

# BANK OF FINLAND

1967



## YEAR BOOK

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The Bank of Finland Year Book mainly follows the same lines as last year's edition. It contains reviews of economic developments in Finland, the devaluation of the mark and the consequent measures, the monetary, credit and foreign exchange policies of the Bank and a survey of the development of the Bank's accounts during 1967. The appendices give the decision of the Cabinet to change the international par value of the mark, the Export Levy Act and the decision of the Cabinet to publish the rules of the 1967 Jubilee Fund to commemorate Finland's independence in the Statute Book. The statistical annex provides detailed information on the statements of the Bank and various banking transactions during the year under review.

The Year Book is published with the same text in Finnish, Swedish and English editions. It has been compiled by the Bank of Finland Institute for Economic Research.

Helsinki, April 26, 1968.

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## I. A REVIEW OF THE FINNISH ECONOMY IN 1967

Economic growth slackened in 1967. There was still some growth in the first quarter, but this was followed by a contraction during the second quarter. Towards the end of the year production recovered and regained the level of the beginning of the year during the last quarter. The volume of national product was about 2 per cent up on 1966 and the increase was thus about the same as a year earlier.

As the value of imports continued to exceed that of exports the balance of payments difficulties persisted in spite of the economic measures taken to restrain demand, especially the growth in imports, and the stand-by credit obtained from the International Monetary Fund in March. On October 11 the Cabinet decided to devalue the Finnmark. The impact of the devaluation on the recovery of productive activity was not yet very apparent during the year under review. The deficit in the balance of trade was smaller than in the previous year.

Already at the beginning of 1967 the employment situation was worse than a year earlier. More manpower than usual was released from forestry and house building and manufacturing was not able to increase its demand for labour correspondingly. The rate of unemployment increased during the year and was 2.8 per cent on average after having been 1.6 per cent in 1966. Increased resort to unemployment compensations accounted partly for this development.

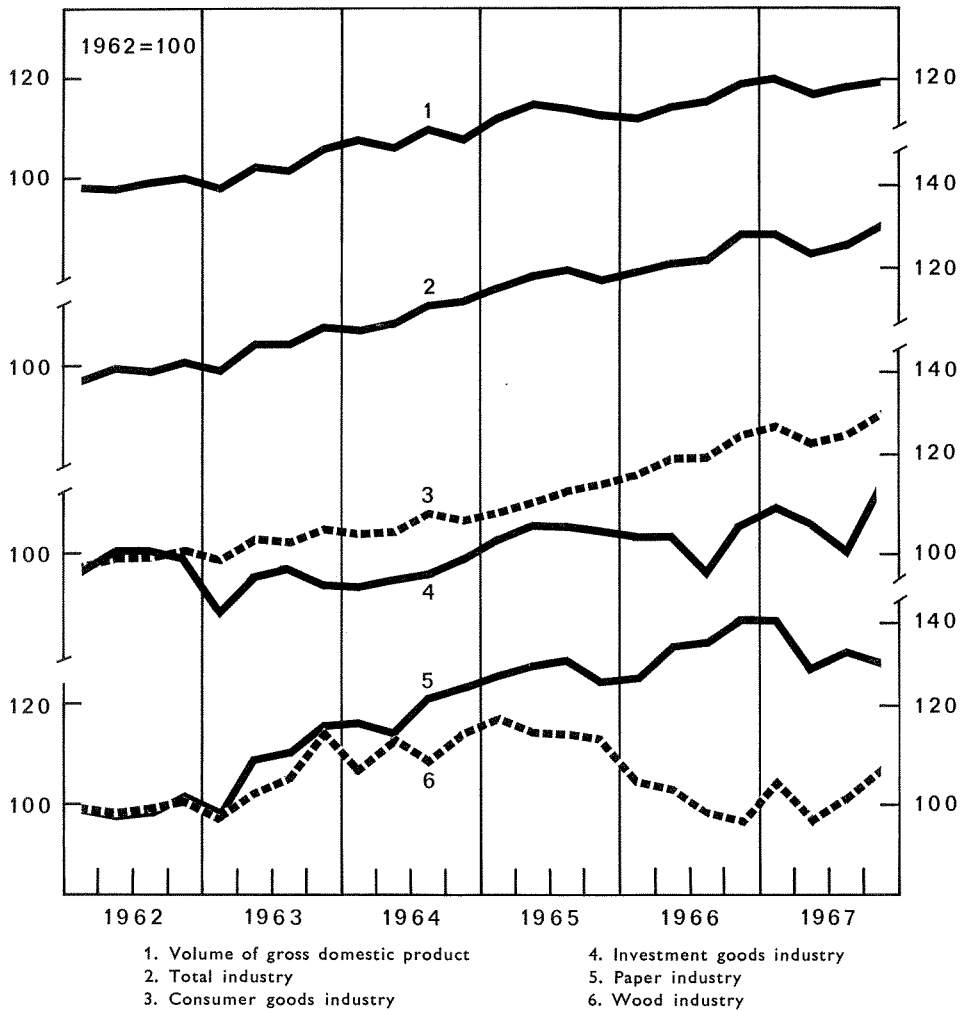
Private investment showed a downward trend throughout the year under review and is estimated to be about 2 per cent less in 1967 than in 1966. Relatively, the biggest decline occurred in investments in machinery and equipment and in industrial building. There was also a decline in the volume of new housing, for willingness to build was affected by the slower growth of real income, the stringent financial situation, which was further encumbered with index clauses, and the expiry of the law on tax concessions for residential building at the end of 1966. The volume of public investments declined by 2 per cent, because appropriations intended to support employment were channelled also to other than administrative investment projects.

In the volume of private consumption there was an increase of almost 3 per cent which was slightly in excess of that in the national product. Due to taxation and price rises almost no change occurred in household

## DOMESTIC PRODUCT AND INDUSTRIAL PRODUCTION

Adjusted for seasonal variations

Log. scale



real disposable income, but the average propensity to consume increased somewhat. Public consumption expenditure grew by 4 per cent in real terms.

A downward trend was evident in nearly all branches of industrial production during the first half-year. This was partly due to the introduction of the five-day working week from the beginning of May, partly to the weakening of demand — such as in the wood and paper industry. In the latter part of the year industrial production moved ahead again; its total growth in volume terms on 1966 was 3 per cent. The output of the wood



industry rose on the low level of the previous year by almost 2 per cent, while that of the paper industry decreased by slightly less than one per cent. Production in the investment goods industry rose by slightly more than 4 per cent, because increased exports made up for the slack domestic demand. Output in some consumer goods industries such as beverages, footwear, clothing and textiles was up by more than 10 per cent on the previous year.

Regarding other industries it may be mentioned that the volume of housebuilding was, for the reasons mentioned above, about two percentage units below that of 1966. In forestry where there had been a decline in the volume of production by one tenth an increase of slightly over 1 per cent was recorded. Production in the service sector grew by about 4 per cent.

Because the growth in total demand fell off, the rise in prices roughly equalled that in costs. Import prices in terms of Finnish currency moved up by about 25 per cent in the last quarter, which resulted in a rise of 2—3 per cent in domestic consumer prices. This increase was greater than in the previous year. The cost of living index grew by 7.4 per cent from December 1966 to December 1967, with an average increase on the previous year of 5.4 per cent. The nominal level of earnings rose by almost 9 per cent on the previous year, but in real terms the growth was only slightly less than 3 per cent.

The volume of commodity exports was still on the increase in the first quarter of the year, but fell sharply in the second quarter and remained on that level for the rest of the year. The volume of total exports exceeded that of the previous year by 6 per cent. Owing to the international economic downswing exports of the wood-processing industry were affected by the slack conditions in the most important Western markets; thus bilateral trade was responsible for most of the increase. Exports of metal industry products were increasing rapidly due to some large once-for-all deliveries to the Eastern Block. Also there was a higher than average increase in the sales of numerous new export products.

By September, economic measures taken had brought about a slight decline on the 1966 level in the volume of commodity imports, which had still grown by almost 5 per cent in the previous year. Importation of goods in the last quarter of 1967 was not yet significantly affected by the devaluation, and thus the total volume of commodity imports remained the same as in 1966. Of the main categories the volume of fuels and lubricants increased while there was a decrease in other groups. It may be mentioned that purchases of passenger cars declined by 13 per cent.

The value of commodity exports rose to 5 794 million marks or to 4.9 per cent more than in the previous year. The value of exports increased to 5 231 million marks or by 8.6 per cent. The deficit in the balance of trade thus amounted to 563 million marks after having been 707 million marks

one year earlier. The deficit in the balance of payments on current account was 489 million marks or 144 million marks less than in 1966.

A stand-by credit of 300 million marks was obtained from the International Monetary Fund in March; it consisted of one 100 million mark gold tranche included in the foreign exchange reserves and of two credit tranches, each of 100 million marks, which were all drawn by the end of September. Including these credit tranches, the net import of foreign long-term capital amounted to 484 million marks at the rates of exchange then prevailing and to 660 million marks at the new rates. Short-term foreign debt, on the contrary, showed a decrease. As foreign capital imports including the stand-by credit at the current rates of exchange were less than the deficit in the balance of payments on current account, the gold and foreign exchange reserves of the Bank declined in real terms, although the book value of the reserves increased due to the alteration of the exchange rates. The total book value of the national gold and foreign exchange reserves was 23 million marks more at the end of the year than at the end of 1966. The value of the gold and foreign exchange reserves of the Bank of Finland increased by 131 million marks, and the short-term foreign net debt of the other authorized banks grew by 108 million marks. If, however, the increases in the book values resulting from devaluation are deducted from these figures, the reserves of the Bank of Finland show a decline of 84 million marks, whereas the net debt of the authorized banks increased by 24 million marks. Thus the total foreign exchange reserves weakened by 108 million marks.

The banking institutions pursued a strict monetary policy in line with the guide lines set by the Bank of Finland throughout the year. In the opening months of 1967 their position eased temporarily, but towards the end of the year their liquidity was quite strained. The supply of central bank money was reduced by the decrease in the foreign exchange reserves and the deposit requirement arising out of the cash reserve agreement concluded with the banks. As the target period set for the reduction of rediscounts expired in June the banking institutions had virtually kept within their rediscounting quotas. After this the Bank of Finland no longer gave guidance on the banks' general liquidity position for a specified period, but confined itself to selective directives concerning rediscounts and bank lending, aiming thus at channelling the financial flows as effectively as possible to benefit the economy, and at promoting the structural changes in production. The growth in bank lending was 1 014 million marks or 8.4 per cent in 1967 (1 257 million marks and 11.6 per cent in 1966); this figure includes a real value increase of 154 million marks caused by the devaluation. The growth in deposits was slightly more, 1 114 million marks or 9.6 per cent (1 253 million marks or 12.1 per cent in 1966). The increase in term deposits occurred entirely in index deposits.

## II. DEVALUATION OF THE MARK

For several years the rise in costs and nominal incomes has exceeded the permissible margin in view of the maintenance of Finland's international competitive position. As a result there has been an excessive increase in the demand for import goods. After the implementation of measures to expand capacity in the forest industry at the beginning of the 1960's the growth of exports has been considerably less than that of imports. The considerable disequilibrium in the balance of payments could not be met by foreign borrowing in the long run, and in the spring of 1967 it became necessary to resort to the aid of the International Monetary Fund for the maintenance of our external liquidity position (See below, page 42).

The economic policy pursued in the last three years has aimed at restoring equilibrium in the balance of payments through curbing the growth in total demand and through special measures to reduce imports and to promote exports. As a result, the growth of the deficit in the balance of payments on current account ceased during the year under review and the new export industries, intended to complement the forest industry, showed a strong initial expansion. A declining trend in international economic developments since the latter half of 1966 caused, however, price and marketing troubles for our main export products. As the difficulty of obtaining sufficient foreign credit persisted, it became obvious that it would take too long a time to bring about those structural changes deemed necessary to correct the external disequilibrium by means of monetary and fiscal policy alone. As economic growth had ceased already at the beginning of 1967 and as there was an alarming increase in unemployment during the year, a decision was made to solve the problem by reducing the international par value of the mark.

On October 11 the Bank Supervisors, upon the recommendation of the Board of Management of the Bank of Finland, decided to propose to the Cabinet that the international par value of the mark be reduced from 0.27771 grammes to 0.211590 grammes of fine gold to the mark, i.e. by about 23.8 per cent. After the International Monetary Fund had given its approval the Cabinet made its decision in favour of the Bank Supervisors' proposal (See appendix). The new rates of exchange came into force on October 12. The purpose of the devaluation was to improve the competitive power of a production which was strained by rising costs, to relieve the import pressure and to promote exports. At the same time scope was to be provided for

new growth and development policies and the structural changes required for the intensification of production and improvement of the competitive position. In order to check the post-devaluation cost pressure and to tie increased income from exports to some extent the Bank proposed to the Government that an export levy be introduced to be in force until the end of 1969. The Export Levy Act, the original form of which is given in the appendix section of the Year Book, became valid on October 21. In accordance with the law the levy was 14 per cent of the export price of the goods. The percentage is reduced gradually depending upon the maintenance of monetary equilibrium in the economy, the course of development of export prices and the profit position of export industries in general. In addition, the Cabinet has the right in special cases to grant relief from the payment of the export levy. Accordingly, from October 21 the Government exempted from the export levy a number of products such as agricultural produce and manufactures the import content of which is very high. Moreover, reduced levies of 5—11 per cent were applied for most products other than forestry products. New reductions within the limits of 5—13 per cent were granted from December 11 onwards. Apart from products containing imported materials they were applied also to wood and paper industry products.

The funds accrued as export levies are deposited on a special Treasury account at the Bank of Finland until they are used for the purposes stipulated by the law. The funds to be collected as export levies, estimated to amount to 600 million marks in 1968 are to be channelled through the state budget to investment projects of primary importance for the rationalization of the structure of the economy. Due to the term of payment of the export levy of two months it was not until 1968 that more substantial amounts started to accrue at the Bank of Finland. At the end of the year under review 14 million marks had been paid to the Bank.

Besides the passing of the Export Levy Act, some other economic policy measures were taken in connection with the devaluation; negotiations on incomes policy were inaugurated and a limited price control was extended to cover most of the commodities and services which are of importance in the cost of living. In order for a rise in prices to take place the seller had to submit evidence that the devaluation had directly affected his costs. In order to slow down the increase in import prices the Government made a decision to speed up the tariff-reduction schedule and thus to abolish duties on products of the so-called «décilage» list of the FINEFTA Agreement from the beginning of 1968. The tariffs of the products covered by the regular schedule had been reduced by 10 percentage units from the beginning of 1967 so that they were only 10 per cent of the original tariffs. Since the beginning of 1968 even these tariffs have been abolished. In addition, a decision was made to remove the cash payment regulations on import trade from the beginning of 1968.

### III. CREDIT AND CAPITAL MARKETS

#### **The ends and means of monetary policy**

In October 1966 the Bank of Finland had given guidance to the rediscounting banks on their lending in the target period November 1966—June 1967. The target set by the Board of Management of the Bank on the recommendation of the Bank Supervisors envisaged a ceiling for rediscounts of 800 million marks at the end of January of 1967, which was to be adhered to thereafter. Those banks which had exceeded their rediscounting quotas should reduce their rediscounts to within their quotas during the target period.

Consequently rediscounts declined considerably below the 800 million mark limit already in January 1967. However, it was not so much the efforts of the banking institutions that were responsible for this, but rather the normal seasonal developments and the 300 million mark loan granted to the Treasury by the Bank of Finland in December 1966, which was drawn upon entirely and which thus eased the position of the banks. In spring the liquidity position of the banks was further improved because the decline in the foreign exchange reserves was less than a year earlier, due to ample resources of non-convertible currencies. Besides, sales of Treasury bonds to the public were rather insignificant, and there was a resultant increase in bank deposits, especially on index-tied accounts. On the other hand, since the middle of February the banking institutions were obliged to make deposits with the Bank of Finland in accordance with the cash reserve agreement concluded between the Bank of Finland and the banks. As, however, the banks pursued a restrained credit policy in line with the instructions of the Bank of Finland, in June it appeared that the monthly average of total rediscounts had remained under 800 million marks during the whole period. The banking institutions had also, apart from one or two exceptions, been able to reduce their rediscounts within their quotas.

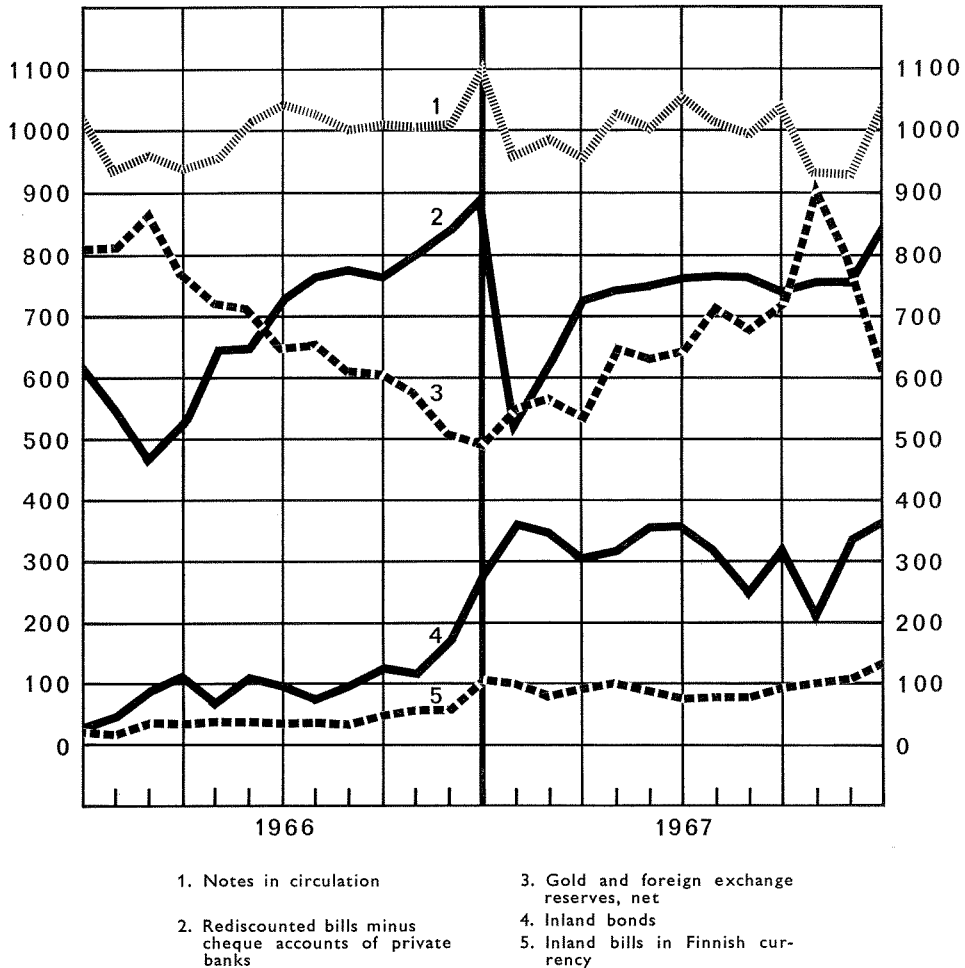
On 5th June the Bank of Finland issued new credit policy regulations to all banking institutions. The Bank stated that the endeavours to promote exports and to curb the growth of imports and the measures taken by the Government and the Bank to that end were yielding very slow results and that developments in the foreign exchange reserves were not yet providing any scope for easing the present tight monetary and credit policy. As it

was therefore necessary to keep the availability of credit in check, the Bank regarded it of particular importance for flows of finance to be employed to the greatest advantage in the economy by promoting the necessary structural changes in production among other things. Consequently the main emphasis in the Bank's new directives was put on reviewing the principles followed in bank lending. At the same time the Bank stressed a carefully planned financing of projects and a reconsideration of the criteria applied in granting credits and the scale of priorities. In its more detailed regulations the Bank requested the banks to meet primarily their clients' normal short-term requirements. In granting new credits the banks should attempt to promote exports and to increase domestic import-replacing production, and to facilitate the availability of credit for enterprises with growth potential. In investment credits for manufacturing those projects should be accommodated which aimed at gaining a foot hold in new markets, or which involved a change in the structure of production and greater diversification in the development regions. In present circumstances, labour-intensive fields should be encouraged rather than the highly capital-intensive ones. In the financing of residential building, priority should continuously be given to the requisite primary loans in the state-subsidized ARAVA housing projects. On the other hand, the financing of personal consumption should be avoided. This guidance on the direction of lending was also sent to the insurance companies with a recommendation that they should follow it where possible in their lending.

New special regulations were also given to the rediscounting banks by the Bank of Finland on 5th June. It was no longer considered necessary to issue directives concerning the banks general liquidity position; the Bank presumed that the banking institutions would continue in the future to keep within their rediscounting quotas. Regarding those banks that had continued to exceed their quotas or were close to exceeding them, the Bank stated that it had taken special measures in order to ensure that their need for central bank credit would stay within the desired bounds. At the same time the Bank raised the rediscounting quotas of the central banks of the savings banks and of the co-operative credit societies from 90 million marks to 120 million marks. As the deposit requirement set out in the cash reserve agreement seemed to affect the various banking institutions and groups of banking institutions in different ways in practice, due to diverging rates of development in their deposits, the method of calculating the rediscounts was changed so that when computing the use of their rediscounting quota and the penalty rate of interest the banks are allowed to deduct from their rediscounts a half of the cash reserve deposits they made in May—December. The Bank also announced that if a bank is approaching its rediscounting limit the Bank may, if it considers it necessary, require this bank to draw up a plan

## MAJOR FACTORS BEARING UPON THE SUPPLY OF CENTRAL BANK MONEY

Mill. marks



of its advances and their financing over a specified period to be designed on the basis of its rediscounting quota. The Bank of Finland may require changes to be made in the proposed granting of credit and other investments. The banking institution may also be required to submit its planned advances to the Bank of Finland for approval in case the amount of a credit is 1 million marks or more. In case a bank exceeds its rediscounting quota, it may also be enjoined not to grant or renew credits beyond those contained in a programme confirmed by the Bank of Finland at regular intervals.

Already on 26th May the Bank of Finland made a proposition to the Joint Delegation of the Banking Institutions that the cash reserve agreement be altered so as to make more equal the deposit requirements among the different banks. The banking institutions agreed to the proposal. According to the revised agreement which was applied since June 15 the upper limit of the deposit requirement was reduced from 3 per cent to 2 per cent of each bank's deposits on December 31, 1966; on the other hand, the deposit requirement was to be in force until June 15, 1968 instead of December 15, 1967. The Bank will refund the banking institutions the deposits accrued on the cash reserve accounts by June 15, 1968 in four equal installments in February and August of 1969 and 1970.

Normal seasonal developments gave rise to an increase in the credit requirements of the banks in the summer. The financing of these credits was facilitated by the Bank of Finland i.a. by forward purchases of bonds from the rediscounting banks. The demand for credits was also rather large in the autumn, which apparently was a result of the increased expectations of devaluation. There was no change in the situation after devaluation, for the rise in import prices in terms of Finnish currency increased the need for short-term finance in particular. No new written guidance was given by the Bank of Finland at that time, but in the negotiations with the banks it requested them to make credit available especially in cases where it was needed either directly or indirectly because of the devaluation and the payment of export levies. During the Christmas season there was, as usual, a very strong growth in the note circulation, which called for temporary purchases of bonds and other credit arrangements by the Bank of Finland for maintaining the liquidity position of the banks. In general the banks were in a very tight liquidity in the closing months of the year and they could not have kept within their rediscounting quotas without other kinds of special support from the Bank of Finland. At the end of the year under review actual rediscounts totalled 868 million marks. At the same time the cash reserve deposits of the banks with the Bank of Finland amounted to 162 million marks.

Among other monetary and credit policy measures taken by the Bank of Finland in 1967 it may be mentioned that a new arrangement for financing domestic suppliers' credits was introduced in April by the Bank together with the commercial banks and the Central Bank of the Co-operative Credit Societies. Its purpose is to improve the competitive position of the domestic metal and shipbuilding industries so as to enable the Finnish suppliers to take advantage of the same opportunities for offering suppliers' credits to domestic buyers as the competing foreign sellers. The credit arrangement covers deliveries of vessels, machines, plant and equipment where a domestic firm grants a term of payment for the Finnish buyer. The Bank of Finland



participates in the financing of each delivery to an extent which is equal to the help given by all the other banking institutions involved. A condition for the financing of these suppliers' credits is that at least 20 per cent of the delivery price is paid by the buyer before the delivery. Credit allocations of this kind granted by the Bank totalled 30.1 million marks for 46 deliveries at the end of the year under review, while the total value of deliveries for which allocations were made was 78.5 million marks. Use of these credits is tied to the payment schedules of the delivery agreements and will not start until in 1968. The Bank of Finland also continued the credit arrangement for the medium-term suppliers' credits to the engineering industry which was started in 1963. Most of these credits are already being repaid and drawings on them decreased from 68.1 million marks to 56.7 million marks during the year.

Granting of the 'new export' credits was continued by the Bank and their use increased from 29.2 million marks at the end of 1966 to 55.0 million marks at the end of 1967. The end-year balance was distributed among 128 firms. The Bank also carried on the financing of grain purchases on practically the same conditions as in the previous crop year. Drawings on the credits for this purpose, which had been 28.0 million marks at the beginning of the year, rose to 38.7 million marks at the end of 1967. In addition, the Central Bank of the Savings Banks and the Central Bank of the Co-operative Credit Societies each obtained 4 million marks from the Bank of Finland to be used for a temporary easing of the liquidity position of the savings banks and co-operative credit societies in North Finland to allow them to meet their area's seasonal need for credit mainly for purchases of artificial fertilizers. The Bank once again took part in the forestry financing programme (MERA) by subscribing to 20 million marks of the new Forestry Improvement Bonds. These were later sold, mainly to the banking institutions and insurance companies.

During 1967 the Bank of Finland was involved in the creation of certain arrangements which would make finance available to those industries and branches of production supporting the execution of the growth and development policies as well as the balance of payments. The Bank negotiated with the banking institutions to establish a company promoting industrial development in Finland; its suggested name was Sponsor Oy. The project has arisen from the need to expand competitive production and to encourage the formation of new branches of manufacturing capable of exporting and of substituting for imports, to be met by the development and support of enterprising business activities. The establishment of this new company would fill an important gap in the present activities of the existing banking and credit institutions. Experience has shown that many Finnish small and medium-sized industrial enterprises have potential production ideas which

they are not able to introduce mainly because of lack of information or finance. One of the principal tasks of the new company would be to develop these ideas and inventions to make them applicable in manufacturing. It would also be concerned with attempting the reorganization and structural rationalization of firms in order to increase enterprise efficiency, competitive power and growth potential; there has lately been an obvious need for this type of activity. The expert advice and financial aid that this kind of company could provide might result in the formation of companies based on new solutions in manufacturing; at the same time many firms which are at present stagnating because of obsolete products or other factors could be given new opportunities without which they would find it impossible to continue or to expand. The shares of this new company, Sponsor Oy, were subscribed by the Bank of Finland to the extent of 6.5 million marks, of which 3.9 million marks were already paid in November and December.

The need has become obvious, i.a. when foreign credits have been obtained, to increase the share capital of the Industrialization Fund (Teollistamisrahasto Oy), in whose financing the Bank of Finland is concerned. The Bank Supervisors entitled the Bank of Finland to take part in the planned 12 million mark increase in the share capital of the Industrialization Fund, 8 million marks of which belongs to Series A, and 4 million marks to Series B for which the voting right is limited and which is to be redeemed by the Fund within 30 years. The Bank of Finland undertook to subscribe to 2 million marks of the Series A shares which may be resold to possible new subscribers, and all the new Series B shares. The subscription for and the payment of the shares was, however, deferred to 1968.

In the meeting of December 13, 1966, the Board of Management of the Bank of Finland had proposed that to commemorate the fiftieth anniversary of Finland's independence in 1967 bonds, the nominal value of which should equal 100 million marks and which have been written off completely, were to be transferred from the bank's portfolio to a special Jubilee Fund. The proposal was accepted by the Bank Supervisors who forwarded it to Parliament. In 1967 Parliament approved this proposal, and the rules of the 1967 Jubilee Fund for the Fiftieth Anniversary of Finland's Independence were confirmed by Parliament on December 5. The Fund is owned and managed by the Bank of Finland and its proceeds are used for financing those measures which support the stability of the mark, speed up Finland's economic growth and improve our competitive position. The yield of the Fund was 6.1 million marks in 1967. The rules of the Fund are given in the appendix.

## Banking institutions

The changes in the balance sheets of the commercial banks are summarized in the following table.

	Change on 1966 Million marks	
Cash .....	+ 21.1	
Foreign balances, net .....	-218.5	
Cash reserve deposits .....	+125.1	
Loans to the public		
Bills .....	- 23.5	
Cheque accounts .....	+ 25.3	
Loans .....	+334.2	+336.0
Domestic claims in foreign currency, net .....		+433.7
Shares and bonds .....		- 12.7
<b>Assets .....</b>		<b>+684.6</b>
Deposits by the public		
Term deposits .....	+443.6	
Cheque accounts .....	+ 24.3	+467.9
Payments in transit, net .....		+ 81.0
Finnish banks, net .....		- 38.0
Bank of Finland .....		+ 21.2
Capital accounts .....		+ 13.0
Other items, net .....		+139.5
<b>Liabilities .....</b>		<b>+684.6</b>

In 1967 commercial bank deposits grew by 132 million marks more than bank advances. In the previous year the growth in advances exceeded that in deposits from the public by 151 million marks. Unlike the balance sheets of previous years in the balance sheet of 1967 domestic claims in foreign currency are shown separately. The increase in this item was 434 million marks in the year to December 1967. Foreign balances on the contrary declined by slightly less than 219 million marks. On the liabilities side the debt to the Bank of Finland grew by 21 million marks. On the other hand the cash reserve deposits of the commercial banks with the Bank of Finland increased to 125 million marks. Net liabilities to Finnish banks declined by 38 million marks.

The table below shows the changes in total deposits accepted from the public by all the banking institutions (including the postal giro accounts of the public) in 1966 and 1967.

	Change on the previous year			
	1966		1967	
	Million marks	%	Million marks	%
Commercial banks . . . . .	+ 436.9	+ 11.4	+ 467.9	+ 11.0
Savings banks . . . . .	+ 397.4	+ 13.1	+ 308.2	+ 9.0
Co-operative Credit Societies ..	+ 291.6	+ 14.5	+ 190.6	+ 8.3
Post Office Savings Bank . . . .	+ 99.0	+ 9.1	+ 100.5	+ 8.5
Savings Departments of				
Co-operative Stores . . . . .	+ 23.5	+ 6.6	+ 50.6	+ 13.3
Central Bank of the Co-operative				
Credit Societies . . . . .	+ 4.3	+ 12.8	— 3.9	— 10.3
Real Estate Bank in Finland Ltd	+ 0.4	+ 107.3	— 0.1	— 9.4
<b>Total</b>	<b>+ 1 253.1</b>	<b>+ 12.1</b>	<b>+ 1 113.8</b>	<b>+ 9.6</b>

In absolute terms the increase in total deposits in 1967 was 139.2 million marks less than in the previous year; this represents a slackening in the annual growth rate from 12.1 per cent to 9.6 per cent. The cheque and postal giro accounts of the public increased by 7.3 million marks or 0.6 per cent. In 1966 the corresponding figures were 14.3 million marks and 1.2 per cent. The growth in term deposits was 1 106.5 million marks or 10.6 per cent against 1 238.8 million or 13.5 per cent in the previous year. At the end of 1967 the amount of total term deposits was 11 543.7 million marks.

There was a substantial change in the composition of term deposits during the year under review, for the share of index-tied deposits grew from 21.2 per cent to 34.7 per cent. This tendency which had prevailed for several years became considerably more pronounced in the few months following devaluation. As no new deposits had been accepted on the 50 per cent index-tied B-accounts since June 1, 1966, all index-linked deposits were on the 100 per cent index-tied A-accounts at the end of the year. No tax was levied on any term deposits by persons and from the undistributed estates of deceased persons during the year. The distribution of term deposits is shown in the table below.

	Term deposits by the public		
	Dec. 31, 1966	Dec. 30, 1967	Change
	Million marks		%
Index-tied deposits . . . . .	2 216.8	4 001.2	+ 80.5
Accounts A . . . . .	2 185.5	4 001.2	+ 83.1
Accounts B . . . . .	31.3	—	—100.0
High-interest deposits . . . . .	835.0	612.3	—26.7
<b>Total</b>	<b>3 051.8</b>	<b>4 613.5</b>	<b>+ 51.2</b>
Other . . . . .	7 385.5	6 930.2	— 6.2
<b>Grand total</b>	<b>10 437.3</b>	<b>11 543.7</b>	<b>+ 10.6</b>

The following table illustrates the changes in bank advances in 1966 and 1967.

	Change on the previous year			
	1966		1967	
	Million marks	%	Million marks	%
Commercial banks . . . . .	+ 588.1	+ 13.7	+ 336.0	+ 6.9
Savings banks . . . . .	+ 342.2	+ 13.1	+ 295.6	+ 10.0
Co-operative Credit Societies . .	+ 230.4	+ 11.3	+ 162.1	+ 7.2
Post Office Savings Bank . . . .	+ 67.4	+ 9.4	+ 85.1	+ 10.9
Central Bank of the Co-operative				
Credit Societies . . . . .	+ 19.9	+ 6.3	+ 17.5	+ 5.2
Mortgage banks . . . . .	+ 9.4	+ 1.0	+ 118.2	+ 13.0
<b>Total</b>	<b>+ 1 257.4</b>	<b>+ 11.6</b>	<b>+ 1 014.5</b>	<b>+ 8.4</b>

The absolute increase in the advances of the banking sector was 1 014.5 million marks or 8.4 per cent. This means that the growth slackened from the previous year. The corresponding figures in 1966 were 1 257.4 million or 11.6 per cent.

The interest rates on different deposit accounts offered by the banking institutions remained unchanged during 1967 and are shown below.

	Jan. 1—Dec. 30 %
12-month deposits (high-interest deposits) . . . . .	6
6-month deposits . . . . .	4 ½
Index-tied deposits	
Accounts A . . . . .	3
Cheque accounts and postal giro accounts . . . . .	0

The lending rates of interest applied by the banking institutions remained practically unchanged during the year. The rediscounting banks were, as before, permitted to charge a maximum rate of 10 per cent within prescribed limits. The weighted average of the lending rates of the commercial banks was 7.47 per cent at the end of 1967, compared with 7.48 per cent at the end of the previous year. The corresponding figures for both the savings banks and the co-operative credit societies were somewhat higher. In addition to normal interest as such, the banking institutions debited index charges on the major proportion of their advances in order to cover the index compensation paid on the index-tied deposits. As more index compensations were needed index charges had to be raised in all groups of banking institutions. At the end of the year the index charge quoted by the commercial banks was 1 per cent, that of the savings banks 1.75 per cent and of the co-operative credit societies 2.5 per cent respectively.

## The stock market

In 1967 there was more activity on the stock market than in the previous year. The total turnover on the Helsinki Stock Exchange amounted to 31.2 million marks or 6.8 per cent more than in 1966. The sale of bonds increased from 5.4 million marks in 1966 to 8.5 million marks or by 57.5 per cent. Dealings in subscription rights and debentures grew from 2.5 million marks in 1966 to 4.2 million marks. The sale of shares amounting to 18.5 million marks was, on the contrary, 13.6 per cent less than in the previous year. This decline was caused exclusively by the decrease in the sale of industrial shares.

Quotations for bank shares continued to fall except in the first two months of the year, although at a slower rate than in 1966. At the end of 1967 the quotations for bank shares were 7.6 per cent lower than at the end of 1966. Quotations for industrial shares rose slightly at first in January, but then declined steadily throughout the year barring June. At the end of the year the quotations for industrial shares were 9.4 per cent lower than at the end of 1966. On an annual average quotations for bank shares stood 11.2 per cent lower and those for industrial shares 9.7 per cent lower than in the previous year. The yearly average of the general share index quoted on the Stock Exchange declined by 10.2 per cent on 1966.

In 1967, 1 626 new companies were founded with a total capital of 410.0 million marks. Altogether 946 companies raised a total of 808.4 million marks in new share capital. Since as many as 439 companies with a total capital of 19.1 million marks closed down, the net increase in the total number of companies was 1 187 and in their total capital 1 199.3 million marks. The corresponding figures for 1966 were 1 284 and 532.7 million marks. The substantial increase in the capital stock of companies in 1967 attributable to the temporary removal of the stamp duty on the issue of stock which came into force in May 1966, to be valid till the end of 1968.

## State finances

One of the principal goals of the 1967 budget was to curb the demand pressure caused by increased lending and a rise in nominal incomes which had been creating substantial balance of payments difficulties in Finland since 1964. At the same time an equilibrium in state finances was to be attained in such a way that resort to extraordinary arrangements in financing the expenditure would be avoided. Measures were taken to stimulate domestic investment activity i.a. through an increase in lending and in other financial investments. The tax treatment of the different investment alternatives in

the capital market was made more equal by a tax on one half of the value and yield of all new bond issues.

Balancing the budget on these lines involved several tax increases because the share of borrowing was to be reduced. Personal income tax was made more progressive and the property tax was raised; there was also an increase in corporate income tax. The sales tax was raised from 10 to 11 per cent. Certain other indirect taxes and the stamp duty were increased and a new insurance premium tax was imposed. In addition, there were to be higher rates of interest on ARAVA housing loans and settlement loans, as well as increased State Railway tariffs and postal rates. On the expenditure side increases occurred mainly in consumption and transfer expenditure, although some savings were also attempted; with the increase in health insurance payments the share payable by the State decreased, certain items of education and hospital expenditure were transferred to municipalities etc. Also, more attention was paid to checking the growth in the number of civil servants, but nevertheless the share of wages and salaries in total state expenditure increased slightly in 1967.

The total of the budget approved by Parliament was 7 816 million marks; the increase on the finance accounts of 1966 was 9 per cent.

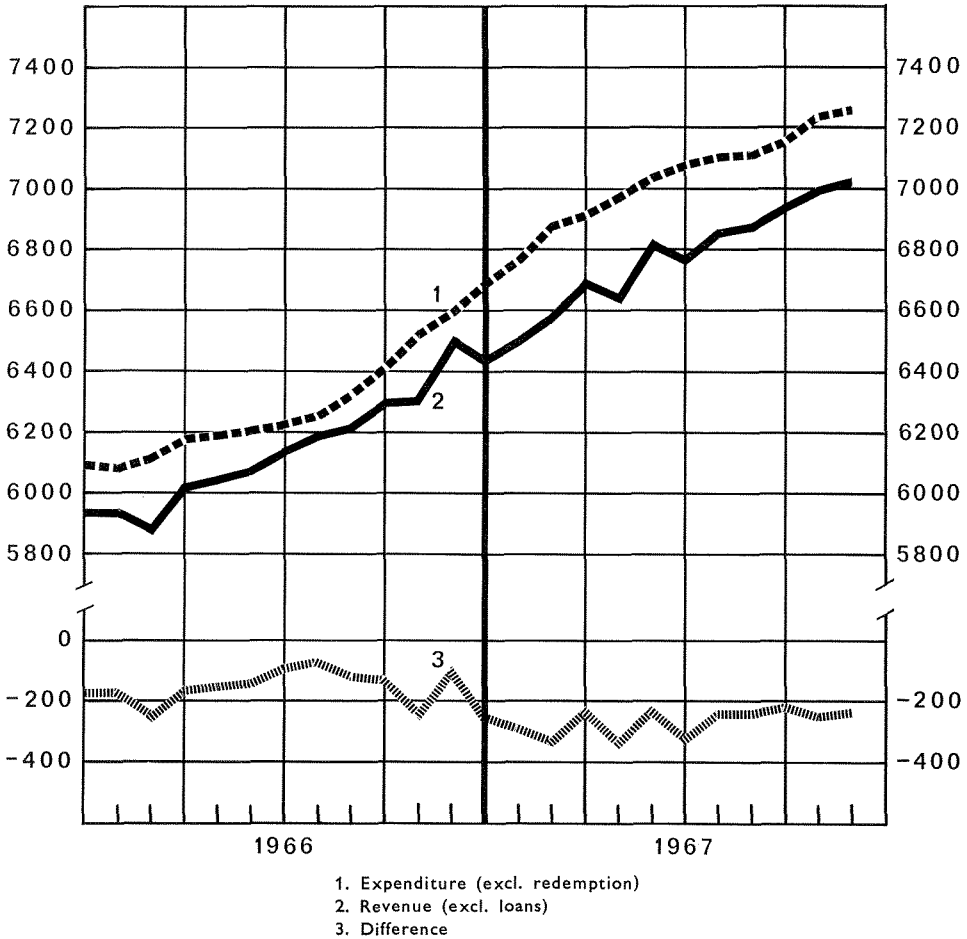
During the first quarter of the year cash revenue (excluding borrowing) increased by 16 per cent and cash expenditure (excluding redemption) by 14 per cent in comparison with the corresponding period in 1966. On the revenue side there were considerable increases in the taxes on automobiles, fuels and tobacco and in the income and property tax, while on the expenditure side the highest increases occurred i.a. in state aid to schools. In spite of increased revenue and net borrowing of about 60 million marks the cash deficit amounted to 63 million marks. In January the remaining 95 million marks were drawn by the Treasury on the 300 million mark loan granted by the Bank of Finland in December 1966. During the first quarter the Treasury sold bonds amounting to 40 million marks to the Post Office Savings Bank; in addition loans were obtained from the National Pensions Institute and insurance companies. The demand for loans issued for public subscription dropped after a tax had been imposed on them. In January the Government made a 12 million dollar bond issue on the West-European market.

By the end of June the deficit in state finances had declined to 3 million marks. Revenue was 10 per cent and expenditure 12 per cent greater in the first half of the year than in January—June 1966. Among the revenue items the largest increases had occurred in the sales tax and in the taxes on fuels and automobiles. Real investment expenditure was 4 per cent less in the first part of the year than one year earlier. Even though the employment situation has deteriorated on the previous year the labour force in public works was less than in the corresponding period in 1966, for the

## STATE REVENUE AND EXPENDITURE

12-month moving total

Mill. marks



number of those drawing unemployment benefit increased. Net borrowing amounted to 60 million marks in January—June. For the conversion of the 1966 tax payment certificates a series of tax free debt certificates was issued by the Government and sold to the value of 118 million marks. The second supplementary budget passed in June amounted to 68 million marks (in the first supplementary budget in March 2 million marks were allocated for the Finnish troops in the United Nations service).

In the third quarter the growth of expenditure slackened; in January—September expenditure was 9 per cent larger than one year earlier while



the increase in revenue continued to be 10 per cent. The highest growth took place in the sales tax, the tax on automobiles and the income and property tax. The yield from customs duties was 13 per cent less than in January—September 1966. The cash surplus accruing by the end of September was 105 million marks. New bond loans in the third quarter included a labour pensions fund loan, forest improvement bonds sold to different banks and a 15 million dollar loan emitted in the United States in September. Of the changes in the revenue rates may be mentioned a rise in the prices of alcoholic beverages at the beginning of July.

Two more supplementary budgets were passed in October and in December, with a total expenditure of 355 million marks. The major part of these funds was granted for the implementation of the extra public works programmes, for certain state aid and for the post-devaluation value increases in the quotas in international financial institutions. Budgeted expenditure totalled 8 241 million marks in 1967. Among the revenue rate changes that came into force during the fourth quarter were the increase in the tax on tobacco, the export levies imposed in connection with the devaluation and the airport tax collected since the beginning of November. In October and December the Treasury obtained loans from the Post Office Savings Bank totalling 39 million marks. The 60 million mark bond loan to insurance companies issued in January had been taken up in full by the end of the year.

The cash surplus in state finances was 75 million marks in January—November; one year earlier the corresponding surplus was 22 million marks. The revenue was 10 per cent and the expenditure 9 per cent higher than in the same period in 1966. The yield of the sales tax was 17 per cent, the tax on tobacco also 17 per cent, the income and property tax 11 per cent and the alcohol revenue 10 per cent greater than in January—November 1966. Customs revenue, on the contrary, declined by 8 per cent. In expenditure, consumption expenditure showed the largest increase and investment expenditure the smallest; in real investment expenditure there was no increase at all. In public works financed by employment appropriations there were on average 3 000 people less than in 1966. In the twelve-month period December 1966—November 1967 state revenue (excluding borrowing) increased to 7 037 million marks or by 8 per cent and expenditure to 7 266 million marks or by 10 per cent.

The following figures on the Public Debt are based on the official statement. The figures for 1967 are preliminary. The short-term assets and liabilities arising from the cash transactions of the Treasury are not included.

	Dec. 31, 1966	Dec. 30, 1967
	Million marks	
Ordinary loans .....	1 040	1 454
Liabilities to international organizations .....	297	390
<b>Foreign debt .....</b>	<b>1 337</b>	<b>1 844</b>
Ordinary loans <sup>1</sup> .....	1 980	2 011
Short-term debt .....	63	131
Indemnity bonds and similar obligations <sup>2</sup> .....	93	2
<b>Internal debt .....</b>	<b>2 136</b>	<b>2 144</b>
<b>Total Public Debt .....</b>	<b>3 473</b>	<b>3 988</b>

Besides the new foreign loans mentioned above, 15.5 million dollars or 65 million marks were drawn on the Highway Loans granted by the World Bank, calculated according to the exchange rate prevailing at the end of the year.

Short-term debt to the Post Office Savings Bank grew from 251 million marks to 314 million marks during the year. The cheque account balance of the Treasury at the Bank of Finland remained rather small for most of the year and was 35 million marks less at the end of 1967 than at the same time in 1966.

### The 1967 bond issues

In 1967, 27 new loans were issued of which 23 were denominated in Finnish currency and issued in Finland while 4 were issued abroad.

The bonds in foreign currency consisted of the Government issue of \$ 12 million in Western Europe and the issue of \$ 15 million in the United States; the issue of \$ 15 million by the Mortgage Bank of Finland Oy through a West-European banking consortium and one by Oy Karl Fazer Ab equivalent to Sfr 4.5 million raised through a Swiss banking consortium.

Of the bond issues made in Finland 11, with a total nominal value of 244 million marks, were issued by the Government. Three of these were intended for public subscription and the remainder for the banking institutions, insurance companies and labour pensions funds. Treasury bonds sold during the year totalled 204 million marks. The bonds in Finnish currency issued in 1967 are listed in the table below.

The nominal rate of interest on domestic bonds varied from 6 1/2 per cent to 8 3/4 per cent, depending on whether they were index-tied or not. Twenty loans were index-linked, all of them with a 50 per cent clause. Eight of the treasury loans and five of the loans by the banking institutions as well as one loan of the town of Loviisa were tied to the cost of living index and one loan by the banking sector to the wholesale price index; of

<sup>1</sup> Includes tax payment certificates amounting to 120 million marks in 1966.

<sup>2</sup> Includes a loan converted from the postponed sales tax refunds which was paid in 1967.

the loans by industrial companies two were tied to the cost of living index and two to the wholesale price index. The loan by the Co-operative Wholesale Association was tied to the cost of living index.

### Bond issues in 1967

	Total issue Million marks	Sold
<b>State loans</b> .....	<b>244</b>	<b>204</b>
Insurance company loan .....	60	60
8 $\frac{3}{4}$ per cent loan .....	25	7
7 $\frac{1}{2}$ per cent loan .....	25	9
7 per cent loan .....	5	0
6 $\frac{1}{2}$ per cent loan from banking institutions .....	25	25
8 per cent loan from banking institutions .....	25	25
Labour pensions fund loan at variable rate of interest .....	12	12
Forest improvement bonds .....	20	20
II 8 per cent loan from banking institutions .....	20	20
Employment bonds .....	7	7
II 6 $\frac{1}{2}$ per cent loan from banking institutions .....	20	19
<b>Loans from cities</b> .....	<b>3</b>	<b>3</b>
Loviisa .....	3	3
<b>Bank loans</b> .....	<b>65</b>	<b>30</b>
Land and Industry Real Estate Bank Ltd .....	20	1
—»— .....	10	—
Real Estate Bank in Finland Ltd .....	5	5
—»— .....	5	5
—»— .....	5	5
Industrial Mortgage Bank of Finland Ltd .....	20	14
<b>Industrial loans</b> .....	<b>45</b>	<b>23</b>
Kemijoki Oy .....	10	10
—»— .....	10	10
Rauma-Repola Oy .....	15	—
United Paper Mills Ltd .....	10	3
<b>Other loans</b> .....	<b>2</b>	<b>0</b>
Co-operative Wholesale Association .....	2	0
<b>Total</b>	<b>359</b>	<b>260</b>

## IV. FOREIGN EXCHANGE POLICY AND THE BALANCE OF PAYMENTS

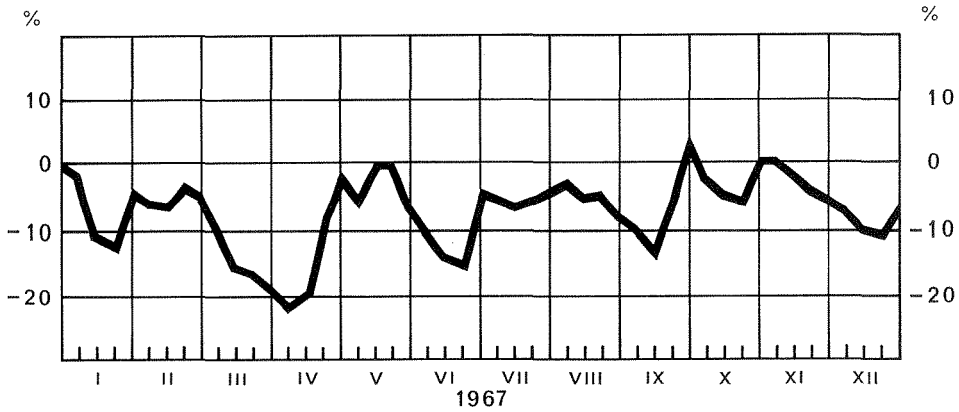
### Rates of exchange

The rates of exchange quoted by the Bank of Finland are based on the par value of the mark as established in the first clause of Paragraph 2 of the Currency Act of March 30, 1962. This par value was 0.27771 grammes of fine gold to the mark (112 marks to a troy ounce of gold) from January 1, 1963 to October 11, 1967 and was changed with the approval of the International Monetary Fund to 0.211590 grammes of fine gold to the mark (Statute Book No. 436/67) which is equivalent to 146.999 marks to a troy ounce of gold; the alteration was effective from October 12, 1967.

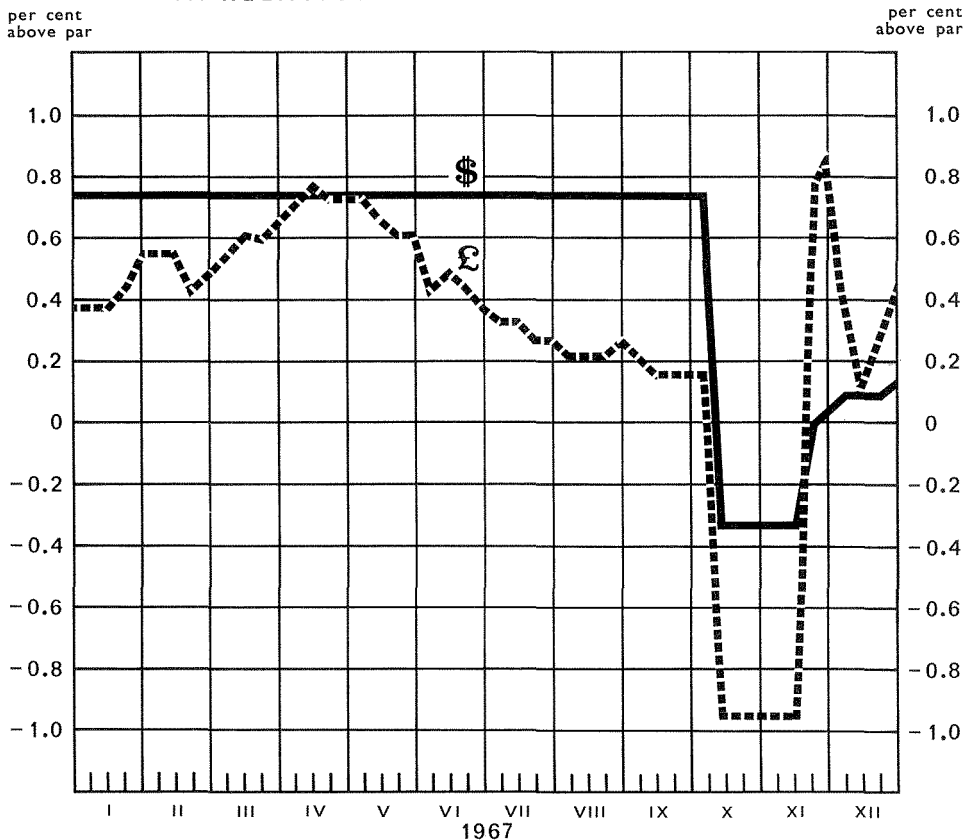
The Articles of Agreement of the International Monetary Fund oblige its members to maintain their foreign exchange rates within prescribed limits on either side of the par values and the par rates of exchange based on these. In Finland, the rates of exchange of convertible currencies are quoted in a daily meeting of the authorized foreign exchange dealers and the Bank of Finland. The alterations in the rates of exchange become valid upon publication of the Bank of Finland's quotation list. In accordance with the Bank of Finland Regulations, the rates are also published in The Official Gazette and broadcast daily on the radio, which is the most rapid means of conveying the news to e.g. the branch offices of the banks.

For the exchange rates of the convertible currencies included in the official quotation list of the Bank of Finland the maximum deviations from the par value have been calculated following the practice of the member countries of the European Monetary Agreement (EMA). Thus the maximum variation for the U.S. dollar (the greatest deviation of the lowest buying rate and the highest selling rate from the par value) has been  $\frac{3}{4}$  per cent above or below par, the limits for the other variable rates being determined by the limits of the dollar rate applied by the countries concerned. The buying rates for these currencies are calculated on the basis of the selling rates, using the fixed support points established by the Bank of Finland, which have been followed as such by the foreign exchange dealers. The new

THE RESERVES OF GOLD AND CONVERTIBLE CURRENCIES IN 1967,  
PERCENTUAL CHANGE SINCE BEGINNING OF YEAR<sup>1</sup>



OFFICIAL SELLING RATES FOR DOLLAR AND POUND STERLING  
IN RELATION TO PARITY OF EXCHANGE



<sup>1</sup> The chart depicts quantitative changes in the reserves as a percentage of the value of the reserves on January 1, 1967; thus it is not comparable with the book values expressed in marks elsewhere in this Year Book.

spreads<sup>1</sup> either side of the exchange rates announced in connection with the alteration of the par value of the mark are seen in the table on page 31, where the lowest buying rate and the highest selling rate for each of these currencies are indicated. Relatively these margins are about 10 per cent smaller than those valid from 1963 until the devaluation.

The rate of exchange of the U.S. dollar had been at its upper limit since March 1965, and it was now quoted at the lowest limit of its range in connection with the alteration of the par value of the mark on October 12. After the devaluation of the pound the dollar was raised to its par value on November 20, whereafter the rate of exchange was determined by the fluctuations in demand and supply. The decline in the convertible currency reserves in the last weeks of the year thus had the consequence that at the turn of the year the official selling rate of the dollar had risen 0.14 per cent above par.

The exchange rates of other currencies have been determined by the international market rates of exchange on the basis of the dollar rate.

The pound was devalued by about 14.3 per cent on November 18, 1967. At the same time the Bank of England raised the Bank Rate from 6 1/2 per cent to 8 per cent. Although the dollar rate for the pound was also quoted at its new maximum value, it seemed that there had been no change in the tendency of the pound to react strongly to internal crises and fluctuations in the balance of payments. The Bank of England did not take any definite stand in favour of supporting the highest dollar rate for sterling but considered instead that the exchange rate should be determined by the market. Consequently the rate fluctuated between the upper limit and par value for the rest of the year.

As the exchange rate of the dollar started to fluctuate again after the devaluation of sterling the daily meetings gained considerably in significance. Due to increased activity towards the end of the year, the total value of transactions concluded in these meetings, i.e. approximately 215 million marks, doubled on the previous year.

Fixed rates were quoted throughout the year for the currencies governed by clearing agreements, namely the Soviet Union rouble and the clearing dollar.

The table below shows the maximum spreads between the selling and buying rates quoted by the Bank of Finland on December 30, 1967. In the case of the rouble and clearing dollar, the countries with which payments agreements are concluded in these currencies are indicated.

Table 10 gives the par rates and the official selling rates quoted by the Bank of Finland on each date on which a change occurred.

<sup>1</sup> Those of the pound sterling, Danish and Icelandic crowns and the Spanish peseta were, however, not definitely confirmed until in connection with the devaluations of November 21—27, 1967.

Variable rates		The limits of selling rates at sight				Maximum margins between selling and buying rates Dec. 30, 1967 mk
		Official selling rates		Minimum buying rates mk	Maximum selling rates mk	
		Dec. 31, 1966 mk	Dec. 30, 1967 mk			
New York . . .	1 \$	3,224	4,206	4,1685	4,2315	—,018
Montreal . . . . .	1 Can \$	2,976	3,893	3,817	3,953	—,018
London . . . . .	1 £	8,995	10,125	9,920	10,240	—,043
Stockholm . . . . .	100 Skr	62,35	81,55	79,970	82,405	—,38
Oslo . . . . .	100 Nkr	45,14	58,88	57,895	59,680	—,30
Copenhagen . . . . .	100 Dkr	46,70	56,41	55,166	56,846	—,28
Frankf.o. M. . . . .	100 DM	81,15	105,25	103,45	106,60	—,46
Amsterdam . . . . .	100 Hfl	89,18	116,95	114,30	117,80	—,60
Brussels . . . . .	100 Bfr	6,450	8,47	8,2750	8,5270	—,042
Zurich . . . . .	100 Sfr	74,56	97,33	93,675	98,520	—,50
Paris . . . . .	100 FF	65,20	85,70	83,805	86,355	—,40
Rome . . . . .	100 Lit	—,5165	—,674	—,66220	—,68195	—,0035
Vienna . . . . .	100 Sch	12,48	16,29	15,910	16,400	—,10
Lisbon . . . . .	100 Esc	11,22	14,78	14,340	14,885	—,10
Reykjavik . . . . .	100 Ikr	7,50	7,38	—	—	—,07
Madrid . . . . .	100 Ptas	5,40	6,05	—	—	—,05
<b>Fixed rates</b>						
Moscow, clearing	1 Rub	3,5667	4,6799	—	—	—,0266 <sup>1</sup>
Bucharest, Peking (until June 30)						
Clearing dollars	1 cl-\$	3,21	4,212	—	—	—,024 <sup>1</sup>
Berlin, Bogotà, <sup>2</sup> Budapest, Prague, Sofia and Warsaw						

<sup>1</sup> Fixed.

<sup>2</sup> Payments agreement with Colombia terminated Dec. 31, 1967.

## Foreign payments

At the end of 1967 Finland had bilateral payments agreements, which call for payment through clearing accounts, with eight countries of the Eastern Bloc (Bulgaria, the People's Republic of China, Czechoslovakia, the Democratic Republic of Germany, Hungary, Poland, Rumania and the Soviet Union) and with one member of the International Monetary Fund (Colombia). It was decided to discontinue the agreement with Colombia at the turn of the year through the exchange of notes in December 1967; it was agreed at the same time that Finland's outstanding debt on the clearing account should be settled during 1968.

As in 1966, the Bank of Finland considered that the difficult balance of payments situation did not permit continued liberalization of its foreign exchange regulations during 1967, especially during the period preceding the devaluation. On the contrary, new limits which had already been decided upon at the end of 1966, regarding the purchase of so-called travel services,

became valid from the middle of January. According to these new regulations sales of foreign currency to tourists leaving Finland were restricted to 400 marks per person per trip within Scandinavia and 800 marks for trips to other countries. However, if the value of the travel services exceeded 200 and 400 marks respectively, this sum was to be deducted from the maximum amount of foreign currency available to the tourist. Moreover, on April 21, 1967 many new articles were added to the list of those imports for which the use of short-term import credits is forbidden. Payment for these goods must be made abroad (or a corresponding amount deposited with the Bank of Finland) before customs clearance or placement of the goods in customs warehouse, free warehouse or free port. If calculated on the basis of the value of imports in 1966 the expanded list covered about one fifth of total imports and consisted mainly of consumer goods.

The devaluation as such was not regarded as necessitating any immediate change in policy regarding foreign exchange regulations. The Bank decided, however, in connection with the alteration in the international par value of the mark, that the regulations on the use of import credits should be abolished on January 1, 1968 and that the use of a regular, at the most six-month, import credit should be allowed without special permission from the Bank of Finland. Furthermore, it was decided on November 6, 1967 that from the beginning of 1968 the maximum amount of foreign exchange granted to tourists would be automatically increased to 1 000 marks regardless of destination. The maximum value of travel services other than transport per person, per trip was also raised to 1 000 marks; in such a way, however, that the amount of services sold exceeding 500 marks must be taken into account as a deduction from the maximum amount of foreign currency sold. The maximum amount of foreign exchange and travel services available for each trip was thus increased from 1 200 marks to 1 500 marks or by 25 per cent at the beginning of 1968; the relative increase was considerably more for trips made within Scandinavia because the application of smaller quotas was discontinued for these trips.

In December 1967 the Bank of Finland decided to increase some other upper limits to the use of foreign exchange and to reduce from five to three years the minimum time after which a Finnish resident abroad may transfer his capital funds out of Finland with the permission of the Bank of Finland.

### **Balance of payments on current account and capital movements**

Safeguarding the external liquidity of the country was of primary importance in the Bank of Finland's foreign exchange policy. The growth in the deficit on current account was stopped, but in spite of this disequilibrium



continued to exist. The deficit in the balance of trade was still 430 million marks at the end of the first three quarters of 1967 after having been 602 million marks in the corresponding period 1966. As the surplus on the invisible account amounted to 57 million marks between January and September 1967, the deficit in the balance of current transactions during this period totalled 373 million marks or 170 million marks less than that of the first three quarters of 1966. Finland obtained a stand-by credit of 93.75 million dollars or 300 million marks from the International Monetary Fund in March for the support of the foreign exchange reserves. It consisted of the 100 million mark gold tranche at the Fund, which was already counted in the foreign exchange reserves, and a 200 million mark credit item. The stand-by credit was completely exhausted by the end of September.

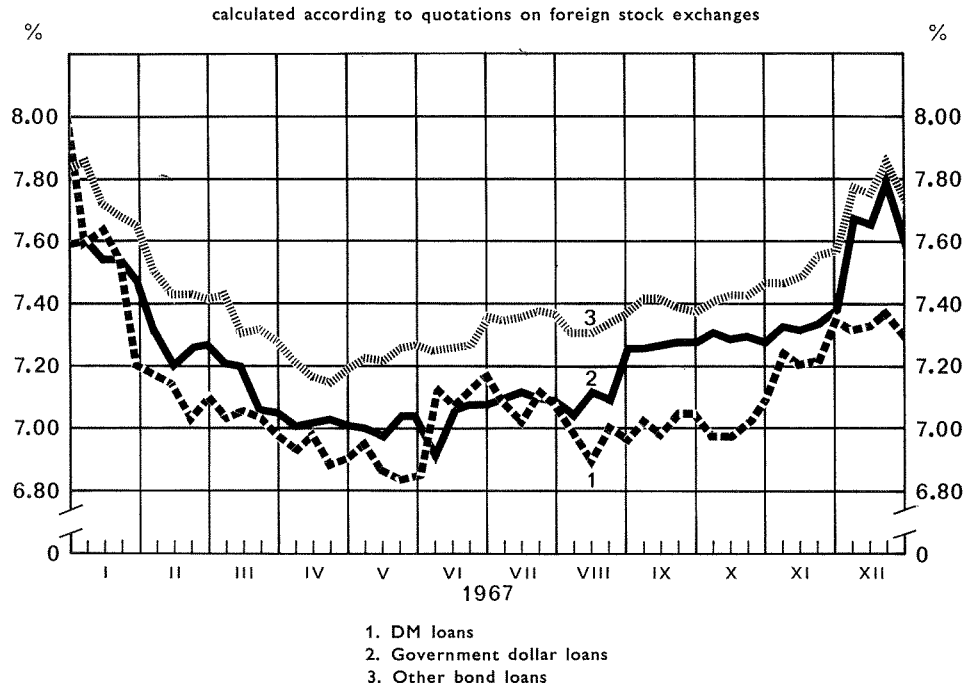
The devaluation did not have time to affect significantly the balance of payments in the closing months of 1967. The deficit in the balance of trade in 1967 decreased by 136 million marks to 622 million marks on the previous year and that in the balance of current transactions by 144 million marks to 489 million marks.

The tight international money markets of 1965 and 1966 were reflected in the long-term capital inflow to Finland, making the financing of the increased deficit in the balance of payments on current account still more difficult and further diminishing the foreign exchange reserves which were already low. During the year under review, however, there was a clear indication of recovery in the long-term capital inflow. Drawings on long-term foreign loans, calculated at the rates of exchange prevailing at the time these were made, totalled 910 million marks, i.e. 392 million marks more than in 1966. Amortization of foreign loans rose to 406 million marks or 135 million marks more than in the previous year. As, in addition, devaluation increased the value of Finland's long-term foreign debt by 976 million marks, the total of foreign long-term debt rose by 1 480 million marks to 4 175 million marks.

In 1967 four Finnish bond issues were made abroad. In January the Treasury launched a ten year, twelve million dollar loan in West Europe through a consortium headed by the Belgian Banque Lambert S. C. S. The Mortgage Bank of Finland Oy made use of the same consortium to issue a twelve year, twelve million dollar loan in April. In September a 15 million dollar loan was issued by the Treasury through an American consortium; the duration of this loan is 10 years. The fourth foreign bond issue was smaller than the previous ones, namely 4.5 million Swiss francs.

The situation in the international capital markets is illustrated by the chart below, which shows the effective yield on each type of loan for the period still outstanding calculated according to quotations on foreign stock exchanges. Loan quotations rose fairly sharply in the opening months of

## EFFECTIVE YIELD OF FINNISH BONDS ISSUED ABROAD



the year under review and therefore the average effective yield on Finnish foreign loans was on the decrease. Around the middle of the year quotations began to fall and yields to rise, as the result of some tightening in the capital market.

The major part of foreign loans, however, came from foreign banking institutions or other financial institutions in the form of so-called financial credits. Including in long-term capital inflow the 200 million mark stand-by credit from the International Monetary Fund, which was obtained and drawn during the year under review, the drawings on financial and long-term commodity credits totalled 781 million marks. The drawings on loans from the International Bank for Reconstruction and Development exceeded the amortization of earlier loans by no more than 30 million marks; no new loans were obtained from the World Bank in 1967. Of the total 4 175 million marks outstanding on foreign loans, at the end of 1967 43 per cent were in dollars, 14 per cent in DM, 12 per cent in Swedish crowns, 10 per cent in pounds sterling and 9 per cent in rubels. The remainder was distributed among various currencies; the amount repayable in marks comprised less than 1 per cent of the total.

The following table illustrates the composition of Finland's long-term foreign debt at the end of 1966 and 1967 together with drawings, repayments and net changes, classified according to the type of loan.

**Finland's long-term foreign debt according to the type of the loan, million marks**  
(Foreign currency amounts have been converted into marks according to the rates of exchange at the time of the transaction)

	Dec. 31, 1966	Drawings 1967	Repay- ments 1967	Devalu- ation adjustment	Dec. 30, 1967	Net change
Credits from foreign governments . . . .	707	34	123	211	829	+ 122
of which:						
Soviet Union ..	264	18	75	82	289	+ 25
Sweden . . . . .	226	—	14	69	281	+ 55
United States ..	218	16	34	60	260	+ 42
International Monetary Fund .	—	200	—	62	262	+ 262
Other international monetary institutions . . . . .	416	64	34	134	579	+ 164
Bond loans . . . . .	544	129	13	201	862	+ 317
Other financial credits . . . . .	685	330	104	275	1 186	+ 501
Trade credits . . . . .	343	153	132	93	457	+ 114
<b>Total</b>	<b>2 695</b>	<b>910</b>	<b>406</b>	<b>976</b>	<b>4 175</b>	<b>+1 480</b>

The service charges on Finland's long-term foreign debt — that is, interest payments and amortizations which must be made in foreign exchange — rose considerably in 1967, namely from 387 million marks in 1966 to 557 million marks. This was mainly due to the shift which occurred in 1965 and 1966, years of stringency in the international capital markets, from long-term bond loans to medium-term financial loans which have to be amortized more quickly. In its role as the authority supervising foreign exchange dealings the Bank of Finland has controlled the obtaining of foreign loans and has favoured long-term borrowing especially when it has been for the purposes of those long-lived investments supporting balance of payments and economic growth.

The deficit in the basic balance, which besides the balance on current transactions also includes long-term capital movements, was slightly more than 500 million marks on average in 1965 and 1966, but decreased by 473 million marks to 36 million marks during the year under review. This was due to a marked increase in long-term net capital imports in 1967 and a decline in the deficit in the balance of payments on current account.

## Foreign exchange situation

Primarily as the result of a decrease in import liabilities and export advances the net inflow of short-term foreign capital was reversed, i.e. there was a net capital outflow. Consequently, the deficit in the balance of payments on current account had to be covered by reducing the foreign exchange reserves of the Bank of Finland and by increasing the net short-term foreign debt of other foreign exchange holders. The table below indicates the change over the year in the net assets of the Bank of Finland and other holders of foreign exchange.

	Reserves Dec. 31, 1966			Reserves Dec. 30, 1967			Change		
	Bank of Finland	Others	Total	Bank of Finland	Others	Total	Bank of Finland	Others	Total
	Million marks			Million marks			Million marks		
Gold . . . . .	144	—	144	189	—	189	+ 45	—	+ 45
IMF gold tranche . . . . .	100	—	100	—	—	—	—100	—	—100
Convertible currencies . . . . .	274	—189	85	458	—295	163	+184	—106	+ 78
<b>Total</b>	<b>518</b>	<b>—189</b>	<b>329</b>	<b>647</b>	<b>—295</b>	<b>352</b>	<b>+129</b>	<b>—106</b>	<b>+ 23</b>
Other currencies . . . . .	— 23	1	— 22	— 21	— 1	— 22	+ 2	— 2	0
<b>Grand total</b>	<b>495</b>	<b>—188</b>	<b>307</b>	<b>626</b>	<b>—296</b>	<b>330</b>	<b>+131</b>	<b>—108</b>	<b>+ 23</b>

According to the Balance Sheet the gold and foreign exchange reserves of the Bank of Finland increased by 131 million marks during 1967. The net short-term foreign debt of other foreign exchange holders (primarily authorized dealers) grew by 108 million marks. If, however, increases in book values effected on the day of the devaluation because of the changed rates of exchange are deducted from these figures, the gold and foreign exchange reserves of the Bank show a decrease of 84 million marks. Convertible currencies accounted for 33 million marks and other currencies for 51 million marks of this decrease. The net liabilities of the authorized banks, if calculated on this basis, increased by 24 million marks.

At the end of 1967 the share of gold in the total gold and foreign exchange reserves was 30 per cent (29 per cent in 1966). Because of the net debt in tied currencies, however, the reserves of convertible currencies amounted to 73 per cent of the total reserves of the Bank of Finland as against 76 per cent in the previous year.

## V. BANK OF FINLAND STATEMENTS

Details of the statements of the Bank of Finland are given in the statistical section of the Year Book. There follows some additional information on the contents of the individual items in these statements, and the changes that have occurred in them.

### Foreign accounts

	Dec. 31, 1966	Dec. 30, 1967 Million marks	Change
Gold .....	143.9	188.8	+ 44.9
Gold tranche at the International Monetary Fund .....	100.0	—	—100.0
Foreign exchange .....	312.0	512.3	+200.3
Foreign bills .....	56.4	72.5	+ 16.1
Foreign bonds .....	24.9	25.2	+ 0.3
<b>Assets</b> .....	<b>637.2</b>	<b>798.8</b>	<b>+161.6</b>
Foreign exchange accounts .....	61.2	74.7	+ 13.5
Mark accounts of holders abroad .....	16.2	14.1	— 2.1
Foreign term liabilities .....	84.6	339.5	+254.9
<b>Liabilities</b> .....	<b>162.0</b>	<b>428.3</b>	<b>+266.3</b>
<b>Net foreign assets</b> .....	<b>475.2</b>	<b>370.5</b>	<b>—104.7</b>

The alteration in the par value of the mark has to be taken into consideration in an examination of the above figures. The gold reserves of the Bank remained virtually unchanged, for the change shown in the table roughly equals the rise in the book value of gold from 3 600.88 marks to 4 726.12 marks per kilogramme of fine gold. The first use of the stand-by credit granted to Finland by the International Monetary Fund was initiated by drawing of the Finnish gold quota in the Fund, the gold tranche, in March 1967. This account in the Balance Sheet was thus exhausted. For the foreign exchange thus obtained the International Monetary Fund was given a corresponding non-interest-bearing, non-negotiable promissory note issued by the Bank of Finland and payable on demand in Finnish currency.

The total amount of other foreign assets was increased by the use of the gold tranche and by the change in the exchange rates. The amount of foreign bills in terms of foreign currency decreased because export finance has to an increasing extent taken the form of the so-called new export credits dealt with in Chapter III. Also, there was a decrease in the portfolio of foreign bonds as the proceeds from bonds were transferred to short-term foreign exchange assets.

The greatest variation on the liabilities side occurred in foreign term liabilities which were increased by 254.9 million marks at book valuation. Included in this item are the remunerations in Finnish currency for the utilization of the credit tranches of the stand-by facility provided by the International Monetary Fund, paid to the account of the Fund with the Bank of Finland; at the new parity they amounted to 262.5 million marks at the end of 1967. Net foreign assets declined by 104.7 million marks during the year. If the net assets at the beginning of the year are calculated at the new parity the decline is more than 250 million marks.

The gold and foreign exchange reserves of the Bank of Finland which are obtained through deducting foreign exchange liabilities from the gold, gold tranche and foreign exchange held by the Bank, amounted to 626 million marks at book valuation at the end of the year, i.e. 131 million marks more than a year earlier. The composition of the reserves and the changes in the rates of exchange have been explained in Chapter IV and the changes in the reserves are shown in the appendix, Table 2.

### Treasury accounts

	Dec. 31, 1966	Dec. 30, 1967	Change
	Million marks		
<b>Assets:</b> IBRD bill . . . . .	11.5	8.3	— 3.2
Cheque account . . . . .	39.8	4.4	—35.4
Export levy account . . . . .	1.1	14.8	+13.7
<b>Liabilities</b> . . . . .	40.9	19.2	—21.7
<b>Net assets of the Treasury</b> . . . . .	29.4	10.9	—18.5

The liability which arose, in the form of a bill of exchange, in connection with the increase in the Finnish subscription to the World Bank was reduced by 3.2 million marks in January. This bill is included in »other assets» in the Balance Sheet. The amount accrued as export levies due to the Export Levy Act was 13.7 million marks by the end of the year; in addition, the old export levy account contained 1.1 million marks. These accounts are included in »Finnish term liabilities» in the Balance Sheet.

The table does not include the treasury bonds held by the Bank and purchased either from the banks or direct from the Treasury. Nor is the 300 million mark loan included which was granted to the Treasury by the Bank of Finland in December 1966. Of this loan, 205 million marks was drawn in 1966 while the remainder, 95 million marks, was drawn in January 1967. Against this loan the Bank of Finland had obtained treasury bills which were freely negotiable amounting to 245 million marks in the Bank's portfolio at the end of the year.

### Accounts of the banks

	Dec. 31, 1966	Dec. 30, 1967	Change
	Million marks		
Rediscounted bills .....	915.2	867.5	— 47.7
Mortgage Bank of Finland Oy .....	1.3	—	— 1.3
<b>Assets</b> .....	<b>916.5</b>	<b>867.5</b>	<b>— 49.0</b>
Cheque account of Post Office Savings Bank	17.3	17.2	— 0.1
Cheque accounts of private banks .....	13.8	9.8	— 4.0
Cash reserve deposits .....	—	162.2	+162.2
Mortgage Bank of Finland Oy .....	—	0.0	+ 0.0
<b>Liabilities</b> .....	<b>31.1</b>	<b>189.2</b>	<b>+158.1</b>
<b>Net indebtedness of banks</b> .....	<b>885.4</b>	<b>678.3</b>	<b>—207.1</b>

The rediscounts were exceptionally high at the end of 1966. At the end of 1967 their amount was 48 million marks less than a year earlier. However, the weekly average of rediscounts was 752 million marks in 1967 against 724 million marks in 1966. The basic rate of interest on rediscounts was 7 per cent and the upper limit of the penalty rate on rediscounts to be charged when the given quota is exceeded was 4 per cent. The banking institutions were, however, entitled to deduct one half of their cash reserve deposits in May—December when calculating the use of their rediscounting quotas and the penalty rate of interest.

The most significant change in the table was caused by the cash reserve deposits; their amount was 162.2 million marks at the end of the year. These are entered in »Finnish term liabilities» in the Balance Sheet. The table does not include the bonds temporarily purchased from the banks and the bills purchased by the Bank from the banking institutions in the framework of special credit arrangements.

## Accounts of trade and industry

	Dec. 31, 1966	Dec. 30, 1967 Million marks	Change
Bills in Finnish currency .....	112.2	140.7	+ 28.5
Cheque accounts .....	2.1	4.0	+ 1.9
Bills in foreign currency .....	36.3	122.5	+ 86.2
Other claims .....	113.2	195.8	+ 82.6
<b>Assets .....</b>	<b>263.8</b>	<b>463.0</b>	<b>+ 199.2</b>
Cheque accounts .....	2.8	1.8	— 1.0
Other liabilities payable on demand .....	10.3	1.0	— 9.3
Finnish term liabilities .....	40.6	36.6	— 4.0
<b>Liabilities .....</b>	<b>53.7</b>	<b>39.4</b>	<b>— 14.3</b>
<b>Net loans to trade and industry .....</b>	<b>210.1</b>	<b>423.6</b>	<b>+ 213.5</b>

The net increase in bill credits in Finnish currency granted to trade and industry was 28.5 million marks in 1967. The 'new export' credits made available through the commercial banks and the Central Bank of the Co-operative Credit Societies grew from 29.2 million marks to 55.0 million marks during the year. The credits to grain wholesale grew from 28.0 million marks to 38.7 million marks. As a result of some considerable redemptions, the net decrease in the total debt of other bill clients was 8.1 million marks during the year under review.

The bills in foreign currency cover loans granted by the Bank of Finland out of World Bank credits. In spite of the post-devaluation increase the amount of bills in foreign currency granted previously declined during the year. The growth in the bills in foreign currency and »other claims» was primarily due to temporary credits granted by the Bank towards the end of the year. The amount of medium-term suppliers' credits for the metal industry decreased slightly during the year.

In liabilities, »other sight liabilities» declined by 9.3 million marks net, because it was possible to liquidate some temporary liabilities incurred in foreign exchange dealings. Finnish term liabilities decreased by 4.0 million marks. This item includes investment deposits of the mining industry which were drawn up to 3.3 million marks during the year. It also comprises investment deposits of the manufacturing industry which were transferred from the Treasury to the Bank of Finland at the beginning of 1966. New deposits accepted on the basis of this arrangement amounted to 11.2 million marks. The total amount of investment deposits was 32.4 million marks at the end of 1967, i.e. 7.9 million marks more than at the end of 1966.

The table does not include the account of the 1967 Jubilee Fund for the Fiftieth Anniversary of Finland's Independence in which 6.1 million marks was entered at the end of the year.



## Other accounts

Among changes in the items not dealt with above, the portfolio of Finnish bonds grew by 85.7 million marks to 370.5 million marks. The increase was caused by the drawing up of the loan granted to the Treasury and temporary purchases of bonds. Finnish coin, booked under »Other assets» in the Balance Sheet relates to the metal coinage held by the Bank. Coins in circulation, which do not appear in the Balance Sheet, increased from 79.6 million marks to 96.8 million during the year. There was a particular increase in the amount of one-mark pieces because the printing of one-mark notes was discontinued during the year under review. To commemorate the fiftieth anniversary of Finland's independence a ten-mark silver coin was minted and issued up to an amount of 10 million marks. The circulation and composition of coins are shown in Tables 7 and 9.

Note circulation according to the Balance Sheet was 1 052.1 million marks at the end of the year. Notes denominated in the old monetary unit, included in the Balance Sheet in »Other sight liabilities», which are almost completely withdrawn from circulation declined from 18.2 million marks to 10.5 million during the year. Total note circulation was thus 1 062.6 million marks at the end of the year as against 1 124.4 million marks at the end of the previous year, in other words it decreased by 61.8 million marks or 5.5 per cent during the year.

The amount of the Bank's visible own funds excluding profit according to the Balance Sheet was 429.5 million marks or 16.9 million marks more than at the end of the previous year. The increase was ascribable to the fact that one-half of the 1966 profit was transferred to the reserve fund. The equalization accounts which included i.a. some adjustment items due to the devaluation increased from 266.9 million marks to 422.0 million.

The Profit and Loss Account of the Bank of Finland is shown in Table 3. Earnings were 75.7 million marks or 22.5 million marks more than in 1966. There was an increase of 17.0 million marks in the interest earnings on domestic credit and 1.8 million marks in the interest income from foreign correspondents. Expenses were 34.8 million marks or 15.5 million marks more than in the previous year with the biggest increase occurring in the interest expenses on deposits. The interest payable on cash reserve deposits rose to 8.0 million marks and that on investment deposits to 1.2 million marks. Interest payments on the stand-by credit of the International Monetary Fund amounted to 2.5 million marks.

The profit of the Bank amounted to 40.9 million marks. According to the Bank of Finland Regulations one-half of the annual profit was transferred to the reserve fund. The disposal of the other half will be decided by Parliament.

## VI. FINLAND'S RELATIONS WITH INTERNATIONAL FINANCIAL INSTITUTIONS

The Bank of Finland acts as an agent for the Government in contacts with the International Monetary Fund, the World Bank (International Bank for Reconstruction and Development), the International Finance Corporation and the International Development Association, in all of which Finland is a member; further, the Bank of Finland is a shareholder in the Bank for International Settlements. In addition, Finland has become a member of the Asian Development Bank.

### **International Monetary Fund (IMF)**

The International Monetary Fund was founded in 1945, and began its actual operations in March 1946. At the end of 1967 the number of member countries in the Fund was 107, and their total quotas amounted to 21 600 million dollars.

Finland became a member of the International Monetary Fund in 1948. Her initial quota was 38 million dollars; in September 1959, however, it was raised to 57 million dollars. In connection with the general increase in quotas and the special increase in those of some countries including Finland, both effected in March 1966, the Finnish quota was raised to the present amount of 125 million dollars, equivalent to 525 million marks.

The International Monetary Fund has performed a considerable task; the numerous measures it has taken in order to counteract and remove disturbances in the monetary and financial systems of various countries have been highly successful. The aid provided by the Fund is short-term and intended to remedy temporary balance of payments difficulties. It may take the form of financial assistance through foreign exchange transactions, or of stand-by credit arrangements aimed at maintaining or restoring confidence, or technical expertise and advice.

As reported above, Finland had recourse to the facilities of the International Monetary Fund during the year under review. On March 6,

1967 a stand-by credit arrangement amounting to 93.75 million dollars, equivalent to 300 million marks at the current rate of exchange, was accepted by the Executive Board of the Fund. The purpose of the stand-by credit was to strengthen the Finnish foreign exchange reserves and to support the efforts of the Government to achieve balance of payments equilibrium. The agreement allowed for drawings on the stand-by credit when needed during a period of 12 months; the credit was drawn upon four times, the last time being on September 26, 1967. All the drawings were made in convertible currencies and they have to be repaid within three years after each drawing. On each drawing a service charge of  $\frac{1}{2}$  per cent was paid by Finland in gold; at the same time, however, the Fund reimbursed Finland with the amount due on each drawing of the  $\frac{1}{4}$  per cent guarantee charge paid by Finland for the credit tranches of the stand-by arrangement. The gold tranche is interest-free whereas an interest rate of 2 per cent is payable on that part of the 200 million mark credit tranches drawn in addition to the gold tranche over a maximum period of 18 months. After this the interest rate is increased by  $\frac{1}{2}$  per cent each half-year. Thus the effective rate of interest on the credit part is 2.51 per cent for a one-year period, 2.38 per cent for two years and 2.68 per cent for three years. A credit that is repaid within three months or less is interest-free, but there is a commission on it, as well as on the use of the gold tranche.

In accordance with the Fund's Articles of Agreement a member country's obligation to repurchase its own currencies is calculated on the basis of certain regulations at the close of the Fund's financial year at the end of April. The repayment is always to be made either in gold or convertible currencies. Finland incurred no liability to repurchase its own currency during the financial year which ended in 1967.

Member countries make no contributions to the budget of the Fund, which is financed entirely out of its current receipts.

Article XIV of the Fund Agreement (Treaty Roll No. 3/1948) provided that Finland shall consult annually the Fund as to the further retention of foreign exchange restrictions. These consultations were held in Helsinki from January 10 to 21, 1967. With a decision reached on March 6, 1967 the Board of Executive Directors of the Fund accepted the foreign exchange regulations applied by Finland.

The annual meeting of the Board of Governors of the Fund was held in Rio de Janeiro from September 25 to 29, 1967. Finland was represented by Dr. REINO ROSSI, Deputy Governor of the Bank of Finland, with Dr. JAAKKO LASSILA, Managing Director of the Industrialization Fund, as his alternate. In addition, HEIKKI LEPPÖ, Finland's Ambassador in Rio de Janeiro and JORMA ARANKO, B.Sc. (Econ.), alternate to the Scandinavian representative on the Executive Board of the Fund, participated as advisers.

In Rio de Janeiro the representatives of 107 member countries gave unanimous approval to the plan for Special Drawing Rights (SDR) which has been under preparation for four years. There have been many stages in the creation of this new international reserve asset; in the latest one, the meeting of the Group of Ten countries<sup>1</sup> held in London on August 26, 1967 agreement was reached on the main principles of the new procedure.

The decision on the general principles at the annual meeting of the International Monetary Fund inaugurates a completely new phase in the history of the international payments system. It is also the first step towards the establishment of a uniform international means of payment. The system, based on a new reserve asset, has been instituted primarily for the reason that it is no longer possible to rely solely on the capacity of gold, and the dollar and sterling as reserve currencies, to satisfy the increasing demand for liquidity and to meet the continuing expansion in world trade.

The Executive Board of the Fund was given the task of converting the decision of the annual meeting into a precise proposal for the amendment of the Agreement by March 31, 1968. This proposal shall then be submitted for ratification by the Parliaments of the member countries.

For the adoption of the »paper gold», i.e. the SDR's, the agreement must be approved by at least three-fifths of the members having at least four-fifths of the total votes.

The Special Drawing Rights are allocated among the member countries participating in the new system in proportion to their quotas. A member country may use its SDR's for balance of payments reasons or because of a run-down in the foreign exchange reserves, and no prior notification of the estimated need is required. Member countries have guaranteed the SDR's by agreeing to accept them and to pay on request their counterpart in foreign exchange. The SDR's in use will carry a moderate rate of interest. The accounting unit is to be 0.888671 grammes of fine gold (equivalent to one U.S. dollar).

The new reserve asset is to be used only by the central banks of member countries for the settlement of international obligations and the purchase of other currencies.

Item (a) of Article IV Section 8 of the Fund Agreement (Treaty Roll No. 3/1948) provides that in the case of an alteration in the par value of its currency a member country has to maintain unchanged in terms of gold the value of the Fund's holdings of its currency.

On October 11, 1967 the mark holdings of the Fund deposited with the Bank of Finland as claims and notes totalled 599 867 152.59 marks; of this the stand-by credit granted on March 6, 1967 accounted for 300 000 000

<sup>1</sup> Belgium, Britain, Canada, the Federal Republic of Germany, France, Italy, Japan, the Netherlands, Sweden and the United States.

marks. The remainder consisted of the funds on Account 1 amounting to 4 015 000 marks and on Account 2 amounting to 21 025.06 marks. Assets in the form of Government promissory notes amounted to 295 831 127.53 marks.

In accordance with the above Article of Agreement the devaluation on October 12, 1967 made Finland liable for an additional payment of 187 453 129.23 marks. Of this amount the Treasury paid 1 254 651.52 marks to Account 1 and 6 570.14 marks to Account 2. In addition, a new, non-negotiable, non-interest-bearing note payable on demand of 92 444 585.94 marks was given to the Bank of Finland by the Treasury to be held on the Fund's account. At the same time the Bank of Finland settled the additional payment required by the stand-by credit by giving the Fund a promissory note of 31 249 107.21 and by paying 62 498 214.42 million marks to Account 1 of the Fund at the Bank of Finland.

TORBEN FRIIS of Denmark served as Executive Director, elected by the five Nordic countries, during the year under review, while JORMA ARANKO, B.Sc. (Econ.), Secretary of the Bank of Finland, served as alternate.

### **World Bank (International Bank for Reconstruction and Development, IBRD)**

The International Bank for Reconstruction and Development or the World Bank was founded at the same time as the International Monetary Fund on December 27, 1945. At the end of the year under review there were 107 member countries in the World Bank. Finland became a member in 1948. After the increase in the Finnish subscription in 1966 it has remained unchanged at 133.3 million dollars. Since the total capital of the World Bank has amounted to 22 623.5 million dollars during the same period, Finland's share in this was thus 0.59 per cent.

Finland incurred an additional obligation through the change in the par value of the mark on October 12, 1967, also in the World Bank. The additional payments are made to mark account A of the World Bank at the Bank of Finland which has been credited with 9 per cent of the Finnish subscription as well as the loans granted to other countries from this account in past years. At the time of devaluation the funds on this account amounted to 8 302 400 marks on which the extra payment of 2 594 422.18 marks was due. The actual payment, which was deferred to 1968, was to be settled by the Treasury delivering a non-interest-bearing Government note to the Bank of Finland who then undertakes to pay the amount on its behalf. The Treasury liquidates this debt gradually as the World Bank transfers funds from the above mentioned account to convertible currencies (for the time being an amount equalling one million dollars annually) or uses them for payments in Finland.

Of the 9 per cent share of the subscription paid by the Treasury, 30 088 000 marks were granted in the form of loans to the other member countries at the time of devaluation; the additional payment to be made here is 9 402 217.94 marks. When settling this extra payment, which was put off to 1968, the Treasury may make use of the opportunity provided by Article V Section 12 of the World Bank Agreement to give the World Bank a non-negotiable, non-interest-bearing note payable on demand instead of crediting the World Bank's account in marks.

The member countries of the World Bank — like those of the International Monetary Fund — make no contributions to the budget of the Bank, which is financed entirely out of its current receipts.

The World Bank raises the funds for its loans mainly through bond issues on the international capital markets but also by drawing on its own capital. In this way the World Bank, which enjoys a high reputation as a borrower, may obtain capital from public and private investors which could perhaps never otherwise be made available e.g. for loans to be granted to developing countries.

During the year under review Finland obtained no new loans from the World Bank. The total of the thirteen loans made to Finland by the World Bank by the end of 1967 is 221 779 464 dollars, or 931 473 749 marks calculated at the present par value of the mark. The loans from the World Bank are drawn as and when the relevant investments require financing; thus more than 60 million marks of the loans granted in the last few years was still undrawn at the end of the year under review. The following table gives some particulars of the loans granted to Finland by the World Bank as they were on December 30, 1967.

Date of loan	Nominal value 1 000 \$	Rate of interest %	Term, years	Repaid by Dec. 30, 1967 1 000 \$	Outstanding on Dec. 30, 1967 1 000 \$	Undisbursed balance on Dec. 30, 1967 1 000 \$
1. 8. 1949	12 500	4	15	12 500	—	—
17. 10. 1949	2 300	3	2	2 300	—	—
30. 4. 1952	20 000	4 $\frac{3}{4}$	18	15 620	4 380	—
13. 11. 1952	3 479	4 $\frac{3}{4}$	18	2 717	762	—
24. 3. 1955	12 000	4 $\frac{5}{8}$	15	9 022	2 978	—
22. 5. 1956	15 000	4 $\frac{3}{4}$	20	6 189	8 811	—
16. 3. 1959	37 000	5 $\frac{3}{4}$	15	13 128	23 872	—
9. 8. 1961	25 000	5 $\frac{3}{4}$	15	4 757	20 243	—
15. 8. 1962	25 000	5 $\frac{3}{4}$	20	1 855	23 145	—
18. 9. 1963	7 000	5 $\frac{1}{2}$ —6	12.5	768	6 156	76
10. 7. 1964	28 500	5 $\frac{1}{2}$	15	—	27 046	1 454
30. 6. 1965	14 000	5 $\frac{1}{2}$	17	444	8 447	5 109
27. 4. 1966	20 000	6	15	—	12 127	7 873
	<b>221 779</b>	..	<b>15.1<sup>2</sup></b>	<b>69 800</b>	<b>137 967</b>	<b>14 512</b>
1 000 mk <sup>1</sup>	<b>931 473</b>			<b>291 060</b>	<b>579 460</b>	<b>60 953</b>

<sup>1</sup> At the par rate of exchange at the end of 1967.

<sup>2</sup> Weighted average.

The annual meeting of the Board of Governors of the World Bank was held in Rio de Janeiro simultaneously with the annual meeting of the International Monetary Fund. Finland was represented by Dr. MAUNO KOIVISTO, Minister of Finance, HEIKKI LEPPÖ, Finland's Ambassador in Rio de Janeiro, and Dr. JAAKKO LASSILA, Managing Director of the Industrialization Fund participated as advisers.

KARL SKJERDAL of Denmark served as Executive Director elected by the five Nordic countries during the year under review while WILHJÁLMUR THÓR of Iceland served as his alternate.

### International Finance Corporation (IFC)

The International Finance Corporation was founded as an affiliate of the World Bank in 1956 with an initial capital of 100 million dollars. The purpose of the Corporation is to invest funds in private enterprises in the member countries and in the development credit institutions of developing countries or regions. The IFC may, unlike the World Bank, invest also without any guarantee or mortgage security by the member country. The primary criterion is that the funds are given to promising private enterprises. The rate of interest may, depending on the risk, be correspondingly higher than that on the World Bank loans. Among the loan conditions of the International Finance Corporation, which are very flexible and adapted for each particular case, a certain fixed interest rate is commonly stipulated, usually close to the lending rate of interest of the banks in the borrowing country or participation of the IFC in the capital or yield of the borrowing company.

Finland's subscription to the International Finance Corporation is 421 000 U.S. dollars, which was paid in full when Finland joined the Corporation at the time of its foundation. Thus Finland incurred no obligation to make additional payments due to the change in the par value of the mark on October 12, 1967.

At the end of the year under review the IFC had 85 member countries, and a capital of 99.9 million dollars. In addition, the Corporation held a loan of 100 million dollars from the World Bank.

The Finnish representatives on the Board of Governors and on the Board of Executive Directors were *ex officio* those occupying the corresponding posts in the World Bank.

The International Finance Corporation has granted altogether three loans to Finnish companies, of which two have already been repaid. Of the third, a 700 000 dollar loan against a promissory note to finance the expansion projects of Huhtamäki-yhtymä Oy in 1965, the principal outstanding was still 525 000 dollars on December 31, 1967. This loan, which carries an interest rate of 8 per cent, will be fully liquidated on December 1, 1973.

The Corporation has invested 502 000 marks in the shares of the Industrialization Fund (Teollistamisrahasto) and 320 000 marks in those of Huhtamäki-yhtymä Oy.

### **International Development Association (IDA)**

Finland joined the International Development Association as an original member on its establishment in 1960. Membership of the Association is open to those countries only who are members of the World Bank. At the end of 1967 there were 98 member countries in the Association. The basic capital of the IDA is almost one thousand million dollars, of which the original Finnish subscription amounted to 3.83 million dollars. Member country shares in the basic capital are in proportion to their shares in the World Bank.

In 1964 it was decided to make a general increase in the funds of the International Development Association. For Finland this meant an additional contribution of 2 298 000 dollars, provided, as agreed, in three equal instalments; on November 8, 1967 the last settlement of 766 000 dollars, equivalent to 3 217 000 marks at the prevailing parity, was made. Thus the original Finnish subscription in the IDA together with the additional payments totalled thus 6 128 000 dollars at the end of 1967.

During 1967 the Association initiated negotiations for a further increase in its capital. The outcome of these negotiations was a proposal to raise the funds of the Association by 400 million dollars annually during the three-year period 1968—1970; the proposal was not submitted for the approval of the member countries until in 1968. Finland's share in the increase has been suggested at 0.34 per cent or 4 080 000 dollars.

On the Association's mark account at the Bank of Finland there were 3 355 750.80 marks at the time of devaluation on October 12, 1967; consequently because of the devaluation an additional Finnish payment of 1 048 641 marks is due to the Association. This settlement, which was deferred to 1968, can be made as allowed in Article II Section (e) of the IDA's Charter, i.e. with a non-negotiable, non-interest-bearing note payable on demand.

Finland has not received any financial assistance from the International Development Association, the principal purpose of which is to make very long-term (usually 25—40 years) and interest-free loans available primarily to the developing countries with a shortage of capital. Since its foundation the Association has granted loans equalling 1 700 million dollars.

The Finnish representatives on the Board of Governors and on the Board of Executive Directors were *ex officio* those occupying the corresponding posts in the World Bank.



## Asian Development Bank (ADB)

The Charter of the Asian Development Bank was signed by the member countries and came into force on August 22, 1966. The Development Bank set up headquarters in Manila, in the Philippines and started operations on December 21 of the foundation year. Altogether thirty-two countries belong to the Asian Development Bank, of which thirteen, mainly industrialized countries, are non-Asian. The authorized capital of the ADB was initially set at 1 000 million dollars, which has subsequently been raised to 1 100 million dollars. The capital subscribed by member countries amounted to 970 million dollars at the end of 1967.

The Asian Development Bank aims at regional co-operation in its programme as it tries to channel the public and private capital investments into development schemes for Asia and the Far East. The Development Bank also uses its own funds for financing the development plans of the poor countries in its area and co-ordinates the programmes of the different Asian countries with the aim of promoting economic development in the continent. The ADB also undertakes the provision of technical aid to member countries in receipt of its services. In future the Asian Development Bank will have to look to the industrialized countries for new funds for its activities, primarily to Europe, Canada and the United States.

The loans granted by the Development Bank are long-term and the rate of interest is low.

Finland has taken up 5 million dollars of the share capital of the Asian Development Bank, one half of which, according to the Charter, is paid; the remainder forms the guarantee fund of the Bank. Upon becoming a member Finland undertook to contribute 500 000 dollars annually for five years, one half to be in gold or in convertible currencies and the remainder in convertible marks. Finland's second annual instalment of 250 000 dollars was paid to the Development Bank on August 22, 1967 and in accordance with Article 6 Item 3 of the Development Bank's Charter a non-negotiable, non-interest-bearing note, equivalent to 800 000 marks and payable on demand, was to be deposited with the Bank of Finland to be held on the account of the Asian Development Bank. The part of the share capital payable on demand, 2.5 million dollars or one half of the Finnish subscription, forms a guarantee obligation, the payment of which the ADB may require only in order to meet its own obligations.

The change in the par value of the mark on October 12, 1967 led Finland to make an additional contribution in connection with Article XXV Item 1 of the ADB's Charter for maintaining the gold value of the mark holdings of the Bank; this amounted to 499 985 marks for those notes totalling

1 600 000 marks, held in the Bank of Finland and was paid by the Treasury on January 23, 1968.

\* \* \*

The following table shows the amounts and method of payment of Finland's subscriptions to the five international financial institutions discussed above as well as the financial aid received from these institutions.

	IMF	IBRD	IFC million marks <sup>1</sup>	IDA million marks <sup>1</sup>	ADB	Total
<b>Subscription</b> .....	<b>525.0</b>	<b>559.9</b>	<b>1.8</b>	<b>25.7</b>	<b>21.0</b>	<b>1 133.4</b>
a) paid						
— in gold or convertible currencies .....	131.2	5.6	1.8	1.6	2.1	142.3
— in marks to account at the Bank of Finland .....	5.4	38.4	—	23.1	—	66.9
— in Government notes	388.4	—	—	—	1.6	390.0
b) unmatured .....	—	12.0 <sup>2</sup>	—	1.0 <sup>2</sup>	6.8 <sup>2</sup>	19.8
c) guarantee amount ..	—	503.9	—	—	10.5	514.4
			IMF	IBRD million marks <sup>1</sup>	IFC million marks <sup>1</sup>	Total
<b>Obtained as loans, credits and investments</b> .			<b>433.6</b>	<b>931.5</b>	<b>12.3</b>	<b>1 377.4</b>
— Drawn out .....			433.6	870.6	11.5	1 315.7
— Repaid .....			39.9	291.1	9.3	340.3
— In use .....			393.7	579.5	2.2	975.4
— Undrawn .....			—	60.9	—	60.9
— Invested .....			—	—	0.8	0.8

<sup>1</sup> The mark equivalents of foreign exchange have been calculated at the par rates of exchange valid at the end of 1967.

<sup>2</sup> These figures include also the additional contributions due to the devaluation still unpaid on December 31, 1967 as follows: IBRD 11 996 640.12 marks, IDA 1 048 641 marks and ADB 499 985 marks.

## Appendix

### Decision of the Cabinet regarding the international par value of the Finnish markka

Issued in Helsinki on October 11, 1967.

At the initial instigation of the Bank of Finland and on the proposal of the Ministry of Finance, the Cabinet has decided in accordance with Paragraph 2 of the Currency Act (276/62) issued on 30th March, 1962 as follows:

#### § 1

The international par value of the markka shall be 0.211590 grams of fine gold per markka.

#### § 2

This decision shall come into force on 12th October, 1967.

### Export Levy Act

Issued in Helsinki on October 20, 1967.

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In accordance with the decision of the Diet it is hereby enacted:

#### § 1

Following the decision (436/67) of the Cabinet, made on October 11th, 1967, to change the international par value of the mark, the exporter has to pay an export levy on the goods exported as provided in this law.

#### § 2

The export levy shall be paid on all goods exported out of the country with the exception of those goods which, according to the provisions in § 90, § 91 and § 92 of the Customs Law (271/39) issued on September 8, 1939, and amended in the Act (403/65) on July 23, 1965, are imported free of duty into the country.

## § 3

The export levy shall be 14 per cent of the export price of the goods.

The percentage mentioned in Clause 1 shall be reduced while the law is in force, after the Bank of Finland will have made known its opinion on the matter, according to the stipulation given thereupon by decree. The percentage shall be reduced gradually with a view to the maintenance of the monetary equilibrium of the economy, the course of development of export prices and the profit position of export industries in general.

It may also be stipulated by decree that the percentages given in Clauses 1 and 2 be reduced at the most by one half for the goods that have been manufactured in the province of Lapland or in the municipalities of Yli-Ii, Pudasjärvi, Taivalkoski, Kuusamo, Puolanka, Suomussalmi, Hyrynsalmi or Kuhmo.

The unreduced percentage given in Clause 1 has, however, to be applied for at least three months after this law has come into force.

## § 4

As the export price is regarded as being the price of the commodity at the time when it is sold from the country or, if the commodity is not sold, its market price when being exported; in both cases there shall be added to these prices the value of packing, transport and insurance costs and other expenses imputed to the commodity up to the moment when the goods have started to be loaded in the case where transport shall take place by sea or by air, or when they have reached the frontier post where transport shall take place over land or ice.

## § 5

The provisions on export duties and other taxes and charges collected by the customs service shall, where applicable, be valid for the export levy.

The export levy may, upon the delivery of a guarantee for its settlement, be paid to the customs office within two months after notice has been given that the goods will be exported out of the country.

## § 6

The export levy shall not be collected in cases where it would be under 15 marks.

## § 7

The funds accruing on account of the export levy shall be deposited on a special State account at the Bank of Finland until they are used for the purposes stipulated in Clause 2.

The funds shall be used as follows:

1) one third for investments in State-owned companies other than those engaged mainly in power production and for the investment expenditure of the State Railways and the Postal and Telegraph Services;

2) one third for the development of power production by State-owned companies and for the construction of storage facilities for stand-by stocks of fuel;

3) one third to increase the opportunities available to the special credit institutions for providing export credit, or investment credit for small or medium-sized industry, to grant loans to small-scale industry or for the promotion of other manufacturing, and to carry out an intensified forest improvement programme.

Appropriations for the above purposes shall be included in the budgets for 1968 and 1969.

#### § 8

The Cabinet shall have the right, where there are special reasons, to stipulate that the export levy be cancelled for certain commodity groups or that it be paid in a reduced amount from that provided in § 3.

The Ministry of Finance shall have the right to grant on application a deferment of payment or a relaxation of the conditions of the guarantee mentioned in Clause 2 of § 5.

#### § 9

The Ministry of Finance shall grant on application an exemption from the payment of an export levy on the export price or a part of it

1) which the exporter can prove to have received before October 12, 1967 with an amount denominated in Finnish currency;

2) upon which the exporter can prove to have agreed definitely before October 12, 1967 with an amount denominated in Finnish currency, if he can also prove that the price thus agreed upon has not changed and will not change because of the alteration of the international par value of the mark referred to in § 1; and

3) the equivalent of which the exporter can show to have granted as a supplier's credit connected with the delivery of the commodity to the buyer of the export commodity, if, in addition, he can prove to have acquired a credit denominated in foreign currency or tied to the value of foreign currency from a domestic or foreign credit institution with a maturity of more than six months and to have drawn this credit in Finnish currency before October 12, 1967.

In the event of an export levy having been paid in cases covered by Clause 1 the amount paid in excess shall be reimbursed to the payer.

## § 10

The part of the export price of a commodity paid as an export levy shall not be included in the taxable income of the payer of the export levy neither for income and property taxation nor for communal taxation purposes.

## § 11

Anyone who shall withhold or try to withhold an export levy which is due to the State in accordance with this law or who otherwise violates the provisions of this law or the regulations concerning their application, shall be sentenced, if there is not a more severe penalty laid down elsewhere for such an offence, to pay a fine or to undergo at the most one year's imprisonment, and the commodity for which the export levy was to be paid or its value shall be wholly or partially confiscated by the State depending upon the deliberation of the court.

## § 12

More detailed regulations concerning the enforcement of this law and its application will be given by decree.

## § 13

This Act will come into force on October 21, 1967, and it shall apply to goods that have been exported out of the country on or after the date mentioned, but before January 1, 1970. The goods are considered to be exported when the means of transport upon which the goods have been loaded has definitely left for abroad after full clearance at the customs; in the case of transportation being made by mail, however, it is when the goods have been accepted by a post office for transmission. Goods deposited in a free port or a free warehouse are regarded as exported, when the means of transport upon which the goods have been loaded has left for abroad in the above manner.

**Decision of the Cabinet regarding the publication of the rules of the 1967 Jubilee Fund for the Fiftieth Anniversary of Finland's Independence in the Statute Book**

Issued in Helsinki on December 21, 1967.

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Upon the instigation of the Diet the Cabinet, on the proposal of the Ministry of Finance, has decided that the following rules of the 1967 Jubilee Fund for the Fiftieth Anniversary of Finland's Independence shall be published in the Statute Book:

Rules of the Jubilee Fund for the Fiftieth Anniversary of Finland's Independence.

Upon the decision of the Diet the following rules are confirmed for the 1967 Jubilee Fund for the Fiftieth Anniversary of Finland's Independence:

§ 1

Ownership and management of the 1967 Jubilee Fund for the Fiftieth Anniversary of Finland's Independence belongs to the Bank of Finland.

The proceeds of the Fund shall be used for financing those undertakings which support the stability of the mark, speed up Finland's economic growth and improve its competitive position. The capital of the Fund has to be kept intact.

§ 2

The Fund shall endeavour to implement its aims by:

- 1) commissioning studies and reports;
- 2) financing through contributions or loans research carried out privately or by bodies and supporting the development of production;
- 3) providing finance to introduce such innovations which can be considered eligible for a large-scale industrial application.

The Fund may require either partial or entire repayment of the funds invested in research, in the support of production and in promising investments.

## § 3

The proceeds accruing to the Fund are to be used for the aforesaid purposes after the deduction of expenses arising from the administration and management of the Fund and from the supervision of the use of the funds referred to in Paragraph 2 (2) (3), and of the costs incurred in publishing the results of research studies and in promoting their adoption.

## § 4

The Bank Supervisors of the Diet, on the proposal of the Board of Management of the Bank of Finland, shall decide as to the use of the Fund's proceeds for the purposes stipulated by these rules as well as to the defrayment of expenses out of the Fund. It is also their concern to issue instructions for the requisite reports on the use of the funds granted, and to decide on the recovery of these funds.

After the Bank Supervisors have come to a decision, the allotted funds are to be paid out as stipulated in the decision.

Utilization of the proceeds of the Fund may be commenced immediately after the rules of the Fund have been confirmed.

## § 5

The Fund is under the care of the Board of Management of the Bank of Finland.

The services of a chief administrator and other necessary personnel may be enlisted for the Fund and committees may be appointed to carry out permanent or temporary tasks involved in the implementation of the aims of the Fund.

## § 6

The financial year of the Fund is the same as the calendar year. The auditors of the Bank of Finland elected by the Diet shall supervise the management of the Fund.

The Bank Supervisors of the Diet shall make annual reports on the business of the Fund to the Bank Committee of the Diet, which shall then submit its own report on the matter to the Diet.

## § 7

Questions arising from the application and interpretation of these rules shall be resolved by the Bank Supervisors of the Diet.



# **Tables:**

## **Activity of the Bank of Finland**

In the statistical section, all figures stated in marks are given in the new monetary unit, one new mark being equivalent to one hundred old marks. This also applies to the rates of exchange quoted in Table 12. In Tables 7—9, which relate to bank notes and coins, denominations in old marks or old pennies are indicated by omk and op respectively.

## 1. Balance sheet, 1960—1967

	31/12 1960	30/12 1961	31/12 1962	31/12 1963	31/12 1964	31/12 1965
<b>ASSETS</b>						
1 <i>Ordinary note cover</i> .....	753,1	779,0	705,4	817,8	1 049,7	944,7
2 Gold <sup>1</sup> .....	91,2	104,2	135,2	134,5	189,6	267,5
3 IMF gold tranche .....	—	—	—	—	—	45,6
4 Foreign exchange .....	594,8	587,3	502,5	617,7	783,8	547,8
5 Foreign bills .....	8,7	10,0	17,7	26,2	29,7	54,7
6 Foreign bonds .....	58,4	77,5	50,0	39,4	46,6	29,1
7 <i>Supplementary note cover</i> .....	419,9	472,2	516,5	451,2	570,7	712,1
Inland bills discounted						
8 In foreign currency .....	105,0	94,3	81,8	68,7	55,2	45,5
9 In Finnish currency .....	72,3	70,8	33,5	57,2	67,1	26,0
10 Rediscounted bills .....	205,1	294,6	401,2	325,3	448,4	640,6
11 Treasury Bond Loan .....	37,5	12,5	—	—	—	—
12 <i>Other assets</i> .....	78,2	62,3	88,0	138,8	97,4	119,5
13 Finnish bonds .....	30,7	19,7	34,7	89,5	35,8	36,9
14 Cheque accounts .....	4,2	6,1	3,6	1,7	2,5	1,9
15 Finnish coin .....	7,2	7,5	5,5	3,6	3,8	6,2
16 Other claims .....	36,1	29,0	44,2	44,0	55,3	74,5
17 <b>Total</b>	<b>1 251,2</b>	<b>1 313,5</b>	<b>1 309,9</b>	<b>1 407,8</b>	<b>1 717,8</b>	<b>1 776,3</b>
<b>LIABILITIES</b>						
18 <i>Notes in circulation</i> .....	727,4	837,1	774,4	943,7	1 002,7	1 028,5
19 <i>Liabilities payable on demand</i> ....	166,8	73,2	112,6	59,2	186,8	98,3
20 Foreign exchange accounts ....	40,6	13,4	17,1	18,2	84,7	44,8
21 Mark accounts of holders abroad	42,4	37,7	35,8	33,6	28,5	10,9
Cheque accounts						
22 Treasury .....	61,9	1,1	5,5	0,2	5,4	1,1
23 Post Office Savings Bank ...	—	—	53,3	3,0	49,6	8,3
24 Private banks .....	16,8	5,7	—4,0	1,3	16,4	11,9
25 Other .....	1,7	1,8	0,8	0,4	0,7	1,2
26 Other sight liabilities .....	3,4	13,5	4,1	2,5	1,5	20,1
27 <i>Term liabilities</i> .....	106,3	135,8	80,2	68,0	55,4	57,2
28 Foreign .....	100,3	90,7	79,1	66,9	54,3	45,6
29 Finnish .....	6,0	45,1	1,1	1,1	1,1	11,6
30 <i>Equalization accounts</i> .....	90,8	95,2	157,5	141,0	261,8	165,1
31 <i>Bank's own funds</i> .....	159,9	172,2	185,2	195,9	211,1	427,2
32 Capital .....	100,0	100,0	100,0	100,0	100,0	300,0
33 Reserve fund .....	43,6	51,8	62,0	73,6	84,8	97,9
34 Profits undisposed .....	—	—	—	—	—	—
35 Earnings less expenses .....	16,3	20,4	23,2	22,3	26,3	29,3
36 <b>Total</b>	<b>1 251,2</b>	<b>1 313,5</b>	<b>1 309,9</b>	<b>1 407,8</b>	<b>1 717,8</b>	<b>1 776,3</b>

<sup>1</sup> Increased book value from December 31, 1965.

Million marks

<sup>31</sup> / <sub>12</sub> 1966	<sup>31</sup> / <sub>12</sub> 1967	1967						
		<sup>7</sup> / <sub>1</sub>	<sup>14</sup> / <sub>1</sub>	<sup>23</sup> / <sub>1</sub>	<sup>31</sup> / <sub>1</sub>	<sup>8</sup> / <sub>2</sub>	<sup>15</sup> / <sub>2</sub>	
637,2	798,8	629,8	599,1	605,4	685,2	686,5	674,9	1
143,9	188,8	143,9	143,9	143,9	143,9	143,9	143,9	2
100,0	—	100,0	100,0	100,0	100,0	100,0	100,0	3
312,0	512,3	304,1	272,0	278,7	358,8	363,5	351,8	4
56,4	72,5	56,9	58,3	57,9	57,6	54,2	54,3	5
24,9	25,2	24,9	24,9	24,9	24,9	24,9	24,9	6
1 063,7	1 130,7	956,3	877,0	910,8	757,4	762,6	770,3	7
36,3	122,5	36,3	39,5	39,5	39,5	39,5	39,5	8
112,2	140,7	111,2	111,8	112,7	106,8	105,5	104,6	9
915,2	867,5	808,8	725,7	758,6	611,1	617,6	626,2	10
—	—	—	—	—	—	—	—	11
424,6	707,7	430,4	506,1	467,0	509,4	437,7	502,2	12
284,8	370,5	286,0	361,0	326,9	368,2	296,3	363,3	13
2,1	4,0	1,3	1,1	1,1	1,3	2,2	2,4	14
11,7	12,3	12,3	13,6	14,5	15,4	15,4	15,9	15
126,0	320,9	130,8	130,4	124,5	124,5	123,8	120,6	16
2 125,5	2 637,2	2 016,5	1 982,2	1 983,2	1 952,0	1 886,8	1 947,4	17
1 106,2	1 052,1	1 052,7	1 007,9	970,1	968,7	944,3	948,1	18
179,6	139,6	119,4	144,2	199,8	161,8	106,1	99,9	19
61,2	74,7	46,2	47,2	48,6	46,1	47,1	47,2	20
16,2	14,1	16,6	16,1	13,2	13,2	13,6	13,5	21
39,8	4,4	0,8	0,7	15,4	1,1	0,8	1,0	22
17,3	17,2	0,3	2,8	61,0	5,3	1,1	0,1	23
13,8	9,8	23,8	56,5	40,3	73,4	21,2	16,3	24
2,8	1,8	1,6	1,5	1,6	1,9	3,1	1,7	25
28,5	17,6	30,1	19,4	19,7	20,8	19,2	20,1	26
126,3	553,1	126,3	113,4	113,5	119,5	133,5	194,8	27
84,6	339,5	84,6	84,6	84,6	84,6	84,6	84,6	28
41,7	213,6	41,7	28,8	28,9	34,9	48,9	110,2	29
266,9	422,0	270,9	268,6	251,1	252,5	252,6	253,9	30
446,5	470,4	447,2	448,1	448,7	449,5	450,3	450,7	31
300,0	300,0	300,0	300,0	300,0	300,0	300,0	300,0	32
112,6	129,5	129,5	129,5	129,5	129,5	129,5	129,5	33
—	—	16,9	16,9	16,9	16,9	16,9	16,9	34
33,9	40,9	0,8	1,7	2,3	3,1	3,9	4,3	35
2 125,5	2 637,2	2 016,5	1 982,2	1 983,2	1 952,0	1 886,8	1 947,4	36

## 1. (Cont.) Balance sheet, 1960—1967

		1967					
		23/2	28/2	8/3	15/3	23/3	31/3
<b>ASSETS</b>							
1	<i>Ordinary note cover</i> .....	702,3	698,1	700,0	679,0	678,8	672,7
2	Gold .....	144,0	144,0	144,0	144,0	143,5	152,6
3	IMF gold tranche .....	100,0	100,0	100,0	100,0	—	—
4	Foreign exchange .....	379,1	375,5	375,9	356,0	456,1	442,7
5	Foreign bills .....	54,3	53,7	55,2	54,1	55,0	54,8
6	Foreign bonds .....	24,9	24,9	24,9	24,9	24,2	22,6
7	<i>Supplementary note cover</i> .....	825,2	765,4	823,4	807,0	905,6	866,2
Inland bills discounted							
8	In foreign currency .....	39,5	39,5	39,5	39,5	39,5	39,5
9	In Finnish currency .....	101,0	88,0	95,5	96,0	95,7	98,2
10	Rediscounted bills .....	684,7	637,9	688,4	671,5	770,4	728,5
11	Treasury Bond Loan .....	—	—	—	—	—	—
12	<i>Other assets</i> .....	451,0	490,6	427,4	473,5	435,3	454,6
13	Finnish bonds .....	312,5	354,0	286,4	331,6	294,5	312,0
14	Cheque accounts .....	3,8	3,2	4,5	7,9	7,9	5,0
15	Finnish coin .....	15,7	15,3	15,2	15,5	14,7	14,7
16	Other claims .....	119,0	118,1	121,3	118,5	118,2	122,9
17	<b>Total</b>	<b>1 978,5</b>	<b>1 954,1</b>	<b>1 950,8</b>	<b>1 959,5</b>	<b>2 019,7</b>	<b>1 993,5</b>
<b>LIABILITIES</b>							
18	<i>Notes in circulation</i> .....	964,5	991,7	945,8	950,1	988,5	964,9
19	<i>Liabilities payable on demand</i> ....	137,8	85,7	96,0	84,7	109,7	95,7
20	Foreign exchange accounts ....	47,7	47,2	49,6	49,0	50,6	49,9
21	Mark accounts of holders abroad	13,5	13,4	13,2	13,2	13,2	13,2
Cheque accounts							
22	Treasury .....	8,9	0,3	2,0	0,5	17,1	2,4
23	Post Office Savings Bank ...	7,3	1,7	3,4	1,5	7,6	8,1
24	Private banks .....	39,5	2,2	6,6	—	—	—
25	Other .....	1,6	1,5	1,7	1,5	2,1	1,9
26	Other sight liabilities .....	19,3	19,4	19,5	19,0	19,1	20,2
27	<i>Term liabilities</i> .....	194,8	194,8	225,3	243,2	238,9	246,5
28	Foreign .....	84,6	84,6	84,6	84,6	84,6	84,6
29	Finnish .....	110,2	110,2	140,7	158,6	154,3	161,9
30	<i>Equalization accounts</i> .....	230,0	230,3	231,5	228,9	229,5	232,6
31	<i>Bank's own funds</i> .....	451,4	451,6	452,2	452,6	453,1	453,8
32	Capital .....	300,0	300,0	300,0	300,0	300,0	300,0
33	Reserve fund .....	129,5	129,5	129,5	129,5	129,5	129,5
34	Profits undisposed .....	16,9	16,9	16,9	16,9	16,9	16,9
35	Earnings less expenses .....	5,0	5,2	5,8	6,2	6,7	7,4
36	<b>Total</b>	<b>1 978,5</b>	<b>1 954,1</b>	<b>1 950,8</b>	<b>1 959,5</b>	<b>2 019,7</b>	<b>1 993,5</b>

Million marks

1967								
$\frac{8}{4}$	$\frac{15}{4}$	$\frac{22}{4}$	$\frac{29}{4}$	$\frac{8}{5}$	$\frac{12}{5}$	$\frac{23}{5}$	$\frac{31}{5}$	
656,1	672,2	757,6	794,1	782,5	810,7	815,8	774,6	1
152,5	152,5	152,1	152,1	152,1	152,1	152,1	152,1	2
—	—	—	—	—	—	—	—	3
426,6	441,5	527,6	562,5	551,6	580,3	586,1	547,2	4
54,4	55,6	55,3	56,9	56,5	56,0	55,3	55,0	5
22,6	22,6	22,6	22,6	22,3	22,3	22,3	20,3	6
886,5	862,2	922,1	898,8	938,3	936,5	917,7	907,7	7
39,5	38,2	37,7	37,7	37,7	37,7	37,7	37,7	8
101,9	104,0	104,8	107,9	105,0	96,5	94,9	95,8	9
745,1	720,0	779,6	753,2	795,6	802,3	785,1	774,2	10
—	—	—	—	—	—	—	—	11
470,3	497,2	462,6	466,0	448,8	444,0	444,4	520,0	12
328,0	356,5	319,6	323,2	307,9	292,9	290,0	362,3	13
4,0	3,2	3,0	4,1	3,9	4,0	4,9	4,6	14
14,9	15,5	15,8	15,2	14,7	14,8	14,9	15,3	15
123,4	122,0	124,2	123,5	122,3	132,3	134,6	137,8	16
<b>2 012,9</b>	<b>2 031,6</b>	<b>2 142,3</b>	<b>2 158,9</b>	<b>2 169,6</b>	<b>2 191,2</b>	<b>2 177,9</b>	<b>2 202,3</b>	17
959,5	974,0	987,5	1 033,5	1 009,0	1 044,3	995,4	1 010,6	18
110,4	110,4	133,2	101,3	127,7	114,4	159,1	166,9	19
51,2	56,0	57,8	60,8	59,1	59,6	60,9	60,7	20
13,1	13,1	13,1	13,0	12,9	13,1	13,0	13,0	21
0,9	1,5	17,2	1,3	1,1	1,0	14,0	4,9	22
3,2	0,1	5,2	2,9	0,5	17,6	50,0	49,7	23
21,3	18,9	19,6	2,8	33,5	2,7	—	16,3	24
1,4	1,3	1,3	1,4	1,3	1,3	1,3	1,3	25
19,3	19,5	19,0	19,1	19,3	19,1	19,9	21,0	26
251,9	260,4	336,4	338,2	338,2	338,2	328,8	328,8	27
84,6	82,9	158,9	158,9	158,9	158,9	158,9	158,9	28
167,3	177,5	177,5	179,3	179,3	179,3	169,9	169,9	29
236,6	231,6	229,1	229,1	237,0	236,3	236,0	237,3	30
454,5	455,2	456,1	456,8	457,7	458,0	458,6	458,7	31
300,0	300,0	300,0	300,0	300,0	300,0	300,0	300,0	32
129,5	129,5	129,5	129,5	129,5	129,5	129,5	129,5	33
16,9	16,9	16,9	16,9	16,9	16,9	16,9	16,9	34
8,1	8,8	9,7	10,4	11,3	11,6	12,2	12,3	35
<b>2 012,9</b>	<b>2 031,6</b>	<b>2 142,3</b>	<b>2 158,9</b>	<b>2 169,6</b>	<b>2 191,2</b>	<b>2 177,9</b>	<b>2 202,3</b>	36

## 1. (Cont.) Balance sheet, 1960—1967

		1967					
		8/6	15/6	22/6	30/6	7/7	14/7
<b>ASSETS</b>							
1	<i>Ordinary note cover</i> .....	753,5	731,5	717,5	775,8	774,6	796,1
2	Gold .....	152,1	152,1	152,1	149,8	149,8	149,8
3	IMF gold tranche .....	—	—	—	—	—	—
4	Foreign exchange .....	527,8	505,8	490,5	550,8	549,6	570,4
5	Foreign bills .....	53,3	53,3	54,6	54,9	54,9	55,6
6	Foreign bonds .....	20,3	20,3	20,3	20,3	20,3	20,3
7	<i>Supplementary note cover</i> .....	858,8	878,0	923,6	892,1	895,3	832,2
	Inland bills discounted						
8	In foreign currency .....	34,7	34,7	34,7	34,7	34,7	34,7
9	In Finnish currency .....	91,5	84,7	88,2	82,3	79,6	81,4
10	Rediscounted bills .....	732,6	758,6	800,7	775,1	781,0	716,1
11	Treasury Bond Loan .....	—	—	—	—	—	—
12	<i>Other assets</i> .....	530,5	542,7	574,3	556,6	564,2	572,8
13	Finnish bonds .....	334,0	344,6	380,6	362,8	371,9	380,0
14	Cheque accounts .....	4,7	6,0	2,1	4,4	4,1	3,9
15	Finnish coin .....	15,2	15,8	14,7	15,1	14,8	14,9
16	Other claims .....	176,6	176,3	176,9	174,3	173,4	174,0
17	<b>Total</b>	<b>2 142,8</b>	<b>2 152,2</b>	<b>2 215,4</b>	<b>2 224,5</b>	<b>2 234,1</b>	<b>2 201,1</b>
<b>LIABILITIES</b>							
18	<i>Notes in circulation</i> .....	1 000,4	1 007,7	1 082,3	1 062,1	1 066,0	1 043,9
19	<i>Liabilities payable on demand</i> ....	122,2	123,2	126,1	99,0	100,5	92,5
20	Foreign exchange accounts ....	57,7	57,2	55,5	50,8	54,0	51,1
21	Mark accounts of holders abroad	13,1	13,2	13,1	13,5	13,5	13,6
	Cheque accounts						
22	Treasury .....	1,6	4,6	29,7	2,3	0,9	0,3
23	Post Office Savings Bank ...	4,1	26,7	0,9	5,4	3,2	1,9
24	Private banks .....	24,1	—	6,4	6,1	8,9	5,3
25	Other .....	1,4	1,1	1,1	1,3	1,3	1,6
26	Other sight liabilities .....	20,2	20,4	19,4	19,6	18,7	18,7
27	<i>Term liabilities</i> .....	325,9	332,2	331,3	379,3	379,3	379,3
28	Foreign .....	156,0	156,0	156,0	204,0	204,0	204,0
29	Finnish .....	169,9	176,2	175,3	175,3	175,3	175,3
30	<i>Equalization accounts</i> .....	234,9	229,2	231,9	239,8	242,9	239,3
31	<i>Bank's own funds</i> .....	459,4	459,9	443,8	444,3	445,4	446,1
32	Capital .....	300,0	300,0	300,0	300,0	300,0	300,0
33	Reserve fund .....	129,5	129,5	129,5	129,5	129,5	129,5
34	Profits undisposed .....	16,9	16,9	—	—	—	—
35	Earnings less expenses .....	13,0	13,5	14,3	14,8	15,9	16,6
36	<b>Total</b>	<b>2 142,8</b>	<b>2 152,2</b>	<b>2 215,4</b>	<b>2 224,5</b>	<b>2 234,1</b>	<b>2 201,1</b>

Million marks

1967								
$\frac{21}{7}$	$\frac{31}{7}$	$\frac{8}{8}$	$\frac{15}{8}$	$\frac{23}{8}$	$\frac{31}{8}$	$\frac{8}{9}$	$\frac{15}{9}$	
800,5	849,8	844,2	839,3	835,9	813,6	780,2	762,9	1
149,8	149,8	149,8	149,8	149,8	149,8	149,8	149,8	2
—	—	—	—	—	—	—	—	3
574,5	622,2	617,7	614,0	610,0	587,1	553,1	536,0	4
55,9	57,5	56,4	55,2	55,8	56,4	57,0	56,5	5
20,3	20,3	20,3	20,3	20,3	20,3	20,3	20,6	6
864,1	892,3	854,0	846,4	909,2	903,1	839,4	882,4	7
34,7	45,4	45,4	45,4	45,4	45,4	45,4	45,4	8
82,1	85,3	87,7	85,8	87,8	85,1	86,1	87,1	9
747,3	761,6	720,9	715,2	776,0	772,6	707,9	749,9	10
—	—	—	—	—	—	—	—	11
587,3	526,1	547,7	495,9	501,3	454,3	502,2	490,5	12
394,3	323,2	344,4	298,3	302,8	259,3	308,0	296,3	13
4,0	13,4	8,7	5,6	7,4	3,6	3,2	3,2	14
14,7	14,9	14,5	14,8	14,9	15,3	15,6	16,0	15
174,3	174,6	180,1	177,2	176,2	176,1	175,4	175,0	16
<b>2 251,9</b>	<b>2 268,2</b>	<b>2 245,9</b>	<b>2 181,6</b>	<b>2 246,4</b>	<b>2 171,0</b>	<b>2 121,8</b>	<b>2 135,8</b>	17
1 031,9	1 019,8	985,9	989,8	991,8	1 000,9	992,1	995,5	18
187,1	215,3	245,2	181,5	233,3	145,1	99,6	89,2	19
52,0	51,0	52,5	54,3	50,0	49,1	51,7	52,0	20
13,4	13,4	14,1	14,0	14,0	13,8	13,6	13,6	21
52,9	4,9	109,2	55,0	99,8	23,6	4,7	0,5	22
48,1	126,5	47,8	39,1	50,6	36,9	9,1	2,2	23
0,9	—	—	—	—	1,6	0,2	1,2	24
1,3	1,0	1,0	0,8	0,7	1,6	1,6	1,4	25
18,5	18,5	20,6	18,3	18,2	18,5	18,7	18,3	26
349,3	347,4	347,4	350,0	350,0	350,0	350,0	373,2	27
204,0	204,0	204,0	204,0	204,0	204,0	204,0	204,0	28
145,3	143,4	143,4	146,0	146,0	146,0	146,0	169,2	29
236,5	237,8	218,4	210,9	220,9	223,4	227,7	224,5	30
447,1	447,9	449,0	449,4	450,4	451,6	452,4	453,4	31
300,0	300,0	300,0	300,0	300,0	300,0	300,0	300,0	32
129,5	129,5	129,5	129,5	129,5	129,5	129,5	129,5	33
—	—	—	—	—	—	—	—	34
17,6	18,4	19,5	19,9	20,9	22,1	22,9	23,9	35
<b>2 251,9</b>	<b>2 268,2</b>	<b>2 245,9</b>	<b>2 181,6</b>	<b>2 246,4</b>	<b>2 171,0</b>	<b>2 121,8</b>	<b>2 135,8</b>	36

## 1. (Cont.) Balance sheet, 1960—1967

		1967					
		22/9	29/9	7/10	14/10	23/10	31/10
<b>ASSETS</b>							
1	<i>Ordinary note cover</i> .....	808,4	858,5	816,3	1 057,7	1 048,1	1 090,3
2	Gold .....	149,8	149,4	149,4	196,1	196,1	196,3
3	IMF gold tranche .....	—	—	—	—	—	—
4	Foreign exchange .....	581,7	631,2	589,6	760,6	748,2	787,7
5	Foreign bills .....	56,3	57,3	56,7	74,3	77,1	79,7
6	Foreign bonds .....	20,6	20,6	20,6	26,7	26,7	26,6
7	<i>Supplementary note cover</i> .....	927,5	892,4	915,8	913,6	991,7	915,7
	Inland bills discounted						
8	In foreign currency .....	45,4	45,4	45,4	58,9	56,5	56,5
9	In Finnish currency .....	90,0	97,6	103,0	104,1	107,7	109,2
10	Rediscounted bills .....	792,1	749,4	767,4	750,6	827,5	750,0
11	Treasury Bond Loan .....	—	—	—	—	—	—
12	<i>Other assets</i> .....	467,1	524,0	503,0	546,6	472,4	438,7
13	Finnish bonds .....	276,4	330,6	309,6	347,7	268,4	227,4
14	Cheque accounts .....	3,6	3,5	4,1	4,2	9,9	15,5
15	Finnish coin .....	16,0	16,2	15,9	16,7	17,4	20,3
16	Other claims .....	171,1	173,7	173,4	178,0	176,7	175,5
17	<b>Total</b>	<b>2 203,0</b>	<b>2 274,9</b>	<b>2 235,1</b>	<b>2 517,9</b>	<b>2 512,2</b>	<b>2 444,7</b>
<b>LIABILITIES</b>							
18	<i>Notes in circulation</i> .....	1 022,6	1 047,9	1 000,7	1 027,5	974,1	938,6
19	<i>Liabilities payable on demand</i> ....	126,4	93,9	95,5	102,7	156,3	125,0
20	Foreign exchange accounts ....	52,5	53,6	51,4	62,3	63,2	64,5
21	Mark accounts of holders abroad	13,5	13,5	13,4	13,4	13,3	13,2
	Cheque accounts						
22	Treasury .....	15,2	1,0	0,3	1,4	9,7	10,6
23	Post Office Savings Bank ...	25,7	1,4	5,3	1,1	50,7	15,7
24	Private banks .....	—	1,1	5,0	5,6	—	—
25	Other .....	1,4	2,0	1,6	0,9	0,9	1,3
26	Other sight liabilities .....	18,1	21,3	18,5	18,0	18,5	19,7
27	<i>Term liabilities</i> .....	373,2	449,2	449,2	536,6	534,4	534,6
28	Foreign .....	204,0	280,0	280,0	366,4	364,0	364,1
29	Finnish .....	169,2	169,2	169,2	170,2	170,4	170,5
30	<i>Equalization accounts</i> .....	226,0	228,1	233,1	391,6	386,3	384,4
31	<i>Bank's own funds</i> .....	454,8	455,8	456,6	459,5	461,1	462,1
32	Capital .....	300,0	300,0	300,0	300,0	300,0	300,0
33	Reserve fund .....	129,5	129,5	129,5	129,5	129,5	129,5
34	Profits undisposed .....	—	—	—	—	—	—
35	Earnings less expenses .....	25,3	26,3	27,1	30,0	31,6	32,6
36	<b>Total</b>	<b>2 203,0</b>	<b>2 274,9</b>	<b>2 235,1</b>	<b>2 517,9</b>	<b>2 512,2</b>	<b>2 444,7</b>



## Million marks

1967								
8/11	15/11	23/11	31/11	8/12	15/12	23/12	30/12	
1 061,6	1 021,9	992,1	985,4	968,2	927,3	863,1	798,8	1
196,3	196,3	195,7	195,7	195,7	172,1	188,8	188,8	2
—	—	—	—	—	—	—	—	3
759,0	716,4	691,6	682,9	671,0	655,1	575,3	512,3	4
80,9	83,8	79,4	81,4	76,1	74,7	73,6	72,5	5
25,4	25,4	25,4	25,4	25,4	25,4	25,4	25,2	6
955,3	964,9	989,1	949,9	941,3	999,8	1 012,2	1 130,7	7
56,5	56,5	55,8	55,8	52,2	52,2	52,2	122,5	8
110,9	110,5	112,4	113,9	119,7	112,7	143,7	140,7	9
787,9	797,9	820,9	780,2	769,4	834,9	816,3	867,5	10
—	—	—	—	—	—	—	—	11
455,6	489,6	517,0	603,8	603,3	652,1	774,1	707,7	12
234,4	274,7	284,8	341,0	338,5	380,3	481,1	370,5	13
3,4	1,5	1,1	2,7	7,6	2,8	3,4	4,0	14
18,6	15,5	14,7	14,8	13,9	13,3	11,5	12,3	15
199,2	197,9	216,4	245,3	243,3	255,7	278,1	320,9	16
<b>2 472,5</b>	<b>2 476,4</b>	<b>2 498,2</b>	<b>2 539,1</b>	<b>2 512,8</b>	<b>2 579,2</b>	<b>2 649,4</b>	<b>2 637,2</b>	17
928,9	927,6	924,9	937,9	989,7	1 036,3	1 111,4	1 052,1	18
145,9	114,8	161,3	190,0	105,6	131,3	114,2	139,6	19
68,6	72,2	71,7	71,9	73,3	73,8	73,8	74,7	20
13,2	14,3	14,3	14,1	14,0	14,0	14,2	14,1	21
8,2	1,4	42,7	18,4	0,5	8,4	0,1	4,4	22
31,5	2,6	0,8	51,8	1,3	10,5	3,7	17,2	23
1,5	1,8	17,1	18,4	—	3,6	—	9,8	24
2,4	2,4	2,1	1,9	3,5	4,6	2,4	1,8	25
20,5	20,1	12,6	13,5	13,0	16,4	20,0	17,6	26
534,8	572,2	551,7	552,0	548,2	541,1	545,4	553,1	27
364,1	364,1	343,3	343,3	339,3	339,3	339,3	339,5	28
170,7	208,1	208,4	208,7	208,9	201,8	206,1	213,6	29
400,1	398,3	395,9	394,1	403,3	403,4	409,5	422,0	30
462,8	463,5	464,4	465,1	466,0	467,1	468,9	470,4	31
300,0	300,0	300,0	300,0	300,0	300,0	300,0	300,0	32
129,5	129,5	129,5	129,5	129,5	129,5	129,5	129,5	33
—	—	—	—	—	—	—	—	34
33,3	34,0	34,9	35,6	36,5	37,6	39,4	40,9	35
<b>2 472,5</b>	<b>2 476,4</b>	<b>2 498,2</b>	<b>2 539,1</b>	<b>2 512,8</b>	<b>2 579,2</b>	<b>2 649,4</b>	<b>2 637,2</b>	36

## 2. Foreign exchange reserves, at end of year or quarter, 1964—1967

Million marks

Currencies	1964	1965	1966				1967			
			I	II	III	IV	I	II	III	IV
Gold <sup>1</sup> .....	190	267	184	177	177	144	152	150	149	189
IMF gold tranche ...	—	46	100	100	100	100	—	—	—	—
Convertible .....	708	483	423	316	272	274	264	355	402	458
Bilateral .....	— 9	20	71	64	63	— 23	129	145	176	— 21
<b>Total</b>	<b>889</b>	<b>816</b>	<b>778</b>	<b>657</b>	<b>612</b>	<b>495</b>	<b>545</b>	<b>650</b>	<b>727</b>	<b>626</b>

<sup>1</sup> Increased book value from December 31, 1965.

## 3. Profit and loss account, 1962—1967

Million marks

	1962	1963	1964	1965	1966	1967
<b>EARNINGS</b>						
Interest on internal loans .....	21,5	18,1	19,7	28,1	38,5	55,5
Interest on foreign exchange holdings ....	7,4	7,3	10,2	7,7	4,2	6,0
Interest on bonds .....	2,9	3,1	5,5	4,9	5,0	7,7
Commission .....	1,2	1,7	1,8	2,0	1,7	1,9
Agio .....	2,5	1,9	2,0	2,1	1,7	2,5
Other earnings .....	1,5	1,6	1,7	1,8	2,1	2,1
<b>Total earnings</b>	<b>37,0</b>	<b>33,7</b>	<b>40,9</b>	<b>46,6</b>	<b>53,2</b>	<b>75,7</b>
<b>EXPENSES</b>						
Interest on deposits .....	2,5	—	—	—	1,8	9,1
Salaries .....	5,2	5,6	6,3	6,8	7,3	8,4
Pensions .....	0,4	0,5	0,6	0,6	0,7	1,0
Family pensions .....	0,2	0,2	0,2	0,2	0,2	0,2
Fees and expenses of Bank Supervisors ..	0,0	0,0	0,0	0,0	0,0	0,0
Fees of Branch controllers .....	0,0	0,0	0,0	0,0	0,0	0,0
Social security contributions.....	0,3	0,3	0,4	0,4	0,4	0,6
Interest on foreign credits .....	—	—	—	—	—	4,4
Printing of bank notes .....	2,8	2,3	2,4	3,2	2,9	2,3
Other expenses .....	1,5	2,0	1,7	1,8	2,0	2,3
Amounts written off and depreciation ...	0,9	0,5	3,0	4,3	4,0	6,5
<b>Total expenses</b>	<b>13,8</b>	<b>11,4</b>	<b>14,6</b>	<b>17,3</b>	<b>19,3</b>	<b>34,8</b>
Net profit	23,2	22,3	26,3	29,3	33,9	40,9
<b>Grand total</b>	<b>37,0</b>	<b>33,7</b>	<b>40,9</b>	<b>46,6</b>	<b>53,2</b>	<b>75,7</b>

#### 4. Interest rates applied by the Bank of Finland, 1948—1967

Per cent

From	Range of discount rate set by Bank Supervisors		Discount rate actually charged		Rediscount rate <sup>1</sup>
	Minimum	Maximum	3-month trade bills	3-month financial bills	
6. II 1948 .....	7 <sup>1</sup> / <sub>4</sub>	8 <sup>1</sup> / <sub>4</sub>	7 <sup>1</sup> / <sub>4</sub>	8 <sup>1</sup> / <sub>4</sub>	7 <sup>1</sup> / <sub>4</sub>
1. II 1949 .....	6 <sup>3</sup> / <sub>4</sub>	7 <sup>3</sup> / <sub>4</sub>	6 <sup>3</sup> / <sub>4</sub>	7 <sup>3</sup> / <sub>4</sub>	6 <sup>3</sup> / <sub>4</sub>
1. VII 1949 .....	5 <sup>3</sup> / <sub>4</sub>	6 <sup>3</sup> / <sub>4</sub>	5 <sup>3</sup> / <sub>4</sub>	6 <sup>3</sup> / <sub>4</sub>	5 <sup>3</sup> / <sub>4</sub>
3. XI 1950 .....	7 <sup>3</sup> / <sub>4</sub>	8 <sup>3</sup> / <sub>4</sub>	7 <sup>3</sup> / <sub>4</sub>	8 <sup>3</sup> / <sub>4</sub>	7 <sup>3</sup> / <sub>4</sub>
16. XII 1951 .....	5 <sup>3</sup> / <sub>4</sub>	6 <sup>3</sup> / <sub>4</sub>	5 <sup>3</sup> / <sub>4</sub>	6 <sup>3</sup> / <sub>4</sub>	5 <sup>3</sup> / <sub>4</sub>
1. XII 1954 .....	5	7 <sup>1</sup> / <sub>2</sub>	5 <sup>3</sup> / <sub>4</sub> —6	6 <sup>1</sup> / <sub>2</sub> —7 <sup>1</sup> / <sub>2</sub>	»
19. IV 1956 .....	6 <sup>1</sup> / <sub>2</sub>	8	6 <sup>1</sup> / <sub>2</sub> —7 <sup>1</sup> / <sub>2</sub>	7 <sup>1</sup> / <sub>4</sub> —8	6 <sup>1</sup> / <sub>2</sub>
8. XI 1956 .....	»	»	7 <sup>1</sup> / <sub>2</sub>	8	7 <sup>1</sup> / <sub>2</sub>
1. X 1958 .....	»	»	»	»	7 <sup>1</sup> / <sub>4</sub>
7. I 1959 .....	»	»	7	7 <sup>1</sup> / <sub>2</sub>	»
1. III 1959 .....	6	7 <sup>1</sup> / <sub>2</sub>	»	»	»
1. IV 1959 .....	»	»	6 <sup>3</sup> / <sub>4</sub>	7	6 <sup>3</sup> / <sub>4</sub>
30. III 1962 .....	7	8 <sup>1</sup> / <sub>2</sub>	»	»	8
2. IV 1962 .....	»	»	7 <sup>3</sup> / <sub>4</sub>	8	»
28. IV 1962 .....	6	7 <sup>1</sup> / <sub>2</sub>	6 <sup>3</sup> / <sub>4</sub>	7	7 <sup>2</sup>

<sup>1</sup> Until September 30, 1958, the rediscount rate was tied to the rate at which the bill was first discounted by the credit institution. For that period, the table gives the minimum rediscount rate applied in practice. Since October 1, 1958, a fixed rediscount rate has been applied, independent of the original discount rate. — In addition to the basic rate the Bank of Finland charges a penalty rate when the debt of a credit institution exceeds certain limits (See text).

<sup>2</sup> In certain cases a lower rate of interest, 6 per cent, has been applied from November 1, 1965 to October 31, 1966.

#### 5. Internal clearing operations: number and value of bank-post-bills, cheques and transfers of account, 1964—1967

Number in thousands

Value in million marks

	Head office		Branch offices		Total	
	Number	Amount	Number	Amount	Number	Amount
1967						
I— III	2 199	6 593,5	840	1 837,2	3 039	8 430,7
IV— VI	2 285	7 351,4	898	2 030,4	3 183	9 381,8
VII— IX	2 142	7 260,4	866	1 948,5	3 008	9 208,9
X—XII	2 724	8 092,4	1 007	2 313,3	3 731	10 405,7
<b>Total</b>	<b>9 350</b>	<b>29 297,7</b>	<b>3 611</b>	<b>8 129,4</b>	<b>12 961</b>	<b>37 427,1</b>
1966	8 192	26 514,1	3 171	7 206,3	11 363	33 720,4
1965	7 260	24 022,9	2 795	6 596,2	10 055	30 619,1
1964	6 304	21 015,9	2 395	5 708,3	8 699	26 724,2

## 6. Note issue, 1958—1967

Date	Right of note issue			Used right of issue				Note reserve
	Ordinary cover	Supplementary cover <sup>1</sup>	Total	Notes in circulation	Liabilities payable on demand	Undrawn on cheque credits	Total	
31. XII								
1958	606,4	470,5	<b>1 076,9</b>	650,8	180,5	8,1	<b>839,4</b>	<b>237,5</b>
1959	766,9	270,2	<b>1 037,1</b>	694,4	178,1	9,3	<b>881,8</b>	<b>155,3</b>
1960	753,1	419,9	<b>1 173,0</b>	727,4	166,8	9,8	<b>904,0</b>	<b>269,0</b>
1961	779,0	472,2	<b>1 251,2</b>	837,1	73,2	8,9	<b>919,2</b>	<b>332,0</b>
1962	705,4	500,0	<b>1 205,4</b>	774,4	112,6	4,3	<b>891,3</b>	<b>314,1</b>
1963	817,8	451,2	<b>1 269,0</b>	943,7	59,2	5,8	<b>1 008,7</b>	<b>260,3</b>
1964	1 049,7	500,0	<b>1 549,7</b>	1 002,7	186,8	5,0	<b>1 194,5</b>	<b>355,2</b>
1965	944,7	500,0	<b>1 444,7</b>	1 028,5	98,3	5,1	<b>1 131,9</b>	<b>312,8</b>
1966	637,2	700,0	<b>1 337,2</b>	1 106,2	179,6	4,9	<b>1 290,7</b>	<b>46,5</b>
1967	798,8	700,0	<b>1 498,8</b>	1 052,1	139,6	3,1	<b>1 194,8</b>	<b>304,0</b>
1967								
7. I	629,8	700,0	<b>1 329,8</b>	1 052,7	119,4	5,8	<b>1 177,9</b>	<b>151,9</b>
14.	599,1	700,0	<b>1 299,1</b>	1 007,9	144,2	6,0	<b>1 158,1</b>	<b>141,0</b>
23.	605,4	700,0	<b>1 305,4</b>	970,1	199,8	5,9	<b>1 175,8</b>	<b>129,6</b>
31.	685,2	700,0	<b>1 385,2</b>	968,7	161,8	5,8	<b>1 136,3</b>	<b>248,9</b>
8. II	686,5	700,0	<b>1 386,5</b>	944,3	106,1	4,9	<b>1 055,3</b>	<b>331,2</b>
15.	674,9	700,0	<b>1 374,9</b>	948,1	99,9	4,6	<b>1 052,6</b>	<b>322,3</b>
23.	702,3	700,0	<b>1 402,3</b>	964,5	137,8	3,2	<b>1 105,5</b>	<b>296,8</b>
28.	698,1	700,0	<b>1 398,1</b>	991,7	85,7	3,9	<b>1 081,3</b>	<b>316,8</b>
8. III	700,0	700,0	<b>1 400,0</b>	945,8	96,0	2,5	<b>1 044,3</b>	<b>355,7</b>
15.	679,0	700,0	<b>1 379,0</b>	950,1	84,7	3,1	<b>1 037,9</b>	<b>341,1</b>
23.	678,8	700,0	<b>1 378,8</b>	988,5	109,7	2,8	<b>1 101,0</b>	<b>277,8</b>
31.	672,7	700,0	<b>1 372,7</b>	964,9	95,7	3,0	<b>1 063,6</b>	<b>309,1</b>
8. IV	656,1	700,0	<b>1 356,1</b>	959,5	110,4	3,0	<b>1 072,9</b>	<b>283,2</b>
15.	672,2	700,0	<b>1 372,2</b>	974,0	110,4	3,8	<b>1 088,2</b>	<b>284,0</b>
22.	757,6	700,0	<b>1 457,6</b>	987,5	133,2	4,0	<b>1 124,7</b>	<b>332,9</b>
29.	794,1	700,0	<b>1 494,1</b>	1 033,5	101,3	2,9	<b>1 137,7</b>	<b>356,4</b>
8. V	782,5	700,0	<b>1 482,5</b>	1 009,0	127,7	3,1	<b>1 139,8</b>	<b>342,7</b>
12.	810,7	700,0	<b>1 510,7</b>	1 044,3	114,4	3,0	<b>1 161,7</b>	<b>349,0</b>
23.	815,8	700,0	<b>1 515,8</b>	995,4	159,1	3,0	<b>1 157,5</b>	<b>358,3</b>
31.	774,6	700,0	<b>1 474,6</b>	1 010,6	166,9	2,4	<b>1 179,9</b>	<b>294,7</b>
8. VI	753,5	700,0	<b>1 453,5</b>	1 000,4	122,2	2,3	<b>1 124,9</b>	<b>328,6</b>
15.	731,5	700,0	<b>1 431,5</b>	1 007,7	123,2	3,5	<b>1 134,4</b>	<b>297,1</b>
22.	717,5	700,0	<b>1 417,5</b>	1 082,3	126,1	4,9	<b>1 213,3</b>	<b>204,2</b>
30.	775,8	700,0	<b>1 475,8</b>	1 062,1	99,0	2,6	<b>1 163,7</b>	<b>312,1</b>

## Million marks

Date	Right of note issue			Used right of issue				Note reserve
	Ordinary cover	Supplementary cover <sup>1</sup>	Total	Notes in circulation	Liabilities payable on demand	Undrawn on cheque credits	Total	
1967								
7. VII	774,6	700,0	<b>1 474,6</b>	1 066,0	100,5	2,9	<b>1 169,4</b>	<b>305,2</b>
14.	796,1	700,0	<b>1 496,1</b>	1 043,9	92,5	3,1	<b>1 139,5</b>	<b>356,6</b>
21.	800,5	700,0	<b>1 500,5</b>	1 031,9	187,1	3,0	<b>1 222,0</b>	<b>278,5</b>
31.	849,8	700,0	<b>1 549,8</b>	1 019,8	215,3	3,8	<b>1 238,9</b>	<b>310,9</b>
8. VIII	844,2	700,0	<b>1 544,2</b>	985,9	245,2	3,8	<b>1 234,9</b>	<b>309,3</b>
15.	839,3	700,0	<b>1 539,3</b>	989,8	181,5	4,7	<b>1 176,0</b>	<b>363,3</b>
23.	835,9	700,0	<b>1 535,9</b>	991,8	233,3	4,9	<b>1 230,0</b>	<b>305,9</b>
31.	813,6	700,0	<b>1 513,6</b>	1 000,9	145,1	3,5	<b>1 149,5</b>	<b>364,1</b>
8. IX	780,2	700,0	<b>1 480,2</b>	992,1	99,6	3,8	<b>1 095,5</b>	<b>384,7</b>
15.	762,9	700,0	<b>1 462,9</b>	995,5	89,2	3,8	<b>1 088,5</b>	<b>374,4</b>
22.	808,4	700,0	<b>1 508,4</b>	1 022,6	126,4	3,9	<b>1 152,9</b>	<b>355,5</b>
29.	858,5	700,0	<b>1 558,5</b>	1 047,9	93,9	3,5	<b>1 145,3</b>	<b>413,2</b>
7. X	816,3	700,0	<b>1 516,3</b>	1 000,7	95,5	2,9	<b>1 099,1</b>	<b>417,2</b>
14.	1 057,7	700,0	<b>1 757,7</b>	1 027,5	102,7	2,9	<b>1 133,1</b>	<b>624,6</b>
23.	1 048,1	700,0	<b>1 748,1</b>	974,1	156,3	4,0	<b>1 134,4</b>	<b>613,7</b>
31.	1 090,3	700,0	<b>1 790,3</b>	938,6	125,0	4,0	<b>1 067,6</b>	<b>722,7</b>
8. XI	1 061,6	700,0	<b>1 761,6</b>	928,9	145,9	3,7	<b>1 078,5</b>	<b>683,1</b>
15.	1 021,9	700,0	<b>1 721,9</b>	927,6	114,8	5,5	<b>1 047,9</b>	<b>674,0</b>
23.	992,1	700,0	<b>1 692,1</b>	924,9	161,3	5,9	<b>1 092,1</b>	<b>600,0</b>
30.	985,4	700,0	<b>1 685,4</b>	937,9	190,0	4,3	<b>1 132,2</b>	<b>553,2</b>
8. XII	968,2	700,0	<b>1 668,2</b>	989,7	105,6	3,7	<b>1 099,0</b>	<b>569,2</b>
15.	927,3	700,0	<b>1 627,3</b>	1 036,3	131,3	4,3	<b>1 171,9</b>	<b>455,4</b>
23.	863,1	700,0	<b>1 563,1</b>	1 111,4	114,2	4,6	<b>1 230,2</b>	<b>332,9</b>
30.	798,8	700,0	<b>1 498,8</b>	1 052,1	139,6	3,1	<b>1 194,8</b>	<b>304,0</b>
Average	801,0	700,0	<b>1 501,0</b>	998,0	131,8	3,8	<b>1 133,6</b>	<b>367,4</b>
Fluctuation	491,2	0,0	<b>491,2</b>	186,5	160,5	3,7	<b>201,0</b>	<b>593,1</b>

<sup>1</sup> The upper limit of the supplementary note cover was 580 million marks in 1957-1959, 500 million marks from the beginning of 1960 to November 23, 1966, and has been 700 million marks since then.

## 7. Notes and coins in circulation, end-of-year figures, 1962—1967

Million marks

Denomination	1962	1963	1964	1965	1966	1967
<b>Notes</b>						
New						
100 mk	—	474,2	537,7	591,9	656,7	613,3
50 »	—	239,5	240,4	238,4	248,5	237,5
10 »	—	145,3	148,9	153,1	162,0	164,0
5 »	—	29,4	30,8	31,5	33,4	34,5
1 »	—	27,1	23,7	13,6	5,6	2,8
<b>Total</b>	—	<b>915,5</b>	<b>981,5</b>	<b>1 028,5</b>	<b>1 106,2</b>	<b>1 052,1</b>
Old						
10 000 omk	362,4	14,3	10,5	9,6	9,1	1,9
5 000 »	226,9	5,4	3,6	2,9	2,5	2,2
1 000 »	134,4	3,6	2,9	2,6	2,5	2,4
500 »	26,5	1,2	0,9	0,9	0,9	0,8
100 »	23,0	2,5	2,1	2,0	2,0	2,0
50, 20, 10, 5 »	1,2	1,2	1,2	1,2	1,2	1,2
<b>Total</b>	<b>774,4</b>	<b>28,2</b>	<b>21,2</b>	<b>19,2</b>	<b>18,2</b>	<b>10,5</b>
<b>Grand total</b>	<b>774,4</b>	<b>943,7</b>	<b>1 002,7</b>	<b>1 047,7</b>	<b>1 124,4</b>	<b>1 062,6</b>
<b>Coins</b>						
New						
10 mk	—	—	—	—	—	9,8
1 mk	—	—	9,5	24,4	34,0	39,3
50 p	—	8,0	8,6	8,4	8,8	9,5
20 »	—	7,0	8,4	8,8	9,5	9,8
10 »	—	3,5	4,0	4,2	4,6	4,9
5 »	—	2,2	3,0	3,3	3,8	4,1
1 »	—	1,3	1,9	2,4	2,8	3,5
<b>Total</b>	—	<b>22,0</b>	<b>35,4</b>	<b>51,5</b>	<b>63,5</b>	<b>80,9</b>
Old						
1 000 omk	1,9	1,8	1,7	1,7	1,7	1,7
500 »	2,9	2,8	2,8	2,9	2,9	2,9
200 »	5,9	1,8	1,7	1,6	1,5	1,5
100 »	3,8	1,1	0,9	0,8	0,8	0,8
50 »	7,7	1,7	1,4	1,4	1,3	1,3
20 »	7,7	2,1	1,8	1,6	1,6	1,5
10 »	4,8	1,8	1,5	1,5	1,4	1,4
5 »	3,9	2,0	1,9	1,8	1,8	1,8
1 »	4,1	3,0	2,8	2,6	2,6	2,5
50, 25, 10, 5, 1 op	0,5	0,5	0,5	0,5	0,5	0,5
<b>Total</b>	<b>43,2</b>	<b>18,6</b>	<b>17,0</b>	<b>16,4</b>	<b>16,1</b>	<b>15,9</b>
<b>Grand total</b>	<b>43,2</b>	<b>40,6</b>	<b>52,4</b>	<b>67,9</b>	<b>79,6</b>	<b>96,8</b>

## 8. Printing and destruction of notes, 1965—1967

Million marks

Denomination	Notes printed			Notes cancelled		
	1965	1966	1967	1965	1966	1967
<b>Notes</b>						
New						
100 mk	341,0	630,0	300,0	210,0	445,0	420,0
50 »	155,0	215,0	315,0	167,5	317,4	272,6
10 »	298,0	243,0	299,0	201,0	272,5	269,5
5 »	83,0	82,0	56,0	57,0	68,1	74,2
1 »	73,3	10,9	—	61,7	18,4	11,1
<b>Total</b>	<b>950,3</b>	<b>1 180,9</b>	<b>970,0</b>	<b>697,2</b>	<b>1 121,4</b>	<b>1 047,4</b>
In millions	126,2	62,2	50,4	98,7	70,0	62,5
Old						
<b>Total</b>	—	—	—	<b>2,1</b>	<b>1,0</b>	<b>7,7</b>
In millions	—	—	—	0,2	0,0	0,1
<b>Grand total</b>	<b>950,3</b>	<b>1 180,9</b>	<b>970,0</b>	<b>699,3</b>	<b>1 122,4</b>	<b>1 055,1</b>
In millions	126,2	62,2	50,4	98,9	70,0	62,6

## 9. Notes and coins, 1967

Million marks

Denomination	Total issue 31. XII 1966	Issued in 1967	Destroyed in 1967	Total issue 30. XII 1967	Held by the Bank of Finland 30. XII 1967	In circulation 30. XII 1967
<b>Notes</b>						
New						
100 mk	1 306,2	300,0	420,0	1 186,2	572,9	613,3
50 »	394,6	315,0	272,6	437,0	199,5	237,5
10 »	288,1	299,0	269,5	317,6	153,6	164,0
5 »	83,1	56,0	74,2	64,9	30,4	34,5
1 »	35,9	—	11,1	24,8	22,0	2,8
<b>Total</b>	<b>2 107,9</b>	<b>970,0</b>	<b>1 047,4</b>	<b>2 030,5</b>	<b>978,4</b>	<b>1 052,1</b>
In millions	102,3	50,4	62,5	90,2	53,2	37,0
Old						
<b>Total</b>	<b>18,2</b>	—	<b>7,7</b>	<b>10,5</b>	—	<b>10,5</b>
In millions	11,6	—	0,1	11,5	—	11,5
<b>Grand total</b>	<b>2 126,1</b>	<b>970,0</b>	<b>1 055,1</b>	<b>2 041,0</b>	<b>978,4</b>	<b>1 062,6</b>
In millions	113,9	50,4	62,6	101,7	53,2	48,5
<b>Coins</b>						
New						
10 mk	—	10,0	—	10,0	0,2	9,8
1 mk	40,3	6,2	—	46,5	7,2	39,3
50 p	11,6	0,2	—	11,8	2,3	9,5
20 »	10,8	0,4	0,1	11,1	1,3	9,8
10 »	5,3	0,1	—	5,4	0,5	4,9
5 »	4,1	0,6	—	4,7	0,6	4,1
1 »	3,0	0,6	—	3,6	0,1	3,5
<b>Total</b>	<b>75,1</b>	<b>18,1</b>	<b>0,1</b>	<b>93,1</b>	<b>12,2</b>	<b>80,9</b>
Old						
1 000—100 omk	7,0	—	—	7,0	0,1	6,9
50 omk—1 op	9,2	—	0,2	9,0	0,0	9,0
<b>Total</b>	<b>16,2</b>	—	<b>0,2</b>	<b>16,0</b>	<b>0,1</b>	<b>15,9</b>
<b>Grand total</b>	<b>91,3</b>	<b>18,1</b>	<b>0,3</b>	<b>109,1</b>	<b>12,3</b>	<b>96,8</b>

### 10. Rates of exchange: par rates and selling rates at sight<sup>1</sup>, 1967

Date	1 Dollar New York	1 Dollar Montreal	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Oslo	100 Kroner Copen- hagen	100 D. Mark Frankfurt o.M.	100 Guldens Amster- dam
Par rate								
—11. X	3,20	2,96	8,96	61,86	44,80	46,33	80,00	88,40
12. X—	4,20	3,885	10,08 <sup>2</sup>	81,19	58,80	56,00	105,00	116,02
Sellingrate								
2. I	3,224	2,976	8,995	62,30	45,10	46,70	81,09	89,18
3.	3,224	2,976	8,995	62,30	45,10	46,70	81,09	89,18
9.	3,224	2,976	8,995	62,30	45,10	46,70	81,03	89,25
10.	3,224	2,986	8,995	62,30	45,10	46,66	81,03	89,32
13.	3,224	2,986	8,995	62,36	45,10	46,66	81,03	89,25
16.	3,224	2,986	8,995	62,36	45,10	46,66	81,03	89,18
17.	3,224	2,986	9,000	62,36	45,10	46,66	81,03	89,18
18.	3,224	2,988	9,000	62,36	45,10	46,66	81,09	89,25
25.	3,224	2,990	9,000	62,36	45,06	46,66	81,09	89,25
26.	3,224	2,992	8,995	62,36	45,06	46,62	81,09	89,25
27.	3,224	2,992	9,000	62,41	45,06	46,62	81,09	89,25
30.	3,224	2,992	9,005	62,41	45,06	46,62	81,09	89,25
31.	3,224	2,990	9,010	62,41	45,06	46,62	81,15	89,32
2. II	3,224	2,990	9,015	62,41	45,10	46,62	81,15	89,32
6.	3,224	2,986	9,015	62,41	45,10	46,62	81,15	89,32
7.	3,224	2,984	9,010	62,41	45,10	46,62	81,15	89,32
14.	3,224	2,984	9,010	62,41	45,10	46,58	81,15	89,32
20.	3,224	2,984	9,010	62,46	45,10	46,58	81,15	89,32
21.	3,224	2,984	9,005	62,46	45,10	46,54	81,15	89,32
23.	3,224	2,984	9,000	62,46	45,10	46,54	81,15	89,32
27.	3,224	2,980	9,005	62,41	45,10	46,54	81,15	89,32
28.	3,224	2,980	9,005	62,41	45,10	46,58	81,15	89,32
1. III	3,224	2,980	9,010	62,41	45,10	46,58	81,15	89,32
7.	3,224	2,980	9,010	62,41	45,10	46,58	81,15	89,32
9.	3,224	2,980	9,010	62,41	45,10	46,62	81,15	89,32
10.	3,224	2,980	9,010	62,41	45,10	46,62	81,15	89,25
13.	3,224	2,980	9,020	62,41	45,10	46,66	81,15	89,25
14.	3,224	2,980	9,015	62,46	45,10	46,66	81,15	89,25
15.	3,224	2,980	9,015	62,46	45,10	46,66	81,15	89,25
28.	3,224	2,982	9,020	62,46	45,10	46,66	81,15	89,25
29.	3,224	2,982	9,025	62,51	45,10	46,72	81,15	89,25
30.	3,224	2,980	9,020	62,51	45,10	46,72	81,15	89,25
3. IV	3,224	2,980	9,020	62,51	45,10	46,67	81,15	89,25
5.	3,224	2,980	9,025	62,51	45,10	46,67	81,15	89,25
11.	3,224	2,980	9,025	62,56	45,10	46,67	81,15	89,25
12.	3,224	2,980	9,030	62,61	45,10	46,67	81,15	89,25
18.	3,224	2,980	9,025	62,56	45,10	46,67	81,15	89,25

<sup>1</sup> Quotations for the days on which rates were changed.

<sup>2</sup> Par rate 11,76 from October 12 to November 17, 1967.



## Marks

100 Francs Brussels	100 Francs Zurich	100 Francs Paris	100 Lire Rome	100 Schilling Vienna	100 Escudos Lisbon	100 Kronur Reykja- vik	100 Pesetas Madrid	Date
6,40	73,18	64,82	0,5120	12,31	11,13	7,44	5,33	Par rate
8,40	(96,05)	85,07	0,6720	16,15	14,61	7,37	6,00	—11. X
								12. X—
								Sellingrate
6,445	74,50	65,20	0,5160	12,48	11,22	7,50	5,40	2. I
6,440	74,50	65,15	0,5160	12,47	11,22	7,50	5,40	3.
6,440	74,44	65,15	0,5160	12,47	11,22	7,50	5,40	9.
6,440	74,50	65,15	0,5160	12,47	11,22	7,50	5,40	10.
6,440	74,50	65,15	0,5160	12,47	11,22	7,50	5,40	13.
6,440	74,44	65,15	0,5160	12,47	11,22	7,50	5,40	16.
6,440	74,44	65,15	0,5160	12,47	11,22	7,50	5,40	17.
6,450	74,50	65,15	0,5160	12,47	11,22	7,50	5,40	18.
6,455	74,50	65,15	0,5160	12,47	11,22	7,50	5,40	25.
6,455	74,50	65,15	0,5160	12,47	11,22	7,50	5,40	26.
6,460	74,50	65,15	0,5160	12,47	11,22	7,50	5,40	27.
6,465	74,44	65,15	0,5160	12,47	11,22	7,50	5,40	30.
6,475	74,38	65,15	0,5160	12,47	11,23	7,50	5,40	31.
6,480	74,38	65,15	0,5160	12,47	11,24	7,50	5,40	2. II
6,480	74,38	65,20	0,5160	12,47	11,24	7,50	5,40	6.
6,480	74,38	65,25	0,5156	12,47	11,24	7,50	5,40	7.
6,480	74,38	65,20	0,5156	12,47	11,24	7,50	5,40	14.
6,480	74,32	65,20	0,5156	12,47	11,24	7,50	5,40	20.
6,480	74,38	65,20	0,5156	12,47	11,23	7,50	5,40	21.
6,480	74,38	65,20	0,5156	12,47	11,23	7,50	5,40	23.
6,480	74,38	65,20	0,5156	12,48	11,23	7,50	5,40	27.
6,480	74,38	65,20	0,5156	12,48	11,23	7,50	5,40	28.
6,480	74,38	65,15	0,5156	12,48	11,23	7,50	5,40	1. III
6,485	74,38	65,15	0,5156	12,48	11,23	7,50	5,40	7.
6,490	74,38	65,15	0,5156	12,48	11,23	7,50	5,40	9.
6,490	74,38	65,15	0,5156	12,48	11,23	7,50	5,40	10.
6,490	74,44	65,15	0,5160	12,48	11,24	7,50	5,40	13.
6,490	74,50	65,15	0,5160	12,48	11,25	7,50	5,39	14.
6,485	74,44	65,15	0,5160	12,48	11,24	7,50	5,39	15.
6,485	74,44	65,15	0,5160	12,48	11,25	7,50	5,39	28.
6,490	74,44	65,15	0,5160	12,48	11,25	7,50	5,39	29.
6,490	74,44	65,15	0,5160	12,48	11,25	7,50	5,39	30.
6,485	74,44	65,15	0,5160	12,48	11,25	7,50	5,39	3. IV
6,485	74,44	65,15	0,5160	12,48	11,25	7,50	5,39	5.
6,485	74,57	65,15	0,5160	12,48	11,25	7,50	5,39	11.
6,490	74,57	65,25	0,5160	12,48	11,26	7,50	5,39	12.
6,490	74,57	65,20	0,5160	12,48	11,26	7,50	5,39	18.

## 10. (Cont.) Rates of exchange: par rates and selling rates at sight, 1967

Date	1 Dollar New York	1 Dollar Montreal	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Oslo	100 Kroner Copen- hagen	100 D. Mark Frankfurt o.M.	100 Guldens Amster- dam
19. IV	3,224	2,980	9,030	62,56	45,14	46,71	81,21	89,25
21.	3,224	2,980	9,025	62,56	45,14	46,71	81,21	89,25
24.	3,224	2,980	9,025	62,56	45,14	46,67	81,21	89,25
25.	3,224	2,980	9,025	62,56	45,14	46,67	81,21	89,32
27.	3,224	2,980	9,025	62,56	45,14	46,67	81,21	89,39
2. V	3,224	2,980	9,025	62,56	45,14	46,67	81,15	89,39
5.	3,224	2,980	9,025	62,51	45,14	46,67	81,15	89,39
8.	3,224	2,980	9,025	62,51	45,14	46,67	81,15	89,39
9.	3,224	2,980	9,020	62,46	45,10	46,63	81,09	89,39
10.	3,224	2,980	9,020	62,46	45,10	46,63	81,09	89,39
11.	3,224	2,980	9,025	62,56	45,10	46,63	81,09	89,39
12.	3,224	2,980	9,020	62,56	45,10	46,63	81,09	89,39
16.	3,224	2,980	9,015	62,56	45,10	46,59	81,09	89,39
18.	3,224	2,978	9,015	62,56	45,10	46,59	81,09	89,46
19.	3,224	2,978	9,010	62,61	45,10	46,59	81,09	89,46
22.	3,224	2,978	9,015	62,61	45,10	46,59	81,09	89,53
23.	3,224	2,978	9,015	62,61	45,10	46,59	81,09	89,53
24.	3,224	2,980	9,015	62,61	45,10	46,59	81,03	89,46
25.	3,224	2,980	9,015	62,61	45,14	46,59	81,03	89,46
26.	3,224	2,980	9,015	62,61	45,14	46,59	81,09	89,53
31.	3,224	2,980	9,015	62,61	45,14	46,59	81,00	89,53
1. VI	3,224	2,982	9,010	62,61	45,14	46,59	81,00	89,53
5.	3,224	2,982	9,000	62,61	45,14	46,59	81,06	89,53
7.	3,224	2,982	9,000	62,66	45,14	46,55	81,06	89,53
8.	3,224	2,982	9,005	62,66	45,14	46,55	81,00	89,46
9.	3,224	2,982	9,005	62,61	45,14	46,55	81,00	89,46
12.	3,224	2,984	9,005	62,66	45,14	46,59	81,00	89,46
13.	3,224	2,984	9,000	62,66	45,14	46,59	81,00	89,46
14.	3,224	2,984	9,005	62,66	45,14	46,59	81,00	89,53
19.	3,224	2,984	9,005	62,61	45,14	46,59	81,06	89,53
22.	3,224	2,984	9,000	62,61	45,14	46,59	81,06	89,53
26.	3,224	2,986	8,995	62,61	45,14	46,59	81,06	89,53
27.	3,224	2,988	8,995	62,61	45,14	46,55	81,06	89,53
29.	3,224	2,988	9,000	62,61	45,14	46,55	81,06	89,53
30.	3,224	2,988	8,995	62,50	45,14	46,55	80,90	89,53
3. VII	3,224	2,988	8,995	62,50	45,14	46,55	80,84	89,53
4.	3,224	2,988	8,990	62,50	45,10	46,55	80,76	89,53
6.	3,224	2,986	8,990	62,50	45,10	46,55	80,65	89,46
7.	3,224	2,986	8,990	62,57	45,10	46,55	80,65	89,53
11.	3,224	2,988	8,990	62,62	45,10	46,50	80,59	89,45
13.	3,224	2,988	8,990	62,62	45,10	46,50	80,53	89,45

## Marks

100 Francs Brussels	100 Francs Zurich	100 Francs Paris	100 Lire Rome	100 Schilling Vienna	100 Escudos Lisbon	100 Kronur Reykja- vik	100 Pesetas Madrid	Date
6,490	74,57	65,20	0,5165	12,48	11,26	7,50	5,39	19. IV
6,490	74,57	65,20	0,5165	12,48	11,26	7,50	5,39	21.
6,490	74,63	65,25	0,5165	12,48	11,26	7,50	5,39	24.
6,490	74,69	65,35	0,5165	12,48	11,26	7,50	5,39	25.
6,495	74,69	65,35	0,5165	12,48	11,26	7,50	5,39	27.
6,495	74,69	65,35	0,5165	12,48	11,26	7,50	5,39	2. V
6,495	74,69	65,35	0,5165	12,48	11,26	7,50	5,39	5.
6,495	74,69	65,50	0,5165	12,48	11,26	7,50	5,39	8.
6,495	74,69	65,50	0,5160	12,48	11,26	7,50	5,37	9.
6,495	74,69	65,58	0,5160	12,48	11,26	7,50	5,37	10.
6,495	74,75	65,58	0,5165	12,48	11,26	7,50	5,37	11.
6,495	74,75	65,53	0,5165	12,48	11,25	7,50	5,37	12.
6,495	74,75	65,48	0,5165	12,48	11,25	7,50	5,37	16.
6,495	74,75	65,48	0,5165	12,48	11,24	7,50	5,37	18.
6,495	74,75	65,57	0,5165	12,48	11,24	7,50	5,37	19.
6,495	74,75	65,57	0,5165	12,48	11,24	7,50	5,38	22.
6,495	74,75	65,64	0,5165	12,48	11,24	7,50	5,38	23.
6,495	74,75	65,64	0,5160	12,48	11,24	7,50	5,38	24.
6,495	74,75	65,64	0,5160	12,49	11,24	7,50	5,38	25.
6,495	74,75	65,64	0,5160	12,49	11,24	7,50	5,38	26.
6,495	74,75	65,64	0,5160	12,49	11,24	7,50	5,38	31.
6,495	74,75	65,64	0,5160	12,49	11,24	7,50	5,38	1. VI
6,495	74,75	65,73	0,5160	12,49	11,24	7,50	5,38	5.
6,495	74,69	65,73	0,5160	12,49	11,24	7,50	5,38	7.
6,495	74,63	65,63	0,5160	12,48	11,23	7,50	5,38	8.
6,495	74,63	65,63	0,5160	12,48	11,23	7,50	5,38	9.
6,495	74,70	65,63	0,5160	12,48	11,23	7,50	5,38	12.
6,495	74,70	65,68	0,5160	12,48	11,23	7,50	5,38	13.
6,495	74,70	65,68	0,5160	12,49	11,23	7,50	5,38	14.
6,495	74,76	65,68	0,5165	12,49	11,23	7,50	5,38	19.
6,495	74,76	65,68	0,5165	12,49	11,23	7,50	5,38	22.
6,495	74,70	65,74	0,5165	12,49	11,23	7,50	5,38	26.
6,495	74,70	65,74	0,5165	12,49	11,22	7,50	5,38	27.
6,495	74,70	65,74	0,5165	12,49	11,22	7,50	5,38	29.
6,495	74,70	65,74	0,5165	12,49	11,22	7,50	5,38	30.
6,495	74,70	65,74	0,5165	12,49	11,22	7,50	5,38	3. VII
6,495	74,64	65,74	0,5165	12,49	11,21	7,50	5,38	4.
6,495	74,56	65,74	0,5165	12,49	11,21	7,50	5,38	6.
6,495	74,56	65,74	0,5165	12,49	11,21	7,50	5,38	7.
6,495	74,56	65,74	0,5165	12,49	11,21	7,50	5,38	11.
6,495	74,56	65,74	0,5165	12,49	11,21	7,50	5,38	13.

**10. (Cont.) Rates of exchange: par rates and selling rates at sight, 1967**

Date	1 Dollar New York	1 Dollar Montreal	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Oslo	100 Kroner Copen- hagen	100 D. Mark Frankfurt o.M.	100 Guldens Amster- dam
14. VII	3,224	2,988	8,990	62,62	45,10	46,50	80,47	89,45
19.	3,224	2,988	8,990	62,68	45,10	46,50	80,70	89,57
20.	3,224	2,988	8,985	62,68	45,10	46,50	80,70	89,50
21.	3,224	2,990	8,985	62,63	45,10	46,50	80,70	89,60
24.	3,224	2,992	8,985	62,58	45,10	46,50	80,70	89,60
26.	3,224	2,997	8,985	62,58	45,10	46,45	80,70	89,68
28.	3,224	2,999	8,985	62,58	45,10	46,45	80,60	89,68
1. VIII	3,224	2,999	8,985	62,63	45,10	46,45	80,60	89,56
2.	3,224	2,997	8,985	62,63	45,10	46,45	80,60	89,56
3.	3,224	2,997	8,985	62,63	45,10	46,45	80,60	89,63
7.	3,224	2,997	8,980	62,63	45,10	46,45	80,60	89,63
9.	3,224	2,997	8,980	62,53	45,10	46,45	80,60	89,63
11.	3,224	2,997	8,980	62,53	45,10	46,45	80,60	89,70
16.	3,224	2,999	8,985	62,53	45,10	46,45	80,60	89,70
17.	3,224	2,999	8,985	62,58	45,10	46,45	80,60	89,70
18.	3,224	2,999	8,985	62,63	45,10	46,45	80,60	89,70
22.	3,224	3,001	8,985	62,63	45,10	46,45	80,67	89,70
23.	3,224	3,001	8,980	62,58	45,10	46,45	80,67	89,70
28.	3,224	2,999	8,980	62,53	45,10	46,45	80,67	89,70
29.	3,224	2,997	8,980	62,48	45,10	46,45	80,61	89,70
30.	3,224	2,997	8,985	62,48	45,10	46,45	80,61	89,70
31.	3,224	2,997	8,985	62,48	45,10	46,49	80,61	89,70
4. IX	3,224	2,995	8,985	62,48	45,10	46,49	80,67	89,70
5.	3,224	2,995	8,985	62,53	45,10	46,49	80,67	89,70
7.	3,224	2,995	8,980	62,53	45,10	46,49	80,61	89,70
11.	3,224	2,995	8,980	62,53	45,10	46,49	80,61	89,70
12.	3,224	2,997	8,975	62,53	45,10	46,49	80,55	89,70
14.	3,224	2,999	8,975	62,53	45,10	46,49	80,55	89,63
15.	3,224	2,999	8,975	62,58	45,10	46,49	80,55	89,63
18.	3,224	2,999	8,975	62,58	45,10	46,53	80,61	89,63
19.	3,224	2,999	8,975	62,58	45,10	46,53	80,61	89,63
20.	3,224	2,999	8,975	62,58	45,10	46,53	80,61	89,56
21.	3,224	2,999	8,975	62,53	45,10	46,49	80,61	89,56
22.	3,224	2,999	8,975	62,53	45,10	46,49	80,61	89,63
25.	3,224	3,001	8,975	62,48	45,10	46,49	80,61	89,63
28.	3,224	3,003	8,975	62,48	45,10	46,49	80,54	89,63
29.	3,224	3,003	8,975	62,43	45,10	46,53	80,54	89,63
3. X	3,224	3,003	8,980	62,43	45,10	46,53	80,54	89,70
4.	3,224	3,000	8,975	62,43	45,10	46,53	80,54	89,70
10.	3,224	3,001	8,975	62,43	45,10	46,53	80,54	89,70
11.	3,224	3,004	8,975	62,43	45,10	46,53	80,54	89,70

## Marks

100 Francs Brussels	100 Francs Zurich	100 Francs Paris	100 Lire Rome	100 Schilling Vienna	100 Escudos Lisbon	100 Kronur Reykja- vik	100 Pesetas Madrid	Date
6,495	74,56	65,74	0,5165	12,49	11,21	7,50	5,38	14. VII
6,495	74,64	65,80	0,5169	12,50	11,21	7,50	5,38	19.
6,495	74,64	65,80	0,5169	12,50	11,21	7,50	5,38	20.
6,495	74,70	65,80	0,5169	12,50	11,21	7,50	5,38	21.
6,495	74,70	65,80	0,5169	12,50	11,21	7,50	5,38	24.
6,495	74,64	65,80	0,5169	12,50	11,21	7,50	5,38	26.
6,495	74,64	65,80	0,5169	12,50	11,21	7,50	5,38	28.
6,495	74,51	65,80	0,5169	12,50	11,20	7,50	5,38	1. VIII
6,495	74,45	65,80	0,5169	12,50	11,20	7,50	5,38	2.
6,495	74,45	65,80	0,5173	12,50	11,20	7,50	5,38	3.
6,495	74,45	65,80	0,5173	12,50	11,20	7,50	5,38	7.
6,495	74,45	65,75	0,5173	12,50	11,20	7,50	5,38	9.
6,495	74,39	65,75	0,5173	12,50	11,20	7,50	5,38	11.
6,495	74,39	65,75	0,5173	12,50	11,20	7,50	5,38	16.
6,495	74,39	65,75	0,5173	12,50	11,20	7,50	5,38	17.
6,495	74,39	65,75	0,5173	12,50	11,20	7,50	5,38	18.
6,495	74,39	65,75	0,5173	12,50	11,20	7,50	5,38	22.
6,495	74,33	65,75	0,5173	12,50	11,20	7,50	5,38	23.
6,495	74,33	65,75	0,5178	12,50	11,20	7,50	5,38	28.
6,495	74,27	65,75	0,5178	12,50	11,20	7,50	5,38	29.
6,495	74,27	65,75	0,5178	12,50	11,20	7,50	5,38	30.
6,495	74,27	65,75	0,5178	12,49	11,20	7,50	5,40	31.
6,495	74,33	65,75	0,5178	12,49	11,20	7,50	5,40	4. IX
6,495	74,33	65,75	0,5178	12,49	11,20	7,50	5,40	5.
6,495	74,33	65,75	0,5178	12,49	11,20	7,50	5,40	7.
6,495	74,27	65,75	0,5178	12,49	11,20	7,50	5,40	11.
6,495	74,21	65,70	0,5178	12,49	11,19	7,50	5,40	12.
6,495	74,27	65,70	0,5178	12,49	11,19	7,50	5,40	14.
6,495	74,27	65,70	0,5178	12,49	11,19	7,50	5,40	15.
6,495	74,27	65,70	0,5178	12,50	11,19	7,50	5,40	18.
6,495	74,27	65,75	0,5173	12,50	11,19	7,50	5,40	19.
6,495	74,33	65,75	0,5173	12,50	11,19	7,50	5,40	20.
6,495	74,33	65,75	0,5173	12,50	11,19	7,50	5,40	21.
6,495	74,33	65,75	0,5173	12,50	11,19	7,50	5,40	22.
6,495	74,26	65,75	0,5173	12,50	11,19	7,50	5,40	25.
6,495	74,21	65,75	0,5173	12,49	11,19	7,50	5,40	28.
6,495	74,21	65,75	0,5177	12,49	11,19	7,50	5,40	29.
6,495	74,21	65,75	0,5177	12,49	11,19	7,50	5,40	3. X
6,495	74,21	65,75	0,5177	12,49	11,19	7,50	5,40	4.
6,495	74,27	65,75	0,5177	12,49	11,19	7,50	5,40	10.
6,495	74,27	65,75	0,5177	12,49	11,19	7,50	5,40	11.

**10. (Cont.) Rates of exchange: par rates and selling rates at sight, 1967**

Date	1 Dollar New York	1 Dollar Montreal	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Oslo	100 Kroner Copen- hagen	100 D. Mark Frankfurt o.M.	100 Guildens Amster- dam
12. X	4,1865	3,901	11,654	81,07	58,56	60,42	104,60	116,50
13.	4,1865	3,901	11,649	81,07	58,56	60,42	104,60	116,50
16.	4,1865	3,903	11,649	81,02	58,56	60,38	104,60	116,43
18.	4,1865	3,903	11,654	80,97	58,56	60,38	104,60	116,43
19.	4,1865	3,903	11,649	80,92	58,52	60,34	104,54	116,43
20.	4,1865	3,903	11,649	80,92	58,52	60,34	104,54	116,43
25.	4,1865	3,903	11,654	80,92	58,52	60,26	104,54	116,43
26.	4,1865	3,903	11,649	80,92	58,52	60,32	104,60	116,43
27.	4,1865	3,903	11,649	80,97	58,52	60,32	104,60	116,43
30.	4,1865	3,903	11,649	80,97	58,52	60,28	104,60	116,43
31.	4,1865	3,903	11,649	80,90	58,52	60,28	104,54	116,36
1. XI	4,1865	3,901	11,649	80,90	58,52	60,28	104,54	116,43
2.	4,1865	3,899	11,649	80,90	58,52	60,28	104,54	116,43
6.	4,1865	3,897	11,649	80,90	58,52	60,28	104,63	116,43
7.	4,1865	3,897	11,649	80,90	58,52	60,28	105,00	116,43
7.	4,1865	3,897	11,649	80,90	58,52	60,28	105,20	116,43
8.	4,1865	3,897	11,649	80,90	58,52	60,28	105,10	116,43
10.	4,1865	3,899	11,649	80,95	58,52	60,32	105,16	116,43
13.	4,1865	3,899	11,649	80,95	58,52	60,32	105,00	116,43
14.	4,1865	3,902	11,649	81,00	58,52	60,32	105,00	116,43
15.	4,1865	3,902	11,649	81,00	58,52	60,36	105,06	116,43
16.	4,1865	3,902	11,655	81,00	58,52	60,36	105,06	116,43
17.	4,1865	3,902	11,649	80,95	58,52	60,36	105,20	116,43
18.	—	—	—	—	—	—	—	—
20.	4,2000	—	—	81,16	58,72	—	105,54	116,76
21.	4,2000	3,9152	10,163	81,16	58,72	56,20	105,35	116,76
22.	4,2000	3,9120	10,163	81,16	58,76	56,20	105,29	116,76
23.	4,2000	3,9060	10,1580	81,16	58,76	56,15	105,43	116,76
24.	4,2000	3,9040	10,1640	81,16	58,80	56,19	105,53	116,83
27.	4,2000	3,8940	10,1590	81,16	58,80	56,19	105,53	116,83
28.	4,2000	3,8980	10,1640	81,16	58,80	56,25	105,42	116,74
29.	4,2020	3,8980	10,1690	81,21	58,84	56,29	105,42	116,81
30.	4,2020	3,8940	10,1690	81,21	58,84	56,29	105,48	116,88
1. XII	4,2020	3,8920	10,1690	81,21	58,84	56,29	105,55	116,88
4.	4,2020	3,8900	10,1690	81,21	58,84	56,29	105,55	116,88
4.	4,2020	3,8900	10,1500	81,21	58,84	56,29	105,55	116,88
5.	4,2040	3,8980	10,1350	81,21	58,84	56,29	105,61	116,95
7.	4,2040	3,8960	10,1300	81,21	58,84	56,33	105,55	116,95
8.	4,2040	3,8960	10,1220	81,21	58,84	56,33	105,55	116,95
9.	4,2040	3,8960	10,1170	81,21	58,84	56,33	105,55	116,95
11.	4,2040	3,8940	10,1050	81,21	58,84	56,33	105,55	116,88
12.	4,2040	3,8920	10,1050	81,21	58,88	56,33	105,55	116,88

## Marks

100 Francs Brussels	100 Francs Zurich	100 Francs Paris	100 Lire Rome	100 Schilling Vienna	100 Escudos Lisbon	100 Kronur Reykja- vik	100 Pesetas Madrid	Date
8,434	96,44	85,38	0,6723	16,22	14,53	9,74	7,01	12. X
8,434	96,44	85,38	0,6723	16,22	14,53	9,74	7,01	13.
8,434	96,44	85,38	0,6723	16,21	14,52	9,74	7,01	16.
8,434	96,44	85,38	0,6723	16,21	14,52	9,74	7,01	18.
8,434	96,38	85,38	0,6723	16,20	14,52	9,74	7,00	19.
8,434	96,38	85,33	0,6723	16,19	14,52	9,74	7,00	20.
8,434	96,52	85,41	0,6728	16,20	14,53	9,74	7,00	25.
8,434	96,52	85,41	0,6728	16,20	14,52	9,74	7,00	26.
8,434	96,64	85,41	0,6728	16,20	14,52	9,74	7,00	27.
8,434	96,58	85,41	0,6728	16,20	14,52	9,74	7,00	30.
8,434	96,58	85,41	0,6728	16,19	14,52	9,74	7,00	31.
8,434	96,63	85,41	0,6728	16,19	14,52	9,74	7,00	1. XI
8,434	96,75	85,41	0,6728	16,19	14,52	9,74	7,00	2.
8,434	96,81	85,41	0,6728	16,19	14,52	9,74	7,00	6.
8,434	96,81	85,41	0,6728	16,19	14,52	9,74	7,00	7.
8,434	96,81	85,41	0,6728	16,19	14,52	9,74	7,00	7.
8,434	96,87	85,41	0,6728	16,19	14,52	9,74	7,00	8.
8,434	96,97	85,46	0,6733	16,18	14,52	9,74	7,00	10.
8,434	96,91	85,46	0,6733	16,18	14,52	9,74	7,00	13.
8,434	96,91	85,46	0,6733	16,18	14,52	9,74	7,00	14.
8,434	96,91	85,46	0,6733	16,19	14,52	9,74	7,00	15.
8,434	96,91	85,46	0,6733	16,19	14,52	9,74	7,00	16.
8,434	96,97	85,46	0,6733	16,20	14,52	9,74	7,00	17.
—	—	—	—	—	—	—	—	18.
8,4630	97,33	85,70	0,6750	16,26	—	—	—	20.
8,4630	97,33	85,70	0,6750	16,26	—	—	6,05	21.
8,4625	97,23	85,55	0,6737	16,26	14,62	—	6,05	22.
8,4630	97,33	85,70	0,6737	16,25	14,62	—	6,05	23.
8,4630	97,33	85,70	0,6741	16,26	14,62	—	6,05	24.
8,4630	97,33	85,70	0,6741	16,26	14,62	—	6,05	27.
8,4580	97,27	85,70	0,6731	16,26	14,68	—	6,05	28.
8,4680	97,37	85,70	0,6735	16,27	14,69	—	6,05	29.
8,4680	97,37	85,65	0,6735	16,26	14,68	—	6,05	30.
8,4680	97,37	85,75	0,6735	16,26	14,68	7,38	6,05	1. XII
8,4680	97,37	85,70	0,6735	16,26	14,68	7,38	6,05	4.
8,4680	97,37	85,70	0,6735	16,26	14,68	7,38	6,05	4.
8,4680	97,37	85,70	0,6735	16,26	14,68	7,38	6,05	5.
8,4680	97,43	85,70	0,6735	16,27	14,68	7,38	6,05	7.
8,4680	97,43	85,70	0,6735	16,27	14,68	7,38	6,05	8.
8,4680	97,43	85,70	0,6735	16,27	14,68	7,38	6,05	9.
8,4680	97,43	85,70	0,6735	16,27	14,68	7,38	6,05	11.
8,4680	97,43	85,70	0,6735	16,28	14,69	7,38	6,05	12.

**10. (Cont.) Rates of exchange: par rates and selling rates at sight, 1967**

Date	1 Dollar New York	1 Dollar Montreal	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Oslo	100 Kroner Copen- hagen	100 D. Mark Frankfurt o.M.	100 Guldens Amster- dam
13. XII	4,2040	3,8920	10,1050	81,21	58,88	56,37	105,63	116,88
15.	4,2040	3,8920	10,0950	81,34	58,88	56,37	105,63	116,88
19.	4,2040	3,8920	10,0950	81,34	58,88	56,37	105,51	116,88
20.	4,2040	3,8920	10,1100	81,40	58,88	56,41	105,51	116,88
21.	4,2040	3,8950	10,1100	81,40	58,88	56,41	105,51	116,95
28.	4,2040	3,8900	10,1150	81,45	58,88	56,41	105,40	116,95
29.	4,2060	3,8930	10,1250	81,55	58,88	56,41	105,25	116,95
30.	4,2060	3,8930	10,1250	81,55	58,88	56,41	105,25	116,95

The clearing dollar was quoted at 3,21 mk and at 4,212 mk since 12. X. Clearing agreements based on the dollar Hungary and Poland. The clearing agreements with China, Roumania and the USSR were based on the rouble (the

**11. Rates of exchange: selling rates at sight, monthly averages,**

Month	1 Dollar New York	1 Dollar Montreal	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Oslo	100 Kroner Copen- hagen	100 D. Mark Frankfurt o.M.	100 Guldens Amster- dam
<b>1966</b>								
I	3,224	3,000	9,042	62,38	45,14	46,83	80,44	89,26
II	3,224	2,998	9,041	62,40	45,14	46,81	80,36	89,08
III	3,224	2,996	9,017	62,56	45,11	46,76	80,41	89,14
IV	3,224	2,994	9,009	62,53	45,10	46,72	80,34	88,88
V	3,224	2,994	9,005	62,59	45,08	46,65	80,30	88,85
VI	3,224	2,995	8,997	62,55	45,06	46,63	80,49	89,14
VII	3,224	2,999	8,993	62,43	45,06	46,62	80,79	89,43
VIII	3,224	3,000	8,993	62,46	45,09	46,57	80,83	89,32
IX	3,224	2,997	8,995	62,41	45,10	46,64	80,85	89,11
X	3,224	2,989	9,002	62,37	45,12	46,72	81,00	89,10
XI	3,224	2,980	9,000	62,37	45,14	46,68	81,11	89,14
XII	3,224	2,977	8,998	62,37	45,13	46,72	81,18	89,15
<b>1967</b>								
I	3,224	2,985	8,998	62,35	45,09	46,66	81,07	89,24
II	3,224	2,985	9,009	62,42	45,10	46,59	81,15	89,32
III	3,224	2,980	9,014	62,44	45,10	46,64	81,15	89,27
IV	3,224	2,980	9,026	62,55	45,12	46,68	81,17	89,27
V	3,224	2,980	9,018	62,57	45,12	46,61	81,09	89,45
VI	3,224	2,984	9,002	62,62	45,14	46,58	81,03	89,52
VII	3,224	2,990	8,988	62,59	45,10	46,50	80,64	89,54
VIII	3,224	2,998	8,982	62,57	45,10	46,45	80,62	89,67
IX	3,224	2,998	8,978	62,52	45,10	46,50	80,60	89,65
X	3,8533	3,591	10,724	74,55	53,88	55,56	96,26	107,18
XI	4,1923	3,9007	11,0680	81,03	58,63	58,71	105,15	116,58
XII	4,2039	3,8933	10,1181	81,31	58,87	56,36	105,53	116,91



## Marks

100 Francs Brussels	100 Francs Zurich	100 Francs Paris	100 Lire Rome	100 Schilling Vienna	100 Escudos Lisbon	100 Kronur Reykja- vik	100 Pesetas Madrid	Date
8,4680	97,43	85,70	0,6735	16,29	14,70	7,38	6,05	13. XII
8,4680	97,43	85,80	0,6735	16,29	14,71	7,38	6,05	15.
8,4680	97,43	85,80	0,6735	16,29	14,71	7,38	6,05	19.
8,4680	97,43	85,80	0,6735	16,29	14,71	7,38	6,05	20.
8,4630	97,27	85,75	0,6735	16,29	14,78	7,38	6,05	21.
8,4630	97,27	85,70	0,6735	16,29	14,78	7,38	6,05	28.
8,4700	97,27	85,70	0,6740	16,29	14,78	7,38	6,05	29.
8,4700	97,33	85,70	0,6740	16,29	14,78	7,38	6,05	30.

were in force with the following countries: Bulgaria, Colombia, Czechoslovakia, German Democratic Republic, agreement with China on the mark since 1. VII), quoted at 3,5667 mk, since 12. X at 4,6799 mk, to one rouble.

## 1966—1967

## Marks

100 Francs Brussels	100 Francs Zurich	100 Francs Paris	100 Lire Rome	100 Schilling Vienna	100 Escudos Lisbon	100 Kronur Reykja- vik	100 Pesetas Madrid	100 Koruny Prague	Month
<b>1966</b>									
6,487	74,56	65,80	0,5163	12,48	11,28	7,50	5,42	—	I
6,489	74,46	65,80	0,5163	12,47	11,28	7,50	5,42	—	II
6,484	74,36	65,80	0,5163	12,49	11,25	7,50	5,42	—	III
6,469	74,50	65,80	0,5163	12,49	11,24	7,50	5,42	—	IV
6,480	74,73	65,80	0,5164	12,48	11,23	7,50	5,42	—	V
6,478	74,74	65,80	0,5167	12,49	11,22	7,50	5,42	—	VI
6,484	74,73	65,80	0,5169	12,50	11,22	7,50	5,42	—	VII
6,493	74,58	65,78	0,5173	12,50	11,22	7,50	5,42	—	VIII
6,465	74,52	65,57	0,5174	12,50	11,21	7,50	5,40	—	IX
6,450	74,41	65,30	0,5161	12,49	11,23	7,50	5,40	—	X
6,455	74,60	65,28	0,5160	12,48	11,22	7,50	5,40	—	XI
6,448	74,60	65,17	0,5163	12,47	11,22	7,50	5,40	—	XII
<b>1967</b>									
6,448	74,49	65,15	0,5160	12,47	11,22	7,50	5,40	—	I
6,480	74,38	65,20	0,5157	12,47	11,24	7,50	5,40	—	II
6,486	74,42	65,15	0,5158	12,48	11,24	7,50	5,39	—	III
6,489	74,55	65,22	0,5162	12,48	11,26	7,50	5,39	—	IV
6,495	74,73	65,54	0,5163	12,48	11,25	7,50	5,38	—	V
6,495	74,71	65,69	0,5162	12,49	11,23	7,50	5,38	—	VI
6,495	74,62	65,77	0,5167	12,49	11,21	7,50	5,38	—	VII
6,495	74,39	65,76	0,5174	12,50	11,20	7,50	5,38	—	VIII
6,495	74,28	65,74	0,5176	12,49	11,19	7,50	5,40	—	IX
7,763	88,77	78,58	0,6189	14,92	13,37	8,96	6,45	—	X
8,4463	97,05	85,54	0,6734	16,22	14,56	9,74	6,63	—	XI
8,4671	97,37	85,73	0,6735	16,28	14,72	7,38	6,05	—	XII

**12. Rates of exchange: selling rates at sight, 1956—1967**

Year	1 Dollar New York			1 Pound sterling London			100 Kroner Stockholm		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
1956	2,31	2,31	2,31	6,46	6,44	6,4525	44,79	44,40	44,58
1957	3,21	2,31	2,5731	8,9850	6,44	7,2009	62,10	44,56	49,75
1958	3,21	3,2040	3,2099	8,9850	8,94	8,9667	62,10	61,80	61,92
1959	3,2060	3,2020	3,2028	9,0200	8,96	8,9960	61,97	61,85	61,92
1960	3,2120	3,2020	3,2072	9,0350	8,96	9,0049	62,32	61,85	62,07
1961	3,2220	3,2050	3,2146	9,0550	8,9700	9,0088	62,45	61,95	62,23
1962	3,2230	3,2170	3,2209	9,0600	9,0250	9,0437	62,66	62,05	62,50
1963	3,223	3,221	3,223	9,045	9,010	9,027	62,35	62,05	62,16
1964	3,224	3,216	3,220	9,020	8,950	8,990	62,78	62,00	62,52
1965	3,224	3,216	3,223	9,045	8,975	9,011	62,78	62,33	62,52
1966	3,224	3,224	3,224	9,045	8,990	9,007	62,70	62,34	62,45
1967	4,2060	3,224	3,4483	11,655	8,975	9,4295	81,55	62,30	66,81

Year	100 Kroner Oslo			100 Kroner Copenhagen			100 D. Mark Frankfurt o. M.		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
1956	32,42	32,20	32,28	33,46	33,27	33,35	55,19	55,01	55,11
1957	45,00	32,27	36,04	46,40	33,31	37,14	76,76	55,09	61,37
1958	44,90	44,78	44,83	46,44	46,28	46,36	76,71	76,27	76,55
1959	45,00	44,84	44,94	46,56	46,42	46,49	76,78	76,54	76,64
1960	45,09	44,80	44,97	46,73	46,39	46,54	77,04	76,78	76,91
1961	45,25	44,90	45,02	46,84	46,38	46,57	81,07	76,80	80,06
1962	45,20	45,08	45,14	46,84	46,58	46,69	80,90	80,36	80,60
1963	46,16	45,01	45,11	46,77	46,65	46,71	81,09	80,48	80,88
1964	45,09	44,89	44,99	46,69	46,37	46,56	81,12	80,86	81,01
1965	45,14	44,98	45,08	46,83	46,46	46,62	81,16	80,35	80,73
1966	45,14	45,06	45,10	46,83	46,57	46,69	81,21	80,30	80,68
1967	58,88	45,06	48,24	60,42	46,45	49,25	105,63	80,47	86,53

## Marks

Year	100 Guildens Amsterdam			100 Francs Brussels			100 Francs Zurich		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
1956	60,91	60,49	60,66	4,6350	4,6050	4,6269	52,97	52,63	52,78
1957	84,75	60,56	67,68	6,4250	4,5990	5,1359	73,70	52,77	58,83
1958	84,84	84,43	84,70	6,4450	6,4200	6,4325	73,55	73,15	73,32
1959	85,02	84,75	84,87	6,4250	6,3900	6,4112	74,40	73,68	74,13
1960	85,18	84,82	85,05	6,4550	6,4000	6,4337	74,62	73,80	74,74
1961	89,69	84,70	88,58	6,4750	6,4100	6,4501	74,66	74,18	74,44
1962	89,69	88,86	89,42	6,4850	6,4650	6,4747	74,72	74,02	74,51
1963	89,76	89,20	89,55	6,485	6,455	6,467	74,72	74,44	74,62
1964	89,54	88,98	89,29	6,490	6,455	6,473	74,70	74,34	74,56
1965	89,70	89,42	89,55	6,497	6,480	6,494	74,76	74,16	74,51
1966	89,51	88,76	89,14	6,497	6,440	6,474	74,74	74,28	74,57
1967	116,95	89,18	95,73	8,4700	6,440	6,9399	97,43	74,21	79,69

Year	100 Francs <sup>1</sup> Paris			100 Lire Rome			100 Schilling Vienna		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
1956	0,6600	0,6554	0,6574	—	—	—	8,90	8,90	8,90
1957	0,7650	0,5482	0,6779	0,5135	0,5125	0,5135	12,40	8,90	9,91
1958	0,7645	0,6498	0,7625	0,5155	0,5115	0,5142	12,39	12,32	12,36
1959	0,6498	0,6498	0,6498	0,5165	0,5135	0,5160	12,42	12,34	12,38
1960	65,55	65,20	65,41	0,5176	0,5156	0,5168	12,45	12,31	12,36
1961	65,75	65,32	65,54	0,5192	0,5160	0,5179	12,50	12,32	12,40
1962	65,80	65,60	65,74	0,5193	0,5180	0,5190	12,49	12,46	12,48
1963	65,80	65,75	65,79	0,5193	0,5176	0,5188	12,50	12,46	12,49
1964	65,80	65,65	65,71	0,5176	0,5147	0,5157	12,50	12,45	12,47
1965	65,80	65,65	65,77	0,5163	0,5147	0,5160	12,50	12,44	12,48
1966	65,80	65,10	65,64	0,5175	0,5160	0,5165	12,50	12,47	12,49
1967	85,80	65,15	70,11	0,6750	0,5156	0,5527	16,29	12,47	13,35

<sup>1</sup> New Francs since January 1, 1960.

## **Bank Supervisors, Delegated by Parliament, at the End of 1967**

KOKKOLA, VEIKKO, *Chairman*  
SAARINEN, AARNE, *Vice Chairman*  
KAASALAINEN, NESTORI  
JUNNILA, T.  
PAASIO, RAFAEL  
UUSITALO, EINO  
LEHTO, OIVA  
KORSBÄCK, VERNER  
SALONEN, OLAVI

## **Bank of Finland at the End of 1967**

### **Board of Management**

WARIS, KLAUS, *Governor*  
ROSSI, REINO, *Deputy Governor*  
LEINONEN, ESKO K.  
SIMONEN, A., Minister of Justice (leave of absence)  
KARJALAINEN, AHTI, Minister for Foreign Affairs (leave of absence)  
VALVANNE, HEIKKI, *ad int.*

### **Directors**

VALVANNE, HEIKKI  
VOUTILAINEN, JOUKO J.

### **Secretaries**

TAMMIVUORI, PERTTI, Administration  
IGNATIUS, K., Administration  
ARANKO, JORMA, Foreign exchange (leave of absence)  
KAILASVUORI, KALEVI, Foreign exchange and international organizations  
NARS, KARI, Foreign exchange and international organizations (leave of absence)  
WALDEN, KARI, Foreign exchange and international organizations

## **Head Office**

### *Heads of Department*

SUNDMAN, C. G., Foreign exchange (trade)  
BLOMQUIST, P., Central Accounting  
ÖSTERLUND, P.-E., Foreign exchange (services)  
KAJANTIE, A., Internal Audit  
LINDSTRÖM, HELGE, Credits  
EIROLA, K., Accounts  
NENONEN, A., Foreign correspondence  
SUOMELA, EINO, Office

### *Chief cashier*

TÖRNROTH, STIG

## **Institute for Economic Research**

HELELÄ, TIMO, *Director*  
KORPELAINEN, LAURI, *Head of department*