITIFIN"

HOLMENS KANAL 16  
TELEPHONE: CENTRAL 8856

March 14, 1928

Hon. Risto Ryti, Governor,  
Finlands Bank,  
Helsingfors, Finland.

Dear Mr. Ryti:

Enclosed you will find a copy of my letter of to-day to the Minister of Finance, and a copy also of the table of amortization to be attached to your copy of the February 11, 1928 Loan Contract. Apropos of said Loan Contract, it came to our attention that the name of The National City Bank had been omitted on the last page, lines 383-386. The last morning I was in Helsingfors I succeeded in having this omission corrected in the case of the Finnish Government's copy of the Contract, but no time was left for calling again at Finlands Bank before the train left. While this may be a formality, I would merely say here, for the sake of your records, that I shall be glad to affix our signature also to your copy of said Contract on my next trip to Helsingfors.

Yesterday I cabled you as follows:

"George K. Weeks requests me inform you that The National City Bank of New York, London, England, will gladly take "in volunteer from Finlands Bank- Regards-".

This refers, of course, to our conversations in February, at which time you stated that Finlands Bank would soon be sending two of your young men to London to serve as "volunteers" in English banks. As I remember it, the British Minister stated at lunch that the Permit required from the British Ministry of Labor for your two young men would be readily securable in view of the fact that they would not be receiving any compensation in England, so I assume this point will cause no further difficulty. Perhaps you would be so kind as to inform me at your convenience when our London Office may expect to receive the young man who is to undergo a period of student training with us there.

P.t.o.



Copenhagen, March 14, 1928

Allow me to use the opportunity of expressing my sincere appreciation of the friendly courtesies extended to Mr. and Mrs. Koelsch, Mrs. Nelson and undersigned on our recent visit to your City. With the best personal regards to Mrs. Ryti, yourself and your esteemed colleagues, I remain

Yours faithfully,

MON/HN  
3c

  
Scandinavian Representative.

*M. O. Nelson*  
*3c*

# DUPLICATE

CORRESPONDENT OFFICE

## THE NATIONAL CITY BANK OF NEW YORK COPENHAGEN, DENMARK

March 14, 1928

His Excellency Mr. Juho Niukkanen,  
Minister of Finance,  
Helsingfors, Finland.

Your Excellency:

We have just received the attached table of amortization for the February 1, 1928 thirty year \$15,000,000 Finnish Government loan from The National City Company, 55 Wall Street, New York City. (You will remember that in our contract of February 11, a.c., we inserted the words: "to be" in front of the word: "annexed" in line 129). The National City Company requests that you cable them authorization to attach their copy of the enclosed amortization table to said February 11 contract provided said table is satisfactory to your Government. The National City Company also requests that you be so kind as to confirm said cable in due course by letter.

I enclose my suggested draft of the cable to be sent The National City Company, New York. As far as your letter of confirmation is concerned, I believe it will be sufficient for you merely to write:-

"I hereby confirm my cable to you of to-day's  
"date, reading:- (cite cable in full)-".

Yours very truly,

MON/HN  
3c

- M.O.Nelson -  
Scandinavian Representative

Encls.

NACITCO

NEWYORK

You are hereby authorized to..... A S Z T E  
attach to..... A S E G H  
February 11..... L I J N O  
1928..... N E U G A  
Government Loan..... G I J E P  
\$15,000,000..... R Y E M T  
Contract..... C A L I H  
your Schedule of..... J I G O A  
Amortization..... A M O R T I Z A T I O N  
(Testword)..... (Testword)

Minister of Finance..... G Y E S T

Finland..... U B A W K

JUHO NIUKKANEN.

MON/HH4c

*To be attached to Finland's  
Bank's copy of Feb. 11, 1928  
Contract*

REPUBLIC OF FINLAND 5 1/2% EXTERNAL LOAN, DATED FEBRUARY 1, 1928

Six Months' Interest Periods Ending -	Interest	Amortization	Total	Amount Outstanding
	\$	\$	\$	\$
August 1, 1928	412,500.00	101,000	513,500.00	15,000,000
February 1, 1929	409,722.50	103,000	512,722.50	14,899,000
August 1, 1929	406,890.00	106,000	512,890.00	14,796,000
February 1, 1930	403,975.00	109,000	512,975.00	14,690,000
August 1, 1930	400,977.50	113,000	513,977.50	14,581,000
February 1, 1931	397,870.00	115,000	512,870.00	14,468,000
August 1, 1931	394,707.50	119,000	513,707.50	14,353,000
February 1, 1932	391,435.00	122,000	513,435.00	14,234,000
August 1, 1932	388,080.00	125,000	513,080.00	14,112,000
February 1, 1933	384,642.50	129,000	513,642.50	13,987,000
August 1, 1933	381,095.00	132,000	513,095.00	13,858,000
February 1, 1934	377,465.00	136,000	513,465.00	13,726,000
August 1, 1934	373,725.00	140,000	513,725.00	13,590,000
February 1, 1935	369,875.00	143,000	512,875.00	13,450,000
August 1, 1935	365,942.50	147,000	512,942.50	13,307,000
February 1, 1936	361,900.00	151,000	512,900.00	13,160,000
August 1, 1936	357,747.50	156,000	513,747.50	13,009,000
February 1, 1937	353,457.50	160,000	513,457.50	12,853,000
August 1, 1937	349,057.50	164,000	513,057.50	12,693,000
February 1, 1938	344,547.50	169,000	513,547.50	12,529,000
August 1, 1938	339,900.00	173,000	512,900.00	12,360,000
February 1, 1939	335,142.50	178,000	513,142.50	12,187,000
August 1, 1939	330,247.50	183,000	513,247.50	12,009,000
February 1, 1940	325,215.00	188,000	513,215.00	11,826,000
August 1, 1940	320,045.00	193,000	513,045.00	11,638,000
February 1, 1941	314,737.50	199,000	513,737.50	11,445,000
August 1, 1941	309,265.00	204,000	513,265.00	11,246,000
February 1, 1942	303,655.00	210,000	513,655.00	11,042,000
August 1, 1942	297,880.00	215,000	512,880.00	10,832,000
February 1, 1943	291,967.50	221,000	512,967.50	10,617,000
August 1, 1943	285,890.00	227,000	512,890.00	10,396,000
February 1, 1944	279,647.50	234,000	513,647.50	10,169,000
August 1, 1944	273,212.50	240,000	513,212.50	9,935,000
February 1, 1945	266,612.50	247,000	513,612.50	9,695,000
August 1, 1945	259,820.00	253,000	512,820.00	9,448,000
February 1, 1946	252,862.50	260,000	512,862.50	9,195,000
August 1, 1946	245,712.50	268,000	513,712.50	8,935,000
February 1, 1947	238,342.50	275,000	513,342.50	8,667,000
August 1, 1947	230,780.00	283,000	513,780.00	8,392,000
February 1, 1948	222,997.50	290,000	512,997.50	8,109,000
August 1, 1948	215,022.50	298,000	513,022.50	7,819,000
February 1, 1949	206,827.50	307,000	513,827.50	7,521,000
August 1, 1949	198,385.00	315,000	513,385.00	7,214,000
February 1, 1950	189,722.50	324,000	513,722.50	6,899,000
August 1, 1950	180,812.50	333,000	513,812.50	6,575,000
February 1, 1951	171,655.00	342,000	513,655.00	6,242,000
August 1, 1951	162,250.00	351,000	513,250.00	5,900,000
February 1, 1952	152,597.50	361,000	513,597.50	5,549,000
August 1, 1952	142,670.00	371,000	513,670.00	5,188,000
February 1, 1953	132,467.50	381,000	513,467.50	4,817,000
August 1, 1953	121,990.00	392,000	513,990.00	4,436,000
February 1, 1954	111,210.00	402,000	513,210.00	4,044,000
August 1, 1954	100,155.00	413,000	513,155.00	3,642,000
February 1, 1955	88,797.50	425,000	513,797.50	3,229,000
August 1, 1955	77,110.00	436,000	513,110.00	2,804,000
February 1, 1956	65,120.00	448,000	513,120.00	2,368,000
August 1, 1956	52,800.00	461,000	513,800.00	1,920,000
February 1, 1957	40,122.50	473,000	513,122.50	1,459,000
August 1, 1957	27,115.00	486,000	513,115.00	986,000
February 1, 1958	13,750.00	500,000	513,750.00	500,000