

Citibank Berlin

10:30 pm Tuesday 24 May 1927

George K. Weeks No. 2. Today Minister of Finance advised me: First-  
Their attorneys considered January 8 law gives authority issue 100 Million  
Government guarantee fund bonds in gold Finmarks with specifically therein  
stated relationship to Dollars; Second:- Government would not object to  
depositing bonds with NCB NY; Third:- Parliament at present adjourned and  
no legislative session expected until Fall wherefore amendment unobtainable  
now; Fourth:- mortgage associations management will require member/borrowers  
sign mortgages 100% equal to nominal value Dollar bonds and pay off capital  
rebate in six years by 1% per annum thus materially strengthening reserve  
fund; Fifth:- Furthermore, in order to make default of interest and amortization  
payments on Dollar bonds absolutely impossible, Finlands Bank willing ob\_ligate  
itself provided 10% security mortgages required by by-laws are hypothecated  
with it, to - if necessary - provide NCB NY with funds to meet half-yearly  
payments Stop Since associations - in case of default - entitled foreclose  
mortgages after 3 months and since joint (and) several responsibility certainly  
in case of need would also be enforced within 3 months, Finlands Bank helpful  
offer appears to supply missing link ensuring unbroken payments Stop If you  
consider above workable, I intend endeavor obtain agreement here to say quote  
This \$10 Million issue is first part of authorized \$20 Million bond issue  
secured by government gold bonds equivalent to \$2.5 Million or 100 Million  
Finmarks deposited with NCB NY as Trustee endquote and to incorporate clause  
in contract letter giving us exclusive position for second \$10 Million