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Folder Title: Electric Power Development Project - Finland - Loan 0142 - P037370 - Negotiations - Volume 2

Folder ID: 1581971

Project ID: P037370

Dates: 4/5/1956 - 5/21/1956

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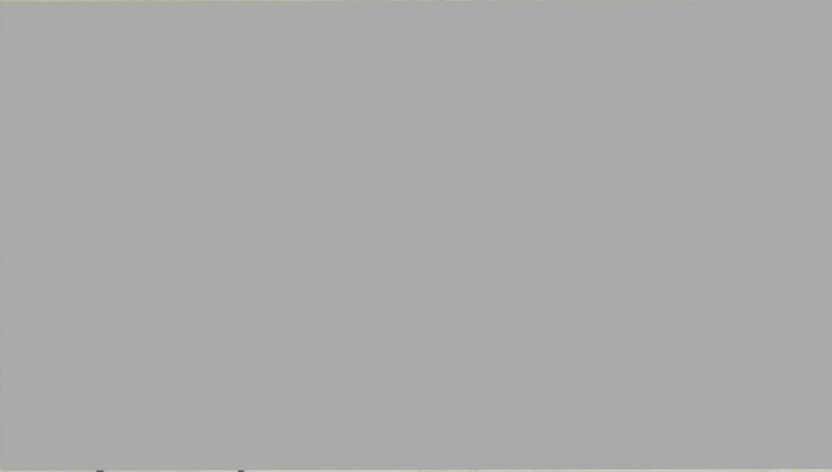
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THE WORLD BANK
Washington, D.C.

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The World Bank
1818 H Street NW
Washington DC 20433



DECLASSIFIED
WBG Archives



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1581971

A1995-143 Other #. 18 Box # 193456B
Electric Power Development Project - Finland - Loan 0142 - P037370 -
Negotiations - Volume 2

fin: dm up

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

RCA

DATE: MAY 16, 1956

TO: *LT* WARIS
SUOMEN PANKKI
HELSINKI, (FINLAND)

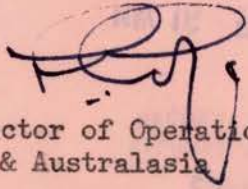
| CLASS OF SERVICE DESIRED | | | |
|--------------------------|-------------------------------------|----------|--------------------------|
| NIGHT LETTER | <input checked="" type="checkbox"/> | CODE | <input type="checkbox"/> |
| FULL RATE | <input type="checkbox"/> | TELETYPE | <input type="checkbox"/> |

TEXT:

✓
THANKS YOURS SIXTEENTH STOP *✓* CONFIRM MY CABLE YESTERDAY
DOCUMENTS RECEIVED IN ORDER

COPE

AUTHORIZED BY: *W*



NAME S.R. Cope, Director of Operations
Europe, Africa & Australasia

DEPT. BKing/vhn

| For Use by Archives Division |
|-------------------------------|
| Checked for Dispatch _____ |

FILE COPY

БІГЕ СОБА

ВКТИВ Арн

ДЕЛІ

Видове: видове з улаштування

ИВНЕ

С.З. Сове: Директор of Обединение

RECEIVED
INTERNATIONAL BANK OF
COMMERCE
NEW YORK
FEDERAL RESERVE DEVEL.

УЛНУОНІЗІД НА:

[Handwritten signature]

MAR 16 5 47 PM 1955

| |
|------------------------------|
| Checked for Diabeter |
| For use by American Diabeter |

СОБЕ

DOCUMENTS RECEIVED IN CHARGE

ЛАНУКЕ ЛОНЕ СІКЛЕМАІН СІОБ СОБІІМ НА СОВІЕ ЛЕБЛЕДІА

ЛЕКУ

ЛО:

НЕГІІІІІІ (ЛІІІІІІІ)
СІОСІІІІ ІВІІІІІІ
ИВНІІІ

ДВІІІ:

ИВІІ ІІІІ ІІІІІ

КОС

| | | | |
|--------------------------|-------------------------------------|-----------|--------------------------|
| ИІІІ ІВІІІ | <input type="checkbox"/> | ЛЕГІІІІІІ | <input type="checkbox"/> |
| ИІІІІ ІЕІІІІ | <input checked="" type="checkbox"/> | СОБЕ | <input type="checkbox"/> |
| CLASS OF SERVICE DESIRED | | | |

ОІІІІІІ ІВІІІ

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

100-224
FORM NO. 11

for use

Fin: Lu njo

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

MAY 16, 1956 1507

DATE OF WIRE:

TO: COPE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
HELSINKI

FROM:

| ROUTING | |
|---------------------|---------|
| ACTION COPY TO | MR COPE |
| INFORMATION COPY TO | |
| Decoded By | |

TEXT:

✓
 RE YOURS FIFTEENTH DIET LEGISLATION JUST PUBLISHED IN
 STATUTEROLL AIRMAILED TODAY

WARIS

SUOMEN PANKKI — FINLANDS BANK, HELSINKI

PÄIVÄYS
DATUM
DATE

16.5.1956

VIITTEEMME
VÄR REF.
OUR REF.

King
KW/JV/BC

Rm 400

Files

→ Mr. S. R. Cope, Director
International Bank for Reconstruction
and Development, Washington DC

SÄHKEVAHVISTUS
TELEGRAMBEKRÄFTELSE
CABLE CONFIRMATION

VÄHVISTAMME TÄTEN TÄMÄNPÄIVÄISEN, ALLAOLEVAN
JÄLJENNÖKSEN MUKAISEN SÄHKEEMME.
VI BEKRÄFTA HÄRMED VÄRT TELEGRAM AV I DAG ENLIGT NEDÄNSTÄENDE KOPIA.
WE CONFIRM OUR TELEGRAM OF TO-DAY AS PER COPY HEREAFTER.

KUNNIOITTAEN / HÖGAKTNINGSFULLT / YOURS FAITHFULLY

SUOMEN PANKKI — FINLANDS BANK

Eero Aho *U. A. J. Atanen*

Cope
Intbafrad
WashingtonDC

Re yours fifteenth diet legislation
just published in statuteroll airmailed today

Waris

SUOMEN PANKKI — FINLANDS BANK HELSINKI

RÄVÄYTS
DATE
DÄUM

16.5.1956

VITTEMMÄ
OUR REC.
VAR PER

13/

VI BERRATA HARVET VÄRT TIEGRAM AV DAG ENLIGT NEDANSTÄNDRE KOPIA
JÄLLENOCKSEN MUKASEN SÄHKÖMÄME
YHVIKÄMME TÄTEN TÄMÄRIVÄISEN, ALLAOLEVAN
WE CONFIRM OUR TELEGRAM OF TODAY AS PER COPY HEREATER.

KUNNIOITTAEN / HOGKÄNINGSHULL / YOURS FAITHFULLY

SUOMEN PANKKI — FINLANDS BANK

Handwritten signature: J. A. A. A. A.

Mr. S. A. Pope, Director
International Bank for Reconstruction
and Development, Washington DC

SÄHKÖVÄHVIKÄS
TELEGRAMBERRÄTTELSE
CABLE CONFIRMATION

Washington DC
Internat
Gope

just published in statistical annexes today
to your kindness that legislation

Paris

RECEIVED
COMMUNICATIONS BANK OF
FINLAND HELSINKI

MAY 21 11 42 AM 1956

fin Am rep.

OUTGOING WIRE

*FOR
MAIL*

CLASS OF SERVICE: LETTER TELEGRAM

DATE: MAY 15, 1956

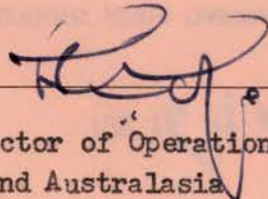
TO: VON FIEANDT
SUOMEN PANKKI
HELSINKI FINLAND

COUNTRY (

EXT:

Cable No. DOCUMENTS SENT WITH YOUR LETTER MAY TWELVE JUST RECEIVED STOP
BELIEVE AT FIRST SIGHT THAT THESE WITH DOCUMENTS SENT WITH YOUR MAY
FOUR AND NINE LETTERS AND POWERS OF ATTORNEY NOW IN THE MAIL COMPLETE
DOCUMENTS NEEDED BEFORE LOAN SIGNATURE STOP WILL CONFIRM AFTER CLOSER
READING TOMORROW STOP WOULD ALSO APPRECIATE YOUR SENDING COPY OF
STATUTE ROLL PARENTHESIS DIET LEGISLATION PARENTHESIS MENTIONED IN
YOUR LETTER MAY FOUR

all letters in legal



Signed: COPE

AUTHORIZED BY:

NAME: S. R. Cope, Director of Operations

DEPT: Europe, Africa and Australasia

SIGNATURE:

For Use by Archives Division

Checked for Dispatch

BBKing:ap

ORIGINAL (File Copy)

GUIDE FOR PREPARING OUTGOING WIRES

1. Class of Service

Type in class of service desired. Each class is described as follows:

Letter Telegram Letter telegrams are normally delivered the morning after day of despatch. The cost is half the cost of full rate messages with a minimum charge for 22 words including address and text.

Full Rate Full rate messages are normally transmitted and delivered immediately. There is a minimum charge for 5 words, including address and text.

IBF Govt. This is a preferential rate extended to the Bank by some of its member countries. Messages are sent at full rate speed and at about half the cost. This rate normally should be used whenever available. It is at present available for the following countries:

| | | | |
|------------|--------------------|-----------|------------|
| Bolivia | Cuba | Guatemala | * Peru |
| Brazil | Dominican Republic | Honduras | * Syria |
| Burma | Ecuador | Jordan | Uruguay |
| Chile | El Salvador | * Lebanon | Venezuela |
| * China | * Ethiopia | Nicaragua | Yugoslavia |
| Colombia | * France | Pakistan | |
| Costa Rica | Greece | Panama | |

* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.

Code Code messages are transmitted at full rate (or IBF Govt.) speed and cost. This rate should be used only for confidential messages to staff members having a code with them.

Day Letter Day letters are delivered during the day of transmission and should be used only for messages in the United States and to Mexico and Canada. There is a minimum charge for 50 words in text.

Teletype To be used only for messages to the New York Office, United Nations, and certain commercial firms. For information, call Cable Post (Ext. 2008).

2. Address

Use only last name of addressee and cable address whenever possible. The Bank cable address "INTBAFRAD" is registered in Paris, Beirut, Rio de Janeiro, Bogota, and Guatemala City. The name of the country of destination must always be added. (No charge is made for the name of a country).

3. Text

Messages to Bank Missions and to Resident Representatives should be numbered. These numbers may be obtained by calling Ext. 2008.

Type text in capital letters and double space between lines. The text should be edited to eliminate unnecessary words and unnecessary punctuation. If punctuation is needed, spell out the words "Comma," "Stop," etc.

Use common abbreviations whenever possible, i.e. reourlet, reurfive, etc. Write as one word hyphenated words, hyphenated names, and certain two-word groups, e.g. Airmail, Newyork, enduse.

4. Signature

Type in last name of sender. Use INTBAFRAD as part of the signature only when addressee does not know the address of the sender.

5. Authorization

Type in name and department of staff member authorizing message and have authorizing staff member sign the original (pink copy). A list of authorized signatures is kept in the cable office.

Forward messages in triplicate in a cable envelope to Room 210 for despatch. The cable service is open from 9:00 a.m. to 5:45 p.m. on working days. Special arrangements should be made for the despatch of cables outside of these hours.

ANY QUESTIONS REGARDING INCOMING AND OUTGOING WIRES SHOULD BE REFERRED TO THE CABLE POST, EXT. 2008.

MAY 15 1951

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Handwritten signature]

Finne up.

AIRMAIL

May 14, 1956

Mr. Bror Nordqvist
Ekono
S. Esplanadg 14
HELSINKI

— April 1956

Dear Bror:

Thank you very much for your letter with enclosed data on fuel and power consumption in the pulp and paper industry. I have turned them over to Mr. Allardice who found them very useful. Mr. Allardice will be present at the World Power Conference in Vienna and I have given him your name as I assumed you would be interested in meeting him. He will stay at Hotel Sacher.

We are close to the end on the new loan, the documents were distributed to our Board of Directors Thursday last week and the Board meeting and the signing will probably take place Thursday and Friday of this week.

I would be grateful if you could keep me currently informed about changes in the lists of equipment to be financed by the loan, in particular if it is likely that an order will be placed in another country than anticipated. Could you also send me a brief note after orders have been placed for major items with information on supplier, total price, promised delivery and terms of payment.

With the best personal regards,

Yours sincerely,

(Christian Finne)

fin Ru up.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: **MAY 14, 1956** 1735
TO: **COPE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
HELSINKI**
FROM:

| ROUTING | |
|---------------------|---------|
| ACTION COPY TO | MR COPE |
| INFORMATION COPY TO | |
| Decoded By | |

TEXT:

AIRMAILED MORTGAGEBANK POWER ATTORNEY AND AUTHORIZING DOCUMENTS
TO FINNEMBASSY TODAY. FOREIGNMINISTRY REPORTS REPUBLIC OF
FINLAND POWER ATTORNEY ALSO DISPATCHED TODAY. WE ASSUME YOU
RECEIVED DOCUMENTS AIRMAILED SATURDAY AND ALL MEASURES FOR
APPROVAL AND SIGNATURE NOW COMPLETED

FIEANDT

BRITISH

INTERNATIONAL SCHOOL FOR
SECONDARY AND DEVEL.

MAY 14 2 36 PM 1956

RECEIVED

THE DIRECTOR
INTERNATIONAL SCHOOL FOR SECONDARY AND DEVEL.
1000 W. 15th St. S.W.
Ottawa, Ontario, Canada

1956

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1956

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1956

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| 1956 | 1956 |
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| 1956 | 1956 |
| 1956 | 1956 |

INTERNATIONAL SCHOOL

INTERNATIONAL SCHOOL FOR SECONDARY AND DEVEL.

SUOMEN PANKKI — FINLANDS BANK, HELSINKI

PÄIVÄYS
DATUM
DATE

14.5.1956

VIITTEEMME
VÄR REF.
OUR REF.

RvF/BC 400

File

→ Mr. S. R. Cope, Director
International Bank for Reconstruction
and Development, Washington DC

SÄHKEVAHVISTUS
TELEGRAMBEKRÄFTELSE
CABLE CONFIRMATION

VAHVISTAMME TÄTEN TÄMÄNPÄIVÄISEN, ALLAOLEVAN
JÄLJENNÖKSEN MUKAISEN SÄHKEEMME.
VI BEKRÄFTA HÄRMED VÄRT TELEGRAM AV I DAG ENLIGT NEDANSTÄENDE KOPIA.
WE CONFIRM OUR TELEGRAM OF TO-DAY AS PER COPY HEREAFTER.

KUNNIOTTAIN / HÖGAKTNINGSFULLT / YOURS FAITHFULLY

SUOMEN PANKKI — FINLANDS BANK

U. A. Vatanen

cope
intbafrad
washingtonDC

airmailed mortgagebank power attorney and
authorizing documents to finnembassy today stop
foreignministry reports republic of finland power
attorney also dispatched today stop we assume you
received documents airmailed saturday and all measures
for approval and signature now completed

fieandt

RECEIVED
NATIONAL BANK OF
INDIA AND DEVELOP
MAY 21 11 42 AM 1956

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СЪВЪТЪ СЪОБЩАВАЩИ
ТЕГОВИ И ВЪВЕЖАЩИ
СЪНКАВАНИИ

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... ..

[Handwritten signature]
СЪОБЩАВАЩИ — БАНКА НА БЪЛГАРИЯ
КОМИСИОНЕРИ: ИСТОЧНИЦИТЕ НА ДОХОДА НА БЪЛГАРИЯ

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... ..

СЪОБЩАВАЩИ — БАНКА НА БЪЛГАРИЯ, НЕГЪЛНИ

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Fin: Am up

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: May 11, 1956

TO: Mr. King

FROM: Jorma Vanamo, Finnish Embassy, Washington.

FILED UNDER: Finland - Loan 61

SUMMARY: Acknowledging May 10th. letter and draft of press release for proposed Loan to Mortgage Bank of Finland.

EMBASSY OF FINLAND
1900 TWENTY-FOURTH ST., N. W.
WASHINGTON 8, D. C.
No. 3427

Fin for up
Op files
2/10

May 11, 1956

WJW

Dear Mr. King:

Thank you very much for your letter of May 10[✓] and
for the enclosed draft Loan and Guarantee Agreements.

I have sent one copy of each to the Bank of Finland,
as well as, your letter regarding the status of Loan
IB-61-FI.

Sincerely yours,

Jorma Vanamo
Jorma Vanamo
Counselor of Embassy

Mr. B.B. King
Division of Operations
Europe, Africa and Australasia
International Bank for Reconstruction
and Development
1818 H Street, Northwest
Washington 25, D.C.

MAY 11 1956

RECEIVED
INTERNATIONAL BANKING
CORPORATION
NEW YORK, N.Y.

MAY 14 11 09 AM 1956

Mr. B. B. King
Director of Operations
International Bank for Reconstruction
and Development
Washington 25, D.C.

Director of Operations
International Bank for Reconstruction
and Development
[Signature]

Enclosed please find

IB-01-51

As per your letter regarding the status of your
I have sent one copy of each to the Bank of America
for the enclosed check your and enclosed acknowledgement.
Thank you very much for your letter of May 10 and
Dear Mr. King:

4/4

May 17, 1956

1956
WASHINGTON 25, D.C.
1800 TWENTY-FIFTH ST. N.W.
EMBASSY OF FINLAND

[Handwritten notes]

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

File
2/0
fin. in rep.

DATE OF WIRE: May 11, 1956

1225

TO: Mr. Cope, International Bank
for Reconstruction and Development
FROM: Helsinki

| ROUTING |
|----------------------------------|
| ACTION COPY TO Mr. Cope <i>u</i> |
| INFORMATION COPY TO |
| Decoded By |

Mr. King

TEXT:

✓

YOURS NINTH ARRIVED TODAY DUE BANKHOLIDAY STOP *✓* WE AGREE
 DESTRUCTION REVISED FOUR AND FIVE STOP YOURS TENTH WE
 AGREE REVISIONS LOANREGULATIONS LOANAGREEMENT
 GUARANTEEAGREEMENT

FIEANDT

ORIGINAL

ORIGINAL

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAY 11 10 03 AM 1956

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C. 20540
MEMORANDUM FOR THE DIRECTOR

TO: DIRECTOR
FROM: [illegible]
SUBJECT: [illegible]

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INTERNATIONAL BANK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

SUOMEN PANKKI — FINLANDS BANK, HELSINKI

PÄIVÄYS
DATUM
DATE

11.5.1956

VIITTEEMME
VÄR REF.
OUR REF.

J. K. Korp
R.v.F./MH

*File
210*

Mr. S.R.Cope, Director
International Bank for Reconstruction
and Development, Washington DC

SÄHKEVAHVISTUS
TELEGRAMBEKRÄFTELSE
CABLE CONFIRMATION

YÄHVISTAMME TÄTEN TÄMÄNPÄIVÄISEN, ALLAOLIEVAN
JÄLJENNÖKSEN MUKAISEN SÄHKEEMME.
VI BEKRAFTA HÄRMED VÄRT TELEGRAM AV I DAG ENLIGT NEDANSTÄENDE KOPIA.
WE CONFIRM OUR TELEGRAM OF TO-DAY AS PER COPY HEREAFTER.

KUNNIOITTAEN / HOGAKTNINGSFULLT / YOURS FAITHFULLY

SUOMEN PANKKI — FINLANDS BANK

W. J. U. A. Vatanen

cope
intbafrad
washingtonDC

yours ninth arrived today due bankholiday stop
we agree destruction revised four and five stop yours tenth
we agree revisions loanregulations loanagreement
guaranteeagreement

fieandt

MAY 14 2 53 PM 1956

RECEIVED

RECEIVED
INTERNATIONAL BANK
FOR CONSTRUCTION AND DEVELOPMENT

MAY 14 3 25 PM 1956

1750000

Содержание: 1. Сводный баланс на 31 декабря 1955 года. 2. Отчет о деятельности за 1955 год. 3. Отчет о работе за 1956 год.

Содержание:
1. Сводный баланс
2. Отчет о деятельности
3. Отчет о работе

СВЯТА СОМБАНДИОН
ТЕГЕСВАНВЕКВУЛЛЕГЭ
ЗАНКЕЛАНДИОН

Содержание: 1. Сводный баланс на 31 декабря 1955 года. 2. Отчет о деятельности за 1955 год. 3. Отчет о работе за 1956 год.

ЗНОМЕН БАНКИ — БИГУНДС БАНК

КЛИНИОЦУАИ | КОСКИНИДИЛТИ | ДОЛЕС БАНКИОЛТА

МЕ СОМБАН ОУБ ТЕГЕСВАН ОУ ДО-ДАУ УЗ БЕК СОБА МЕВЕУЛЛЕГ
И ВЕКВАНУ ИУКВЭД АУБ ТЕГЕСВАН УА | ДУС БАНКИ МЕДВИЛЛЕГЭ КОМУ
ДУГЕНИОКЗЕН ИУКВЭДЕН ЗУНКЕВМЭ
АНДИСТАННЕ ДУДЕН ДУНУМЬЛЮЛЭГЕН' УГУАГОЛУИ

ЗНОМЕН БАНКИ — БИГУНДС БАНК НЕГЗИКИ

ДУИЕ
ДУНУ
ДУЛУУЗ

11.2.1956

ОУК ВЕК
АУБ БУ
АНЛЛЕВМНЕ

11.2.1956

APR 19 2018

(NOT FOR PUBLIC USE)

CONFIDENTIAL WBG ARCHIVES

**FOR
EXECUTIVE
DIRECTORS'
MEETING**

R-964

(For consideration by the
Executive Directors on
May 22, 1956)

FROM: The Secretary

May 10, 1956

NOTICE OF SPECIAL MEETING OF THE EXECUTIVE DIRECTORSPROPOSED LOAN TO MORTGAGE BANK OF FINLAND OY

There will be a Special Meeting of the Executive Directors in the Board Room at 10:00 a. m., Tuesday, May 22, 1956, to consider the proposed loan to the Mortgage Bank of Finland Oy.

Attached is the President's Report and Recommendations on the proposed loan together with:

1. Draft Loan Agreement
2. Draft Guarantee Agreement
3. Letter from Bank of Finland
4. Letters (5) from the beneficiary enterprises about the carrying out of the project
5. Current Economic Position and Prospects of Finland

Distribution:

Executive Directors and Alternates
President
Vice President
Assistant to President
Department Heads
IFC - Mr. Beavor

6. Appraisal of Power Projects
7. Statutory Loan Committee Report
8. Draft Resolution

Attachments

fin. fm up.

May 10, 1956

Dear Mr. Vanamo:

I enclose two copies each of the draft Loan and Guarantee Agreements submitted to the Executive Directors. You may wish to send one copy of each to Finland.

I also enclose a letter to the Bank of Finland with a copy for your files, regarding the status of Loan 61 FI. The amount still outstanding on this and 70 FI appears to be nearly \$1 million.

Sincerely yours,

B. B. King

Enclosures

Mr. Jorma Vanamo
Counselor
Embassy of Finland
1900 Twenty-fourth Street, N.W.
Washington, D.C.

BBKing:ap

✓x fin fm 61
✓x fin fm 70

Fin. Lm. sp.

OUTGOING WIRE

CLASS OF SERVICE: **LETTER TELEGRAM**

DATE: **MAY 10, 1956**

TO: **VON FIRANDT
SUOMEN PANKKI
HELSINKI, FINLAND**

Act

COUNTRY (

EXT: **BOARD DIRECTORS TODAY ADOPTED REVISED SECTION FOUR ZERO ONE LOAN REGULATIONS**

Cable No.

**READING AS FOLLOWS QUOTE EXCEPT AS SHALL BE OTHERWISE AGREED BETWEEN THE
BANK AND THE BORROWER COMMA NO WITHDRAWALS SHALL BE MADE ON ACCOUNT OF
(A) EXPENDITURES PRIOR TO THE EFFECTIVE DATE OR (B) EXPENDITURES IN THE
PARENTHESIS
CURRENCY OF THE GUARANTOR OR FOR GOODS PRODUCED IN ~~THE~~ INCLUDING SERVICES
PARENTHESIS
SUPPLIED FROM ~~THE~~ THE TERRITORIES OF THE GUARANTOR OR (C) EXPENDITURES
IN THE TERRITORIES OF ANY COUNTRY WHICH IS NOT A MEMBER OF THE BANK OR
PARENTHESIS
FOR GOODS PRODUCED IN ~~THE~~ INCLUDING SERVICES SUPPLIED FROM ~~THE~~ SUCH
PARENTHESIS
TERRITORIES UNQUOTE THIS WILL BE INCLUDED IN PRINTED LOAN REGULATIONS
COMMA
WITH FOOTNOTE AS FOLLOWS QUOTE ON MAY 10, 1956 /THE EXECUTIVE DIRECTORS
DECIDED THAT IN VIEW OF THE SPECIAL RELATIONSHIP ESTABLISHED BETWEEN THE
BANK AND SWITZERLAND BY THE AGREEMENT OF JUNE 29, 1951 /THE BANK SHOULD
COMMA
AGREE COMMA IF SO REQUESTED BY BORROWERS COMMA TO PERMIT LOAN PROCEEDS
TO BE USED TO FINANCE EXPENDITURES IN THE TERRITORIES OF SWITZERLAND OR**

Signed:

AUTHORIZED BY:
NAME:
DEPT:
SIGNATURE:

| |
|------------------------------|
| For Use by Archives Division |
| Checked for Dispatch |
| _____ |

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
OUTGOING WIRES
DATE
CLASS OF SERVICE
GUIDE FOR PREPARING OUTGOING WIRES

1. Class of Service

Type in class of service desired. Each class is described as follows:

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Full Rate Full rate messages are normally transmitted and delivered immediately. There is a minimum charge for 5 words, including address and text.

IBF Govt. This is a preferential rate extended to the Bank by some of its member countries. Messages are sent at full rate speed and at about half the cost. This rate normally should be used whenever available. It is at present available for the following countries:

| | | | |
|------------|--------------------|-----------|------------|
| Bolivia | Cuba | Guatemala | * Peru |
| Brazil | Dominican Republic | Honduras | * Syria |
| Burma | Ecuador | Jordan | Uruguay |
| Chile | El Salvador | * Lebanon | Venezuela |
| * China | * Ethiopia | Nicaragua | Yugoslavia |
| Colombia | * France | Pakistan | |
| Costa Rica | Greece | Panama | |

* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.

Code Code messages are transmitted at full rate (or IBF Govt.) speed and cost. This rate should be used only for confidential messages to staff members having a code with them.

Day Letter Day letters are delivered during the day of transmission and should be used only for messages in the United States and to Mexico and Canada. There is a minimum charge for 50 words in text.

Teletype To be used only for messages to the New York Office, United Nations, and certain commercial firms. For information, call Cable Post (Ext. 2008).

2. Address

Use only last name of addressee and cable address whenever possible. The Bank cable address "INTBAFRAD" is registered in Paris, Beirut, Rio de Janeiro, Bogota, and Guatemala City. The name of the country of destination must always be added. (No charge is made for the name of a country).

3. Text

Messages to Bank Missions and to Resident Representatives should be numbered. These numbers may be obtained by calling Ext. 2008.

Type text in capital letters and double space between lines. The text should be edited to eliminate unnecessary words and unnecessary punctuation. If punctuation is needed, spell out the words "Comma," "Stop," etc.

Use common abbreviations whenever possible, i.e. reourlet, reurfive, etc. Write as one word hyphenated words, hyphenated names, and certain two-word groups, e.g. Airmail, Newyork, enduse.

4. Signature

Type in last name of sender. Use INTBAFRAD as part of the signature only when addressee does not know the address of the sender.

5. Authorization

Type in name and department of staff member authorizing message and have authorizing staff member sign the original (pink copy). A list of authorized signatures is kept in the cable office.

Forward messages in triplicate in a cable envelope to Room 210 for despatch. The cable service is open from 9:00 a.m. to 5:45 p.m. on working days. Special arrangements should be made for the despatch of cables outside of these hours.

ANY QUESTIONS REGARDING INCOMING AND OUTGOING WIRES SHOULD BE REFERRED TO THE CABLE POST, EXT. 2008.

For Use by Addressee Division
Checked for Dispatch

MAY 10 5 58 PM 1958

RECEIVED
COMMUNICATIONS SECTION

ORIGINAL (File Copy)

OUTGOING WIRE

CLASS OF SERVICE:

DATE:

TO:

- 2 -

COUNTRY (

EXT:

PARENTHESIS

PARENTHESIS

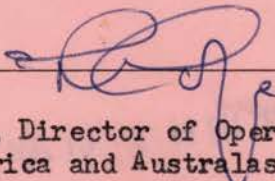
Cable No. FOR GOODS PRODUCED IN ~~PAREN~~ INCLUDING SERVICES SUPPLIED FROM ~~PAREN~~ SUCH TERRITORIES UNQUOTE LOAN AGREEMENT SECTION ONE ZERO ONE AND INTRODUCTION SCHEDULE THREE AND GUARANTEE AGREEMENT SECTION ONE ZERO ONE WILL REFER TO QUOTE LOAN REGULATIONS NUMBER FOUR OF THE BANK DATED FEBRUARY 15, 1955 COMMA AS AMENDED MAY 10, 1956 UNQUOTE STOP PARAGRAPH A SCHEDULE THREE LOAN AGREEMENT WILL BE DELETED

COPE

INTBAFRAD

Signed:

AUTHORIZED BY:



NAME: S. R. Cope, Director of Operations
 DEPT: Europe, Africa and Australasia
 SIGNATURE:

For Use by Archives Division

Checked for Dispatch

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

GUIDE FOR PREPARING OUTGOING WIRES

1. Class of Service

Type in class of service desired. Each class is described as follows:

Letter Telegram Letter telegrams are normally delivered the morning after day of despatch. The cost is half the cost of full rate messages with a minimum charge for 22 words including address and text.

Full Rate Full rate messages are normally transmitted and delivered immediately. There is a minimum charge for 5 words, including address and text.

IBF Govt. This is a preferential rate extended to the Bank by some of its member countries. Messages are sent at full rate speed and at about half the cost. This rate normally should be used whenever available. It is at present available for the following countries:

| | | | |
|------------|--------------------|-----------|------------|
| Bolivia | Cuba | Guatemala | * Peru |
| Brazil | Dominican Republic | Honduras | * Syria |
| Burma | Ecuador | Jordan | Uruguay |
| Chile | El Salvador | * Lebanon | Venezuela |
| * China | * Ethiopia | Nicaragua | Yugoslavia |
| Colombia | * France | Pakistan | |
| Costa Rica | Greece | Panama | |

* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.

Code Code messages are transmitted at full rate (or IBF Govt.) speed and cost. This rate should be used only for confidential messages to staff members having a code with them.

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Teletype To be used only for messages to the New York Office, United Nations, and certain commercial firms. For information, call Cable Post (Ext. 2008).

2. Address

Use only last name of addressee and cable address whenever possible. The Bank cable address "INTBAFRAD" is registered in Paris, Beirut, Rio de Janeiro, Bogota, and Guatemala City. The name of the country of destination must always be added. (No charge is made for the name of a country).

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Messages to Bank Missions and to Resident Representatives should be numbered. These numbers may be obtained by calling Ext. 2008.

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Use common abbreviations whenever possible, i.e. reourlet, reurfive, etc. Write as one word hyphenated words, hyphenated names, and certain two-word groups, e.g. Airmail, Newyork, enduse.

4. Signature

Type in last name of sender. Use INTBAFRAD as part of the signature only when addressee does not know the address of the sender.

5. Authorization

Type in name and department of staff member authorizing message and have authorizing staff member sign the original (pink copy). A list of authorized signatures is kept in the cable office.

Forward messages in triplicate in a cable envelope to Room 210 for despatch. The cable service is open from 9:00 a.m. to 5:45 p.m. on working days. Special arrangements should be made for the despatch of cables outside of these hours.

ANY QUESTIONS REGARDING INCOMING AND OUTGOING WIRES SHOULD BE REFERRED TO THE CABLE POST, EXT. 2008.

MAY 10 4 45 PM 1956
RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
ORIGINAL (PINK COPY)
MAY 10 5 30 PM 1956

SPECIAL DELIVERY

Files 210

May 9, 1956

Dear Neil:

of any
As I promised, I am sending you a copy of the final version of the President's Report, the Economic Report and the Technical Report. There are several changes in the President's Report; I have marked the places where they are ~~in a~~ substance at all. The only change in the Economic Report is the footnote on page 5. There are none in the Technical Report, which is why we are sending a green copy.

I expect the legal documents to be ready tomorrow. There are several changes in them from those sent to Von Fieandt. I will send you a set either to Morgan Stanley or with Jacques, or both.

Your expense account has been pre-audited and comes out to a balance of \$6.18 in your favor. They deducted FM 740 for postcards and cigarettes which are considered personal items, not reimbursable by the Bank. Do you think you can wait for it until you come down?

I will phone you about the date of the Board meeting and how much of the presentation you are to do, as soon as I know for sure.

Yours,

B. B. King

Enclosures

Mr. Neil Paterson
Morgan Stanley & Company
2 Wall Street
New York, New York

P.S. There is also a copy of what promises to be nearly the last draft of the press release, we hope!
BBKing:ap

Fin. Lu. ny.

OUTGOING WIRE

RCA

CLASS OF SERVICE: **LETTER TELEGRAM**

DATE: **MAY 9, 1956**

TO: **VON FIEANDT
SUOMEN PANKKI--FINLANDS BANK
HELSINKI, FINLAND**

COUNTRY (

EXT:

Cable No.

THANKS YOUR CABLE AND FOR FORWARDING REVISED ENCLOSURES FOUR AND FIVE STOP ORIGINAL ENCLOSURES FOUR AND FIVE IN OUR HANDS SATISFACTORY TO US AND WE HAVE PREPARED DOCUMENTS FOR BOARD ON BASIS THOSE VERSIONS STOP IF YOU AGREE THEREFORE WE WILL RETAIN ORIGINALS AND DESTROY REVISED VERSIONS WHEN RECEIVED

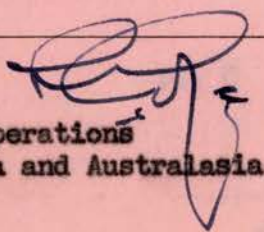
COPE

INTBAFRAD

Signed:

AUTHORIZED BY:

NAME: **S. R. Cope**
DEPT: **Director of Operations**
SIGNATURE: **Europe, Africa and Australasia**



For Use by Archives Division

Checked for Dispatch

Vhorsey/mep

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

OUTGOING WIRES

GUIDE FOR PREPARING OUTGOING WIRES

1. Class of Service

Type in class of service desired. Each class is described as follows:

Letter Telegram Letter telegrams are normally delivered the morning after day of despatch. The cost is half the cost of full rate messages with a minimum charge for 22 words including address and text.

Full Rate Full rate messages are normally transmitted and delivered immediately. There is a minimum charge for 5 words, including address and text.

IBF Govt. This is a preferential rate extended to the Bank by some of its member countries. Messages are sent at full rate speed and at about half the cost. This rate normally should be used whenever available. It is at present available for the following countries:

Table listing countries: Bolivia, Brazil, Burma, Chile, *China, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, *Ethiopia, *France, Greece, Guatemala, Honduras, Jordan, *Lebanon, Nicaragua, Pakistan, Panama, *Peru, *Syria, Uruguay, Venezuela, Yugoslavia.

* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.

Code Code messages are transmitted at full rate (or IBF Govt.) speed and cost. This rate should be used only for confidential messages to staff members having a code with them.

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4. Signature

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ANY QUESTIONS REGARDING INCOMING AND OUTGOING WIRES SHOULD BE REFERRED TO THE CABLE POST, EXT. 2008.

Form with fields for 'For Use by Recipient Office' and 'Checked for Project'.

Stamp: MAY 9 5 56 PM 1956

Stamp: INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Stamp: ORIGINAL (File Copy)

123

THE MINISTRY OF FINANCE OF THE REPUBLIC OF FINLAND

makes known:

Whereas the Mortgage Bank of Finland Oy is desirous of contracting with the International Bank for Reconstruction and Development a foreign loan in various currencies amounting to the equivalent of fifteen million dollars (\$ 15.000.000) and

Whereas the International Bank for Reconstruction and Development has requested the Government of the Republic of Finland to give a guarantee for the said loan and

Whereas the Government of Finland acting in council today has decided to give the requested guarantee;

Therefore I, Minister of Finance have named and constituted and by these presents do hereby name and constitute Mr. JOHAN NYKOPP, the Ambassador Extraordinary and Plenipotentiary of the Republic of Finland in Washington, D.C., in the name and on behalf of the Government of the Republic of Finland to negotiate with the duly authorized representatives of the International Bank for Reconstruction and Development about the aforesaid guarantee and to sign any documents including the guarantee agreement agreed and drawn up as a result of these negotiations.

In witness whereof I have here unto signed with my own hand and caused the seal of the Ministry of Finance to be affixed by these presents.

Given in Helsinki, this 9th day of May 1956.

Minister of Finance


A. Simonen

Referendary


Tauno Asp



This is to certify that

Mr. A. SIMONEN is the Minister of Finance of the Republic of Finland and that he by his own hand has signed the above Power of Attorney.

Helsinki, at the Ministry for Foreign Affairs of Finland,
May 14, 1956.

No. 241.
IG.



Martola

H.R. Martola.
Chief of Bureau.

Power of Attorney

Whereas the Mortgage Bank of Finland Oy is desirous of contracting a loan with the International Bank for Reconstruction and Development and

Whereas preliminary negotiations about a loan up to the amount in various currencies equivalent to 15 million dollars have already taken place;

Therefore the Board of Management of the Mortgage Bank of Finland Oy has named and constituted and by these presents does hereby name and constitute Mr Jorma Vanamo, the Counsellor of Embassy at the Embassy of Finland in Washington, D.C., in the name and on behalf of the Mortgage Bank of Finland Oy to negotiate with the duly authorized representatives of the International Bank for Reconstruction and Development about the aforesaid loan amounting to 15 million dollars and to sign any documents, including the Loan Agreement, agreed and drawn up as a result of these negotiations.

Given in Helsinki, this 9th day of May, 1956.

Mortgage Bank of Finland Oy
[Handwritten signature] *[Handwritten signature]*

This is to certify that

Mr. R.v. FIEANDT, Chairman of the Board of Management of the Mortgage Bank of Finland and that Mr. K.T. JUTILA, Member of the Board of Management of the same Bank, whose signatures appear under the foregoing Power of Attorney, are in the above mentioned capacity authorized to issue and sign the said Power of Attorney.

Helsinki, at the Ministry for Foreign Affairs
of Finland, May 14, 1956

No. 235.
IG.



H. R. Martola

H. R. Martola
Chief of Bureau.

REPUBLIC OF FINLAND)
CITY OF HELSINKI) SS:
EMBASSY OF THE UNITED STATES OF AMERICA)

I, G. Ryder Forbes, Vice Consul of the United States of America at Helsinki, Republic of Finland, duly commissioned and qualified, do hereby certify that Mr. H. R. Martola, whose true signature and official seal are, respectively, subscribed and affixed to the foregoing certificate, was on the 14th day of May, 1956, the day of the date thereof, Chief of Bureau of the Finnish Ministry for Foreign Affairs, duly commissioned and qualified, to whose official acts faith and credit are due.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Consular Service of the United States of America at Helsinki, this 14th day of May, 1956.

G. Ryder Forbes
G. Ryder Forbes

Vice Consul of the United States of America

SERVICE NO. 740
TARIFF ITEM NO. 31
FEE PAID: U.S.\$ 2.60
FMK EQUIV. 660.-

CopyExtract from the minutes of the Board
of Directors of Mortgage Bank of Fin-
land Oy.

Meeting of the Board of Directors
of Mortgage Bank of Finland Oy held
May 9, 1956, in the head-office of
Suomen Pankki - Finlands Bank.

Present at the meeting were:
Mr. Fieandt, Mr. Waris, Mr. Jutila,
Mr. Leinonen, and Mr. Eskola, members
of the Board of Directors.

The minutes were kept by the
undersigned general manager of the Bank.

§ 1.

It was decided to give a power of attorney of the follow-
ing contents for the measures caused by the signing of the Loan Agree-
ment concerning the credit equivalent to 15 million United States
dollars to be granted by International Bank for Reconstruction and
Development to Mortgage Bank of Finland Oy and of other documents
thereto appertaining:

"Power of Attorney.

Whereas the Mortgage Bank of Finland Oy is desirous of con-
tracting a loan with the International Bank for Reconstruction and
Development and

Whereas preliminary negotiations about a loan up to the
amount in various currencies equivalent to 15 million dollars have
already taken place;

Therefore the Board of Management of the Mortgage Bank of
Finland Oy has named and constituted and by these presents does hereby
name and constitute Mr. Jorma Vanamo, the Counsellor of Embassy at
the Embassy of Finland in Washington, D.C., in the name and on behalf
of the Mortgage Bank of Finland Oy to negotiate with the duly author-
ized representatives of the International Bank for Reconstruction and
Development about the aforesaid loan amounting to 15 million dollars
and to sign any documents, including the Loan Agreement, agreed and
drawn up as a result of these negotiations.

Given in Helsinki, this 9th day of May, 1956.

Mortgage Bank of Finland Oy

R. v. Fieandt K.T. Jutila"

For the correctness of the minutes:

Ex officio: U. A. Vatanen

Controlled
R. v. Fieandt

I, the undersigned, hereby certify that the above is a true
and faithful copy

Helsinki, May 12, 1956.

Ex officio: Pertti Tammivuori
Pertti Tammivuori

Acting Secretary General of Suomen Pankki-
Finlands Bank

For the correctness of the translation:



A. Nenonen



M. Jääskeläinen

This is to certify that

Mr. A. NENONEN, Manager of the Foreign Correspondence Dept. of Suomen Pankki-Finlands Bank, and Mr. M. JÄÄSKELÄINEN, Foreign Correspondent of the said Bank, have by their own hand signed the foregoing certificate.

Helsinki, at the Ministry for Foreign Affairs of Finland, May 14, 1956

No. 237.
IG.



H. R. Martola
H. R. Martola
Chief of Bureau.

REPUBLIC OF FINLAND
CITY OF HELSINKI
EMBASSY OF THE UNITED STATES OF AMERICA) SS:

I, G. Ryder Forbes, Vice Consul of the United States of America at Helsinki, Republic of Finland, duly commissioned and qualified, do hereby certify that Mr. H. R. Martola, whose true signature and official seal are, respectively, subscribed and affixed to the foregoing certificate, was on the 14th day of May, 1956, the day of the date thereof, Chief of Bureau of the Finnish Ministry for Foreign Affairs, duly commissioned and qualified, to whose official acts faith and credit are due.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Consular Service of the United States of America at Helsinki, this 14th day of May, 1956.

G. Ryder Forbes
G. Ryder Forbes
Vice Consul of the United States of America

SERVICE NO. 742
TARIFF ITEM NO. 31
FEE PAID: U.S.\$ 2.00
FMK EQUIV. 1000.-

Jäljennös

Pöytäkirja, tehty Mortgage Bank of Finland Oy:n hallituksen kokouksessa Suomen Pankin pääkonttorissa toukokuun 9 päivänä 1956.

Kokouksessa olivat läsnä hallituksen jäsenet v. Fieandt, Waris, Jutila, Leinonen ja Eskola.

Pöytäkirjan laati allekirjoittanut pankin toimitusjohtaja.

1 §

Päätettiin antaa seuraavan sisältöinen valtakirja Kansainvälisen Jälleenrakennuspankin Mortgage Bank of Finland Oy:lle myöntämän vasta-arvoltaan 15 miljoonan USA-dollarin suuruisen luoton lainasopimuksen ynnä muiden siihen liittyvien asiakirjojen allekirjoittamista sekä lainasta aiheutuvia toimenpiteitä varten:

"Power of Attorney.

Whereas the Mortgage Bank of Finland Oy is desirous of contracting a loan with the International Bank for Reconstruction and Development and

Whereas preliminary negotiations about a loan up to the amount in various currencies equivalent to 15 million dollars have already taken place;

Therefore the Board of Management of the Mortgage Bank of Finland Oy has named and constituted and by these presents does hereby name and constitute Mr. Jorma Vanamo, the Counsellor of Embassy at the Embassy of Finland in Washington, D.C., in the name and on behalf of the Mortgage Bank of Finland Oy to negotiate with the duly authorized representatives of the International Bank for Reconstruction and Development about the aforesaid loan amounting to 15 million dollars and to sign any documents, including the Loan Agreement, agreed and drawn up as a result of these negotiations.

Given in Helsinki, this 9th day of May, 1956.

Mortgage Bank of Finland Oy

R. v. Fieandt K.T. Jutila"

Pöytäkirjan vakuudeksi:

U.A. Vatanen

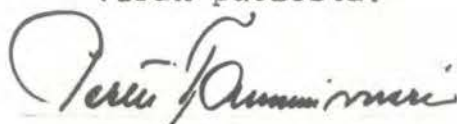
Tarkastettu

R. v. Fieandt

Jäljennöksen oikeaksi todistaa Hel-

singissä toukokuun 12 päivänä 1956.

Viran puolesta:



Pertti Tammivuori
Suomen Pankin vt.pääsihteeri

This is to certify that Mr. Pertti TAMMIVUORI,
acting Secretary General of Suomen Pankki-Finlands Bank, has
by his own hand signed the foregoing certificate.

Helsinki, at the Ministry for Foreign Affairs of Finland,
May 14, 1956.

No. 234.
IG.

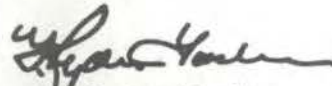


H.R. Martola
Chief of Bureau.

REPUBLIC OF FINLAND)
CITY OF HELSINKI) SS:
EMBASSY OF THE UNITED STATES OF AMERICA)

I, G. Ryder Forbes, Vice Consul of the United States of America
at Helsinki, Republic of Finland, duly commissioned and qualified, do
hereby certify that Mr. H. R. Martola, whose true signature and official
seal are, respectively, subscribed and affixed to the foregoing certifi-
cate, was on the 14th day of May, 1956, the day of the date thereof,
Chief of Bureau of the Finnish Ministry for Foreign Affairs, duly com-
missioned and qualified, to whose official acts faith and credit are due.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal
of the Consular Service of the United States of America at Helsinki, this
14th day of May, 1956.



G. Ryder Forbes
Vice Consul of the United States of America

SERVICE NO. 739
TARIFF ITEM NO. 31
FEE PAID: U.S. \$ 2.00
FMK EQUIV. 1.60

fin: Am op.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

MAY 9, 1956 1505

DATE OF WIRE:

TO: COPE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
FROM: HELSINKI

| ROUTING | |
|---------------------|---------|
| ACTION COPY TO | MR COPE |
| INFORMATION COPY TO | |
| Decoded By | |

TEXT:

✓
 YOUR LETTER APRIL TWENTYFIFTH REGRETTABLY CROSSED WITH OURS
 MAY FOURTH ^{Mr Cope} DUE COURRIER DELAY. THEREFORE MINOR DIFFERENCES
 IN ENCLOSURES FOUR AND FIVE OF YOUR MEMORANDUM. WE HEREBY
 CONFIRM OUR FULL APPROVAL LOAN AND GUARANTEE AGREEMENT DRAFTS
 AS PER ENCLOSURES ONE AND TWO OF YOUR MEMORANDUM WITH TWO
 MINOR CHANGES INCLUDED YOUR CABLE MAY FOURTH. AIRMAILING
 TODAY REVISED ENCLOSURES FOUR AND FIVE REPLACING THOSE SENT
 MAY FOURTH ALSO AIRMAILING I/A/2 TODAY AND I/B/2 FRIDAY AS PER
 YOUR ENCLOSURE THIRTEEN. IV/2 AND IV/3 EXECUTED BY STATECOUNCIL
 BUT AIRMAILING EVIDENCE FRIDAY. I/A/3 APPROVAL EXPECTED FROM
 MINFINANCE FRIDAY AIRMAILING EVIDENCE FRIDAY

FIEANDT

RECEIVED

FEDERAL RESERVE BANK OF
LONG BEACH, CALIF.

MAY 9 10 26 AM 1956

MEMORANDUM

MEMORANDUM FOR THE DIRECTOR, FEDERAL RESERVE BANK OF
 LONG BEACH, CALIF. FROM: [Illegible Name]
 SUBJECT: [Illegible Subject]
 [The following text is mirrored and largely illegible due to bleed-through from the reverse side of the page.]

DATE:

BY:

TO:

TITLE OF MESSAGE:

MAY 9 1956

| |
|-------------|
| RECORDED BY |
| INDEXED BY |
| FILED BY |
| DATE |

INCOME TAX

FEDERAL RESERVE BANK OF LONG BEACH, CALIF.

9.5.1956

R.v.F./MH

Mr. S.R.Cope, Director
International Bank for Reconstruction
and Development,
Washington DC

**SÄHKEVAHVISTUS
TELEGRAMBEKRÄFTELSE
CABLE CONFIRMATION**

VÄHVISTAMME TÄTEN TÄMÄNPÄIVÄISEN, ALLAOLIEVAN
JÄLJENNÖKSEN MUKAISEN SÄHKEEMME.
VI BEKRAFTA HÄRMED VÄRTI TELEGRAM AV I DAG ENLIGT NEDANSTÄENDE KOPIA.
WE CONFIRM OUR TELEGRAM OF TO-DAY AS PER COPY HEREAFTER.

KUNNIOITTAEN / HOGAKININGSFULLT / YOURS FAITHFULLY

SUOMEN PANKKI — FINLANDS BANK

H. J. J. J. *U. A. Vatanen*

C O P E

intbafrad

washingtonDC

Your letter april twentyfifth regrettably crossed with ours may fourth due courier delay stop therefore minor differences in enclosures four and five of your memorandum stop we hereby confirm our full approval loan and guarantee agreement drafts asper enclosures one and two of your memorandum with two minor changes included your cable may fourth stop airmailing today revised enclosures four and five replacing those sent may fourth also airmailing i/a/2 today and i/b/2 friday asper your enclosure thirteen stop iv/2 and iv/3 executed by statecouncil but airmailing evidence friday stop i/a/3 approval expected from minfinance friday airmailing evidence friday

Fieandt

Эхний тал

RECEIVED

INTER-
SECTION

NO DEVEL.

MAY 14

3 23 PM 1955

1955 оны 5 сарын 14 өдөр /1955 оны 5 сарын 14 өдөр/ Монгол Улсын
 Зөвлөмжөөр /1955 оны 5 сарын 14 өдөр/ Монгол Улсын
 Зөвлөмжөөр /1955 оны 5 сарын 14 өдөр/ Монгол Улсын
 Зөвлөмжөөр /1955 оны 5 сарын 14 өдөр/ Монгол Улсын
 Зөвлөмжөөр /1955 оны 5 сарын 14 өдөр/ Монгол Улсын
 Зөвлөмжөөр /1955 оны 5 сарын 14 өдөр/ Монгол Улсын
 Зөвлөмжөөр /1955 оны 5 сарын 14 өдөр/ Монгол Улсын
 Зөвлөмжөөр /1955 оны 5 сарын 14 өдөр/ Монгол Улсын
 Зөвлөмжөөр /1955 оны 5 сарын 14 өдөр/ Монгол Улсын
 Зөвлөмжөөр /1955 оны 5 сарын 14 өдөр/ Монгол Улсын

Монгол Улсын
 Зөвлөмж
 Г О Л М

СЭВГЕ СОИНЫМОН
 ДЭГЭСДЭМБЕКХЭЛГЭ
 ЗУНКЕЛНЭГЭЛЭГ

Монгол Улсын

Монгол Улсын Зөвлөмж
 Г.Н.Севе

ЭХНЭЙ ТАЛ — БИГЭЭНИЙ ТАЛ

КЛИЕТИЙН / НОЯКИНИЙН / ХОНЬ БИШЭЛГЭ

МЭ СОИНЫ ОЛЫ ДЭГЭСДЭМБЕКХЭЛГЭ ОУ ДУА ҮЭ ХӨГ СОЛЯ НӨБӨЛӨН
 АИ БӨКӨЛӨН ХӨНӨД АУСЫ ИБӨСӨН ҮЭ / ДУО БИГИИ НӨДӨНГЭНДӨ КОЛЮ
 ДУГИНИОКГӨИ ШӨКӨГӨИ ЗУНКӨНӨ
 АУНГЭЛЭНӨ ДУГЭН ДУНГЭЛЭЛЭГЭИ / АГУОГӨЛӨН

ЭХНЭЙ ТАЛ — БИГЭЭНИЙ ТАЛ / НӨГЭЭНИЙ

ДУЭ
 ДУМ
 ДУЛУУ

2.2.2020

ОЛЫ ХӨГ
 АУС БӨ
 АНГЭЭНӨ

НМ / 2.2.2020

Files
210
Am. Inv. rep.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: MAY 8, 1956 1304

TO: COPE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FROM: HELSINKI

| ROUTING | |
|---------------------|--------------------|
| ACTION COPY TO | MR COPE |
| INFORMATION COPY TO | <i>[Signature]</i> |
| Decoded By | |

[Signature]

TEXT:

✓
YOURS SEVENTH DOCUMENTS LETTER APRIL TWENTYFIFTH RECEIVED
TODAY. WILL RETURN TO MATTER LATEST TOMORROW

FIEANDT

ORIGINAL

ORIGINAL

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAY 8 9 52 AM 1955

RECEIVED

TO: THE DIRECTOR, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: THE DIRECTOR, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1955

1955

RECEIVED

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C.

MAY 8 1955

| | |
|---|------|
| RECEIVED | DATE |
| INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | |
| WASHINGTON, D.C. | |
| MAY 8 1955 | |

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

SUOMEN PANKKI — FINLANDS BANK, HELSINKI

PÄIVÄYS
DATUM
DATE

8.5.56

VIITTEEMME
VÄR REF
OUR REF
UV/Fieandt

→
Mr. S. R. Cope, Director
International Bank for Reconstruction
and Development, Washington DC

SÄHKEVAHVISTUS
TELEGRAMBEKRÄFTELSE
CABLE CONFIRMATION

VÄHVISTAMME TÄTEN TÄMÄNPÄIVÄISEN, ALLAOLEVAN
JÄLJENNÖKSEN MUKAISEN SÄHKEEMME.
VI BEKRÄFTA HÄRMED VÄRT TELEGRAM AV I DAG ENLIGT NEDANSTÄENDE KOPIA.
WE CONFIRM OUR TELEGRAM OF TO-DAY AS PER COPY HEREAFTER.

KUNNIOITTAEN / HOGAKTNINGSFULLT / YOURS FAITHFULLY

SUOMEN PANKKI — FINLANDS BANK

Eero Aho U. A. Vatanen

Cope
Intbafrad
WashingtonDC

Yours seventh documents letter april twentyfifth received
today stop will return to matter latest tomorrow

Fieandt

SUOMEN PANKKI - FINLANDS BANK HELSINKI

PAIVAYS
DATE

8.5.56

WITTEMMIS
OUR REF
VÄR SÄK
FINLANDS

RECEIVED

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Mr. R. R. Gage, Director
International Bank for Reconstruction
and Development, Washington DC

VÄHVIESTÄMME TÄTEN TÄMÄNPÄIVÄISEN, ALLOJAVAN
JÄLLENSÄKSEEN MUKAISEN SÄHKÖLÄHTEEN.
WIR BEZÜGLICH DERES TELEGRAMM VOM 1. TAG ERHILT NACHFOLGENDEN KOPF.
WE BEZÜGLICH DEINER TELEGRAMM VON HEUTE ALS PER COPY HERABGEGANGEN.

MAY 11 2 10 PM 1956

KUUNNIOITTAEN / HOGAKNINGSRILLT / YOURS FAITHFULLY

SUOMEN PANKKI - FINLANDS BANK

Carl A. G. A. G. A.

SÄHKÖLÄHTEEN
TELEGRAMMBEKRÄFTIGELSE
CABLE CONFIRMATION

Gage
Internat
Washington DC

Your seventh document letter and twenty-first received
today stop will return to matter latest tomorrow

Finland

Fin. Am. rep.

May 7, 1956

Dear Mr. Vanamo:

I enclose the following:

1. Copies of Mr. von Fieandt's cables to us dated May 3, 4 and 5, and our cables dated May 2, 4 and 7.
2. Two copies of a letter dated May 7 to the Bank of Finland regarding changes in the Project descriptions of Loans 61, 70 and 112 FI.
3. Two copies of our letter of May 7 to the Bank of Finland regarding allocations under Loan 70 FI.

Would you be kind enough to forward one copy each of the two letters to the Bank of Finland.

Yours sincerely,

B. B. King

Enclosures

Mr. Jorma Vanamo
Counselor
Embassy of Finland
1900 Twenty-Fourth St., N.W.
Washington, D.C.

BBKing:ap

✓X fin. Am 70
✓X fin. Am 112

fm. in up.

OUTGOING WIRE

CLASS OF SERVICE: Night Letter

RCA

DATE: MAY 7, 1956

TO: R. VON FIEANDT
SUOMENPANKKI

COUNTRY (HELSINKI

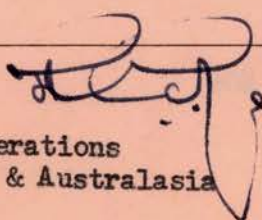
TEXT: YOUR MAY 5 DOCUMENTS SENT BY EMBASSY COURIER APRIL TWENTY SEVEN STOP
 Cable No. TRUST THEY CAN BE TRACED AND YOU CAN SEND CONFIRMATION SHORTLY STOP
 PROVIDED LOAN CAN BE CONCLUDED IN NEAR FUTURE MANAGEMENT WILL
 RECOMMEND RATE OF FOUR AND THREE QUARTERS PERCENT

COPE

Signed:

AUTHORIZED BY:

NAME: S. R. Cope
 DEPT: Director of Operations
 SIGNATURE: Europe, Africa & Australasia



| |
|------------------------------|
| For Use by Archives Division |
| Checked for Dispatch |

ORIGINAL (File Copy)

(IMPORTANT: See over for guide in preparing Outgoing Wire)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
OUTGOING WIRES

GUIDE FOR PREPARING OUTGOING WIRES

1. Class of Service

Type in class of service desired. Each class is described as follows:

Letter Telegram Letter telegrams are normally delivered the morning after day of despatch. The cost is half the cost of full rate messages with a minimum charge for 22 words including address and text.

Full Rate Full rate messages are normally transmitted and delivered immediately. There is a minimum charge for 5 words, including address and text.

IBF Govt. This is a preferential rate extended to the Bank by some of its member countries. Messages are sent at full rate speed and at about half the cost. This rate normally should be used whenever available. It is at present available for the following countries:

| | | | |
|------------|--------------------|-----------|------------|
| Bolivia | Cuba | Guatemala | * Peru |
| Brazil | Dominican Republic | Honduras | * Syria |
| Burma | Ecuador | Jordan | Uruguay |
| Chile | El Salvador | * Lebanon | Venezuela |
| * China | * Ethiopia | Nicaragua | Yugoslavia |
| Colombia | * France | Pakistan | |
| Costa Rica | Greece | Panama | |

* In these countries the letter telegram rate is lower than IBF government rate and should be used for messages when immediate transmission is not required.

Code Code messages are transmitted at full rate (or IBF Govt.) speed and cost. This rate should be used only for confidential messages to staff members having a code with them.

Day Letter Day letters are delivered during the day of transmission and should be used only for messages in the United States and to Mexico and Canada. There is a minimum charge for 50 words in text.

Teletype To be used only for messages to the New York Office, United Nations, and certain commercial firms. For information, call Cable Post (Ext. 2008).

2. Address

Use only last name of addressee and cable address whenever possible. The Bank cable address "INTBAFRAD" is registered in Paris, Beirut, Rio de Janeiro, Bogota, and Guatemala City. The name of the country of destination must always be added. (No charge is made for the name of a country).

3. Text

Messages to Bank Missions and to Resident Representatives should be numbered. These numbers may be obtained by calling Ext. 2008.

Type text in capital letters and double space between lines. The text should be edited to eliminate unnecessary words and unnecessary punctuation. If punctuation is needed, spell out the words "Comma," "Stop," etc.

Use common abbreviations whenever possible, i.e. reourlet, reurfive, etc. Write as one word hyphenated words, hyphenated names, and certain two-word groups, e.g. Airmail, Newyork, enduse.

4. Signature

Type in last name of sender. Use INTBAFRAD as part of the signature only when addressee does not know the address of the sender.

5. Authorization

Type in name and department of staff member authorizing message and have authorizing staff member sign the original (pink copy). A list of authorized signatures is kept in the cable office.

Forward messages in triplicate in a cable envelope to Room 210 for despatch. The cable service is open from 9:00 a.m. to 5:45 p.m. on working days. Special arrangements should be made for the despatch of cables outside of these hours.

ANY QUESTIONS REGARDING INCOMING AND OUTGOING WIRES SHOULD BE REFERRED TO THE CABLE POST, EXT. 2008.

MAY 7 5 54 PM 1956

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

TELETYPE

ORIGINAL (Pink Copy)

fin. fin up

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: MAY 5, 1956 1307

TO: COPE, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

FROM: HELSINKI

| ROUTING |
|-------------------------|
| ACTION COPY TO MR. COPE |
| INFORMATION COPY TO |
| Decoded By |

TEXT:

✓
 YOUR FOUR CONFIRMING AGREEMENT WITH DRAFT LOAN AGREEMENT DATED APRIL 16TH
 TWO MINOR CHANGES INCLUDED YOUR CABLE MAY FOUR. LETTER APRIL
 ✓
 TWENTYFIVE WITH DOCUMENTS MENTIONED IN CABLE UNRECEIVED HERE PLEASE
 ADVISE

FIEANDT

Letter

Galaxy

April 27th
Comica

ARTICLE

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAY 7 10 29 AM 1956

ATTENTION

1. THE BOARD OF DIRECTORS HAS APPROVED THE PROVISIONS OF THE CHARTER AND THE BY-LAWS OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AS AMENDED TO DATE MAY 7, 1956. THE CHARTER AND BY-LAWS ARE ATTACHED TO THIS LETTER AND YOU ARE REQUESTED TO SIGN AND RETURN THE ATTACHED COPIES TO THE SECRETARY OF THE BOARD OF DIRECTORS, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, 480 RAYMOND BUILDING, WASHINGTON, D. C. 20001.

1001

FROM: SECRETARY
TO: DIRECTOR, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
DATE OF MAIL: MAY 2, 1956

| |
|------------------|
| RECORDED |
| INDEXED |
| FILED |
| MAY 10 1956 |
| FBI - WASHINGTON |

INTERNATIONAL BANK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

SUOMEN PANKKI — FINLANDS BANK, HELSINKI

PÄIVÄYS
DATUM
DATE

5.5.1956

VIITTEEMME
VÅR REF.
OUR REF.

RvF/JVBC

Mr. S. R. Cope, Director
International Bank for Reconstruction
and Development
Washington DC

SÄHKEVAHVISTUS
TELEGRAMBEKRÄFTELSE
CABLE CONFIRMATION

VÄHVISTAMME TÄTEN TÄMÄNPÄIVÄISEN, ALLAOLIEVAN
JÄLJENNÖKSEN MUKAISEN SÄHKEEMME.
VI BEKRÄFTA HÄRMED VÄRT TELEGRAM AV I DAG ENLIGT NEDANSTÄENDE KOPIA.
WE CONFIRM OUR TELEGRAM OF TO-DAY AS PER COPY HEREAFTER.

KUNNIOITTAEN / HÖGAKTININGSFULLT / YOURS FAITHFULLY

SUOMEN PANKKI — FINLANDS BANK

H. Linder *E. J. P.*

Cope
Intbafrad
WashingtonDC

Yours four confirming agreement with draft loan
agreement dated april 16 with two minor changes included
your cable may four stop letter april twentyfive with documents
mentioned in cable unreceived here please advise

Fieandt

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAY 16 2 09 PM 1956

STANDARD

International Bank for Reconstruction and Development
Washington, D.C. 20540
New York, N.Y. 10017
London, England, E.C. 2
Geneva, Switzerland
Paris, France
Tokyo, Japan
Manila, Philippines
Cairo, Egypt
Santiago, Chile
Santo Domingo, D.R.
San Juan, P.R.
Lima, Peru
Buenos Aires, Argentina
Bogota, Colombia
Caracas, Venezuela
Lagos, Nigeria
Nairobi, Kenya
Lusaka, Zambia
Harare, Zimbabwe
Accra, Ghana
Kampala, Uganda
Addis Ababa, Ethiopia
Dakar, Senegal
Nouakchott, Mauritania
Dahomey, Upper Volta
Niamey, Niger
Cotonou, Benin
Lome, Togo
Yaounde, Gabon
Brazzaville, Congo
Kinshasa, Zaire
Lubumbashi, Zaire
Lusaka, Zambia
Harare, Zimbabwe
Accra, Ghana
Kampala, Uganda
Addis Ababa, Ethiopia
Dakar, Senegal
Nouakchott, Mauritania
Dahomey, Upper Volta
Niamey, Niger
Cotonou, Benin
Lome, Togo
Yaounde, Gabon
Brazzaville, Congo
Kinshasa, Zaire
Lubumbashi, Zaire

International
Bank for
Reconstruction and
Development

СЪВЪРШЕНИ
ДЕПОЗИТИ
И РЕЗЕРВИ

ИНТЕРНАЦИОНАЛЕН
БАНК ЗА РЕКОНСТРУКЦИЯ И
РАЗВИТИЕ

Банк за реконструкция и развитие
Интернационален
БАНК ЗА РЕКОНСТРУКЦИЯ И
РАЗВИТИЕ

[Handwritten signature]

STANDARD BANK — INTERNATIONAL BANK
FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20540
NEW YORK, N.Y. 10017
LONDON, ENGLAND, E.C. 2
GENEVA, SWITZERLAND
PARIS, FRANCE
TOKYO, JAPAN
MANILA, PHILIPPINES
CAIRO, EGYPT
SANTIAGO, CHILE
SANTO DOMINGO, D.R.
SAN JUAN, P.R.
LIMA, PERU
BUENOS AIRES, ARGENTINA
BOGOTA, COLOMBIA
CARACAS, VENEZUELA
LAGOS, NIGERIA
NAIROBI, KENYA
LUSAKA, ZAMBIA
HARARE, ZIMBABWE
ACCRA, GHANA
KAMPALA, UGANDA
ADDIS ABABA, ETHIOPIA
DAKAR, SENEGAL
NOUAKCHOTT, MAURITANIA
DAHOMEY, UPPER VOLTA
NIAMEY, NIGER
COTONOU, BENIN
LOME, TOGO
YAOUNDE, GABON
BRAZZAVILLE, CONGO
KINSHASA, ZAIRE
LUBUMBASHI, ZAIRE

STANDARD BANK — INTERNATIONAL BANK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

STANDARD

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

STANDARD

PARGAS KALKBERGS AKTIEBOLAG



TELEX 1187 PARKALK H:KI
FREDRIKSGATAN 47
40308

International Bank for
Reconstruction and Development

1818 H Street, N.W.

Washington 25, D.C.

U.S.A.

HÄNVISNINGAR

Föregående nr dat

Behandlas av

DATUM 4th May, 1956

Våra
Edra

Lfg/EB

Subject: Proposed Loan to Mortgage Bank of Finland Oy (Electricity
Projects)

ÄRENDE

Gentlemen:

It is our understanding that International Bank for Reconstruction and Development (the Bank) proposes to enter into a Loan Agreement with Mortgage Bank of Finland Oy (the Mortgage Bank) providing for a loan of an amount in various currencies equivalent to \$ 15,000,000, of which a portion would be made available to us through the Mortgage Bank for carrying out the Pargas Kalkbergs Aktiebolag Project (the Project) described in paragraph IV of Schedule 2 to the draft Loan Agreement. As an inducement to you to enter into such Loan Agreement we are pleased to give you the following undertakings:

- (a) We will carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.
- (b) We will furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.
- (c) We will maintain records, adequate to identify the equipment, supplies and services financed out of the proceeds of the portion of the loan from the Bank made available to us,

to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting practices, the financial condition and operations of our Company. We will enable the Bank's representatives to inspect the Project, the equipment and supplies financed out of the proceeds of the Bank's loan and any relevant records and documents, and will furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of our portion of the loan from the Bank, the Project, the equipment, supplies and services financed out of the proceeds of the Bank's loan and the financial condition and operations of our Company.

- (d) We further agree to inform the Bank promptly of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of our portion of the loan from the Bank.
- (e) We will maintain and renew all rights, powers, privileges and franchises owned by us and necessary in the operation of our electric business. We will operate and maintain our electrical plants, equipment and property and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards and will at all times operate such plants and equipment and maintain our financial position in accordance with sound business practices.
- (f) After recommendation by the Board of Management, final decision on declaration of dividends or other distributions on capital is a matter for the shareholders. Unless the Bank shall otherwise agree, however, the Board of Management will not recommend the declaration or payment of any dividend nor any distribution on any shares of capital stock nor the acquisition of shares of the capital stock of the company for a consideration if, as a result, the net working capital in the hands of the company would be reduced to an amount less than the aggregate amount of operating expenses (including administrative and general expenses) for the preceding 2 1/2 calendar months. For purposes of this clause the term "net

working capital" shall mean the excess of current assets (cash and those assets which in the regular course of business can be readily converted into cash) over current liabilities (those obligations payable within one year, including payments on funded debt falling due during such period).

You may also accept this letter as our assurance that we will loyally and faithfully perform our obligations to the Mortgage Bank under the loan agreement to be entered into between us providing for the loan to us of a portion of the proceeds of your loan and shall likewise take all such steps as may be necessary or proper to enable the Mortgage Bank to perform its obligations to you under the Loan Agreement between you and the Mortgage Bank so far as the same shall concern us.

Very truly yours,

PP PARAISTEN KALKKIVUORI OSAKEYHTIÖ
PARGAS KALKBERGS AKTIEBOLAG

Jürgen Schmidt *J. S. S.*



K

Helsinki

May 4th, 1956

International Bank for Reconstruction
and Development

1818 H Street, N. W.
Washington 25, D. C.
U. S. A.

Gentlemen:

In connection with the proposed Loan Agreement (Electricity Projects) to be entered into between us, we hereby undertake and warrant to your Bank that, to the best of our knowledge and belief:

1. The documents listed in the Annex to this letter have been submitted to you with a view to their being used as the basis for appraisal of the financial and legal aspects of Mortgage Bank of Finland Oy; that the information contained in such documents is accurate and there are no other facts the omission of which would make any such information misleading.

2. The balance sheet of Mortgage Bank of Finland Oy as at April 30th, 1956, a copy of which is attached, correctly sets forth the issued capital and assets and liabilities of Mortgage Bank of Finland Oy as at that date, and that, as of the date hereof, there has been no material adverse change in the financial and operating position of Mortgage Bank of Finland Oy.

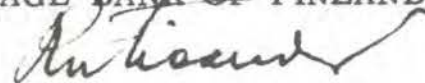
3. Mortgage Bank of Finland Oy has no outstanding mortgage, charge, lien or other priority or encumbrance on any of its property or assets, and no contract or arrangement, conditional or unconditional, exists for the creation by Mortgage Bank of Finland Oy of any such mortgage, charge, lien or any other priority or encumbrance.

It is our mutual understanding that the proposed loan to Mortgage Bank of Finland Oy by your Bank is to be made upon the faith of these representations.

Very truly yours,

MORTGAGE BANK OF FINLAND OY

By



U. A. Vatanen

ANNEX TO LETTER OF REPRESENTATIONS

Type of Document

1. Decision of the State Council dated December 23, 1955, concerning organization of Mortgage Bank of Finland Oy, including the Articles of Association of Mortgage Bank of Finland Oy. (Finnish text and English translation)
2. Law governing mortgage credit banks, enacted March 17, 1933, as amended. (Swedish text and English translation)
3. Organization proceedings of Mortgage Bank of Finland Oy, as follows:
 - a. Certified copy of minutes of the initial shareholders' meeting held March 20, 1956 (Finnish text and English translation)
 - b. Certified copy of minutes of the first meeting of the board of directors of Mortgage Bank of Finland Oy held March 21, 1956 (Finnish text and English translation)
4. Certified translation of Extract of Trading Firm Register, issued by the Magistrat of the City of Helsinki and showing that the Mortgage Bank of Finland Oy has commenced business.
5. Decision of the Ministry of Finance, dated April 6, 1956, approving the issuance of debentures by the Mortgage Bank of Finland Oy to Suomen Pankki - Finlands Bank. (Finnish text and English translation).
6. Form of debenture to be issued by Mortgage Bank of Finland Oy to Suomen Pankki - Finlands Bank (English translation).

MORTGAGE BANK OF FINLAND OY

Balance Sheet April 30, 1956



Assets:

mk

Deposit with Suomen Pankki-

Finlands Bank 193.971.880:-

Stamp and other expenses .. 6.028.120:-

200.000.000:-

=====

Liabilities:

mk

Share Capital 200.000.000:-

200.000.000:-

=====

Helsinki, May 4th, 1956.

MORTGAGE BANK OF FINLAND OY

Ruticant

1/11/56

KEMIJOKI OY



4
u

HEAD OFFICE - TELEGRAMS KEMIJOKI HELSINKI - TELEPHONE 10941 HELSINKI

HELSINKI
P. O. BOX 457
FINLAND

Helsinki, May 4, 1956

ML/EKL

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington 25, D.C.

Subject: Proposed Loan to Mortgage Bank of Finland Oy (Electricity Projects).

Gentlemen:

It is our understanding that International Bank for Reconstruction and Development (the Bank) proposes to enter into a Loan Agreement with Mortgage of Finland Oy (the Mortgage Bank) providing for a loan of an amount in various currencies equivalent to \$ 15,000,000, of which a portion would be made available to us through the Mortgage Bank for carrying out the Kemijoki Oy Project (the Project) described ^{/of schedule 2} in paragraph 1 / to the draft Loan Agreement. As an inducement to you to enter into such Loan Agreement we are pleased to give you the following undertakings:

- (a) We will carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.
- (b) We will furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.
- (c) We will maintain records, adequate to identify the equipment, supplies and services financed out of the proceeds of the portion of the loan from the Bank made available to us, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting practices, the financial condition and operations of our Company. We will enable the

Bank's representatives to inspect the Project, the equipment and supplies financed out of the proceeds of the Bank's loan and any relevant records and documents, and will furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of our portion of the loan from the Bank, the Project, the equipment, supplies and services financed out of the proceeds of the Bank's loan and the financial condition and operations of our Company.

- (d) We further agree to inform the Bank promptly of any condition which interferes, or threatens to interfere with, the accomplishment of the purposes of our portion of the loan from the Bank.
- (e) We will maintain and renew all rights, powers, privileges and franchises owned by us and necessary in the operation of our business. We will operate and maintain our plants, equipment and property and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards and will at all times operate our plants and equipment and maintain our financial position in accordance with sound business and public utility practices.
- (f) We will endeavor to establish and maintain power rates at a level which will preserve a sound financial position; that is, which will provide revenues sufficient to cover all operating expenses, including interest on outstanding debt and allowance for depreciation, and to provide a reasonable return on the capital invested in our company. To this end we will from time to time when necessary seek such increases in contract rates or such approvals from regulatory authorities as may be required to enable us to maintain rates at such level.
- (g) After recommendation by the Board of Management, final decision on declaration of dividends or other distributions on capital is a matter for the shareholders. Unless the Bank shall otherwise agree, however, the Board of Management will not recommend

the declaration or payment of any dividend nor any distribution on any shares of capital stock nor acquisition of shares of the capital stock of the company for a consideration if, as a result, the net working capital in the hands of the company would be reduced to an amount less than the aggregate amount of operating expenses (including administrative and general expenses) for the preceding two calendar months. For purposes of this clause the term " net working capital" shall mean the excess of current assets (cash and those assets which in the regular course of business can be readily converted into cash) over current liabilities. The term " current liabilities" covers those obligations payable within one year, including payments on funded debt falling ^{due} during such period but excluding short term credits to the extent that they are covered by written agreements to renew for periods in excess of one year.

You may also accept this letter as our assurance that we will loyally and faithfully perform our obligations to the Mortgage Bank under the loan agreement to be entered into between us providing for the loan to us of a portion of the proceeds of your loan and shall likewise take all such steps as may be necessary or proper to enable the Mortgage Bank to perform its obligations to you under the Loan Agreement between you and the Mortgage Bank so far as the same shall concern us.

Very truly yours,

KEMIJOKI OY

Matti Kallio *for the Company*

Oy KAUKAS Ab

TELEFON 10448 · TELEGRAM: KAUKAS HELSINGFORS · POSTBOX 6032

Helsingfors, May 4, 1956.

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington 25, D.C.

Subject: Proposed Loan to Mortgage Bank of Finland Oy (Electricity
Projects)

Gentlemen:

It is our understanding that International Bank for Reconstruction and Development (the Bank) proposes to enter into a Loan Agreement with Mortgage Bank of Finland Oy (the Mortgage Bank) providing for a loan of an amount in various currencies equivalent to \$ 15,000,000, of which a portion would be made available to us through the Mortgage Bank for carrying out the Oy Kaukas Ab Project (the Project) described in paragraph III of Schedule 2 to the draft Loan Agreement. As an inducement to you to enter into such Loan Agreement we are pleased to give you the following undertakings:

- (a) We will carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.
- (b) We will furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.
- (c) We will maintain records, adequate to identify the equipment, supplies and services financed out of the proceeds of the portion of the loan from the Bank made available to us, to disclose the use thereof in

Oy KAUKAS Ab

the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting practices, the financial condition and operations of our Company. We will enable the Bank's representatives to inspect the Project, the equipment and supplies financed out of the proceeds of the Bank's loan and any relevant records and documents, and will furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of our portion of the loan from the Bank, the Project, the equipment, supplies and services financed out of the proceeds of the Bank's loan and the financial condition and operations of our Company.

- (d) We further agree to inform the Bank promptly of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of our portion of the loan from the Bank.
- (e) We will maintain and renew all rights, powers, privileges and franchises owned by us and necessary in the operation of our electric business. We will operate and maintain our electrical plants, equipment and property and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards and will at all times operate such plants and equipment and maintain our financial position in accordance with sound business practices.
- (f) After recommendation by the Board of Management, final decision on declaration of dividends or other distributions on capital is a matter for the shareholders. Unless the Bank shall otherwise agree, however, the Board of Management will not recommend the declaration

Oy KAUKAS Ab

9
4

or payment of any dividend nor any distribution on any shares of capital stock nor the acquisition of shares of the capital stock of the company for a consideration if, as a result, the net working capital in the hands of the company would be reduced to an amount less than the aggregate amount of operating expences (including administrative and general expences) for the preceding 3 calendar months. For purposes of this clause the term "net working capital" shall mean the excess of current assets (cash and those assets which in the regular course of business can be readily converted into cash) over current liabilities (those obligations payable within one year, including payments on funded debt falling due during such period).

You may also accept this letter as our assurance that we will loyally and faithfully perform our obligations to the Mortgage Bank under the loan agreement to be entered into between us providing for the loan to us of a portion of the proceeds of your loan and shall likewise take all such steps as may be necessary or proper to enable the Mortgage Bank to perform its obligations to you under the Loan Agreement between you and the Mortgage Bank so far as the same shall concern us.

Very truly yours,

Oy KAUKAS Ab
[Signature] E. Pantjar



Helsinki
May 4th, 1956

International Bank for Reconstruction
and Development

1818 H Street N. W.
Washington 25, D. C.
U. S. A.

Gentlemen:

Subject: Proposed Loan to Mortgage
Bank of Finland Oy

It is our understanding that you propose to enter into a Loan Agreement with Mortgage Bank of Finland Oy (the Mortgage Bank) providing for the loan of an amount in various currencies equivalent to \$15,000,000, a portion of which will be used to defray certain of the foreign exchange costs for electric projects (the Projects) of Oy Kaukas Ab, Pargas Kalkbergs Aktiebolag and City of Helsinki (the Beneficiary Enterprises). As an inducement to you to enter into such Loan Agreement, we are pleased to give you the following assurances:

1. It is our understanding that the Beneficiary Enterprises will finance the construction and operation of the respective Projects partly out of the proceeds of the loan from International Bank for Reconstruction and Development and partly out of their own resources, or borrowed funds, or both. All the Beneficiary Enterprises are in good financial position so that they should be able to obtain credit from financial institutions in Finland. If, however, at any time there is reasonable cause to believe that the funds available to any Beneficiary Enterprise will be inadequate to meet the estimated expenditures required for carrying out the construction or operation of any such Project, Suomen Pankki-Finlands Bank agrees to make arrangements satisfactory to you promptly to provide such Beneficiary Enterprise or

cause such Beneficiary Enterprise to be provided with such funds as are needed to make such expenditures.

2. So long as your loan to the Mortgage Bank is outstanding, Suomen Pankki-Finlands Bank will not, without your consent, dispose of any part of its holdings of the capital (including both shares and debentures) of the Mortgage Bank nor will it take or permit any action which would deprive it of effective control of the Mortgage Bank nor will it permit the capital of the Mortgage Bank to be reduced.

3. Suomen Pankki-Finlands Bank will exercise its voting rights as principal shareholder of the Mortgage Bank to ensure continuing capable and efficient management of the Mortgage Bank.

Very truly yours,

SUOMEN PANKKI FINLANDS BANK
Rutland / Wm. W. W.

IMATRAN VOIMA OSAKEYHTIÖ

HEAD OFFICE TELEGRAMS IMATRANVOIMA HELSINKI TELEPHONE 10941 HELSINKI



HELSINKI
P. O. BOX 138
FINLAND

May 4, 1956

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington 25, D.C.

Subject: Proposed Loan to Mortgage Bank of Finland Oy (Electricity
Projects)

Gentlemen:

It is our understanding that International Bank for Reconstruction and Development (the Bank) proposes to enter into a Loan Agreement with Mortgage Bank of Finland Oy (the Mortgage Bank) providing for a loan of an amount in various currencies equivalent to \$ 15,000,000, of which a portion would be made available to us through the Mortgage Bank for carrying out the Imatran Voima Oy Project (the Project) described in paragraph II of Schedule 2 to the draft Loan Agreement. As an inducement to you to enter into such Loan Agreement we are pleased to give you the following undertakings:

- (a) We will carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.
- (b) We will furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such details as the Bank shall from time to time request.
- (c) We will maintain records, adequate to identify the equipment, supplies and services financed out of the proceeds of the portion of the loan from the Bank made available to us, to disclose the use thereof in the Project, to record the progress of the Project (including

p.t.o.

7

the cost thereof) and to reflect, in accordance with consistently maintained sound accounting practices, the financial condition and operations of our Company. We will enable the Bank's representatives to inspect the Project, the equipment and supplies financed out of the proceeds of the Bank's loan and any relevant records and documents, and will furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of our portion of the loan from the Bank, the Project, the equipment, supplies and services financed out of the proceeds of the Bank's loan and the financial condition and operations of our Company.

- (d) We further agree to inform the Bank promptly of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of our portion of the loan from the Bank.
- (e) We will maintain and renew all rights, powers, privileges and franchises owned by us and necessary in the operation of our business. We will operate and maintain our plants, equipment and property and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards and will at all times operate our plants and equipment and maintain our financial position in accordance with sound business and public utility practices.
- (f) We will endeavour to establish and maintain power rates at a level which will preserve a sound financial position; that is, which will provide revenues sufficient to cover all operating expenses, including interest on outstanding debt and allowance for depreciation, and to provide a reasonable return on the capital invested in our company. To this end we will from time to time when necessary seek such increases in contract rates or such approvals from regulatory authorities as may be required to enable us to maintain rates at such level.
- (g) After recommendation by the Board of Management, final deci-

p.t.o.

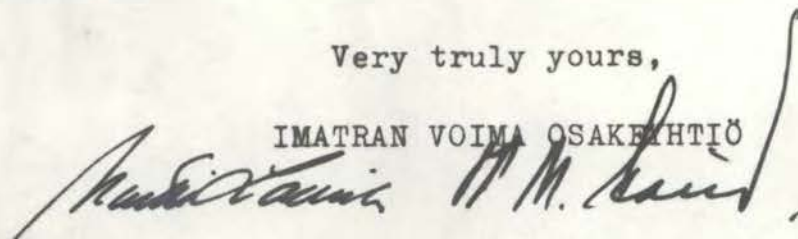
7

sion on declaration of dividends or other distributions on capital is a matter for the shareholders. Unless the Bank shall otherwise agree, however, the Board of Management will not recommend the declaration or payment of any dividend nor any distribution on any shares of capital stock nor the acquisition of shares of the capital stock of the company for a consideration if, as a result, the net working capital in the hands of the company would be reduced to an amount less than the aggregate amount of operating expenses (including administrative and general expenses) for the preceding two calendar months. For purposes of this clause the term "net working capital" shall mean the excess of current assets (cash and those assets which in the regular course of business can be readily converted into cash) over current liabilities. The term "current liabilities" covers those obligations payable within one year, including payments on funded debt falling due during such period but excluding short term credits to the extent that they are covered by written agreements to renew for periods in excess of one year.

You may also accept this letter as our assurance that we will loyally and faithfully perform our obligations to the Mortgage Bank under the loan agreement to be entered into between us providing for the loan to us of a portion of the proceeds of your loan and shall likewise take all such steps as may be necessary or proper to enable the Mortgage Bank to perform its obligations to you under the Loan Agreement between you and the Mortgage Bank so far as the same shall concern us.

Very truly yours,

IMATRAN VOIMA OSAKEYHTIÖ



fin: Ru up.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

RCA

DATE: MAY 4, 1956

TO: R. VON FIEANDT
SUOMENPANKKI
LT HELSINKI
(FINLAND)

| CLASS OF SERVICE DESIRED | | | |
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| NIGHT LETTER | <input checked="" type="checkbox"/> | CODE | <input type="checkbox"/> |
| FULL RATE | <input type="checkbox"/> | TELETYPE | <input type="checkbox"/> |

TEXT: ✓

THANKS YOUR CABLE MAY FOUR WE PROPOSE TWO ADDITIONAL MINOR CHANGES
 TO LOAN AGREEMENT SCHEDULE TWO STOP ADD WORDS QUOTE IT IS EXPECTED
 THAT UNQUOTE FIRST AT BEGINNING OF FINAL SENTENCE OF DESCRIPTION OF PARGAS
 PROJECT AND SECONDLY THE SAME FOR HELSINKI PROJECT STOP PLEASE CONFIRM
 AGREEMENT DOCUMENTS SENT WITH LETTER APRIL TWENTY FIVE WITH THESE CHANGES STOP
 INTEND SUBMITTING DOCUMENTS TO EXECUTIVE DIRECTORS ON RECEIPT CONFIRMATION STOP
 WILL CABLE ABOUT INTEREST RATE NEXT WEEK

COPE

AUTHORIZED BY:

NAME S. R. Cope
Director of Operations
DEPT. Europe, Africa & Australasia

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| For Use by Archives Division |
| Checked for Dispatch |
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FILE COPY

BBKing:ap

BRK:sh

LIFE CODE

DEPT. of State
Director of Operations
WNS S. E. Cobe

DISPATCHED
INTERNATIONAL BANK FOR
RECONSTR. AND DEVELOP.

UNCLASSIFIED BY:

MAY 4 5 57 PM 1956

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| Checked for dispatch |
| for use by recipient's organization |

CODE

ALL THE ABOVE VOUCHER INFORMATION HAVE BEEN CHECKED
 IN ORDER TO SUBMITTING DOCUMENTS TO RESPECTIVE DIRECTORS OF RESPECTIVE ORGANIZATION WHO
 VOUCHER DOCUMENTS SENT WITH FULLY VALID EASMLI STATE WITH THESE CHANGES SUCH
 PROJECT AND RECORDS THE SAME FOR NETWORK PROJECT SUCH PLEASE COMPLETE
 THIS ENCLOSE FIRST AT BEGINNING OF FIRST SENTENCE OF DESCRIPTION OF PROJECTS
 TO FORM VOUCHER SCHEDULE LMO SUCH AND NUMBER CODE IT IS EXPECTED
 THANKS FOR YOUR HELP AND FOR YOUR LMO AND VOUCHER WHICH CHANGES

TEXT

TO: (REMOVED)
 DIRECTOR
 DOCUMENTS
 F. A. C. B. W. W. D. L.
 DATE: MAY 17 1956

ACH

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| MIT DUE | <input type="checkbox"/> | REPLACE | <input type="checkbox"/> |
| NIGHT LETTER | <input checked="" type="checkbox"/> | CODE | <input type="checkbox"/> |
| CLASS OF SERVICE DESIRED | | | |

INTERNATIONAL BANK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

for use by...

*fin to rep.
Mr. King*

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: MAY 4, 1956 1600

TO: COPE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
FROM: HELSINKI

| ROUTING | |
|---------------------|---------|
| ACTION COPY TO | MR COPE |
| INFORMATION COPY TO | |
| Decoded By | |

TEXT:

REFERENCE MORTGAGEBANK LOAN GOVERNMENT TODAY DECIDED TO SIGN
 GUARANTEE AGREEMENT AND AUTHORIZED MORTGAGE BANK BOND LOAN.
 AIRMAILING TODAY ALL ADDITIONAL DOCUMENTS ENABLING YOU PRESENT
 LOAN PROPOSAL TO EXECUTIVE BOARD EARLY MAY AS INDICATED IN YOUR
 OPERATIONAL REPORT 4/24/56. WE PRESUME INTEREST RATE WILL BE
 FOUR AND THREE QUARTERS PERCENT. WE UNDERSTAND INTBAFRAD
 CONTEMPLATING INTEREST RATE INCREASE IN NEAR FUTURE BUT ARE
 CONFIDENT THAT THIS LOAN CAN BE CARRIED THROUGH AT RATE
 HERETOFORE DISCUSSED. PLEASE CABLE

*— low
must be
passed*

FIEANDT

ORIGINAL

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAY 4 12 21 PM 1956

MEMORANDUM

MEMORANDUM DISCUSSED: ...

CONSIDERABLE ...

COMMENTS ...

BOTH ...

CONCERNING ...

TO ...

... DECIDED ...

END

BY: ...

FOR: ...

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INTERNATIONAL BANK

FOR RECONSTRUCTION AND DEVELOPMENT

4.5.1956

RvF/JV/BC

Mr. S.R.Cope, Director
International Bank for Reconstruction
and Development, Washington DC

**SÄHKEVAHVISTUS
TELEGRAMBEKRÄFTELSE
CABLE CONFIRMATION**

VAHVISTAMME TÄTEN TÄMÄNPÄIVÄISEN, ALLAOLEVAN
JÄLJENNÖKSEN MUKAISEN SÄHKEEMME.
VI BEKRÄFTA HÄRMED VÄRT TELEGRAM AV I DAG ENLIGT NEDANSTÄENDE KOPIA.
WE CONFIRM OUR TELEGRAM OF TO-DAY AS PER COPY HEREAFTER.

KUNNIOITTAEN / HÖGAKTNINGSFULLT / YOURS FAITHFULLY

SUOMEN PANKKI — FINLANDS BANK

U. A. Katama, Esro, Hög

Cope
Intbafrad
WashingtonDC

Reference mortgagebank loan government today
decided to sign guarantee agreement and authorized mortgagebank
bondloan stop airmailing today all additional documents
enabling you present loan proposal to executive board early
may as indicated in your operational report 4/24/56 stop
we presume interest rate will be four and threequarters
percent stop we understand intbafrad contemplating interest
rate increase in near future but are confident that this loan
can be carried through at rate heretofore discussed stop
please cable

Fieandt

RECEIVED
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAY 7 11 16 AM 1956

Възможно е да се види че в последните години в България
се наблюдава значително подобрение в материалния живот на
населението. Това се дължи главно на развитието на
промишлеността и на увеличаването на производството на
промишлени изделия. Особено голямо значение има
за развитието на енергетиката и на химическата промишленост.
Въпреки това в някои области на стопанството
се наблюдава забавяне в развитието. Това се дължи
главно на недостатъците в материалния капитал и на
недостатъците в квалификацията на работната сила.
За да се подобри материалния живот на населението
необходимо е да се увеличи производството на
промишлени изделия и да се подобри квалификацията
на работната сила.

Съставител
Директор
Сектор

СЪВЕТЪТ НА МИНИСТРИТЕ
НА РЕПУБЛИКА БЪЛГАРИЯ

[Handwritten signature]

БЪЛГАРСКИ БАНК — БАНКА ЗА СЪХРАНЕНИЕ И КРЕДИТ

КЛИЕНТИ НА БАНКАТА: ГОДИШНО ПЛАЩАНЕ НА ДИВИДЕНДИ

НАСЪВЪТЪТ НА БАНКАТА ЗА СЪХРАНЕНИЕ И КРЕДИТ
И ЗА СЪХРАНЕНИЕ НА ДИВИДЕНДИ И ЗА СЪХРАНЕНИЕ
НА ДИВИДЕНДИ И ЗА СЪХРАНЕНИЕ НА ДИВИДЕНДИ
НАСЪВЪТЪТ НА БАНКАТА ЗА СЪХРАНЕНИЕ И КРЕДИТ
И ЗА СЪХРАНЕНИЕ НА ДИВИДЕНДИ И ЗА СЪХРАНЕНИЕ
НА ДИВИДЕНДИ И ЗА СЪХРАНЕНИЕ НА ДИВИДЕНДИ

СЪВЕТЪТ НА МИНИСТРИТЕ
НА РЕПУБЛИКА БЪЛГАРИЯ
ДИРЕКТОРАТ НА БАНКАТА ЗА СЪХРАНЕНИЕ И КРЕДИТ

БЪЛГАРСКИ БАНК — БАНКА ЗА СЪХРАНЕНИЕ И КРЕДИТ

БАНКА
ДИРЕКТОР
ДИРЕКТОР

1956.05.07

БАНКА
ДИРЕКТОР
ДИРЕКТОР

1956/21/80

fin: fm sp.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCOMING WIRE

DATE OF WIRE: MAY 3, 1956 1732

TO: COPE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FROM: HELSINKI

| ROUTING | |
|---------------------|---------|
| ACTION COPY TO | MR COPE |
| INFORMATION COPY TO | |
| Decoded By | |

TEXT:

✓
 YOURS SECOND WE FAVOUR PROPOSED NY TRUST CO PARTICIPATION
 ON CONDITIONS OUTLINED

FIENDT

*Cavanagh } informed
 Martin }
 5/4/56*

ORIGINAL

ORIGINAL

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

MAY 3 2 44 PM 1956

OF COMMISSIONS OBTAINED

YOUR RECORDS ARE REQUESTED TO SHOW TO WHOM SAID COMMISSIONS

RE:

RE: HAITI
RECONSTRUCTION AND DEVELOPMENT
CORPORATION
DATE OF BIRTH: MAY 3, 1956

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INTERNATIONAL BANK FOR

RECONSTRUCTION AND DEVELOPMENT

SUOMEN PANKKI — FINLANDS BANK, HELSINKI

PÄIVÄYS
DATUM
DATE

3.5.1956

VIITTEEMME
VÅR REF.
OUR REF.

RvF/EA/BC

Mr. S.R.Cope, Director
International Bank for Reconstruction
and Development,
Washington DC

SÄHKEVAHVISTUS
TELEGRAMBEKRÄFTELSE
CABLE CONFIRMATION

VAHVISTAMME TÄTEN TÄMÄNPÄIVÄISEN, ALLAOLEVAN
JÄLJENNÖKSEN MUKAISEN SÄHKEEMME.
VI BEKRAFTA HÄRMED VÅRT TELEGRAM AV I DAG ENLIGT NEDANSTÄENDE KOPIA.
WE CONFIRM OUR TELEGRAM OF TO-DAY AS PER COPY HEREAFTER.

KUNNIOITTAEN / HOGAKTNINGSFULLT / YOURS FAITHFULLY

SUOMEN PANKKI — FINLANDS BANK

R. Heiskanen

Cope
Intbafrad
Washington DC

Yours second We favour proposed Nytrustco
participation on conditions outlined

Fieandt

Fin Lu up
files

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

DATE: MAY 2, 1956

TO: R. VON FIEANDT
SUOMENPANKKI
HELSINKI
FINLAND

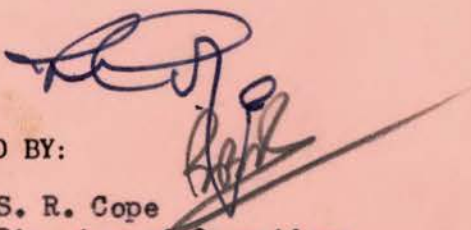
| CLASS OF SERVICE DESIRED | | | |
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| NIGHT LETTER | <input checked="" type="checkbox"/> | CODE | <input type="checkbox"/> |
| FULL RATE | <input type="checkbox"/> | TELETYPE | <input type="checkbox"/> |

TEXT:

NEW YORK TRUST COMPANY HAS EXPRESSED WILLINGNESS TO PARTICIPATE
 IN PROPOSED LOAN BY PURCHASING WITHOUT BANK GUARANTEE JUNE 1959
 MATURITY OF 280,000 DOLLARS TO YIELD THEM FOUR AND ONE QUARTER PERCENT
 STOP YOU WOULD SAVE ONE HALF PERCENT OR MORE ON THIS AMOUNT DEPENDING
 ON INTEREST RATE FINALLY DECIDED STOP PLEASE CABLE VIEWS

COPE

AUTHORIZED BY:



NAME S. R. Cope
 Director of Operations
 DEPT. Europe, Africa & Australasia

BBKing:ap

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| Checked for Dispatch |
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FILE COPY

fin. fm 142

AIRMAIL

May 2, 1956

Mr. Martti Laurila
Imatran Voima Oy
Malminkatu 16
Helsinki
Soumi - Finland

Dear Martti:

We have information from Norway which indicates that Norwegian suppliers will not be able to deliver aluminum wire bars on a schedule which meets your requirements. We do not yet know, however, whether this also applies to delivery of wire rods. In the meantime we would like to know to which extent you prefer delivery of wire bars in case it should prove possible to obtain wire rods from Norway.

We would also like to know whether you have made any enquiries yourself regarding delivery of aluminum, and whether you, as a result, now expect to obtain this material from another source.

We now hope that the loan will be ready for signing by the end of next week.

With best regards,

Yours,

Christian Finne

Fin. Lu. up

May 2, 1956

My dear Nielsen:

Thank you for your letter of April 28. We are very glad to hear that an export license will be granted for the transformer to be delivered to Finland and that, as a consequence, the equivalent amount of Norwegian 18% funds will be available.

As regards Item A, we are pretty sure that the Finnish company wants to order wire bars as its first choice. From your letter it does not appear as though they will be able to obtain them in Norway in sufficient time.

However, it might be that, as a second choice, they would order aluminum rod. I do not think we can say anything about this possibility at the moment. We will be writing to Finland to find out more about their intentions. It would perhaps be useful for us, in the meantime, if you could give us some indication of delivery possibilities for aluminum rod from Norway.

Sincerely,

B. B. King

Mr. Carsten Nielsen
Det Kongelige Handelsdepartement
Oslo, Norway

cc: Miss Morsey
Messrs. Stevenson
Finne
Verheyen

(Cleared with Delaune and Finne)

BBKingtap

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OUTGOING WIRE

COPY

DATE: MAY 2, 1956

TO: R. VON FIEANDT
SUOMENPANKKI
HELSINKI
FINLAND

| CLASS OF SERVICE DESIRED | | | |
|--------------------------|-------------------------------------|----------|--------------------------|
| NIGHT LETTER | <input checked="" type="checkbox"/> | CODE | <input type="checkbox"/> |
| FULL RATE | <input type="checkbox"/> | TELETYPE | <input type="checkbox"/> |

TEXT:

NEW YORK TRUST COMPANY HAS EXPRESSED WILLINGNESS TO PARTICIPATE
 IN PROPOSED LOAN BY PURCHASING WITHOUT BANK GUARANTEE JUNE 1959
 MATURITY OF 280,000 DOLLARS TO YIELD THEM FOUR AND ONE QUARTER PERCENT
 STOP YOU WOULD SAVE ONE HALF PERCENT OR MORE ON THIS AMOUNT DEPENDING
 ON INTEREST RATE FINALLY DECIDED STOP PLEASE CABLE VIEWS

COPE

AUTHORIZED BY:

NAME S.R. Cope
 Director of Operations
 DEPT. Europe, Africa and Australasia

BBKing:ap

FILE COPY

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| Checked for Dispatch _____ |

STAFF LOAN COMMITTEE

Archives
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APR 19 2018
WBG ARCHIVES

MEMORANDUM TO THE STAFF LOAN COMMITTEE

Finland

1. As no new policy questions are involved, the attached Memorandum SLC/O/851, "Finland - Proposed Loan of \$15 Million Equivalent" and the President's Report and Recommendations on the proposed loan to Finland are distributed for consideration without a meeting.
2. Comments, if any, should be sent to reach Mr. King by close of business on May 4.

Herbert G. A. Woolley
Secretary
Staff Loan Committee.

May 1, 1956

DECLASSIFIED

APR 19 2018

DRAFT
WBG ARCHIVE CONFIDENTIAL

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

REPORT AND RECOMMENDATIONS

OF THE

PRESIDENT

TO THE

EXECUTIVE DIRECTORS

ON A

PROPOSED LOAN TO

MORTGAGE BANK OF FINLAND OY

April 30, 1956

REPORT AND RECOMMENDATIONS OF THE PRESIDENT TO
THE EXECUTIVE DIRECTORS ON A PROPOSED LOAN TO
MORTGAGE BANK OF FINLAND OY

1. I submit the following report and recommendations on a proposed loan in various currencies equivalent to \$15 million to Mortgage Bank of Finland Oy (hereinafter called Mortgage Bank).

PART I - HISTORICAL

2. The Bank has made five loans to Finland for a total amount of just over \$50 million, of which \$40 million is at present held by the Bank. About \$8 million of these loans has still to be disbursed.

3. The first mention of the proposed loan was made towards the end of 1954 by Professor Waris, the Deputy Governor of the Bank of Finland when he was in Washington for negotiations for the Bank's \$12 million loan March 24, 1955. In the course of 1955 the proposed loan gradually took shape and a technical mission to Finland studied the projects in the fall. In January 1956 Mr. von Fieandt, Governor of the Bank of Finland, came to Washington for preliminary loan discussions. The final phase of the negotiations was handled by a Bank mission to Finland in March 1956 and in subsequent discussions with the Finnish Embassy in Washington.

PART II - DESCRIPTION OF THE PROPOSED LOAN

Borrower

4. The borrower would be the Mortgage Bank. Previous Bank loans for Finland, with one exception, were made to the Bank of Finland which acted as an intermediary between the Bank and the ultimate beneficiaries of these loans. The Bank of Finland, however, was no longer prepared to act in this way and proposed instead that the borrower should be a new institution, owned, staffed and managed by it. For the Bank this solution had the advantage of maintaining an established working relationship with the Bank of Finland.

5. Accordingly, in March 1956, the Mortgage Bank was set up under the Mortgage Bank Law of 1933. Its sole function would be to act as an intermediary for Bank loans and it would be at all times under the effective control of the Bank of Finland.

Guarantor

6. The loan would be guaranteed by the Republic of Finland, a member of the Bank.

Amount

7. The amount of the loan would be the equivalent in various currencies of \$15 million.

Terms

8. The loan would bear interest at the rate of 4-3/4% per annum, including commission of 1%. The commitment charge would be 3/4 of 1%. The loan would be for a period of 20 years and would be amortized by 35 semi-annual payments beginning on June 1, 1959 and ending on June 1, 1976.

Purpose

9. The Bank loan would help finance five projects for the production and distribution of electric power: two by the publicly-owned power companies, Kemijoki Oy and Imatran Voima Oy; two by privately-owned companies, Oy Kaukas Ab and Pargas Kalkbergs Aktiebolag; and the fifth by the City of Helsinki. These bodies are called hereafter the beneficiary enterprises. The proceeds of the loan would be re-lent to the beneficiary enterprises by the Mortgage Bank on substantially the same terms as the borrowing from the Bank.

Procurement

10. The beneficiary enterprises are obtaining international bids for the equipment which would be financed. It seems probable that almost all purchases would be made in Western Europe, principally the Federal Republic of Germany and Sweden, and to the extent practicable, the Bank would advance European currencies out of the 18% subscriptions of the members concerned.

PART III - APPRAISAL OF THE LOAN

The Finnish Economy

11. The report entitled "Current Economic Position and Prospects of Finland" (EA 58-a) is attached. (No.5)

12. During the first postwar years reparations, resettlement of people from ceded territory and reconstruction imposed a burden on the economy that led almost inevitably to serious inflation and successive devaluations of the Finnish mark. Frustrated by spiraling prices and wages all political parties agreed in late 1951 to a stabilization program.

13. From its inception this program rested on shaky foundations. It was adopted at the height of a boom and the linking of wages and farm income to the cost of living at that time resulted in an inflexible income structure, high in relation to those of competing countries.

14. In practice, it has meant that the Government has held down the cost of living index, to which wages and farm incomes have been linked, by price controls and by fiscal measures, including tax relief and subsidies and that increases in nominal wages have been modest.

15. But the net effect has been that the Government's finances, which previously yielded sizeable cash surpluses, have been progressively weakened until in 1955 they resulted in a cash deficit. Export surpluses, made possible by import and exchange restrictions, and until recently a sizeable expansion of bank credit, have added to the expansionary forces which have progressively undermined whatever stability had been achieved.

16. The recent general strike which lasted from March 1 to 19, was the culmination of growing dissatisfaction with the stabilization program. As a result of the strike, wages and prices have increased and price controls, the recent lapse of which touched off the strike, have been reimposed temporarily. It might seem, therefore, that the only result of the strike settlement was to increase wages and some important prices. But it was not an unmixed evil; subsidies will be reduced, the budget will probably be strengthened somewhat and rents and the cost of other services will be brought more into line with other prices.

17. The immediate future will not be easy. The metal-working industries, set up to satisfy reparations demands, are still not competitive in western markets and will continue to be dependent on eastern Europe. The wood-products industry, the main source of Finland's foreign exchange earnings from western Europe and the Western Hemisphere, will probably remain profitable but barely so even at the present favorable level of foreign demand. A fall in demand for wood products or further wage increases later in the year when wage contracts come up for review would put great pressure on the international position of the economy. There is little doubt, however, that the Firms will, as in the past, make whatever adjustments are necessary to maintain the exports on which their economy is so dependent.

18. Taking a longer view it seems that, even if haltingly, Finland is moving in the direction of a freer economy. She has in the postwar years reconstructed her economy and achieved impressive expansion of production. Finland's resources still provide an adequate basis for the further expansion of industries in which she has natural advantages.

The Projects

19. The projects are described in detail in the report entitled "The Appraisal of Power Projects in Sixth Loan Application - Finland" (T.O. 105-a). (No. 6)

20. Demand for power, most of which is used in industry, particularly in the pulp and paper industry, has recently grown at a steady rate of about 10% per annum and is likely to increase at about the same rate over the next few years. Finland's lack of indigenous fuel and the ready availability of water power make hydro power the cheapest form of electricity supply in Finland. However, the construction of thermal plants, tied into the national grid, is essential to ensure a firm supply of power in dry seasons.

21. The largest of the five projects to be financed under the proposed loan involves the construction of two hydro power plants with a total capacity of 220,000 kw for the government-owned power company, Kemijoki Oy. These plants would be in Lapland where most of Finland's hydro resources are located. Another large project, for the government-owned power company Imatran Voima Oy, would involve erection of about 230 miles of transmission lines and related works to bring power from the north to the more populous and industrialized south. A third project is for the construction of a thermal electric power plant with a capacity of 75,000 kw for the City of Helsinki. Finally, there are two projects for the privately-owned companies, Oy Kaukas Ab, a company primarily engaged in the production of wood products, and Pargas Kalkbergs Aktiebolag, a company producing cement and limestone. The project of Oy Kaukas Ab is for a hydroelectric power plant at Kaltimo in eastern Finland with a capacity of 22,000 kw. The Pargas Kalkbergs Aktiebolag project is for a thermal electric power plant with a capacity of 27,000 kw at Pargas in southwest Finland. In each case the surplus power produced would be fed into the national grid.

22. The proposed loan would provide about four-fifths of the foreign exchange cost of the projects or about one-seventh of their total cost.

| <u>Project</u> | <u>Total Cost</u> | Of which | Of which |
|----------------------------|-------------------|------------------------------------|---------------------------------------|
| | | <u>Total Foreign Exchange Cost</u> | <u>Allocation under Proposed Loan</u> |
| (In Millions of Dollars) | | | |
| Kemijoki Oy | 68.5 | 8.7 | 6.2 |
| Imatran Voima Oy | 12.0 | 4.0 | 3.8 |
| City of Helsinki | 9.6 | 2.6 | 2.6 |
| Oy Kaukas Ab | 8.7 | 1.7 | 1.2 |
| Pargas Kalbergs Aktiebolag | <u>4.3</u> | <u>1.2</u> | <u>1.2</u> |
| Total | <u>103.1</u> | <u>18.2</u> | <u>15.0</u> |

Financing for the additional costs of the projects seems assured but the Bank would be given undertakings that in the event of financing difficulties sufficient funds would be made available to the beneficiary enterprises to enable them to complete construction of the projects and operate them. Undertakings to this effect would be given by the Republic of Finland in Section 2.02 of the Guarantee Agreement (No. 2) for the publicly-owned companies and by the Bank of Finland (No.3) for the privately-owned companies and the City of Helsinki.

23. The managements of the beneficiary enterprises would give the Bank assurances (No. 4) about the carrying out of the projects and their relations with the Bank and the Mortgage Bank. These assurances would include undertakings on the part of the publicly owned companies and of the City of Helsinki to make every effort to maintain adequate power rates. In addition, the managements of all the beneficiary enterprises except the City of Helsinki would not recommend to stockholders the declaration of dividends which would reduce net working capital below reasonable levels.

24. The projects which would be financed would provide what is considered the minimum additional power needed to cover increased demand. In the judgment of the Bank all projects are well engineered and would be efficiently managed.

Prospects of Repayment

25. Finland has an excellent debt record. Her foreign debt is comparatively small, less than 10% of gross national product. On June 30, 1955 it was equivalent to \$292 million. Of this debt 53% was due to the dollar area, 38% to Sweden and the remaining 9% to other countries.

26. Total service payments are fairly stable, increasing from \$20 million equivalent in 1956 to about \$24 million in 1960, thereafter declining gradually. At present total service payments represent some 3% of exports. More than half of these payments are in dollars, taking as much as one-quarter of total exports to the dollar area.

27. Finland's ability to service debt in dollars or western European currencies depends largely on her ability to sell wood products for these currencies. Despite short-term fluctuations, the long-term prospects for the wood products industries are good because of the growth in demand abroad for paper and pulp and most other wood products.

28. Although production and exports have developed favorably in recent years, Finland faces serious monetary problems. The recent strike and the increase of wages and prices which followed it, provided an illustration of the difficulty of pegging prices while allowing the money supply to increase. At the same time the strike settlement poses a problem for the immediate future. Costs in the export industries will be increased and the external position further threatened. It is not yet clear how this threat will be met. In the past, however, Finland has not hesitated to take drastic steps to preserve the competitive position of her export industries and to provide foreign exchange for essential imports and debt service.

29. On balance and despite the possibility of short-term difficulties, Finland's long-term creditworthiness seems at least as strong today as when the previous loans were made. In recent years output and exports have grown encouragingly in real terms, foreign debt has been reduced somewhat and foreign exchange reserves, though still modest, have been gradually increased. Finland is therefore today in a better position than previously to face the temporary setbacks, which may be expected in the future as in the past.

30. Although the Mortgage Bank is a new institution, it is backed by the prestige and experience of the Bank of Finland in dealing with its own borrowers. It will relend the proceeds of the loan to the beneficiary enterprises which are financially in a position to meet their obligations under their subsidiary loan agreements with the Mortgage Bank. I am satisfied that in making the present loan, the Bank will be acting prudently in the interests of Finland and of the Bank's members as a whole.

PART IV - LEGAL INSTRUMENTS AND LEGAL AUTHORITY

31. The loan documents include a Loan Agreement (No. 1) and Guarantee Agreement (No. 2) which incorporate Loan Regulations No. 4 dated February 15, 1955. The following points may be noted:

- (a) While the Bank's relations with the beneficiary enterprises are basically the same as in previous loans to Bank of Finland, the Bank this time has obtained from the beneficiary enterprises the assurances referred to in paragraph 23 above (No. 4). In addition, assurances concerning financing for three of the projects and concerning the management and financial structure of the Mortgage Bank will be given by Bank of Finland (No. 3).
- (b) As to the execution of the projects, the Bank would rely upon the covenant of the Mortgage Bank to cause the project to be carried out and to exercise every right and remedy available to it in this respect. The Mortgage Bank would also agree to cause the Bank to be accorded, in relation to the projects and the beneficiary enterprises, such rights as the Bank customarily obtains as regards inspection, information and consultation (Loan Agreement, Section 5.01).
- (c) The terms and conditions of the relending by the Mortgage Bank to each of the beneficiary enterprises would be contained in subsidiary loan agreements, which must be satisfactory to the Bank. In particular, the Mortgage Bank would obtain from each beneficiary enterprise mortgages as security for its loans. The amount secured by any such mortgage may not exceed 60% of the value of the property given as security. Pursuant to Finnish law, the Mortgage Bank would have to deposit the mortgage instrument with the Finnish Bank Inspectorate, which would hold them for the benefit of the Mortgage Bank's creditors, in this case the Bank (Loan Agreement, Section 5.02).
- (d) The Mortgage Bank would agree not to borrow any amounts other than the Bank's loan and not to engage in any operations other than the relending of the proceeds of the Bank's loan (Loan Agreement, Section 5.04).

32. The report of the Committee provided for in Article III, Section 4(iii) of the Articles of Agreement of the Bank is attached (No. 7).

PART V - COMPLIANCE WITH ARTICLES OF AGREEMENT

33. I am satisfied that the proposed loan complies with the Articles of Agreement of the Bank.

PART VI - RECOMMENDATIONS

34. I recommend that the Bank at this time make a loan in the amount of \$15 million in various currencies, for a total term of 20 years, with interest, including commission, at 4-3/4% per annum, and on such other terms as are specified in the form of Loan Agreement and Guarantee Agreement attached hereto, and that the Executive Directors adopt a Resolution to that effect in the form attached. (No. 8)

Eugene R. Black

Washington, D.C.
May , 1956

Confidential Draft
Subject to Change
4/30/56

DECLASSIFIED

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WBG ARCHIVES

Loan Number ____ FI

LOAN AGREEMENT

(Electricity Projects)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

MORTGAGE BANK OF FINLAND OY

Dated _____, 1956

LOAN AGREEMENT

AGREEMENT, dated _____, 1956, between
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(hereinafter called the Bank) and MORTGAGE BANK OF FINLAND OY
(hereinafter called the Borrower).

ARTICLE I

Loan Regulations; Special Definitions

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1955, subject, however, to the modifications thereof set forth in Schedule 3 to this Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Agreement, unless the context shall otherwise require, the term "Beneficiary Enterprise" shall mean any entity to which the Borrower shall advance or agree to advance any portion of the Loan for the carrying out of a Project.

ARTICLE II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to fifteen million dollars (\$15,000,000).

Section 2.02. The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Regulations.

Section 2.03. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($3/4$ of 1%) per annum on the principal amount of the Loan not so withdrawn from time to time.

Section 2.04. The Borrower shall pay interest at the rate of four and three-fourths per cent ($4\ 3/4\ \%$) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

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Section 2.05. Except as the Bank and the Borrower shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ($1/2$ of 1%) per annum on the principal amount of any such special commitments outstanding from time to time.

Section 2.06. Interest and other charges shall be payable semi-annually on June 1 and December 1 in each year.

Section 2.07. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied exclusively to financing the cost of goods required to carry out the Projects described in Schedule 2 to this Agreement. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Bank and the Borrower, subject to modification by further agreement between them.

Section 3.02. The Borrower shall cause all goods financed out of the proceeds of the Loan to be imported into the territories of the Guarantor and there to be used exclusively in the carrying out of the Projects.

ARTICLE IV

Bonds

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. The Chairman of the Board of Directors and the Manager of the Borrower and such person or persons as they shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

ARTICLE V

Particular Covenants

Section 5.01. (a) The Borrower shall cause the Projects to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices and shall (unless the Bank shall otherwise agree) exercise every right and remedy available to it to cause the Projects to be so carried out.

(b) The Borrower shall furnish or cause to be furnished to the Bank, promptly upon their preparation, the plans and specifications for the Projects and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.

(c) The Borrower shall maintain, or cause to be maintained, records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Projects, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the financial condition and operations of the Borrower and of each Beneficiary Enterprise. The Borrower shall enable, or take such steps as may be necessary to enable, the Bank's representatives to inspect the Projects, the goods and any relevant records and documents; and shall furnish or cause to be furnished to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Projects, the goods, transactions between the Borrower and each of the Beneficiary Enterprises and the financial condition and operations of the Borrower and of each of the Beneficiary Enterprises.

Section 5.02. The Borrower shall re-lend the proceeds of the Loan to the respective Beneficiary Enterprises under loan agreements containing provisions, satisfactory to the Bank, sufficient to protect the interests of the Borrower and the Bank. As security for loans granted by it, the Borrower shall obtain mortgages against lands, water rights, electric power properties or industrial properties. The amount secured by any such mortgage may not exceed sixty per cent of the value of the property given as security. As additional security, or as temporary security, the Borrower may accept the guarantee of the Republic of Finland. Pursuant to the requirements of the law governing mortgage credit banks (Law No. 88 of March 17, 1933, as amended) the Borrower will deposit with the Finnish Bank Inspectorate the loan agreements entered into with the Beneficiary Enterprises together with the mortgages or other instruments given by or on behalf of the respective Beneficiary Enterprises as security for the loans received by them. The total amount of the security so deposited may not at any time be less than the principal amount of the Loan outstanding.

Section 5.03. (a) The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan.

(b) The Bank and the Borrower shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof.

The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

Section 5.04. Except as the Bank shall otherwise agree, the Borrower shall not borrow any amounts other than the Loan and shall not engage in operations other than the relending of the proceeds of the Loan. For purposes of this Section, the issuance or sale by the Borrower to its shareholders of debentures which are junior to all its other liabilities, as contemplated by Section 14 of the law governing mortgage credit banks (Law No. 88 of March 17, 1933, as amended), shall not be deemed to be borrowing.

Section 5.05. The Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any debt, such lien will ipso facto equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

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Section 5.06. The Borrower shall pay or cause to be paid all taxes or fees, if any, imposed under the laws of the Guarantor or laws in effect in the territories of the Guarantor on or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement or the Bonds, or the payment of principal, interest or other charges thereunder; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 5.07. The Borrower shall pay or cause to be paid all taxes and fees, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries on or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement or the Bonds.

Section 5.08. Except as shall be otherwise agreed between the Bank and the Borrower, the Borrower shall insure or cause to be insured the goods financed with the proceeds of the Loan against risks incident to their purchase and importation into the territories of the Guarantor. Such insurance shall be consistent with sound commercial practice and shall be payable in dollars or in the currency in which the cost of the goods insured thereunder shall be payable.

ARTICLE VI

Remedies of the Bank

Section 6.01. (i) If any event specified in paragraph (a), paragraph (b), paragraph (e) or paragraph (f) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

ARTICLE VII

Effective Date; Termination

Section 7.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 9.01 (a) (ii) of the Loan Regulations:

(a) That the loan agreements referred to in Section 5.02 of this Agreement, in terms satisfactory to the Bank, shall have been duly executed and delivered by the Borrower and by each Beneficiary Enterprise and shall have become fully effective in accordance with their respective terms.

(b) That a duly certified copy of this Loan Agreement shall have been deposited with the Finnish Bank Inspectorate pursuant to the requirements of the law governing mortgage credit banks (Law No. 88 of March 17, 1933, as amended).

Section 7.02. The following are specified as additional matters, within the meaning of Section 9.02 (e) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank:

(a) That the Borrower has been duly organized pursuant to the laws governing mortgage credit banks and is a validly existing mortgage bank under the laws of Finland.

(b) That the loan agreements referred to in Section 5.02 of this Agreement have been duly executed by the Borrower and by each Beneficiary Enterprise and have become fully effective in accordance with their respective terms.

Section 7.03. A date 60 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

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ARTICLE VIII

Miscellaneous

Section 8.01. The Closing Date shall be December 31, 1960.

Section 8.02. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations:

For the Borrower:

Mortgage Bank of Finland Oy
Care of Suomen Pankki--Finlands Bank
Helsinki, Finland

For the Bank:

International Bank for Reconstruction and Development
1818 H Street, N. W.
Washington 25, D. C.
United States of America

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

President

MORTGAGE BANK OF FINLAND OY

By

Authorized Representative

SCHEDULE 1

Amortization Schedule

| <u>Date Payment Due</u> | <u>Payment of Principal (expressed in dollars)*</u> | <u>Principal Amount Outstanding After Each Payment (expressed in dollars)*</u> |
|-------------------------|---|--|
| December 1, 1958 | --- | \$ 15,000,000 |
| June 1, 1959 | \$ 280,000 | 14,720,000 |
| December 1, 1959 | 286,000 | 14,434,000 |
| June 1, 1960 | 293,000 | 14,141,000 |
| December 1, 1960 | 300,000 | 13,841,000 |
| June 1, 1961 | 307,000 | 13,534,000 |
| December 1, 1961 | 314,000 | 13,220,000 |
| June 1, 1962 | 322,000 | 12,898,000 |
| December 1, 1962 | 329,000 | 12,569,000 |
| June 1, 1963 | 337,000 | 12,232,000 |
| December 1, 1963 | 345,000 | 11,887,000 |
| June 1, 1964 | 354,000 | 11,533,000 |
| December 1, 1964 | 362,000 | 11,171,000 |
| June 1, 1965 | 371,000 | 10,800,000 |
| December 1, 1965 | 379,000 | 10,421,000 |
| June 1, 1966 | 388,000 | 10,033,000 |
| December 1, 1966 | 398,000 | 9,635,000 |
| June 1, 1967 | 407,000 | 9,228,000 |
| December 1, 1967 | 417,000 | 8,811,000 |
| June 1, 1968 | 427,000 | 8,384,000 |
| December 1, 1968 | 437,000 | 7,947,000 |
| June 1, 1969 | 447,000 | 7,500,000 |
| December 1, 1969 | 458,000 | 7,042,000 |
| June 1, 1970 | 469,000 | 6,573,000 |
| December 1, 1970 | 480,000 | 6,093,000 |
| June 1, 1971 | 491,000 | 5,602,000 |
| December 1, 1971 | 503,000 | 5,099,000 |
| June 1, 1972 | 515,000 | 4,584,000 |
| December 1, 1972 | 527,000 | 4,057,000 |
| June 1, 1973 | 540,000 | 3,517,000 |
| December 1, 1973 | 552,000 | 2,965,000 |
| June 1, 1974 | 565,000 | 2,400,000 |
| December 1, 1974 | 579,000 | 1,821,000 |
| June 1, 1975 | 593,000 | 1,228,000 |
| December 1, 1975 | 607,000 | 621,000 |
| June 1, 1976 | 621,000 | --- |

*To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.02), the figures in these columns represent dollar equivalents determined as for purposes of withdrawal.

Premiums on Prepayment and Redemption

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations:

| <u>Time of Prepayment or Redemption</u> | <u>Premium</u> |
|--|----------------|
| Not more than 5 years before maturity | 1/2 of 1% |
| More than 5 years but not more than 10 years before maturity | 1% |
| More than 10 years but not more than 15 years before maturity | 1-3/4% |
| More than 15 years before maturity | 2-1/2% |

SCHEDULE 2

Description of the Projects

I. Kemijoki Oy Project

Kemijoki Oy will construct two hydro-electric power plants located at Pirttikoski and Juukoski on the Kemi river in Lapland about 70 kilometers east of the town of Rovaniemi. The plants will be connected with the national power grid operated by Imatran Voima Oy.

a. Pirttikoski Hydro-Electric Power Plant

The works will consist of a concrete gravity dam of approximately 285 meters with a spillway section, a powerhouse, a tailrace tunnel approximately 2 kilometers in length and an outdoor substation. The plant will be equipped with two 55,000 kw generating units driven by Kaplan turbines and with all necessary auxiliaries to put it into full operating condition, including gates, valves, turbine and generator accessory equipment, transformers, switchgear and control equipment.

b. Juukoski Hydro-Electric Power Plant

The works will consist of a regulation channel of approximately 8 kilometers, an earth dam of approximately 2.6 kilometers with a concrete spillway section, a powerhouse, a tailrace channel of approximately 1.7 kilometers length, an outdoor substation and a 220 kv transmission line approximately 13 kilometers long connecting the plant with the substation at Pirttikoski. The plant will be equipped with

two 55,000 kw generating units driven by Kaplan turbines, and with all necessary auxiliaries to put it in full operating condition, including gates, valves, turbine and generator accessory equipment, transformers, switch gear and control equipment.

It is expected that the plants will come into operation about December 1960.

II. Imatran Voima Oy Project

The project, to be constructed by Imatran Voima Oy, will include the following works:

a. Transmission Lines

Transmission lines of the single circuit type will be constructed with steel towers, steel reinforced aluminum conductors and steel ground wire, as follows:

| <u>Branch</u> | <u>Voltage</u> kv | <u>Approximate</u> <u>Length</u> km |
|------------------------------|----------------------|---|
| Petajaskoski - Pirttikoski | 380 | 90 |
| Alajarvi - Kangasala - Hikia | 380 | 285 |

b. Expansion Hikia Substation

The expansion of the Hikia substation will include the installation of 4 single phase 130,000 kva transformers, 3 three phase 60,000 kva reactors and the necessary switchgear and control equipment.

It is expected that construction of the transmission lines and substation will be completed about June 1959.

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III. Oy Kaukas Ab Project

The project, to be constructed by Oy Kaukas Ab, will include the hydro-electric power plant located at Kaltimo on the Pielis river about 27 kilometers northeast of the town of Joensuu in eastern Finland. The plant will be connected with the national power grid operated by Imatran Voima Oy.

The works to be carried out will consist of a concrete regulation dam approximately 135 meters in length, with a spillway section, about 4 kilometers of earth dikes, a powerhouse and an outdoor substation. The plant will be equipped with two 11,000 kw generating units driven by Kaplan turbines and with all necessary auxiliaries to put it in full operating condition, including gates, valves, turbine and generator accessory equipment, transformers, switchgear and control equipment.

It is expected that the plant will come into operation about February 1959.

IV. Pargas Kalkbergs Aktiebolag Project

The project to be constructed by Pargas Kalkbergs Aktiebolag will include a thermal-electric power plant located at Pargas in southwest Finland. The plant will be connected with the national power grid operated by Imatran Voima Oy.

The works to be carried out will consist of a powerhouse, an outdoor substation and a 110 kv transmission line approximately 26 kilometers long

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connecting the plant with an existing substation in the town of Turku. The plant will be equipped with a 27,000 kw turbo-generator unit. The turbine will be of the condensing type, designed for a steam pressure of 1,130 pounds per square inch and 970° F. The single boiler to be installed, will be designed to produce 250,000 pounds of primary steam per hour and will be designed for firing pulverized coal or fuel oil. The plant will be equipped with all necessary auxiliaries to put it into full operating condition, including feed water and cooling water systems, fuel storage and handling equipment, boiler and turbo-generator accessory equipment, transformer, switchgear and control equipment.

The plant will come into operation about September 1958.

V. City of Helsinki Project

The project to be constructed by the Electric Power Administration of the City of Helsinki will include a thermal-electric power plant located at Suvilahti in Helsinki. The plant will be connected to the existing power system operated by the Electric Power Administration.

The works to be carried out will consist of a powerhouse, coal storage, a fuel oil tank and expansion of the existing substation. The plant will be equipped with a 75,000 kw turbo-generator unit. The turbine will be of the condensing type with a reheat cycle and a bleeding for space heating, designed for a steam pressure of 1,750 pounds per square inch and a temperature of 985° F. The single boiler to be installed,

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will be designed to produce 550,000 pounds of primary steam per hour and will be designed for firing pulverized coal or fuel oil. The plant will be equipped with all necessary auxiliaries to put it into full operating condition including feed water and cooling-water systems, fuel storage and handling equipment, boiler and turbo-generator accessory equipment, transformer, switchgear and control equipment.

The plant will come into operation about November 1959.

SCHEDULE 3

Modifications of Loan Regulations No. 4

For the purposes of this Agreement the provisions of Loan Regulations No. 4 of the Bank, dated February 15, 1955, shall be deemed to be modified as follows:

(a) The last sentence of Section 4.01 shall read as follows:

"Except as shall be otherwise agreed between the Bank and the Borrower, no withdrawals shall be made on account of (a) expenditures prior to the Effective Date or (b) expenditures in the currency of the Guarantor or for goods produced in (including services supplied from) the territories of the Guarantor or (c) expenditures in the territories of any country which is not a member of the Bank for goods produced in (including services supplied from) such territories."

Footnote to Section 4.01

For the purposes of subparagraph (c) Switzerland, with which the Bank has by agreement established a special relationship, shall be treated as a member of the Bank.

(b) Each of the Forms of Bond set forth respectively in Schedule 1 and Schedule 2 shall be amended by insertion between the second and third paragraphs thereof of a new paragraph, as follows:

[The Borrower] covenants that, as security for loans granted by it, [the Borrower] will obtain mortgages against lands, water rights, electric power properties or industrial properties. The amount secured by any such mortgage may not

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exceed sixty per cent of the value of the property given as security. As additional security, or as temporary security, [the Borrower] may accept the guarantee of the Republic of Finland. Pursuant to the requirements of the law governing mortgage credit banks (Law No. 88 of March 17, 1933, as amended) [the Borrower] will deposit with the Finnish Bank Inspectorate the loan agreements entered into with its borrowers, together with the mortgages or other instruments given by them or on their behalf as security for the loans received by them. The total amount of the security so deposited may not at any time be less than the principal amount outstanding of the Loan provided for in the Loan Agreement dated _____ between the Bank and [the Borrower].

DECLASSIFIED

APR 19 2018

Confidential Draft
Subject to Change
4/19/56

WBG ARCHIVES

Loan Number ____ FI

GUARANTEE AGREEMENT

(Electricity Projects)

between

REPUBLIC OF FINLAND

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated _____, 1956

GUARANTEE AGREEMENT

AGREEMENT, dated _____, 1956, between REPUBLIC OF FINLAND (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and Mortgage Bank of Finland Oy (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement, the Bank has agreed to make to the Borrower a loan in various currencies in an aggregate principal amount equivalent to fifteen million dollars (\$15,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the payment of the principal, interest and other charges on such loan and the obligations of the Borrower in respect thereof; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to guarantee the payment of the principal, interest and other charges on such loan and the obligations of the Borrower in respect thereof;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1955, subject, however, to the modifications thereof set forth in Schedule 3 to the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

ARTICLE II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds, the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, and the punctual performance of all the covenants and agreements of the Borrower, all as set forth in the Loan Agreement and in the Bonds.

Section 2.02. Without limitation or restriction upon the provisions of Section 2.01 of this Agreement, the Guarantor specifically undertakes, whenever there is reasonable cause to believe that the funds available to Kemijoki Oy or Imatran Voima Oy will be inadequate to meet the estimated expenditures required for carrying out the construction or operation of the Project to be carried out by such company, to make arrangements, satisfactory to the Bank, promptly to provide such company or cause such company to be provided with such funds as are needed to meet such expenditures.

ARTICLE III

Section 3.01. It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor as security for any external debt, such lien will ipso facto equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date; or (iv) any lien created by Suomen Pankki--Finlands Bank on any of its assets in the ordinary course of its business to secure a debt maturing by its terms not more than one year after the date on which it is incurred.

The term "assets of the Guarantor" as used in this Section includes assets of the Guarantor or of any of its political subdivisions or of any

4/12/56

agency of the Guarantor or of any such political subdivisions, including Suomen Pankki--Finlands Bank.

Section 3.02. (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Guarantor shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

3/29/56

Section 3.03. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes or fees imposed under the laws of the Guarantor or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 3.04. This Agreement, the Loan Agreement and the Bonds shall be free from any taxes or fees that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

Section 3.05. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Guarantor or laws in effect in its territories.

ARTICLE IV

Section 4.01. The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister of Finance of the Guarantor and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

ARTICLE V

Section 5.01. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations:

For the Guarantor:

Republic of Finland
Embassy of Finland
1900 Twenty-fourth Street, N.W.
Washington 8, D.C.
United States of America

For the Bank:

International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington 25, D.C.
United States of America

Section 5.02. The Minister of Finance of the Guarantor is designated for the purposes of Section 8.03 of the Loan Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF FINLAND

By

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

By

President

C
O
P
Y

Helsinki 29.3.1956

THE CITY OF HELSINKI

International Bank for
Reconstruction and Development
1818 H Street, N. W.
Washington 25, D. C.

Subject: Proposed Loan to Mortgage Bank of Finland Oy (Electric Projects)

Gentlemen:

It is our understanding that International Bank for Reconstruction and Development (the Bank) proposes to enter into a Loan Agreement with Mortgage Bank of Finland Oy (the Mortgage Bank) providing for a loan of an amount in various currencies equivalent to \$15,000,000, of which a portion would be made available to us through the Mortgage Bank for the carrying out, by the Electric Power Administration, of the City of Helsinki Project (the Project) described in paragraph V of Schedule 2 to the draft Loan Agreement. As an inducement to you to enter into such Loan Agreement we are pleased to give you the following undertakings:

- (a) We will carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.
- (b) We will furnish to the Bank promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.
- (c) We will maintain records, adequate to identify the equipment, supplies and services financed out of the proceeds of the portion of the loan from the Bank made available to us, to

disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting practices, the financial condition and operations of the Electric Power Administration. We will enable the Bank's representatives to inspect the Project, the equipment and supplies financed out of the proceeds of the Bank's loan and any relevant records and documents, and will furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of our portion of the loan from the Bank, the Project, the equipment, supplies and services financed out of the proceeds of the Bank's loan and the financial condition and operations of the Electric Power Administration.

- (d) We further agree to inform the Bank promptly of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of our portion of the loan from the Bank.
- (e) We will operate and maintain our electric plants, equipment and property and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards and will at all times operate our electric plants and equipment in accordance with sound business and public utility practices.
- (f) We will endeavor to establish and maintain power rates at a level which will enable us to earn a sufficient return to

cover all operating expenses, interest on debt, to provide allowance for depreciation in accordance with sound public utility practices, and to leave a reasonable surplus.

You may also accept this letter as our assurance that we will loyally and faithfully perform our obligations to the Mortgage Bank under the loan agreement to be entered into between us providing for the loan to us of a portion of the proceeds of your loan and shall likewise take all such steps as may be necessary or proper to enable the Mortgage Bank to perform its obligations to you under the Loan Agreement between you and the Mortgage Bank so far as the same shall concern us.

Very truly yours,

Eino Waronen
Eino Waronen

Seppo Ojala
Seppo Ojala

Draft letter from Pargas
4/11/56

(Date)

International Bank for
Reconstruction and Development
1818 H Street, N. W.
Washington 25, D. C.

Subject: Proposed Loan to Mortgage Bank of Finland Oy (Electric Projects)

Gentlemen:

It is our understanding that International Bank for Reconstruction and Development (the Bank) proposes to enter into a Loan Agreement with Mortgage Bank of Finland Oy (the Mortgage Bank) providing for a loan of an amount in various currencies equivalent to \$15,000,000, of which a portion would be made available to us through the Mortgage Bank for carrying out the Pargas Kalkbergs Ab Project (the Project) described in paragraph IV of Schedule 2 to the draft Loan Agreement. As an inducement to you to enter into such Loan Agreement we are pleased to give you the following undertakings:

- (a) We will carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.
- (b) We will furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.
- (c) We will maintain records, adequate to identify the equipment, supplies and services financed out of the proceeds of the portion of the loan from the Bank made available to us, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance

with consistently maintained sound accounting practices, the financial condition and operations of our Company. We will enable the Bank's representatives to inspect the Project, the equipment and supplies financed out of the proceeds of the Bank's loan and any relevant records and documents, and will furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of our portion of the loan from the Bank, the Project, the equipment, supplies and services financed out of the proceeds of the Bank's loan and the financial condition and operations of our Company.

- (d) We further agree to inform the Bank promptly of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of our portion of the loan from the Bank.
- (e) We will maintain and renew all rights, powers, privileges and franchises owned by us and necessary in the operation of our electric business. We will operate and maintain our electrical plants, equipment and property and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards and will at all times operate such plants and equipment and maintain our financial position in accordance with sound business practices.
- (f) After recommendation by the Board of Management the final decision on declaration of dividends or other distributions on

capital is a matter for the shareholders. Unless the Bank shall otherwise agree, however, the Board of Management will not recommend the declaration or payment of any dividend nor any distribution on any shares of capital stock nor the acquisition of shares of the capital stock of the company for a consideration if, as a result, the net working capital in the hands of the company would be reduced to an amount less than the aggregate amount of operating expenses (including administrative and general expenses) for the preceding $2\frac{1}{2}$ calendar months. For purposes of this clause the term "net working capital" shall mean the excess of current assets (cash and those assets which in the regular course of business can be readily converted into cash) over current liabilities (those obligations payable within one year, including payments on funded debt falling due during such period).

You may also accept this letter as our assurance that we will loyally and faithfully perform our obligations to the Mortgage Bank under the loan agreement to be entered into between us providing for the loan to us of a portion of the proceeds of your loan and shall likewise take all such steps as may be necessary or proper to enable the Mortgage Bank to perform its obligations to you under the Loan Agreement between you and the Mortgage Bank so far as the same shall concern us.

Very truly yours,

Draft letter from Kaukas
4/11/56

(Date)

International Bank for
Reconstruction and Development
1818 H Street, N. W.
Washington 25, D. C.

Subject: Proposed Loan to Mortgage Bank of Finland Oy (Electric Projects)

Gentlemen:

It is our understanding that International Bank for Reconstruction and Development (the Bank) proposes to enter into a Loan Agreement with Mortgage Bank of Finland Oy (the Mortgage Bank) providing for a loan of an amount in various currencies equivalent to \$15,000,000, of which a portion would be made available to us through the Mortgage Bank for carrying out the Oy Kaukas Ab Project (the Project) described in paragraph III of Schedule 2 to the draft Loan Agreement. As an inducement to you to enter into such Loan Agreement we are pleased to give you the following undertakings:

- (a) We will carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.
- (b) We will furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.
- (c) We will maintain records, adequate to identify the equipment, supplies and services financed out of the proceeds of the portion of the loan from the Bank made available to us, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance

with consistently maintained sound accounting practices, the financial condition and operations of our Company. We will enable the Bank's representatives to inspect the Project, the equipment and supplies financed out of the proceeds of the Bank's loan and any relevant records and documents, and will furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of our portion of the loan from the Bank, the Project, the equipment, supplies and services financed out of the proceeds of the Bank's loan and the financial condition and operations of our Company.

- (d) We further agree to inform the Bank promptly of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of our portion of the loan from the Bank.
- (e) We will maintain and renew all rights, powers, privileges and franchises owned by us and necessary in the operation of our electric business. We will operate and maintain our electrical plants, equipment and property and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards and will at all times operate such plants and equipment and maintain our financial position in accordance with sound business practices.
- (f) After recommendation by the Board of Management the final decision on declaration of dividends or other distributions on

capital is a matter for the shareholders. Unless the Bank shall otherwise agree, however, the Board of Management will not recommend the declaration or payment of any dividend nor any distribution on any shares of capital stock nor the acquisition of shares of the capital stock of the company for a consideration if, as a result, the net working capital in the hands of the company would be reduced to an amount less than the aggregate amount of operating expenses (including administrative and general expenses) for the preceding 3 calendar months. For purposes of this clause the term "net working capital" shall mean the excess of current assets (cash and those assets which in the regular course of business can be readily converted into cash) over current liabilities (those obligations payable within one year, including payments on funded debt falling due during such period).

You may also accept this letter as our assurance that we will loyally and faithfully perform our obligations to the Mortgage Bank under the loan agreement to be entered into between us providing for the loan to us of a portion of the proceeds of your loan and shall likewise take all such steps as may be necessary or proper to enable the Mortgage Bank to perform its obligations to you under the Loan Agreement between you and the Mortgage Bank so far as the same shall concern us.

Very truly yours,

Draft letter from Imatran Voima Oy
4/11/56

(Date)

International Bank for
Reconstruction and Development
1818 H Street, N. W.
Washington 25, D. C.

Subject: Proposed Loan to Mortgage Bank of Finland Oy (Electric Projects)

Gentlemen:

It is our understanding that International Bank for Reconstruction and Development (the Bank) proposes to enter into a Loan Agreement with Mortgage Bank of Finland Oy (the Mortgage Bank) providing for a loan of an amount in various currencies equivalent to \$15,000,000 of which a portion would be made available to us through the Mortgage Bank for carrying out the Imatran Voima Oy Project (the Project) described in paragraph II of Schedule 2 to the draft Loan Agreement. As an inducement to you to enter into such Loan Agreement we are pleased to give you the following undertakings:

- (a) We will carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.
- (b) We will furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.
- (c) We will maintain records, adequate to identify the equipment, supplies and services financed out of the proceeds of the portion of the loan from the Bank made available to us, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance with

consistently maintained sound accounting practices, the financial condition and operations of our Company. We will enable the Bank's representatives to inspect the Project, the equipment and supplies financed out of the proceeds of the Bank's loan and any relevant records and documents, and will furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of our portion of the loan from the Bank, the Project, the equipment, supplies and services financed out of the proceeds of the Bank's loan and the financial condition and operations of our Company.

- (d) We further agree to inform the Bank promptly of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of our portion of the loan from the Bank.
- (e) We will maintain and renew all rights, powers, privileges and franchises owned by us and necessary in the operation of our business. We will operate and maintain our plants, equipment and property and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards and will at all times operate our plants and equipment and maintain our financial position in accordance with sound business and public utility practices.
- (f) We will endeavor to establish and maintain power rates at a level which will preserve a sound financial position; that is, which will provide revenues sufficient to cover all operating expenses, including interest on outstanding debt and allowance for depreciation, and to

provide a reasonable return on the capital invested in our company. To this end we will from time to time when necessary seek such increases in contract rates or such approvals from regulatory authorities as may be required to enable us to maintain rates at such level.

- (g) After recommendation by the Board of Management the final decision on declaration of dividends or other distributions on capital is a matter for the shareholders. Unless the Bank shall otherwise agree, however, the Board of Management will not recommend the declaration or payment of any dividend nor any distribution on any shares of capital stock nor the acquisition of shares of the capital stock of the company for a consideration if, as a result, the net working capital in the hands of the company would be reduced to an amount less than the aggregate amount of operating expenses (including administrative and general expenses) for the preceding two calendar months. For purposes of this clause the term "net working capital" shall mean the excess of current assets (cash and those assets which in the regular course of business can be readily converted into cash) over current liabilities. The term "current liabilities" covers those obligations payable within one year, including payments on funded debt falling due during such period but excluding short term credits to the extent that they are covered by written agreements to renew for periods in excess of one year.

Draft letter from Imatran Voima Oy - 4 -

You may also accept this letter as our assurance that we will loyally and faithfully perform our obligations to the Mortgage Bank under the loan agreement to be entered into between us providing for the loan to us of a portion of the proceeds of your loan and shall likewise take all such steps as may be necessary or proper to enable the Mortgage Bank to perform its obligations to you under the Loan Agreement between you and the Mortgage Bank so far as the same shall concern us.

Very truly yours,

Draft letter from Kemijoki Oy
4/11/56

(Date)

International Bank for
Reconstruction and Development
1818 H Street, N. W.
Washington 25, D. C.

Subject: Proposed Loan to Mortgage Bank of Finland Oy (Electric Projects)

Gentlemen:

It is our understanding that International Bank for Reconstruction and Development (the Bank) proposes to enter into a Loan Agreement with Mortgage Bank of Finland Oy (the Mortgage Bank) providing for a loan of an amount in various currencies equivalent to \$15,000,000, of which a portion would be made available to us through the Mortgage Bank for carrying out the Kemijoki Oy Project (the Project) described in paragraph I of Schedule 2 to the draft Loan Agreement. As an inducement to you to enter into such Loan Agreement we are pleased to give you the following undertakings:

- (a) We will carry out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.
- (b) We will furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.
- (c) We will maintain records, adequate to identify the equipment, supplies and services financed out of the proceeds of the portion of the loan from the Bank made available to us, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance with

consistently maintained sound accounting practices, the financial condition and operations of our Company. We will enable the Bank's representatives to inspect the Project, the equipment and supplies financed out of the proceeds of the Bank's loan and any relevant records and documents, and will furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of our portion of the loan from the Bank, the Project, the equipment, supplies and services financed out of the proceeds of the Bank's loan and the financial condition and operations of our Company.

- (d) We further agree to inform the Bank promptly of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of our portion of the loan from the Bank.
- (e) We will maintain and renew all rights, powers, privileges and franchises owned by us and necessary in the operation of our business. We will operate and maintain our plants, equipment and property and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards and will at all times operate our plants and equipment and maintain our financial position in accordance with sound business and public utility practices.

- (f) We will endeavor to establish and maintain power rates at a level which will preserve a sound financial position; that is, which will provide revenues sufficient to cover all operating expenses, including interest on outstanding debt and allowance for depreciation, and to provide a reasonable return on the capital invested in our company. To this end we will from time to time when necessary seek such increases in contract rates or such approvals from regulatory authorities as may be required to enable us to maintain rates at such level.
- (g) After recommendation by the Board of Management the final decision on declaration of dividends or other distributions on capital is a matter for the shareholders. Unless the Bank shall otherwise agree, however, the Board of Management will not recommend the declaration or payment of any dividend nor any distribution on any shares of capital stock nor the acquisition of shares of the capital stock of the company for a consideration if, as a result, the net working capital in the hands of the company would be reduced to an amount less than the aggregate amount of operating expenses (including administrative and general expenses) for the preceding two calendar months. For purposes of this clause the term "net working capital" shall mean the excess of current assets (cash and those assets which in the regular course of business can be readily converted into cash) over current liabilities. The term "current liabilities" covers

those obligations payable within one year, including payments on funded debt falling due during such period but excluding short term credits to the extent that they are covered by written agreements to renew for periods in excess of one year.

You may also accept this letter as our assurance that we will loyally and faithfully perform our obligations to the Mortgage Bank under the loan agreement to be entered into between us providing for the loan to us of a portion of the proceeds of your loan and shall likewise take all such steps as may be necessary or proper to enable the Mortgage Bank to perform its obligations to you under the Loan Agreement between you and the Mortgage Bank so far as the same shall concern us.

Very truly yours,

DRAFT
4/19/56

[Date]

International Bank for
Reconstruction and Development
1818 H Street, N. W.
Washington 25, D. C.

Subject: Proposed Loan to Mortgage Bank of Finland Oy

Gentlemen:

It is our understanding that you propose to enter into a Loan Agreement with Mortgage Bank of Finland Oy (the Mortgage Bank) providing for the loan of an amount in various currencies equivalent to \$15,000,000 to defray certain of the foreign exchange costs for electric projects (the Projects) including Oy Kaukas Ab, Pargas Kalkbergs Ab and City of Helsinki (the Beneficiary Enterprises). As an inducement to you to enter into such Loan Agreement, we are pleased to give you the following assurances:

1. It is our understanding that the Beneficiary Enterprises will finance the construction and operation of the respective Projects partly out of the proceeds of the loan from International Bank for Reconstruction and Development and partly out of their own resources, and/or funds borrowed from other than the Mortgage Bank. All the Beneficiary Enterprises are in good financial position so that they should be able to obtain credit from financial institutions in Finland. If, however, at any time there is reasonable cause to believe that the funds available to any Beneficiary Enterprise will be inadequate to meet the estimated expenditures required for carrying out the construction or operation of any such Project, Suomen Pankki--Finlands Bank agrees to make arrangements

satisfactory to you promptly to provide such Beneficiary Enterprise or cause such Beneficiary Enterprise to be provided with such funds as are needed to make such expenditures.

2. So long as your loan to the Mortgage Bank is outstanding, Suomen Pankki--Finlands Bank will not, without your consent, dispose of any part of its holdings of the capital (including both shares and debentures) of the Mortgage Bank nor will it take or permit any action which would deprive it of effective control of the Mortgage Bank nor will it permit the capital of the Mortgage Bank to be reduced.

3. Suomen Pankki--Finlands Bank will exercise its voting rights as principal shareholder of the Mortgage Bank to ensure continuing capable and efficient management of the Mortgage Bank.

Very truly yours,

SUOMEN PANKKI--FINLANDS BANK

By

Draft. 4/19/56

April 5, 1956.

LOAN AGREEMENT.

Agreement dated 1956, between Mortgage Bank of Finland Oy (hereinafter called the Mortgage Bank) and (hereinafter called the Beneficiary).

Whereas International Bank for Reconstruction and Development (hereinafter called the World Bank) has agreed to grant a loan (hereinafter called the World Bank Loan) to the Mortgage Bank of an amount in various currencies equivalent to fifteen million United States dollars under a Loan Agreement (hereinafter called the World Bank Loan Agreement) dated , 1956, between the World Bank and the Mortgage Bank, a copy of which, together with Loan Regulations No. 4 of the World Bank, dated February 15, 1955, has been furnished to the Beneficiary; and

Whereas the Mortgage Bank has agreed to re-lend to the Beneficiary a portion of the moneys loaned to the Mortgage Bank by the World Bank; Now therefore it is agreed as follows:

1. The Mortgage Bank agrees to lend to the Beneficiary on the conditions set forth herein amounts (hereinafter called the Loan) in various currencies which at the date hereof are estimated not to exceed in the aggregate the equivalent of United States dollars, representing per cent (. . . .%) of the principal amount of the World Bank Loan, provided that the Beneficiary shall be entitled to receive

amounts under this Agreement only to the extent that the Mortgage Bank is entitled to withdraw from the World Bank under the World Bank Loan Agreement. The proceeds of the Loan shall be advanced in the currencies withdrawn by the Mortgage Bank from the World Bank under the World Bank Loan Agreement.

2. Upon written application of the Beneficiary, the Mortgage Bank shall make applications for withdrawals from the World Bank Loan in respect of expenditures on the project described in paragraph of Schedule 2 to the World Bank Loan Agreement (hereinafter called the Project). The Beneficiary shall make application to the Mortgage Bank promptly in relation to delivery of equipment and supplies (or in the case of advance and progress payments to suppliers, in relation to such payments).

3. The dates of the installments of the Loan from the Mortgage Bank to the Beneficiary shall be the dates upon which the Mortgage Bank gives payment orders relating to aforementioned written applications. The Beneficiary shall furnish to the Mortgage Bank such documents and other evidence in support of the applications as the Mortgage Bank shall reasonably request, whether before or after the Mortgage Bank shall have arranged for the payment requested in the relative application.

4. The Beneficiary shall pay to the Mortgage Bank a commitment charge at the rate of three-fourths of one per cent ($3/4$ of 1%) per annum on the principal amount of the Loan which from time to time has not been withdrawn.

5. The Beneficiary shall pay to the Mortgage Bank interest at the rate of per cent (. . . .%)^{x)} per annum on the principal amount of the Loan withdrawn hereunder and outstanding from time to time. In addition, the Beneficiary shall, on the date of the first withdrawal hereunder, pay to the Mortgage Bank the amount of (Insert an amount equal to one-tenth of one per cent of the estimated amount of the Loan mentioned in the paragraph 1).

6. The Beneficiary shall repay to the Mortgage Bank on June 1, 1959, and on each June 1 and December 1 thereafter until the entire principal amount of the Loan provided for hereunder has been repaid, an amount equivalent to the portion of the World Bank Loan relating to the Project which is due and payable by the Mortgage Bank under the World Bank Loan Agreement. For purposes of this paragraph, the portion of the World Bank Loan relating to the Project shall be deemed to be per cent (. . . .%) of the World Bank Loan or such other percentage as the Mortgage Bank shall from time to time by notification to the Beneficiary reasonably determine to be the percentage of the World Bank Loan actually allocated to the Beneficiary.

7. All payments (whether of principal, interest, or otherwise) shall be payable in such currencies as may be specified by the Mortgage Bank as being consistent with the Mortgage Bank's obligations to the World Bank under the World Bank Loan Agreement.

x) Rate of interest on World Bank Loan plus 2/10 of 1%.

13. The amount of the security (on the basis of real estate valued at not in excess of 60% of its actual value) shall at all times be sufficient to cover the principal amount of the Loan outstanding, together with interest and other charges thereon. If the amount shall at any time or for any reason fall below this level, the Beneficiary shall grant to the Mortgage Bank such additional security as it may require.

14. Except as shall be otherwise agreed between the Mortgage Bank and the Beneficiary, the Beneficiary shall insure or cause to be insured the equipment and supplies financed with the proceeds of the Loan against risks incident to their purchase and importation into Finland. Such insurance shall be consistent with sound commercial practice and shall be payable in United States dollars or in the currency in which the cost of the goods insured thereunder shall be payable.

15. Any buildings or machinery forming a part of the security for the Loan shall at all times be insured against fire in an institution approved by the Mortgage Bank. Before expiration of the term of the insurance policy the Mortgage Bank shall be entitled to renew the fire insurance at the expense of the Beneficiary.

16. If the Mortgage Bank's right to make withdrawals under the World Bank Loan Agreement shall have been suspended or terminated, regardless of the reason therefor, then the Loan to the Beneficiary by the Mortgage Bank shall likewise and simultaneously be suspended for a like period, or terminated, as the case may be.

17. If any of the events specified below shall occur, then the Mortgage Bank, at its option, without resorting to legal procedure and irrespective of the maturity dates specified in the schedule to the World Bank Loan Agreement, may declare the principal of the Loan then outstanding to be due and payable immediately, and upon such declaration such principal shall become due and payable immediately, anything in this agreement to the contrary notwithstanding:

- (a) If the Beneficiary defaults in the due payment of any moneys payable under this Agreement and such default continues for a period of fourteen days;
- (b) If a default shall have occurred in performance by the Beneficiary of any covenant or condition (other than in respect of the due payment of money) contained in this Agreement and such default shall have continued for a period of 30 days after notice by the Mortgage Bank to the Beneficiary;
- (c) If property given as security by the Beneficiary to the Mortgage Bank is disposed of without the consent of the Mortgage Bank or is allowed to deteriorate, or if such property is used in a manner that endangers the obtaining of full indemnification in case of fire;
- (d) If the Mortgage Bank for any other reason determines that the value of the property granted as security has so decreased that the security given by the Beneficiary

has diminished in relation to the principal amount of
the Loan.

18. The Beneficiary shall bear all expenses connected with the execution of this document, the creation, registration, and renewal of the mortgage or other security instrument, safeguarding of the loan at compulsory auction, obtaining of estimates of the value of property to be included in the mortgage, and any other expenses relating to this Agreement.

In witness whereof the parties hereto have executed this instrument
the day and year first above written.

MORTGAGE BANK OF FINLAND OY

by

by

FINLAND - Loan 142

Negotiations. II

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