I am addressing my remarks primarily to Senator Harrison's resolution and assume in this regard that the members of the Committee are interested in a discussion of the requirements of the Securities Act of 1933 which will have to be met in the event of any proposed offering of bonds or other securities of the Republic of Finland. The resolution provides in the first instance that the Commission should provide for and expedite the registration of any bonds, securities or other obligations issued by the Republic of Finland, or any of its political subdivisions.

The Securities Act provides, in substance, that no offering of securities of a foreign government may be made through the mails or in interstate commerce unless a registration statement covering such securities has been filed with the Commission and become effective. Such a registration statement when filed by a foreign government may be signed either by a duly authorized representative of the government or by the underwriter of the securities in the United States. A filing fee of one-one-hundredth of one per cent of the aggregate offering price of issue must be paid at the time of registration. Certain information specified in Schedule B of the Act, as adopted by the Congress,
must be included in the registration statement. Although the Commission has power to adopt rules requiring information additional to that specified in Schedule B, it has never exercised this rule making power. However, it has in every case suggested to the governments involved prior to the filing of the registration statement that certain additional information be included. With one exception, no difficulties have arisen in connection with the furnishing of such information.

According to the provisions of the Securities Act registration statements become effective after a period of twenty days. During the earlier part of this period they are examined by the staff of the registration division of the Commission. This examination is not devoted towards determining whether the issue should be approved or disapproved by the Commission since we have no power to approve or disapprove security issues. The check by our staff is designed to determine whether the formal requirements have been complied with and whether the registration statement fairly discloses all information material to investors. In this regard, I may state that the Commission's staff is well geared to examine rapidly any registration statement filed by Finland. Registration under the Act consequently involves voluntary action by the registrant which
automatically becomes effective without approval by the Commission. Therefore, the Commission cannot "provide for" the registration of securities by any registrant although it affords governments the opportunity for advisory consultation and discussion of problems in registration statements prior to their filing with the Commission and examines them promptly after they have been filed.

The first question that comes to my mind in connection with Senator Harrison's resolution is whether the formal requirements of the Securities Act are such as to prevent the expeditious offering of a Finnish issue at the present time. In my opinion these requirements would not impede the offering. A review of the various financial services indicates that the Finnish Government has readily available all the information required by Schedule B of the Act. In addition, the Finnish Government is already familiar with the requirements of the law. A registration statement covering $10,000,000 principal amount of 4% Serial Notes became effective November 26, 1934. Consequently, registration of any proposed issue would involve only two major steps--1) the compilation of this information in the integrated form required by the statute, and 2) the obtaining by the representatives of the Finnish Government in this country of the necessary
authority to execute the registration statement. Such a registration statement would become effective in accordance with the law twenty days after its filing. This twenty day period might at first glance appear to involve some delay in making the offering. However, our experience with other registrants has been that delays, generally speaking, are occasioned prior to examination by the Commission rather than during the examination period. Moreover, I wish to direct the Committee's attention to the Commission's powers under Section 8(a) of the Securities Act to consent to the filing of amendments to a registration statement as of the date of the original filing. Any amendments filed by the Finnish Government necessary to complete or expand the information contained in the registration statement could, therefore, be retroactively included therein by Commission order.

I believe that the Committee should be advised concerning the type of information required. Under Schedule B of the Act, the Finnish Government would have to supply a statement of the purposes of the loan, of its outstanding debt, concerning its default record and of its receipts and disbursements for the latest three fiscal years for which such figures are available. Full information regarding the underwriting of the issue would, of course,
also be required. I have already pointed out that it has been our practice to require certain information in addition to the specific requirements of Schedule B. This information would consist primarily of the balance of international payments of Finland and a statement of its visible balance of trade, as of the most recent dates available and the production of the data required would seem to involve no serious difficulties. We should not expect that the discharge of this statutory duty would impede the effective offering of the securities.

In conclusion, I wish to assure the Committee that it is the Commission's desire to afford so far as is practicable all assistance necessary to any program of the character envisaged by Senator Harrison's resolution.
"Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Securities and Exchange Commission should provide for and expedite the registration of any bonds, securities, or other obligations issued by the Republic of Finland, or any of its political subdivisions, upon application made to such Commission for such purpose by the Republic of Finland, or by any representative committee of citizens of the United States hereafter organized and duly authorized to act on behalf of the Republic of Finland for the purpose of obtaining funds through the sale of such bonds, securities, or other obligations."

"Mr. Harrison. Mr. President, with reference to the concurrent resolution, I may say, of course, that it is not necessary for the Congress to take any action in order that a group of citizens representing Finland may go before the Securities and Exchange Commission and apply for registration of bonds or securities for sale in the United States. That can be done without any action upon the part of Congress; but if, in the course of events that might arise, it should become desirable that some expression of the sense of the Congress be made, then I merely want the concurrent resolution to lie on the table for a subsequent vote."