

# BANK OF FINLAND

1958



## YEAR BOOK

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**T**he present work, the 39th annual volume of the Bank of Finland Year Book, has been prepared in the main in accordance with the principles employed in the previous Year Book. The first section of the text contains a review of the general economic development in 1958. The following, principal section is concerned with the activities of the Bank of Finland. The statistical tables provide detailed information regarding the statements of the Bank and various banking transactions during 1958, and corresponding data for previous years.

The Year Book is published in three editions, in Finnish, Swedish and English. It has been compiled by the Bank of Finland Institute for Economic Research. The responsibility for its contents lies in the first place on the undersigned Head of the Institute.

Helsinki, May 12, 1959.

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# I. REVIEW OF THE ECONOMIC CONDITIONS IN FINLAND IN 1958

**General review.** Economic development in 1958 was affected on the one hand by the process of adaptation evoked by the devaluation and the extensive liberalisation of imports undertaken in September 1957, and on the other by the continuance of the decline in economic activity abroad. Economic activity which had decreased considerably in 1957, proceeded at a low level, and it was not until the last months of 1958 that the trough was reached. The fall in production and the incomplete utilisation of productive capacity exerted a considerable influence on the state of employment. Unemployment was not entirely overcome even in the summer months, and during the winter season the number of unemployed grew still larger than in the winter of 1957/58. Prices and wages, on the other hand, remained fairly steady, which provided a basis for future economic progress. The pressure on prices caused by the devaluation proved to be comparatively slight in the end owing to prices falling in the world market and competition growing keener, and the decline in economic activity naturally exerted an influence in the same direction. After the first quarter of 1958, both retail and wholesale prices remained unchanged. This, in turn, had a steadying effect on the level of wages.

In order to encourage economic activity, measures of financial and monetary policy were introduced. At the beginning of 1958, these measures were concentrated mainly on increasing investment, but later, when prices had become stabilised and the foreign exchange reserve was considered strong enough, general steps were also taken to promote production and ease the money market. Thus the Government extended depreciation allowances in order to stimulate investment. The export levy imposed in connection with the devaluation was reduced on four occasions during the year and was abandoned entirely in September, after which loans were granted out of the export levy funds, principally for extending the export industry. The Bank of Finland, for its part, gradually modified its regulations for rediscounting bills, effected a general reduction of the rates of interest and instituted measures for obtaining foreign loans.

Despite the decline in international economic conditions, Finnish exports in 1958 were well able to maintain their position in the world market. The volume of exports was, however, less than in 1957. At the beginning of the year exports were appreciably below the level of the previous year, but during the latter half, and especially during the last quarter, they were considerably higher in quantity than during the corresponding period in 1957. In regard to prices, however, 1958 was less favourable, as export prices had a falling tendency. In consequence of the decline in economic activity imports were reduced considerably more than exports. During the last quarter of the year, the volume of imports was much less than one year previously. Import prices fell slightly more than export prices, which improved the terms of trade.

The results of productive activity were poorer in 1958 than in the previous year. Total production is estimated to have been about two per cent below the level of 1957. The real national income, however, decreased rather less, which was due to the improvement in the terms of trade. The real value of domestic demand fell more than the real national income, for part of the income was employed in increasing the foreign balances by means of an excess of exports. The reduction of demand was approximately equal as regards both consumption and investments. It is characteristic of the prevailing conditions, that the decrease occurred only in the private sector, whereas both public investments and public consumption increased considerably.

The course of production varied considerably in the different industries of the economy. Building activity was reduced by 7 per cent, industrial production by 5 per cent and commerce by 3 per cent. Agricultural output, on the contrary, increased by 3 per cent and the extensive timber fellings during the first half of the year also raised the annual result of the output of forest economy one per cent above that of 1957.

	Change in %				
	I	II	III	IV	I-IV
Agriculture .....	+ 8	+ 1	+ 5	- 1	+ 3
Hunting and fishing .....	—	—	—	—	—
Forest economy .....	+12	—	-16	-10	+ 1
Industry .....	- 9	- 7	- 4	+ 1	- 5
Building .....	- 7	- 2	+ 5	+ 5	—
House building .....	- 9	- 8	- 7	- 5	- 7
Roads and waterways .....	- 4	+ 8	+26	+15	+10
Transport .....	-10	- 6	+ 4	+ 6	- 2
Commerce, banks, insurance .....	- 8	- 5	- 2	—	- 3
Public activity .....	+ 3	+ 3	+ 2	+ 2	+ 3
Hotels and restaurants .....	-12	-10	-10	—	- 8
Other branches .....	+ 2	+ 1	+ 2	+ 2	+ 2
<b>Net national product .....</b>	<b>- 2</b>	<b>- 4</b>	<b>—</b>	<b>+ 1</b>	<b>- 1</b>



In the table on page 8 the changes in the volume of production are shown by quarters of the year both in the different industries and in the total economy, the corresponding quarter of the previous year being taken as a point of comparison. The table shows the retardation and cessation of the decline in production which occurred in the latter half of the year.

**Agriculture.** The net national product in agriculture is estimated to have been 3 per cent above the level of 1957. The harvest amounted to 3 872 million fodder units or 4.8 per cent more than in the previous year. The weather conditions were comparative favourable, although frost in the autumn in some parts of the country lowered the quality of crops. The quantity of cereals of good quality proved to be about 55 per cent larger than in 1957. The cultivated area represented 2 611 000 hectares, or 15 000 ha more than in the previous year.

The yield of the principal crops was as follows, in millions of kilogrammes.

	Wheat	Rye	Barley	Oats	Potatoes	Cultivated hay
1954 .....	235.4	132.1	262.2	773.7	1 089.6	3 390.4
1955 .....	189.7	118.7	262.1	643.8	1 066.9	3 197.2
1956 .....	198.7	123.7	286.4	658.9	1 693.4	3 222.2
1957 .....	176.7	115.2	347.9	698.2	1 255.4	3 672.2
1958 .....	215.2	110.9	406.4	798.5	1 380.7	3 448.7

In cattle farming there was a slight increase. The output of milk remained unchanged. The number of cows was slightly reduced and amounted to 1 135 000 in June. The quantity of milk received by the dairies increased by 1.1 per cent. Of dairy butter 74.5 million kg were produced and of cheese 22.5 million kg. The former recorded an increase of 3.5 per cent and the latter a reduction of 4.1 per cent. The output of meat and eggs was larger than in 1957.

Owing to difficulties in exporting butter, efforts were made to increase domestic consumption by reducing the retail price by means of price subsidies. Butter exports totalled 20.5 million and cheese exports 14.9 million kg.

The income derived from agriculture is estimated to have risen by about 7 per cent from the previous year. This was due both to the greater volume of production and to the higher prices of agricultural produce.

In October a law concerning prices of agricultural produce was passed, which replaced the Act of 1956 concerning farmers' income. According to the new law, prices of agricultural produce are subject to alteration, if the costs of production in agriculture, including the estimated labour income of farmers and their families, change from August 1958. As this labour income is estimated according to agricultural wages, the law does not

represent any particular change in principle from the former one. The prices for the crop year 1958/59 were fixed according to the new law, which is to remain in force for three crop years.

**Lumber work.** The total quantity of timber felled for commercial purposes in 1958 was about 7 per cent less than in 1957, but in comparison with 1956 there was an increase of about 4 per cent. Fellings were very large during the latter half of 1957 and the first half of 1958. The great reduction during the second half of the year was obviously due to the large quantity cut earlier and to the fact that the optimistic expectations of sales fostered by the devaluation remained partly unfulfilled. The following table illustrates the quantities of different kinds of timber felled in 1957 and 1958.

	Fellings for commercial purposes 1 000 cu.m. piled measure		Change, %
	1957	1958	
Softwood logs .....	7 429	10 740	+45
Hardwood logs .....	1 342	1 527	+14
Spruce pulpwood .....	13 000	11 147	-14
Pine pulpwood .....	6 281	6 556	+ 4
Pitprops .....	1 835	1 285	-30
Firewood .....	9 824	5 489	-44
Other timber .....	1 208	1 237	+ 2
<b>Total</b>	<b>40 919</b>	<b>37 981</b>	<b>- 7</b>

The totals for the calendar year do not, however, give a correct idea of the movement over the year, for a distinct change occurred at the beginning of June, when the new felling season set in. If the results for the separate halves of 1957 are taken as a basis of comparison, the structural and quantitative changes are clearly discernible. During the first half of 1958, fellings were only 2 per cent less than those in the first half of 1957, but during the second half-year they were 16 per cent less than during the latter half of 1957. The falling off was visible in all kinds of timber without exception, but it was most striking in regard to heavy timber. The fellings of logs had increased at the end of 1957 and were of record size during the first half of 1958, when about 58 per cent more hardwood and softwood logs were cut than during the first half of 1957; in the latter half of 1958 they were about 19 per cent less than during the same period of the previous year. The large quantities of firewood cut in the felling season of 1956/57 caused the fellings of firewood in 1958 to fall about 44 per cent short of the quantity in 1957.

The numbers employed in lumberwork were considerably smaller than in the previous year. Altogether 16.64 million working days were performed during the calendar year of 1958, whereas the corresponding figure for

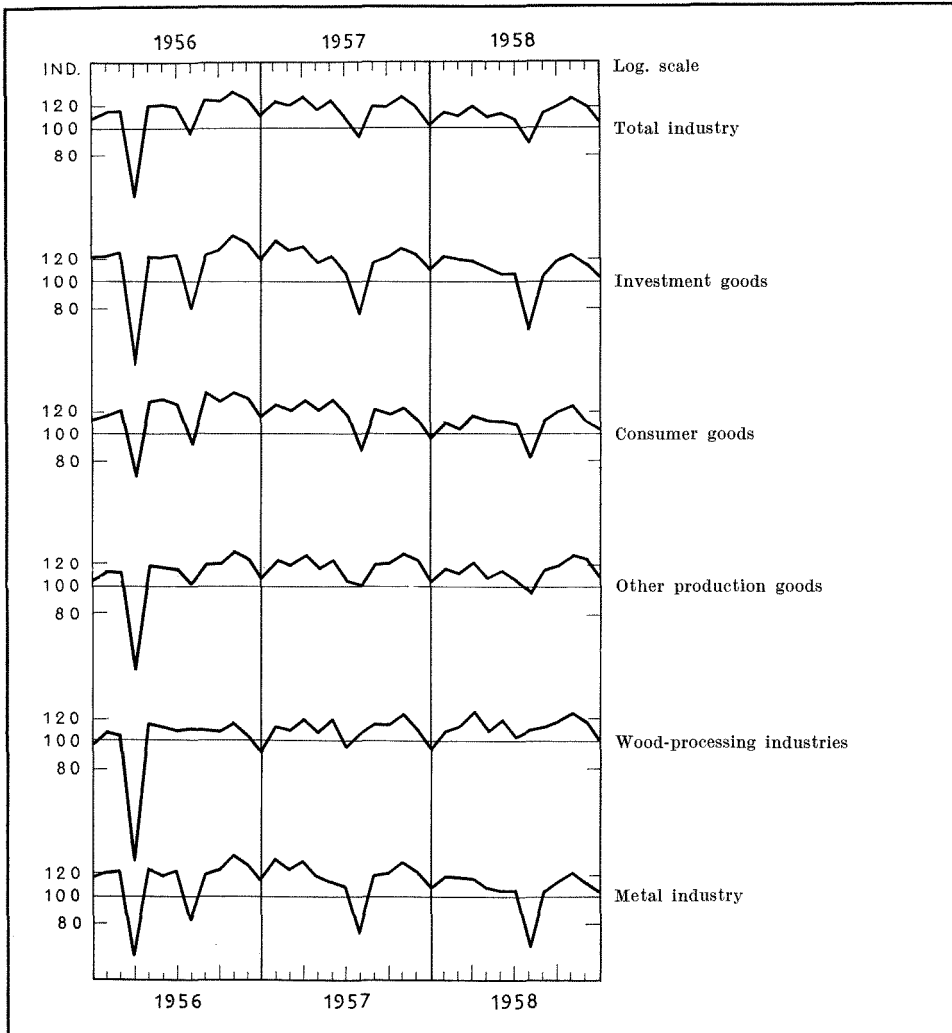
1957 was 17.86 million. In felling, the number of work-days was 8.75 and 10.30 million. In 1958 there were 69 340 men employed on a monthly average, of whom 36 460 in felling, while the corresponding figures for 1957 were 74 420 and 42 920. The numbers employed in lumber work fell off proportionately more than fellings. This was due, above all, to the continuous rapid mechanisation of lumbering, as is illustrated by a comparison between 1955 and 1958: approximately the same results were achieved in those years, but in 1955 there were on a monthly average 20 000 more men employed than in 1958.

**Industry.** The index of industrial production dropped about 5 per cent in 1958 compared with 1957. In 1957 the output grew by 3 per cent and in 1956 by 2 per cent. In the following table the trend in different branches of industry is illustrated by means of the volume index of industrial production (1954 = 100).

	1957	1958	Change, %
Investment goods .....	118	110	— 7
Other production goods .....	118	113	— 4
Consumer goods .....	117	109	— 7
Mining industry .....	134	134	— 0
Manufacturing industry .....	115	108	— 6
of which:			
Wood industry .....	81	89	+10
Paper industry .....	134	133	— 1
Metal industry .....	117	107	— 9
Textile industry .....	117	92	—21
Footwear, wearing apparel and made-up textile goods industry .....	113	100	—12
Leather, leather goods and rubber industry .....	106	92	—13
Chemical industry .....	128	123	— 4
Clay, glass and stone industry .....	106	89	—16
<b>Total industry .....</b>	<b>117</b>	<b>111</b>	<b>— 5</b>

The average output of the consumer goods industry fell off more during the year than total industrial output. In some important branches, the course of production differed quite considerably from that of total industry. In comparison with the corresponding quarters of the previous year, the fall of production in the consumer goods industry was considerably heavier in the first and second quarters than in industry as a whole. This was due in particular to a marked reduction of output in the textile, footwear, wearing apparel and made-up textile goods industries

INDEX OF INDUSTRIAL PRODUCTION BY PRINCIPAL  
CATEGORIES IN 1956—1958, 1954 = 100



and in the leather, leather goods and rubber industry. In the latter half of the year, a change occurred. In the third quarter the decrease in output slowed down more clearly in the consumer goods industry than in other spheres of industry, and in the last quarter the output of consumer goods was higher than in the corresponding quarter one year earlier. The output of total industry was at the same level during the last quarter as during the corresponding period in 1957.

The following table illustrates the changes in the quarterly output of all industry and the consumer goods industry, and of some individual branches, which are principally to be referred to the latter category, in percentage compared with the corresponding periods of the previous year.

	I quarter	II quarter	III quarter	IV quarter
<b>Total industry</b> .....	— 9	— 7	— 5	+ 0
Consumer goods industry .....	—13	—11	— 4	+ 3
Foodstuffs industry .....	— 5	— 6	+ 5	+ 7
Beverages and tobacco industry ....	—21	— 1	—14	+20
Textile industry .....	—28	—30	—24	— 4
Footwear, wearing apparel and made-up textile goods industry .....	—22	—15	— 6	+ 3
Leather, leather goods and rubber industry .....	—26	—15	— 4	— 1

The combined output of investment goods and other production goods fell off slightly less on an average than the output of total industry. During the last quarter of the year, however, the same improvement did not occur in the output of investment goods as in the output of other production goods and of consumer goods. For this reason the production of investment goods decreased during the year more than the total industrial output. The following table illustrates the quarterly changes in the output of the investment goods industry and the industry for other production goods, as well as some individual branches, which are principally to be regarded as belonging to the latter, in percentage compared with the corresponding periods of the previous year.

	I quarter	II quarter	III quarter	IV quarter
Investment goods .....	—10	— 6	— 6	— 6
Other production goods .....	— 6	— 6	— 4	+ 0
Mining industry .....	+ 0	— 1	— 9	+10
Chemical industry .....	+ 0	— 8	— 8	+ 0
Clay, glass and stone industry .....	—29	—23	—12	+ 0
Basic metal industry .....	—11	—13	—16	+ 2
Metal products industry .....	—14	—17	—11	— 9
Engineering industry .....	— 8	— 5	— 4	— 4
Electrotechnical industry .....	—21	—15	—20	—14
Means of transport industry .....	— 8	— 5	— 7	— 5

The output of the wood and paper industries rose by about 3 per cent on 1957. The rise was due, above all, to the output of the timber industry having grown very much during the first three quarters

compared with the corresponding quarters one year earlier. As the following table shows, however, the increase in the output of the timber industry slowed down during the third quarter, whereas a considerable rise occurred in the output of the paper industry during the last quarter in comparison with the corresponding quarter of the previous year.

	I quarter	II quarter	III quarter	IV quarter
Timber industry .....	+ 14	+ 14	+ 10	+ 1
Paper industry .....	- 4	- 4	- 2	+ 6

The output of different products of the timber and paper industries, as well as their exports, are described in detail in connection with the examination of foreign trade.

**Building.** Building activity was reduced very considerably in 1958 compared with the previous year. It was at its lowest in the first and second quarters of 1958 in comparison with the corresponding quarters of the year before. During the latter half of the year the decline was arrested to some extent.

The volume of completed buildings was about 9 per cent less than in 1957. As the table below shows, the reduction was mainly due to the appreciable decrease in building in the towns and urban districts.

	Completed buildings, million cu.m				Change in 1958, %
	1955	1956	1957	1958	
Towns and urban districts .....	8.40	10.95	10.89	9.25	-15.1
Rural districts .....	11.85	8.97	9.92	9.67	- 2.5
<b>Whole country</b>	<b>20.25</b>	<b>19.92</b>	<b>20.81</b>	<b>18.92</b>	<b>- 9.1</b>

A change occurred in the distribution of completed buildings according to their use. The volume of public buildings increased by about 8 per cent and that of buildings for commercial purposes by about 1 per cent, whereas the volume of completed industrial buildings fell off by about 23 per cent, of dwelling houses by 13 per cent and of farm buildings by close on 8 per cent.

L i c e n s e s were issued for a slightly smaller volume of building than in 1957: in the first quarter 19 per cent, in the second 9 per cent and in the third 1 per cent less than during the corresponding quarters of the previous year. During the last quarter, the issue exceeded by 15 per cent the corresponding figure for 1957, which was probably due mainly to the change in the regulations concerning taxation relief on loans for dwelling houses

begun after 31 January 1959. Building licences for brick dwelling houses issued during the last quarter of 1958 exceeded by fully 78 per cent the corresponding figure for 1957.

During the whole of 1958 licences were issued for 18.17 million cubic metres, which was 4 per cent less than in the previous year. In towns and urban districts the reduction was 1 per cent and in the rural districts 6 per cent. Licences for industrial buildings fell off by 17 per cent and for public buildings by 10 per cent.

At the end of 1958 there were 20.38 million cu.m of uncompleted buildings in the whole country, which was 2 per cent less than one year earlier. The reduction related to buildings for commercial purposes (18 per cent), public buildings (7 per cent) and dwelling houses (4 per cent). The total of uncompleted industrial buildings, on the contrary, was considerably larger (17 per cent) than the year before.

The decreased activity in building was also reflected in the output of building materials. The output of cement was 2 per cent less than during the previous year, of bricks 20 per cent and of window glass 31 per cent less.

**The labour market.** In 1958 the state of employment was worse than in any previous year since the war.

Employment was affected by the general decline in economic activity which had set in during 1957, and the great reduction of lumber work which began in the autumn of 1958 tended to aggravate the situation. According to the index of the Research Office of the Ministry for Social Affairs, the number of industrial workers in 1958 was on an average 5.5 per cent less than in 1957. In addition, shorter working weeks and lay-offs were resorted to in many branches of industry. The position was worst in the textile industry in which the labour force was about 16 per cent less than in the previous year, whereas in the plywood mills and sawmills, for example, the labour force was slightly greater.

During the winter season of 1957/58 unemployment attained its peak at the end of March 1958, when the total number of registered unemployed slightly exceeded 78 000. Normally, unemployment decreases after March, so that during the summer months the registers can be closed in general. This year unemployment was exceptionally great even in the summer, for at the end of July there were still about 15 000 on the registers, whereas the corresponding figure in 1957 was 3 500. The majority of the registers had therefore to be kept open throughout the year. When farm work ended in the autumn, the number of unemployed began to grow rapidly and reached a fresh post-war peak at the end of December, when there were in all 82 000 registered unemployed.

The following table records the number of registered unemployed at the end of each month in 1957 and 1958. It should be noted that the table illustrates only the numbers of officially registered people. Investigations into unemployment, based on labour force surveys, show that the actual number of unemployed was considerably larger.

	1957	1958
I .....	53 575	66 859
II .....	66 966	74 209
III .....	73 693	78 124
IV .....	58 309	62 787
V .....	20 581	39 045
VI .....	3 487	20 163
VII .....	2 189	14 934
VIII .....	5 132	19 109
IX .....	14 441	29 894
X .....	31 231	47 825
XI .....	48 408	71 717
XII .....	53 474	81 976

Nevertheless, it proved possible to put the majority of the unemployed on to relief work organised by the State and communes, so that the number of those entirely without work was comparatively small. The proportion of those engaged in relief work remained above 75 per cent during the whole period. The number of people entirely without work was at its highest at the end of December, when it amounted to about 22 200.

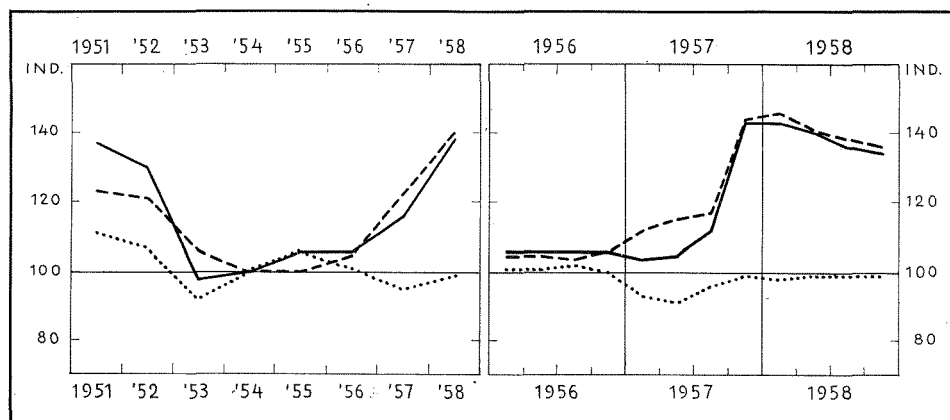
**Foreign trade** was characterised during the year under review mainly by three factors: 1) the continuance of the decline in economic activity abroad, 2) the devaluation in the previous autumn and the extensive liberalisation of imports in connection with it, and 3) the decline of economic activity in Finland.

The markets for products of the wood-processing industry were characterised by a reduction of demand owing to the decrease in economic activity in the principal buying countries and by the excessive supply that had already existed during the two previous years, due to the rapid growth of the productive capacity of the exporting countries. These circumstances led to difficulties in disposing of goods and to keener competition between sellers. The consequences became apparent particularly in the fall of export prices.

Owing to the devaluation, the competitive ability of the Finnish export industry had improved considerably. During the first half of the year, indeed, a large part of the higher receipts from exports, due to the 39 per



EXPORT AND IMPORT PRICES AND TERMS OF TRADE IN 1951—1958  
1954 = 100



— Export prices (f.o.b.)  
 - - - Import prices (c.i.f.)  
 ..... Ratio of export prices to import prices

cent rise in rates of exchange, was surrendered to the State in the form of a levy on export proceeds. For products of the wood-processing industries this levy originally varied from 30 to 75 per cent of the rise in mark amounts. When export prices fell, however, the levy was reduced in four stages, for the first time in February. In the middle of September the collection of levy ceased, as provided for by the act concerning the levy. In most spheres of production for export, the improved competitive power made it possible to reach the production figures of the previous year, despite the falling off of demand and the drop in export prices. The output and exports of sawn goods were even increased considerably, although in other exporting countries output decreased in general. It can therefore be said that, thanks to the devaluation, exports overcame the selling difficulties during the year comparatively well. As, however, there was a continuous increase in productive power, especially in the chemical wood-processing industry, a greater proportion of the capacity of the exporting industry was unused than in previous years.

The decline of domestic economic activity showed itself in a considerable decrease in the demand for imports. In spite of the extended range of liberalisation, the fall of import prices, expressed in foreign currency, and the easier conditions for trade to obtain credit, the quantity of imports was considerably less than in the preceding years. The reduction of imports was

also partly due to the facts that stocks of some raw materials and fuel, in particular, were large at the beginning of the year and that importers no longer had the same incentives to replenish stocks as during the period of strict control of imports.

The course of prices in foreign trade in recent years will be seen in the diagram on p. 17. The unit value index of exports was 138 (1954 = 100) for the year under review, and the index of imports was 140. The corresponding figures for 1957 were 116 and 122. With the exception of products of the metal and engineering industry the price indexes of the principal classes of exports fell throughout. From the last quarter of 1957 to the last quarter of 1958, the fall in prices represented 17 per cent for products of the wood industry, 8 per cent for products of the paper industry and 7 per cent for round and hewn timber. Among imported goods fuel and lubricants became 13 per cent and raw materials and requisites 8 per cent cheaper. The prices of capital goods rose by 10 per cent, and the prices of consumer goods remained unaltered. During the whole period after the devaluation the ratio of export prices to import prices slightly declined; for 1958 it was 99, or about 4 per cent higher than for 1957.

The course of the value of foreign trade in recent years is illustrated by the following table, in millions of marks.

	Exports (f.o.b.)	Imports (c.i.f.)	Total foreign trade	Excess of exports (+) or imports (—)
1955 .....	181 259	176 960	358 219	+ 4 299
1956 .....	177 987	203 558	381 545	—25 571
1957 .....	212 385	227 927	440 312	—15 542
1958 .....	247 934	233 302	481 236	+ 14 632

In consequence of the devaluation the value of both exports and imports rose higher than in earlier years. As regards imports the increase was, indeed, very small owing to the reduction of their volume and the fall in foreign prices.

The value of the principal categories of exports was as follows, in thousand million marks. The quantities produced and exported of some of the most important articles and the changes in them from the previous year are shown in the table on the opposite page.

	1955	1956	1957	1958	Change in 1958, %
<b>Exports (f.o.b.) .....</b>	<b>181.3</b>	<b>178.0</b>	<b>212.4</b>	<b>247.9</b>	<b>+ 16.7</b>
Agricultural products .....	3.9	6.2	10.2	10.7	+ 4.9
Round and hewn timber .....	19.9	17.3	17.1	19.3	+ 12.9
Wood industry products .....	51.3	40.5	48.3	57.8	+ 19.7
Paper industry products .....	75.8	81.8	97.6	115.2	+ 18.0
Metal and engineering products	24.8	25.1	30.4	34.0	+ 11.8
Other goods .....	5.6	7.1	8.8	10.9	+ 23.9

Of the total value of exports 4.3 per cent related to agricultural produce, 7.8 per cent to round timber, 23.3 per cent to wood industry products, 46.5 per cent to products of the paper industry, 13.7 per cent to metal and engineering products and 4.4 per cent to other goods, so that the share of round timber and the wood-processing industry products in the total value of exports represented 77.6 per cent or 1 per cent more than in the previous year.

The volume of exports was clearly below the level of the previous year during the first half of 1958. During the second half, shipments increased so much that in some months exports were larger than during the corresponding period of any year. The volume index of 115 (1954 = 100) for exports during the whole year was only 2 per cent below the peak for 1957 and distinctly exceeded the quantity of exports in other years.

	Unit	Output		Exports	
		1958	Change, %	1958	Change, %
Round timber .....	1 000 cu.m	..	..	3 861	— 5
Sawn goods .....	1 000 stds	987	+20	762	+ 6
Plywood .....	1 000 cu.m	285	— 3	239	— 8
Prefabricated houses .....	1 000 sq.m	..	..	53	— 31
Mechanical pulp (for sale) ....	1 000 tons	141	—16	143	— 13
Sulphite pulp .....	1 000 tons	1 084	+ 2	725	+ 4
Sulphate pulp .....	1 000 tons	982	— 3	476	+ 0
Newsprint .....	1 000 tons	613	— 1	585	+ 6
Kraft paper (excl. kraft liner)..	1 000 tons	218	— 2	162	— 5
Other qualities of paper .....	1 000 tons	334	+ 2	229	— 1
Fibre sheets .....	1 000 tons	139	+ 5	83	+ 38
Boards and cardboard (incl. kraft liner) .....	1 000 tons	422	+ 9	316	+ 9
Copper and copper products ..	tons	..	..	18 170	+161
Electrical machinery and appa- ratus .....	tons	..	..	4 881	— 1
Other machinery and apparatus	tons	..	..	20 338	— 27
Vessels (over 19 net r.t.) .....	1 000 g.r.t.	..	..	171	+ 34
Butter .....	tons	74 532	+ 3	20 528	— 18
Cheese .....	tons	22 618	— 4	14 882	+ 13

The volume index of exports of paper industry products was 1 per cent higher than in 1957. There occurred an increase mainly in the exported quantities of fibre sheets, boards and cardboard, newsprint, and sulphite pulp. On the other hand, exports of mechanical pulp fell off again and were now 32 per cent less than during the Korean boom in 1951.

Exports of products of the wood industry also increased by 1 per cent in volume. Exports in this category have, however, in recent years been, on an average, barely 75 per cent of the peak figures for 1951. A very con-

siderable part of the productive capacity of the sawmills and other factories was thus not utilised. As already mentioned, Finnish exporters of sawn goods were able to some extent to increase their share of the market in 1958. Altogether 795 000 stds of sawn goods were sold for shipment during the year, or about 13 per cent more than in 1957, but as more than usual was left over for delivery in 1959, the growth of exports was not as large as the sales would have implied. Plywood exports fell off from the previous year and were one-quarter less than during the peak year of 1955. As exports of prefabricated houses to the countries of the Eastern bloc had ceased — in 1951 and 1952 their exports exceeded one million sq.m — this branch of industry has had in a large measure to concentrate on doors, window frames, kitchen furniture etc. In recent years exports of these articles have increased very much.

The volume of exports of round and hewn timber was reduced by 5 per cent from the previous year. The reduction related in particular to pitprops, this being mainly due to the lower output of coal and coke in the principal buying countries.

The quantity of products of the metal industry exported was 12 per cent less than in 1957. This was principally due to a great falling off in deliveries to the Soviet Union during the last quarter of the year.

The quantity of exports of agricultural products decreased by 5 per cent from the previous year. The steps taken in the United Kingdom, the principal buyer of butter, to restrict imports, and an increase in domestic consumption, led to a fall in butter exports despite output having grown. Exports of cheese, on the other hand, attained a new record quantity.

The distribution of the value of imports according to their principal categories is shown in the table below, in thousand million marks. The quantities of imports of the most important articles are illustrated by the table on the opposite page.

	1955	1956	1957	1958	Change in 1958, %
<b>Imports (c.i.f.)</b> . . . . .	<b>177.0</b>	<b>203.6</b>	<b>227.9</b>	<b>233.3</b>	<b>+ 2.4</b>
Raw materials and requisites	94.9	104.3	117.4	119.5	+ 1.8
Fuels and lubricants . . . . .	21.6	27.5	40.2	32.7	— 18.7
Capital goods . . . . .	34.2	43.4	41.3	48.8	+ 18.2
Consumer goods . . . . .	26.3	28.4	28.9	32.3	+ 11.8

Of the total value of imports the ratio of raw materials and requisites for production represented 51.2 per cent, of fuels and lubricants 14.0 per cent, of producer goods 20.9 per cent and of consumer goods 13.9 per cent. The composition of imports according to their principal categories was thus, in broad lines, the same as in 1956. In 1957, on the contrary, it was

exceptional owing to record imports of fuel; the proportion of this category to the total value of imports was then 17.6 per cent.

The volume of imports was 20 per cent below the corresponding figure for 1957 during the first quarter of the year. In the following quarters, however, the gap narrowed. The index for the whole year stood at 110, or 11 per cent lower than the figure for the previous year and also lower than at any time since 1954.

In all the main categories of imports there was a reduction from the previous year. Imports of raw materials and requisites were 11 per cent, of fuels and lubricants and of producer goods 13 per cent and of consumer goods 5 per cent below the figures for 1957. The decline in economic activity reduced the demand for producer goods; imports of these were in the first quarters 1 and 4 per cent, but in the following quarters 15 and 21 per cent lower than in the previous year.

	Unit	1957	1958	Change, %
Wheat and rye . . . . .	1 000 tons	408	384	— 6
Coffee, unroasted . . . . .	tons	30 281	31 377	+ 4
Sugar . . . . .	1 000 tons	132	149	+13
Tobacco, raw . . . . .	tons	4 980	4 793	— 4
Edible fats . . . . .	tons	26 273	15 329	—42
Wool . . . . .	tons	5 117	4 579	—11
Cotton . . . . .	tons	16 163	15 295	— 5
Articles of wool and cotton . . . .	tons	4 182	3 678	—12
Rubber and rubber articles . . . .	tons	14 457	13 359	— 8
Chemicals and medicines . . . . .	1 000 tons	280	255	— 9
Concentrated fodder . . . . .	1 000 tons	73	57	—22
Fertilisers . . . . .	1 000 tons	519	414	—20
Coal and coke . . . . .	1 000 tons	2 864	2 225	—22
Fossil oils, petrol etc. . . . .	1 000 tons	1 975	1 973	— 0
Iron and steel . . . . .	1 000 tons	451	330	—27
Electrical machinery and apparatus . . . . .	1 000 tons	13 641	13 319	— 2
Other machinery and apparatus . . . . .	1 000 tons	43 921	43 648	— 1
Motor vehicles and chassis . . . . .	number	25 995	21 783	—16
Tractors . . . . .	number	9 616	8 434	—12

The monthly distribution of foreign trade is shown in the following table, in millions of marks.

The usual seasonal deficit in the balance of trade during the first half of the year was 9 400 million marks, or less than half of the deficit in the two preceding years. The great increase in the value of exports in July—October led to a surplus of 14 600 million marks for the whole year. In the previous year the balance of trade recorded an equally large deficit.

1958	Exports	Imports	Excess of exports (+) or imports (-)
January .....	15 510	20 506	— 4 996
February .....	14 728	18 288	— 3 560
March .....	16 815	17 967	— 1 152
April .....	15 050	18 661	— 3 611
May .....	21 905	19 544	+ 2 361
June .....	21 793	20 250	+ 1 543
July .....	25 301	16 759	+ 8 542
August .....	22 292	16 337	+ 5 955
September .....	26 689	19 500	+ 7 189
October .....	24 933	21 031	+ 3 902
November .....	21 250	22 029	— 779
December .....	21 668	22 430	— 762
<b>Total</b>	<b>247 934</b>	<b>233 302</b>	<b>+ 14 632</b>

The relative distribution of foreign trade among different payment areas was as follows.

	Exports, %			Imports, %		
	1956	1957	1958	1956	1957	1958
Sterling area .....	25.2	24.8	25.6	21.3	18.4	17.9
Other OEEC countries .....	31.4	32.0	36.6	39.1	37.6	44.7
Eastern bloc .....	27.3	29.4	24.9	25.0	30.6	25.7
USA and Canada .....	6.7	5.1	4.7	6.7	5.7	5.5
Latin America .....	6.0	4.8	4.5	5.6	5.1	4.4
Other countries .....	3.4	3.9	3.7	2.3	2.6	1.8

Changes occurred in the regional distribution of both exports and, especially, imports compared with the previous year. The share of the OEEC countries in the total value of exports increased from 56.8 per cent in 1957 to 62.2 per cent, and their share in the total value of imports from 56.0 to 62.6 per cent. The proportion of the Eastern bloc countries recorded a reduction. In 1957 trade with the OEEC countries showed a deficit of 7 100 million marks and in 1958 a surplus of 8 200 million. In trade with the Eastern bloc the previous year's deficit of 7 300 million marks likewise changed into a surplus of 1 800 million.

These changes in the geographical distribution of imports were due to the liberalisation of imports and to the decrease in their volume. The distribution of exports, on the other hand, was influenced mainly by the market conditions and also by the change in imports from bilateral countries.

The degree of liberalisation of imports is the highest among the multi-lateral agreement countries. Calculated on the basis of the structure and level of imports in 1954, about 82 per cent of all imports from those countries

are now entirely free. To the non-liberalised imports from them global quotas are applied for the greater part; the limit of such imports, expressed in marks, has been fixed in advance, but importers have a free choice of currency. About 41 per cent of imports from the dollar area, calculated on the basis of the 1954 imports, are automatically licensed, and the rest of the imports are controlled. The proportion of automatically licensed imports from the countries with bilateral agreements is 37 per cent.

The liberalisation of imports caused competition in the Finnish market among foreign sellers. The consequence has been a fall of import prices and to some extent a shift in the countries of purchase. The reduction in the Eastern bloc's share of imports in 1958 was, however, to a large extent due to imports of some raw materials and requisites and of fuels and lubricants having been reduced more than other imports, and to their prices having dropped more than the average of import prices. Imports of these articles, which come mostly from the countries of the Eastern bloc, were very heavy in 1957 and stocks of them were exceptionally large at the beginning of the year. In making a comparison with the previous year it should also be remembered that in the first half of 1957 the licensing of imports in Western currencies was greatly reduced owing to the stringency in foreign exchange.

The largest purchaser country was again the United Kingdom, whose share of the total value of exports amounted to 22.1 per cent. The largest supplier was the Soviet Union, its share of the total value of imports being 18.0 per cent or slightly higher than in the previous year. The decrease in the Eastern bloc's share of imports was thus due to the relative falling off in the import trade with other countries than the Soviet Union. The shares of Western Germany and Sweden in exports and, particularly, in imports increased very much. Exports to France, the principal West-European bilateral country, increased, while imports from that country were reduced. Trade with the United States, as with the whole dollar area, declined.

**Internal trade.** The decrease in economic activity was reflected very clearly in both wholesale and retail trade. According to preliminary estimates of the national income, the reduction of the net production in internal trade was about 5 per cent from the previous year or approximately of the same size as the corresponding decrease from 1956 to 1957. During the last months of the year the decline in activity ceased and the quantities sold even increased in comparison with the corresponding period in 1957.

The following table illustrates the course of internal trade by quarters. The statistics cover 65—70 per cent in regard to wholesale trade, but only about one third in regard to retail trade (co-operative retailers).

	The volume of internal trade, 1954 = 100					
	Wholesale trade			Retail trade		
	1957	1958	Change, %	1957	1958	Change, %
I quarter .....	109	95	—13	101	93	—8
II » .....	117	108	— 8	118	110	—7
III » .....	120	115	— 4	116	113	—3
IV » .....	111	118	+ 6	122	129	+6

The value of sales in wholesale trade grew by 4 per cent during the year, whereas sales in retail trade increased by about 1 per cent. The trend varied in the different branches of retail trade. The increase in the value of sales was largest in the case of dispensing chemists (9 per cent) and dealers in foodstuffs and tobacco, as well as of »retailers in other spheres» (4 per cent). On the other hand there was a considerable drop in the value of sales of dealers in iron, electric appliances and sports goods (10 per cent) and in textiles, clothing and leather goods (5½ per cent), and of the sales of department stores (4 per cent).

**Transport.** According to preliminary calculations of the national income, the net production of transport decreased by about 1 per cent compared with 1957.

In the table below the volume of all transport and of its subsidiary classes for each quarter is compared with the corresponding quarter of 1957, the volume of which is taken as equal to 100.

	I quarter	II quarter	III quarter	IV quarter
<b>All transport</b> .....	<b>90</b>	<b>94</b>	<b>104</b>	<b>106</b>
Shipping .....	73	86	104	106
Motor traffic .....	100	99	114	113
Railway traffic .....	86	87	91	97

It will be seen from the table that the activity of all transport was less during the first two quarters than one year earlier. During the last two quarters the tendency was more favourable, but it should be noted that the improvement that occurred at the beginning of 1957 changed into a decrease during the third quarter of the year. The whole-year figure for 1958 was 2 per cent lower than that for 1957.

The volume of shipping was considerably less during the first half of the year than in 1957. Although the development was more favourable during the last two quarters, the activity for the whole year was 6 per cent below the level of the previous year.

Motor traffic was livelier than the activity of all transport. In comparison with 1957 the increase represented 6 per cent.

Railway traffic fell off most. The decrease for the whole year amounted to 9 per cent compared with 1957.



**The money market.** During 1958 the money market was comparatively easy. The reduced activity lessened the internal demand for credit on the one hand, and the demand for imports on the other, which made possible a growth of the foreign exchange reserve and a consequent increase of the supply of money. The total demand for cash and account money did not increase in the same proportion as the value of the national product, but the public's time deposits, in particular, grew as a result of the larger supply of money. This growth was employed by the banks in the first place for improving their liquidity and increasing their loans. In these circumstances the rates of interest could be lowered in the market for bank credits. The improvement in the liquidity of the banks encouraged them to invest funds in bonds, of which a record quantity was issued in 1958. The reduced level of interest in the market for bank credits also lowered the rate of interest in the capital market.

The aim of the *Bank of Finland* at the beginning of the year was to prevent too great a relaxation of the money market. However, it very soon became evident that the danger of inflation was not present. The Bank therefore proceeded to relax the money market step by step in order to promote production and employment.

The Bank of Finland modified its regulations for rediscounting bills. Early in the year the variety of such bills was extended to which the rules for additional interest were not applied. From the beginning of May the Bank of Finland raised the limit of the banks' right of rediscounting bills free of this supercharge. As, further the progressivity of the additional rate was reduced, the burden of additional interest was considerably eased (see page 42 below). These measures and the growth of deposits resulted in the banks not paying any additional interest in practice after the month of May.

The Bank of Finland participated with the commercial banks in subscribing to the first two bond loans issued by the Industrial Mortgage Bank of Finland. On the initiative of the Bank of Finland the Export-Import Bank of Washington granted the Mortgage Bank of Finland Oy a loan of 4 500 million marks from the funds deposited in the Bank of Finland on the mark accounts of holders abroad, accumulated from payments for purchases from United States surplus stores.

The levy on export proceeds collected during the year totalled 15 467 million marks, of which, according to the stipulations, 8 125 million marks were employed for redeeming bonds of the Treasury Bond Loan of 1953 and 1 805 million for granting loans to the export industry. The Treasury further made a regular redemption of the Treasury Bond Loan by 2 500 million marks. The Bank of Finland agreed to the Treasury drawing the unemployed part of the loan amounting to 3 750 million marks, so that the net reduction was 6 875 million marks during the year.

In order to increase imports from the Eastern bloc the Bank of Finland granted the Treasury a loan of 5 000 million marks in September and a further 5 000 million in December for obtaining stand-by stocks. By the end of the year 4 335 million marks of the former credit had been drawn.

The gold and foreign exchange reserve grew by 21 520 million marks. The increase was in part a consequence of the prepayments for exports to the USSR being now entered direct on the foreign currency account (see p. 44). On the other hand, the use of the stand-by stocks loan consumed bilateral assets.

As a result of the measures mentioned above, the money market was relaxed, which enabled the Bank's Finnish credit customers to redeem bills to a total amount of 4 086 million marks. In addition, the balance of bills in foreign currency was reduced by 596 million and the overdrafts on cheque accounts by 179 million.

The course of the weekly statements of the Bank of Finland is seen from the accompanying diagram. The net loans to banks, curve 6, is plotted on an inverted scale for the better illustration of the interdependence between their movement and that of curve 5.

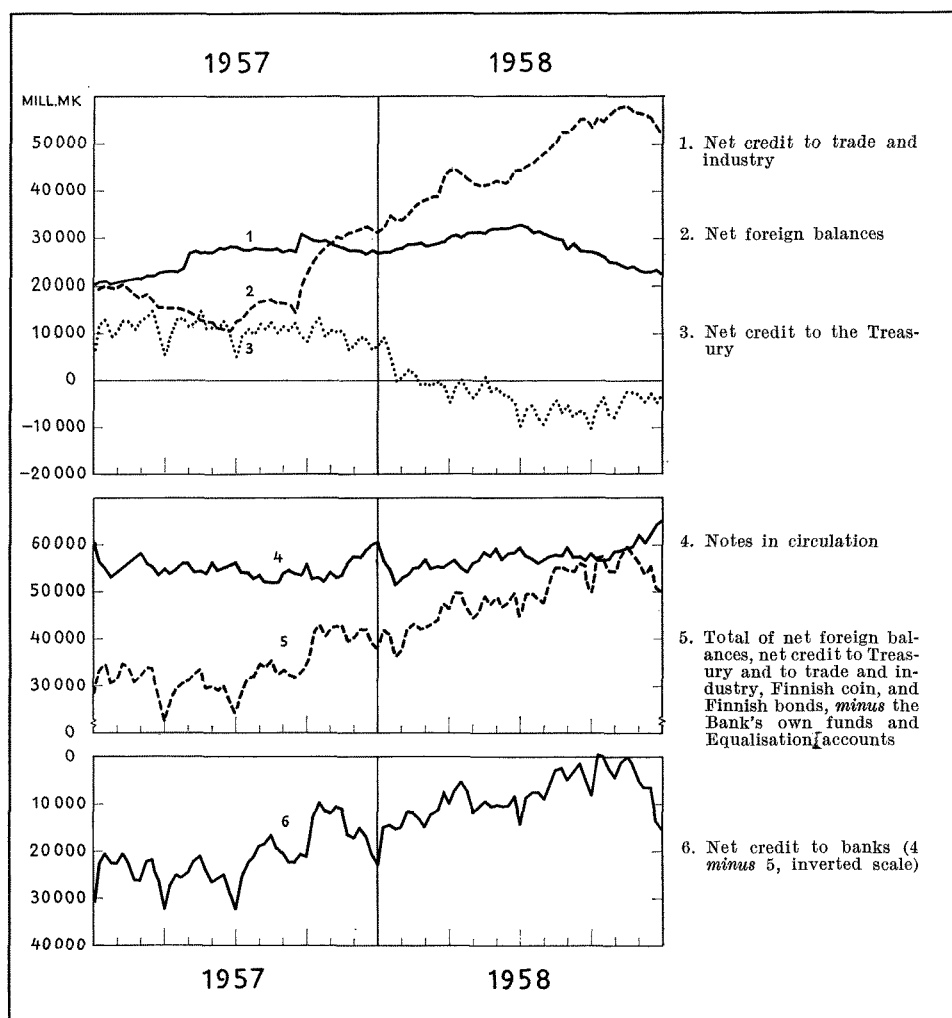
The following table shows the principal changes during 1958 in the statements of the Bank of Finland and their contractive (—) or expansive (+) influence, in thousand millions of marks.

	Net influence 1 000 mill. mk
Gold and foreign exchange reserve, increase .....	+ 21.5
Pre-1958 advances on exports to the USSR, reduction .....	— 5.2
Loans for stand-by stocks, increase .....	+ 4.3
Other net claims on Treasury <sup>1</sup> , reduction .....	— 0.8
Discounted bills in marks, reduction .....	— 4.1
Export-Import Bank loan, reduction .....	+ 2.3
Export levy, <sup>1</sup> increase .....	— 15.5
Loans from export levy funds, increase .....	+ 1.8
Equalisation accounts, reduction .....	+ 6.3
Bank of Finland's funds, increase .....	— 0.5
Other items, net .....	— 0.4
<b>Net change</b>	<b>+ 9.7</b>
Rediscounted bills, reduction .....	+ 6.2
Cheque accounts of banks, reduction .....	— 0.9
Notes in circulation, increase .....	+ 4.4
<b>Net change</b>	<b>+ 9.7</b>

The money market relaxed during the year, principally owing to the growth of the foreign exchange reserve. The influence of the expansive factors amounted to 36 200 million marks in all. The combined influence of

<sup>1</sup> The reduction of the Treasury Bond Loan by 8 100 million marks from export levy funds is not taken into account.

## NET BALANCE OF THE BANK OF FINLAND IN 1957 AND 1958



the contractive factors amounted to 26 500 million marks. Of the latter, the export levy was the most important. The relaxing factors were thus 9 700 million marks in excess of the tightening factors. A reduction of rediscounted bills and a growth of the note circulation acted as a counterweight to this.

The liquidity of the commercial banks improved appreciably in 1958. Their deposits by the public increased by 20 900 million marks and their net liabilities to other banking establishments by 7 800 million, chiefly by the balances of the savings banks in the Central Bank of the Savings Banks increasing. The commercial banks were able to reduce their rediscounts

at the Bank of Finland by 5 200 million marks. Their loans to the public grew by 14 200 million marks, and their claims on the Treasury in the form of bills by 4 000 million. Their holdings of shares and bonds grew by 7 000 million, mainly by purchases of bonds issued by the State or private concerns. The following table illustrates the changes during 1958 in the principal items of the combined net balance sheets of the commercial banks, in thousand million marks.

		Increase (+) or decrease (—)
Cash .....		+ 0.5
Foreign balances, net .....		— 1.2
Claims against Treasury .....		+ 4.0
Loans to the public		
Bills .....	+ 4.0	
Cheque accounts .....	— 0.8	
Loans .....	+ 11.0	+ 14.2
Shares and bonds .....		+ 7.0
<b>Assets</b> .....		<b>+ 24.5</b>
Deposits by the public		
Time deposits .....	+ 19.0	
Cheque accounts .....	+ 1.9	+ 20.9
Payments in transit, net .....		+ 1.6
Finnish banks, net .....		+ 7.8
Bank of Finland .....		— 5.2
Other items, net .....		— 0.6
<b>Liabilities</b> .....		<b>+ 24.5</b>

The deposits by the public in other credit institutions increased very much during 1958. With the exception of the Central Bank of the Co-operative Credit Societies, however, the relative increase in them was less than in the commercial banks. The growth was least in the co-operative credit societies.

The following table illustrates the changes in the total deposits in all the banking establishments in 1957 and 1958.

	Increase (+) or decrease (—) from previous year			
	1957		1958	
	Mill. mk	%	Mill. mk	%
Commercial banks .....	+ 5 511	+ 4.1	+ 20 893	+ 14.8
Savings banks .....	+ 5 594	+ 4.8	+ 13 925	+ 11.4
Co-operative Credit Societies ....	+ 4 254	+ 6.5	+ 7 602	+ 10.9
Post Office Savings Bank .....	— 202	— 0.9	+ 4 207	+ 12.4
Savings Departments of Co-operative Stores .....	+ 810	+ 5.1	+ 2 368	+ 14.1
Central Bank of the Co-operative Credit Societies .....	+ 261	+ 64.2	+ 870	+ 130.2
Mortgage Banks .....	+ 3	+ 5.4	+ 22	+ 41.5
<b>Total</b>	<b>+ 16 231</b>	<b>+ 4.4</b>	<b>+ 49 887</b>	<b>+ 13.0</b>

The cheque accounts of the public in the banking establishments increased by 3 420 million marks or 7.4 per cent, whereas the increase in 1957 had been 175 million marks or 0.4 per cent. The growth of the time deposits of the public amounted in absolute figures to 46 467 million marks and was the largest annual growth ever attained. The relative increase in deposits amounted to 13.7 per cent. The corresponding figures in 1957 were 16 056 million marks and 5.0 per cent.

Great changes occurred in the structure of the time deposits of the public inasmuch as the time deposits not linked to the index increased by 45 599 million marks or 17.8 per cent, whereas the index-tied deposits increased by only 868 million marks or 1.1 per cent. The amount of *i n d e x - t i e d* *d e p o s i t s* totalled 82 444 million marks at the beginning of 1958 and was at its highest at the end of August, when it reached 91 543 million marks. Subsequently these deposits decreased month by month until they amounted to 83 312 million at the end of the year. Of the total time deposits, 24.3 per cent were index-tied at the beginning of the year. The highest ratio, or 25.6 per cent, was attained in June; in December the index-tied deposits represented 21.6 per cent of all time deposits. At the very beginning of January considerable changes occurred in the composition of index-tied deposits, for funds were transferred from the taxable accounts A, linked 100 per cent to the cost of living index, to the tax-free accounts B, linked 50 per cent to the cost of living index. During the year the A-accounts were reduced by 22 780 million marks or 49.3 per cent, whereas the B-accounts increased by 23 648 million marks or 65.3 per cent. At the beginning of the year there were in all 46 239 million marks of deposits on the A-accounts, or 56.1 per cent of all the index-tied deposits. At the end of the year the corresponding figures were 23 459 million marks and 28.2 per cent respectively.

The *l o a n s* of the banking establishments to the public increased by about 10 per cent. The largest growth in absolute figures related to the commercial banks and the largest relatively to the mortgage institutions.

The following table illustrates the changes in the loans granted by the banks in 1957 and 1958.

	Increase (+) or decrease (—) from previous year			
	1957		1958	
	Mill.mk	%	Mill.mk	%
Commercial banks . . . . .	—2 284	— 1.4	+14 163	+ 8.8
Savings banks . . . . .	+3 809	+ 3.7	+ 8 746	+ 8.2
Co-operative Credit Societies . . . . .	+1 909	+ 2.7	+ 5 987	+ 8.2
Post Office Savings Bank . . . . .	— 185	— 0.7	+ 2 980	+11.4
Central Bank of the Co-operative Credit Societies . . . . .	— 605	—10.5	— 548	—10.6
Mortgage banks . . . . .	+1 026	+ 7.2	+ 6 214	+39.5
<b>Total</b>	<b>+ 3 670</b>	<b>+ 1.0</b>	<b>+37 542</b>	<b>+ 9.7</b>

The bond market was still dominated by index-tied securities. The index-tied bond loans issued were mainly 50 per cent tied to the cost of living index. One loan was 50 per cent tied to the wholesale price index, one was 50 per cent tied to the index of export prices (f.o.b.), and one was 50 per cent tied to the sterling rate of exchange. However, the proportion of index-tied bonds to the total bonds issued was 64.9 per cent, whereas the corresponding proportion in the two preceding years was 84.4 and 98.2 per cent. Bonds were subscribed to a total of 22 350 million marks or more than twice as much as during 1957 and more than in any preceding year. The issues of bonds by the communes and the banking establishments were larger than in previous years.

The following is a list of the bond loans issued during 1958, in millions of marks.

<b>New bond loans</b>		
State loans	Total issue planned	Sold
Loan from National Pensions Institution .....	500	500
Loan from Post Office Savings Bank .....	2 000	2 000
Loan at variable rate of interest .....	1 000	1 000
7 ½ per cent loan I .....	1 000	1 000
7 ½ per cent loan II .....	1 000	1 000
Cash Bond Loan <sup>1</sup> .....	3 000	3 000
Loan for Rovaniemi Urban District Expropriation ..	479	256
Municipal loans		
Helsinki City I .....	100	100
Helsinki City II .....	750	750
Helsinki City III .....	750	750
Kuopio Municipality .....	100	100
Oulu Municipality .....	100	100
Bank loans		
Real Estate Bank in Finland I .....	400	400
Real Estate Bank in Finland II .....	500	312
Real Estate Bank in Finland III .....	400	—
Industrial Mortgage Bank of Finland I .....	3 000	2 750
Industrial Mortgage Bank of Finland II .....	6 000	4 000
Industrial Mortgage Bank of Finland III .....	800	—
Industrial Mortgage Bank of Finland IV .....	1 200	—
Central Bank of the Co-operative Credit Societies ...	1 000	1 000

<sup>1</sup> On December 31 the Government issued a Cash Bond Loan of 3 000 million marks, which the commercial banks subscribed on the same day. The loan is to run for three years at a rate which is 1 ¾ per cent above the general deposit rate of the commercial banks. At the same time the Bank of Finland undertook to make temporary purchases of cash bonds in order to meet the commercial banks' seasonal need for credit.

	Total issue planned	Sold
<b>Industrial loans</b>		
Pohjolan Voima Oy .....	300	300
Kemijoki Oy I .....	1 000	1 000
Kemijoki Oy II .....	1 000	1 000
Vehnä Oy .....	300	300
<b>Other loans</b>		
Aero Oy .....	400	400
Finnish Co-operative Wholesale Society (SOK) .....	400	95
Co-operative Wholesale Association (OTK) .....	100	100
Co-operative Wholesale Association (OTK) .....	200	51
<b>Total</b>	<b>27 779</b>	<b>22 264</b>

#### Bonds of earlier loans sold in 1958

	Year of issue	Sold
<b>Municipal and church loans</b>		
Helsinki City .....	1950	53
Karjaa Urban District .....	1957	26
Tampere Lutheran Church .....	1953	7
<b>Total</b>		<b>86<sup>1</sup></b>

The rates of interest experienced considerable changes during the year. The Bank of Finland charged its customers the official bank rate of 6½—8 per cent on credits, the lowest rate applied in practice being 7½ per cent. The rate on advances on cheque accounts remained at 7 per cent and the commission charged on them at 1 per cent. From the beginning of October the Bank of Finland began to charge 7¼ per cent interest on rediscounted bills, the former rate having been 8 per cent or the same rate as the banks had charged their customers. The interest agreement in force between the credit institutions contains no stipulations concerning rates of interest on loans. The joint delegation of the credit institutions resolved that from the beginning of October the rates on loans should be lowered by ¾ per cent on an average, so that the highest rate would be 7¼ or 7½ per cent. They also decided to alter the agreement from the same date, by lowering the rates on deposits by ¾ per cent on an average. The rates applied during 1958 were as follows:

	Jan. 1 to Sep. 30 %	Oct. 1 to Dec. 31 %
On six months deposits by the public .....	5 ¾	5
On index-tied deposits by the public .....	4 ¾	4
On cheque accounts of the public in the commercial banks	1	0
On cheque accounts of the public in the savings banks and co-operative credit societies .....	1 ½	½
On postal giro accounts of the public .....	1	0

<sup>1</sup> Besides, the Government issued additional-indemnity bonds during the year to the value of 1 014 million marks.

When the banks lowered their lending rates, the insurance companies also decided to lower theirs by an average of  $\frac{3}{4}$  per cent. Interest on bonds was also reduced. The usual rate on bonds issued during the first half of the year was  $7\frac{1}{4}$ — $7\frac{1}{2}$  per cent, whereas in the second half the rate on issues was 7 per cent in most cases.

Another change occurred in the costs of credits, the index charges collected by the banks for covering the index compensations due to depositors being lowered considerably. From the beginning of the year to the end of September, the commercial banks charged 1 per cent on all their loans to the public. This rate was reduced to  $\frac{1}{2}$  per cent from the beginning of October. The co-operative credit societies and their Central Bank charged 1 per cent per annum during the first half of the year, but during the second half the collection of index charge was suspended. In the savings banks the index-charges averaged 1.4 per cent during the first half of the year and 0.2 per cent during the second half, or 0.4 per cent for the whole year. The Post Office Savings Bank continued to charge 25 per cent of the rise in the cost of living index.

The lowering of the index charge was due to the cost of living index remaining steady, and to the reduction of index-tied deposits in proportion to the total deposits, and the relative increase of B-accounts at the expense of A-accounts.

The stock market remained quiet. The total turnover on the Helsinki Stock Exchange amounted to 1 837 million marks, or 30.6 per cent less than in the previous year. The annual index for all shares quoted on the Stock Exchange which had stood at 430 (1948 = 100) in 1957, fell to 385 or by 10.5 per cent. The index for bank shares fell by 3.0 per cent and that for industrial shares by 10.8 per cent. Quotations for bank shares fell early in the year and reached their lowest figures in March—May; in June they began to rise again, and the highest points were reached in December. Quotations for industrial shares fell gradually to a minimum at the end of October; the rise that began in November was accentuated in December, when approximately the level of the previous spring was attained. Owing to the numerous issues of bonds towards the end of the year, the business done in bonds on the Stock Exchange was dull.

The new companies formed during the year numbered 1 046, and their total capital amounted to 9 098 million marks. In addition, 664 companies increased their capital by a total of 17 850 million marks. In the course of the year 412 companies went into bankruptcy or ceased to do business, the share capital they represented amounting to 566 million marks.

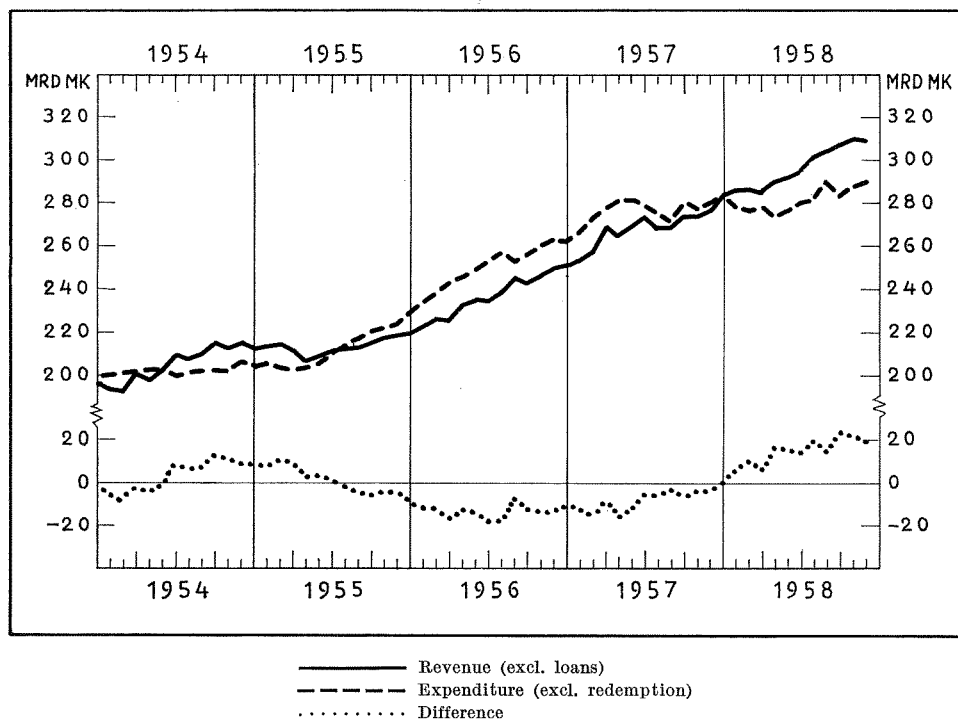


**The balance of payments.** The deficit in the balance of trade that had burdened the foreign payments conditions during the two previous years, changed into a surplus of 14 200 million marks in 1958. The net income from freights was less than during the previous years, because part of the merchant fleet was laid up and freight rates were low. The total net income derived from transport is estimated at 14 800 million marks. On the other hand, tourist traffic resulted in a net expenditure of 3 400 million marks, as the expenditure of Finnish travellers exceeded the sum produced for Finland by foreign travellers. Investment expenditure which consists chiefly of interest on foreign loans, amounted to 3 800 million marks net. In total, current transactions yielded a surplus of 25 100 million marks.

Some changes occurred in the structure of long-term capital during 1958, foreign loan markets having been thrown open to private borrowers on a considerably larger scale than before. Only one official loan of 4 500 million marks was obtained, which the Export-Import Bank of Washington granted the Mortgage Bank of Finland. The loan was granted out of the funds in marks in the Bank of Finland which had accumulated from payments for purchases of United States surplus stores. Thus the loan did not introduce fresh capital into the country, but converted former short-term funds into a long-term loan, the period of redemption being 40 years and the rate of interest 3 per cent. The loan is to be used within the country for investments in the wood-processing industry and in power stations. Of the official loans granted in former years, mostly by the International Bank for Reconstruction and Development, 1 400 million marks were employed. On the other hand, private enterprises obtained considerable credits for terms of 3—6 years for purchases from many different countries. Although some of the loans were granted so late that they could not be used during the year, private loans were drawn upon to the value of 4 400 million marks, so that the total amount of loans drawn represented 10 300 million marks. Earlier loans were redeemed to the extent of 8 800 million marks. Other movements of long-term capital were insignificant.

The large surplus yielded by current transactions and the loans from abroad improved the foreign payments position appreciably. The growth of the foreign exchange holdings of the banks, amounting to 28 300 million marks, was particularly noteworthy. The short-term private assets also increased, as far as they are known, and the total net increase in short-term foreign assets amounted to 30 300 million marks. The short-term liabilities grew, but only by 2 100 million. The liabilities of the banks in foreign currency and in marks were reduced, while the private liabilities increased owing to prepayments on exports and import credits utilised.

STATE REVENUE AND EXPENDITURE IN 1954—1958  
1 000 mill. mk



**The State finances.** Many of the measures adopted in 1957 for increasing revenue and reducing expenditure did not affect the State finances until 1958. Nevertheless, difficulties arose in the State finances that were principally due to the low level of economic activity. In order to maintain employment, about the same amount of funds were spent as in the previous year. To increase the home consumption of butter the subsidies were raised on three occasions. For financing these subsidies it was decided in March to raise the consumer prices of foreign wheat and rye. This decision was, however, rescinded in June, but was again brought into force with regard to wheat in October. At the beginning of August telephone rates and parcel postage were increased. Instead, the taxes on automobiles and motor cycles were lowered in December. To increase the stocks of imported goods a loan for the purchase of stand-by stocks was obtained from the Bank of Finland, of which 4 300 million marks were employed during the year.

According to preliminary calculations, the State finances show a considerable overall surplus. This was due, above all, to the export levy, of which 15 200 million marks accrued despite the fact that the rates of levy were reduced four times in the course of the year. Of these funds, 8 100 million

marks were employed in redeeming the Treasury Bond Loan. The remainder, combined with the funds brought forward from 1957, altogether 8 100 million marks, is to be granted in the form of loans to the forest industry. Of these funds 1 800 million marks were drawn during 1958. The bill credit of 4 000 million marks obtained from the private banks in the first half of the year was converted at the end of the year into a long-term loan. The Cash Bond Loan, which amounts to 3 000 million marks and of which 2 000 million were drawn during the year, also strengthened the cash position of the Treasury during the concluding weeks of the year.

Particulars of the total State revenue and expenditure are not yet available, but their level is illustrated by the figures for the period from December 1957 to November 1958. The revenue during that period totalled 318 000 million marks and the expenditure 300 000 million. The revenue was therefore 9 per cent and the expenditure 3 per cent higher than in 1957.

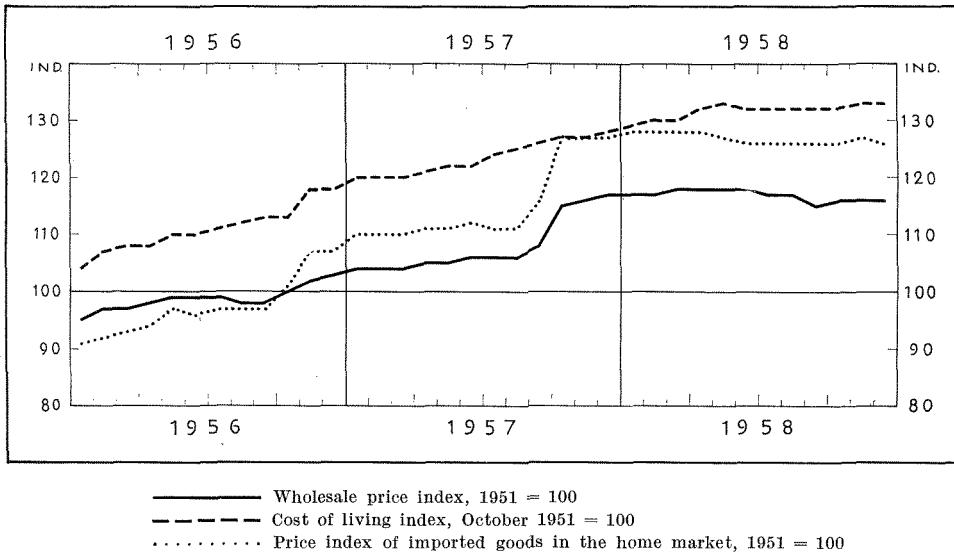
A calculation is given below, based on the official statement, of the Public Debt and its composition, in millions of marks. The figures for 1958 are partly provisional.

	Dec. 31, 1957	Dec. 31, 1958
Ordinary loans .....	72 768	70 379
Obligation to IMF .....	9 030	9 030
<b>Foreign debt</b>	<b>81 798</b>	<b>79 409</b>
Ordinary loans .....	52 895	61 385
Bill credits from private banks .....	—	1 235
Treasury Bond Loan of 1953 .....	13 750	6 875
Indemnity bonds and similar obligations .....	7 396	7 288
<b>Internal debt</b>	<b>74 041</b>	<b>76 783</b>
<b>Total Public Debt</b>	<b>155 839</b>	<b>156 192</b>

No new foreign loans were negotiated in 1958, so that the foreign debt was reduced by 2 389 million marks. The internal debt increased slightly as a whole. Ordinary loans increased by 8 490 million marks, while the Treasury Bond Loan decreased by 6 875 million. These loan operations have already been dealt with above. The total Public Debt amounted at the end of the year to 156 192 million marks according to preliminary calculations or about the same sum as a year before. These figures do not include the short-term assets and liabilities due to the cash transactions of the Treasury.

**Prices.** The devaluation undertaken in September 1957 evidently did not exhaust its price-raising effect in 1957, the rise continuing until the middle of 1958. Nevertheless, the rise in prices proved less than expected. This was partly due to the decline in economic activity and partly to the favourable

## MOVEMENT OF PRICES IN 1956—1958



import prices. As about 50 per cent of Finnish imports consist of raw materials, and as raw materials and rates of freight displayed a falling tendency throughout 1958, the percentual rise in import prices was far less than the devaluation percentage. The liberalisation of imports and keener competition also forced producers in some spheres to lower their offers in order to keep in the market. The two-thirds compensation on wages and the partial control of prices likewise tended to prevent an inflationary rise in prices.

The wholesale price index, in which imported goods form about one-third, reached its maximum of 2 136 (1935 = 100) in April, when it was about 11 per cent higher than in August 1957 before the devaluation. In the spring, however, wholesale prices began to fall and in December the index stood at 2 092, or 19 points lower than in December 1957. Thus wholesale prices displayed a slightly falling tendency, although the average for the year was about 8 per cent above the average for 1957.

The special index of the Central Statistical Office for imported goods (c.i.f.) fell throughout 1958. In December it stood at 1 891 (1935 = 100), which was 226 points or 10.7 per cent less than a year earlier. Although there was a simultaneous drop of about 10 per cent in export prices, the ratio of export prices to import prices in December 1958 was therefore one point higher than one year previously.

The cost of living index rose, owing to seasonal factors, the devaluation and higher rents, from the level of 125 (Oct. 1951 = 100) in August 1957 to 129 in January 1958. In consequence of some price adjustments, mainly of

farm produce, the index rose to 133 in May, then dropped 1 point, but in November—December again stood at 133. The rise from December 1957 was only 4 per cent, which was less than expected, but the average for 1958 was 6.5 per cent higher than the average for 1957.

At the end of the year the prices of about a dozen Finnish goods and three charges and the prices of some imported goods were still controlled. At the beginning of 1958 a new index, the consumer price index (Oct.—Dec. 1957 = 100), was introduced, its selection of goods being more extensive than that of the former cost of living index. The consumer price index rose by 4 per cent up to the end of the year. The cost of living index continues to be published, but its proportionate changes are determined according to the consumer price index.

The index for building costs (1951 = 100) was fairly steady during the whole year. The average for the year was 117, or barely 4 per cent higher than in 1957. The annual peak of 119 points was attained in July, but in December the index had again dropped to 116 points or exactly the level in December of the previous year. The trend of prices in recent years is illustrated by the following yearly averages of the indexes and the accompanying diagram.

	Consumer price index	Cost of living index		Wholesale price index		
	Oct.—Dec. 1957 = 100 General index	October 1951 = 100 General index	Food index	General index	Finnish goods	Imported goods
1953 .....	—	103	109	1 727	1 840	1 486
1954 .....	—	103	106	1 724	1 841	1 475
1955 .....	—	100	102	1 707	1 822	1 462
1956 .....	—	111	117	1 785	1 869	1 605
1957 .....	—	124	132	1 954	1 980	1 897
1958 .....	103	132	140	2 113	2 125	2 085

**Wages and collective agreements.** The movement of wages during the last two years was more even than in 1955—1956. The index that illustrates the changes in the level of earnings of all wage-earners (1957 = 100) remained unaltered during the first quarter of 1958. In March/April, however, wages were raised by about 4 per cent, according to the index clause of the collective agreements in force in 1958. The clause provided for two-thirds compensation for rises in the cost of living index, so that, when the index rose to 130 points, wages were to be raised by 4 per cent, and at 136 points by 3 per cent. In the second quarter the index of earnings rose to 106. As prices grew steady, it was not necessary to grant further index compensation, and only small changes occurred in the level of earnings during the latter half-year.

The following average rises occurred in earnings in different spheres from the last quarter of 1957 to the last quarter of 1958: farm labourers

4 per cent, forestry workers 6 per cent, industrial workers 6 per cent, and wage-earners in the service of the public sector 8 per cent.

The total of wages in the national economy increased by about 3 per cent according to preliminary estimates. As the level of earnings was about 5 per cent higher in 1958 than in 1957, the decrease in employment is also reflected in the wage total. However, a rise occurred in the real earnings of wage-earners, for in the last quarter of 1958 the level of earnings was about 6 per cent higher, but the consumer price index only 4 per cent higher than in the last quarter of 1957.

The collective agreements in most fields lapsed at the end of 1958. New agreements, which are in force to the end of 1959, were, however, very soon concluded, after the agreement in the metal industry had been signed at the end of October. These agreements contain the following general features: the index clause, which had been in force with some exceptions since the war, was abandoned, but wages were raised from the beginning of 1959 by 3 per cent in compensation for an »anticipated» rise of the index; a 45 hour working week was very generally adopted, and in the course of 1959 a change to a 42 hour working week is to be accomplished in uninterrupted work in shifts in some spheres. Building represents the principal exception, as the collective agreements were in force until March 1959.

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## II. THE BANK OF FINLAND IN 1958

### 1. THE BALANCE SHEET

The balance sheet of the Bank of Finland is drawn up four times a month. Its form was altered in 1955 and the rearrangement was explained in detail in the Year Book for 1955. The figures in the following review and in the statistical tables in this Year Book (Tables 1 and 7) relating to 1954 and earlier years are recalculated for the sake of uniformity, so as to correspond to the present grouping of accounts.

#### **The ordinary cover**

According to the regulations, the ordinary cover consists of the gold reserve of the Bank and its undisputed foreign balances. The latter include bills in foreign currency that are payable abroad, bonds in foreign currency listed on foreign Stock Exchanges, matured bonds and interest coupons in foreign currency, and foreign bank notes and coin.

The gold reserve of the Bank, which is composed of gold coin and bullion held in Finland or elsewhere, amounted at the end of the year to 7 850 million marks or to the same sum as at the beginning of the year. During 1958 the Bank bought some Finnish gold, but this was sold before the year ended. The gold is booked at the highest value permitted by the regulations, one kilogramme of fine gold being valued at 250 000 marks. By a decree issued on November 8, 1957, the Bank is exempted up to the end of 1960 from observing § 8 of its regulations, according to which it is bound to redeem its notes in gold on demand.

Foreign exchange consists of convertible and transferable balances and clearing balances in those currencies in which the Bank has a net credit balance — the currencies in which there is a net liability are booked on the »Foreign exchange accounts» among the liabilities. The foreign exchange also includes the foreign notes and coin held by the Bank and ma-

tured bonds and coupons in foreign currency. The amount of foreign exchange, which totalled 30 579 million marks at the beginning of the year, grew almost without interruption up to November 15, when it reached its maximum at 54 412 million marks. By the end of December it had fallen to 49 708 million marks. Thus the total increase during the year amounted to 19 129 million marks, or 63 per cent.

In 1958 the Bank bought foreign exchange to a total value of 194 000 million marks, while the corresponding figures were 182 000 million in 1957 and 138 000 million in 1956.

The *gold and foreign exchange reserve* of the Bank is arrived at by deducting the indebtedness on the foreign exchange accounts among the liabilities from the total of the gold reserve and foreign exchange stated above. The net reserve, calculated in this manner, increased during the year by 21 520 million marks, or 64 per cent. During the first half of the year the growth of the reserve related exclusively to bilateral currencies, but during the latter half the composition of the reserve became considerably better balanced. Of its growth for the whole year 9 500 million marks related to convertible currencies and 12 000 million marks to bilateral currencies.

The foreign exchange reserve at the end of 1956—1958 is shown in the following figures, divided into the five principal categories, in thousand millions of marks (see Table 3).

	Dec. 31, 1956	Dec. 31, 1957	Dec. 31, 1958
Gold .....	7.8	7.8	7.8
Convertible currencies .....	11.2	17.8	31.2
Transferable OEEC currencies .....	6.4	{ 3.9 }	
Other OEEC currencies .....		{ 4.4 }	7.7
Eastern bloc currencies .....	2.5	2.0	8.2
Other currencies .....	—3.1	—2.0	0.5
<b>Total</b>	<b>24.8</b>	<b>33.0</b>	<b>55.4</b>

At the beginning of the year the Bank of Finland quoted variable rates of exchange for Canadian dollars, pounds sterling, Swedish, Norwegian and Danish crowns, Belgian francs, Dutch guilders, Swiss francs, D-marks, French francs and Austrian schillings. On January 2, 1958, a similarly fluctuating rate of exchange also began to be quoted for the Italian lira. As regards French francs the quoting of the variable rate ceased on January 20 and a firm selling rate of 0.7637 marks was fixed. Owing to the devaluation of the franc its selling rate was altered to 0.6498 marks on December 29. When most of the central banks of Western Europe abandoned a firm dollar rate in connection with adopting external convertibility, the Bank also began to quote a variable rate for the dollar on December 29.



Table 16 shows the parities of exchange and the official selling rates on those dates on which a change occurred. At the end of the year firm rates were quoted only for French francs, Czechoslovakian crowns (clearing), Portuguese escudos and Soviet Union roubles (clearing).

With regard to the measures of foreign exchange policy, it should be mentioned that, when the multilateral agreement between Finland and her principal Western European trading partners was renewed on April 15, Finland retained her right of unlimited conversion of the currency of one participating country into that of another. When Finland joined the Paris club on May 9, the same right of conversion was extended to payments between Finland and Argentina, which had up to that time been based on a clearing system.

The amount of foreign bills increased during the year from 136 million marks to 871 million, whereas the amount of foreign bonds fell off from 2 775 million marks to 2 213 million.

The total ordinary cover increased, owing to the factors referred to, by 19 302 million marks, or from 41 340 million to 60 642 million.

### **The supplementary cover**

The supplementary cover consists of inland bills maturing within three months, for the payment of which at least two trustworthy persons or firms are responsible, and bonds of the Treasury Bond Loan of 1953. The bills are either bills discounted by the Bank, in Finnish or foreign currency, or rediscounted bills.

The bills in foreign currency provide the cover for foreign loans negotiated by the Bank for Finnish companies. All but one of the loans were granted by the International Bank for Reconstruction and Development prior to 1956 and the one was obtained from the Soviet Union in 1954 — since 1956 the negotiation of long-term foreign loans has been taken over by the Mortgage Bank of Finland Oy, established in connection with the Bank of Finland. The total of bills in foreign currency decreased during the year by 596 million marks owing to redemption. This is balanced by the reduction of the long-term foreign liabilities in the balance sheet. At the end of the year these bills totalled 12 644 million marks.

The discounted bills in Finnish currency, which form the main part of the direct loans granted by the Bank of Finland to its own customers, fell off during the year by 4 086 million marks to 8 823 million. The reduction was due to the financial position of the Bank's customers having improved, so that they were able to reduce their borrowing in the form of bills and overdrafts on cheque accounts. The credit to the exporting

industry was reduced most in absolute figures, but relatively the reduction was largest in the credit granted to power stations and commerce, as is seen from the following table of the percentual distribution of credits according to branches. The former division into branches has been adjusted. The figures refer to the position on the last day of each year.

	1956 %	1957 %	1958 %
Exporting industry .....	70.13	57.13	64.63
Home market industry .....	10.71	16.48	16.15
Power stations .....	9.48	12.75	9.50
Commerce .....	9.68	13.64	9.72
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

The official *bank rates* of the Bank of Finland remained unaltered during the year, ranging from 6½ to 8 per cent. In practice a rate of 7½—8 per cent was charged. After the commercial banks had lowered the index charge at the beginning of October from 1 to ½ per cent annually, the rates that the Bank of Finland charged its customers were on a level with the commercial banks' lending rates including index charge.

In the amount of rediscounted bills a very considerable seasonal increase had occurred towards the end of 1957, principally due to the discrepancies between the times of payment of State revenue and expenditure. They totalled 24 912 million marks at the beginning of 1958, after which the usual seasonal reduction set in, so that by January 15 their amount had dropped to 15 582 million marks. The level of rediscounts displayed a falling tendency during the year. The minimum of 4 242 million marks was attained on November 15. Towards the end of the year there was an exceptionally heavy increase owing to an expansion of payments to the Treasury, and on December 31 rediscounts reached their maximum at 18 707 million marks. Thus in the course of the year the amount of rediscounted bills was reduced by 6 205 million marks. The average level of rediscounts fell considerably more, from 21 927 million marks in 1957 to only 10 987 million in 1958. In the first fortnight of 1959 rediscounted bills were reduced by 10 929 million marks to 7 778 million.

Up to the end of September the Bank of Finland charged the same *basic rate* of interest on rediscounted bills as the rediscounting bank had charged its customer, or in general 8 per cent. From the beginning of October the basic rate was lowered to 7¼ per cent, which was charged irrespective of the rate that had been charged for discounting the bills.

Until the end of April an *additional rate* of interest was charged on rediscounted bills in accordance with the regulations that had come into force in August 1957. At the beginning of 1958, however, an alleviation was

introduced, bills being rediscounted without this additional interest if the bank concerned had granted a sawmill larger bill credit than during the previous felling season. At the end of March the exemption from the supercharge was extended to cover short-term export bills, and at the beginning of May the regulations concerning additional interest on rediscounted bills were relaxed throughout. The Bank of Finland then extended the banks' right of rediscounting bills free of additional interest, the limit of this right, subject to subsequent alteration, being fixed at 60 per cent of each bank's own funds. If the total liability of a bank to the Bank of Finland exceeds 60 per cent of its own funds during a calendar month, the bank is liable to pay, in addition to the ordinary interest, a supercharge on its debt to the Bank of Finland on a rising scale. This charge is 1.5 per cent calculated on an amount which bears the same proportion to the monthly average of the total liability of the bank as the part of the liability in excess of the aforesaid limit bears to the bank's own funds. If, however, the total liability of a bank is more than double the amount of its own funds, in which case the additional rate would be 2.1 per cent of the total liability, the bank must negotiate separately with the Bank of Finland as to the conditions of rediscounting. By a decision of the Bank Supervisors made on April 24 the maximum additional rate was at the same time reduced from 5 to 3 per cent from the beginning of May. In calculating it the banks were still allowed to deduct from their total liability an amount equal to the sawmill and export bills referred to above. From the beginning of May the banks were also entitled to deduct an amount equal to the part drawn of the credit of 4 000 million marks they had granted the Treasury in January. Such a right of deduction was extended in June to include the bill credit granted by the banking establishments for financing cheese storage, and in November to include bills connected with the agreement between the State and the export industry on extraordinary fellings of pulpwood. As a result of all these decisions aimed at modifying the regulations for rediscounting bills and, on the other hand, of the growth of deposits by the public, the banking establishments were released after May, practically entirely, from paying any additional interest to the Bank of Finland.

Of the Treasury Bond Loan of 1953, the nominal amount of which is 25 000 million marks, 13 750 million were employed at the beginning of 1958 and 3 750 million had not been drawn. During the year the Treasury redeemed 8 125 million marks out of export levies and 2 500 million in regular annual redemption. On the other hand, in the first half of the year it drew the remaining amount of 3 750 million marks. Altogether the loan was reduced by 6 875 million marks and also amounted to 6 875 million at the end of the year. A total amount of 10 625 million marks of the export

levy funds has been employed for redeeming the Treasury Bond Loan, or half the amount of the loan that was in use, when the act concerning the levy came into force in the middle of September 1957.

### **Other assets**

The category of »Other assets» consists of all the funds of the Bank that cannot be included in the ordinary or supplementary cover according to the regulations.

**Finnish bonds** represent the Bank's holding of bonds issued by the State, municipalities, banking establishments and industrial undertakings. The debentures of the Mortgage Bank of Finland Oy are also entered on this account. During the year the Bank bought 1 386 million marks' worth of bonds of the loan of 3 000 million marks issued by the Industrial Mortgage Bank of Finland. By drawings, redemption and depreciation the booked value of the bonds was reduced by 349 million marks to 909 million. Of these, 759 million marks were Finnish bonds issued in Finnish currency and 150 million marks Finnish bonds in foreign currency. The State bonds amounted to 196 million and other bonds to 713 million marks.

The assets on **cheque accounts**, which represent the sums drawn out of cheque credits granted by the Bank, decreased by 179 million marks and amounted to 440 million marks at the end of the year. The undrawn amount of cheque credits, which appears in the statements of the note issue, was 814 million marks on December 31, or 190 million more than one year previously.

**Finnish coin** represents the metal coinage held by the Bank. Its amount fluctuated between about 300 and 600 million marks and totalled 438 million marks at the end of the year.

Among the **other claims** the largest item consists of prepayments for exports, that is to say advances made before 1958 to trade and industry that export to the Soviet Union. These earlier prepayments were not available for financing imports from the Soviet Union until the deliveries concerned had been effected. The amount of prepayments, which totalled 14 731 million marks at the beginning of the year, fell off by 5 196 million and represented 9 535 million at the end of the year (see Table 2 in the statistical section). Under the new system, introduced at the end of 1957, the corresponding prepayments made in 1958 were immediately available for paying for imports from the Soviet Union.

»Other claims» also include the Government's bill, free of interest, given to the Bank of Finland to cover the Government's subscriptions to the

International Bank for Reconstruction and Development and to the International Monetary Fund. The bill was reduced during the year by 113 million marks and amounted to 2 158 million marks at the end of December (see page 48).

»Other claims» include as a new item the bill credit which the Bank of Finland granted the Government in August, when the latter decided to extend Eastern imports by purchasing some raw materials and requisites for special stand-by stocks. The sum granted by the Bank was 5 000 million marks, of which the Government had drawn 4 335 million by the end of the year. In December the Government obtained another credit from the Bank, also of 5 000 million marks, for similar purchases. This second credit was not employed during the year under review.

»Other claims» further include loans on security, advances on documentary credits and other incidental claims, the total of which amounted to 1 212 million marks at the end of the year. In all, »other claims» amounted to 17 240 million marks at the end of the year, so that the reduction during the year amounted to 370 million marks.

### Notes in circulation

At the beginning of 1958, owing to normal seasonal fluctuations on the one hand and to exceptional Government payment arrangements on the other, the note circulation was very large, 60 640 million marks. During the first weeks in January it fell off as usual and amounted to 51 586 million marks on January 23. In the course of the year it had an upward tendency, and during the concluding months there was a very large seasonal increase, owing to which the notes in circulation amounted to 65 075 million marks at the end of December. The average note circulation was 57 437 million marks, compared with 54 935 million in the previous year. After the turn of the year the note circulation evened out again as usual, so that on January 23, 1959, it amounted to 56 809 million marks.

### Short-term liabilities

The foreign exchange accounts include those foreign currencies, the balances of which record a net liability of the Bank of Finland. During the year the liabilities in foreign currency decreased by 2 391 million marks and totalled 2 178 million marks at the end of the year.

The mark accounts of holders abroad relate to the subscriptions to the International Bank for Reconstruction and Develop-

ment and the International Monetary Fund which these organisations have deposited with the Bank of Finland. In addition, this item includes foreigners' accounts which may be employed on a more or less restricted scale for purchases in Finland or for other payments in Finland. In the first half of the year a loan of 4 500 million marks was obtained from the funds on these mark accounts which had accumulated by means of purchases from United States surplus stores and had been deposited on the account of the United States. The loan was granted by the Export-Import Bank of Washington and was received by the Mortgage Bank of Finland Oy, which lent the funds in turn for constructing power stations and extending the wood-processing industry. However, as payments accumulated for fresh purchases from United States surplus stores, the mark accounts were reduced by only 3 258 million marks and amounted to 4 643 million marks at the end of the year.

Owing to the growth of the foreign exchange reserve the Bank was able to modify the restrictions formerly imposed on operating mark accounts. On March 7, the Bank increased the right of foreigners to transfer their capital income obtained in Finland to foreign countries. At the beginning of July, entirely new regulations were issued for operating foreigners' mark accounts held at the Bank of Finland and the banks dealing in foreign exchange, the right of transferring and converting such balances being extended. At the end of December those balances in marks that were comparable to foreign exchange and held in the West-European multilateral-agreement countries already referred to, were also made convertible into dollars. As payments between Finland and France continued on a bilateral basis, this did not relate to French francs.

The Treasury, the Board of Posts and Telegraphs and the Post Office Savings Bank all have cheque accounts at the Bank of Finland. The accounts of the last two are transferred daily to the cheque account of the Treasury. At the beginning of the year there were 5 145 million marks on the Treasury's cheque account and at the end 7 146 million.

The cheque accounts of banks were still very small during the year, as the banks employed their cash reserves in reducing their rediscounts and extending their grants of credit. These cheque accounts, from which the banks' cheques held by the Bank of Finland are deducted, were reduced by 931 million marks and amounted to 1 474 million at the end of the year (see Table 2 in the statistical section). Other cheque accounts increased by 104 million marks and totalled 293 million at the end of the year.

Other short-term liabilities included at the beginning of the year 175 million marks of voluntary deposits for a business cycle fund made in Finnish currency by exporters in the wood-processing industry.

During the first months of the year the depositors gave notice of withdrawal and withdrew these funds. This category further includes sums collected, but not yet accounted for, bank-post-bills payable by the Bank and bills collected. It also includes the account of the Mortgage Bank of Finland Oy, on which there were 2 080 million marks at the end of the year (see Table 2 in the statistical section). The size of this amount is due to the Mortgage Bank of Finland having deposited on this account that part of the loan obtained from the Export-Import Bank, mentioned on page 25, which had not yet been distributed to trade and industry.

Altogether, the short-term liabilities amounted to 18 046 million marks at the end of the year, or 2 535 million marks less than one year previously.

### Long-term liabilities

The foreign long-term liabilities consist entirely of loans granted by the International Bank for Reconstruction and Development prior to 1956 which the Bank of Finland has drawn upon and has lent in turn to industrial undertakings and power stations, obtaining from them as cover bills made out in foreign currency. Of the four loans obtained there were still about 2 700 million marks not drawn at the end of the year (see also page 41). The Bank of Finland redeemed these loans partly in advance, before the industrial undertakings had redeemed the corresponding covering bills. The liability created by the loans was reduced during the year by 914 million marks, and at the end of the year it amounted to 11 370 million marks.

The Finnish long-term liabilities include the first gold loan granted to the Government by the Soviet Union in 1954 which the Government passed on to the Bank of Finland. The liability remained unchanged during the year at 3 214 million marks.

This item in the balance sheet also includes the levy on export proceeds collected by the Government. Such funds accumulated during the year to an amount of 15 467 million marks, of which 8 125 million, as already stated, were employed for redeeming the Treasury Bond Loan in accordance with the act concerning the levy. From the remainder the Government granted loans at low rates of interest, chiefly to the export industry; 1 805 million marks of these had been drawn by the end of the year. At the end of 1958, therefore, there were 6 288 million marks on the export levy account, whereas the amount at the end of the previous year was 751 million (see Table 2 in the statistical section).

Altogether, the long-term liabilities amounted to 20 872 million marks at the end of the year, so that during the year they had increased by 4 623 million.

## Equalisation accounts and Bank funds

The Equalisation accounts which are formed by changes in the rates of foreign currency and certain reservations, were reduced during the year by 6 288 million marks and amounted to 8 170 million at the end of the year.

The Capital of the Bank was raised to 10 000 million marks in 1955, when it was prescribed that at least half of the Bank's profits were to be employed in increasing the Reserve Fund until the total of Capital and Reserve Fund reaches 20 000 million marks. The remaining profits are disposed of by the Diet. Of the profit for 1957, amounting to 2 171 million marks, 1 085.6 million were transferred to the Reserve Fund in the year under review and the remaining 1 085.6 million were placed at the disposal of the State. The profit for 1958 amounted to 1 631 million marks. Taking this into account, the total funds of the Bank amounted to 14 555 million marks at the end of the year compared with 14 009 million at the end of 1957.

## 2. THE BALANCE SHEET BY NET GROUPS

A general survey of the business of the Bank during the year under review is obtained by combining the assets and liabilities in main groups according to their nature and examining the net groups thus obtained. The assets can be divided into internal loans and foreign assets. By deducting the appropriate liabilities the net internal loans and net foreign assets are arrived at.

### Internal loans

The internal loans of the Bank may be divided, according to the recipients of the loans, into loans to the Treasury, to banking establishments and to trade and industry.

*Loans to the Treasury.* The Bank's loans to the Treasury and the changes in them are shown in the following table, in millions of marks.

	Dec. 31, 1957	Dec. 31, 1958	Change
Treasury Bond Loan .....	13 750	6 875	— 6 875
IMF and IBRD bill .....	2 271	2 158	— 113
Loans for stand-by stocks .....	—	4 335	+ 4 335
<b>Assets .....</b>	<b>16 021</b>	<b>13 368</b>	<b>— 2 653</b>
Treasury cheque account .....	5 145	7 146	+ 2 001
Gold loan from the USSR .....	3 214	3 214	—
Export levy .....	751	6 288	+ 5 537
<b>Liabilities .....</b>	<b>9 110</b>	<b>16 648</b>	<b>+ 7 538</b>
<b>Net loans to the Treasury .....</b>	<b>6 911</b>	<b>— 3 280</b>	<b>— 10 191</b>



The changes in these items have already been described. Altogether, the net loans to the Treasury were reduced during the year by 10 191 million marks, so that at the end of the year the Treasury had a net balance of 3 280 million marks, whereas at the beginning of the year it had a net liability of 6 911 million. Taking into account only the growth of the cheque account of the Treasury and the changes in the Treasury Bond Loan, while omitting the redemption made from export levy funds, it will be seen that the «normal» cash economy of the Treasury reduced its net liability to the Bank of Finland by only 751 million marks.

*Loans to the banks.* The loans of the Bank of Finland to the private banks are illustrated by the following table, in millions of marks.

	Dec. 31, 1957	Dec. 31, 1958	Change
Rediscounted bills .....	24 912	18 707	— 6 205
Other assets .....	42	—	— 42
<b>Assets .....</b>	<b>24 954</b>	<b>18 707</b>	<b>— 6 247</b>
Cheque accounts of the banks .....	2 405	1 474	— 931
Other short-term liabilities .....	—	2 080	+ 2 080
<b>Liabilities .....</b>	<b>2 405</b>	<b>3 554</b>	<b>+ 1 149</b>
<b>Net loans to the banks .....</b>	<b>22 549</b>	<b>15 153</b>	<b>— 7 396</b>

The loans to the commercial banks and the Central Bank of the Co-operative Credit Societies in the form of rediscounted bills decreased by 6 205 million marks. At the beginning of the year the Bank had a balance due from the Mortgage Bank of Finland Oy amounting to 42 million marks, which was entered among «Other assets». At the end of the year, on the other hand, the Mortgage Bank of Finland Oy had a balance due from the Bank of 2 080 million marks, which figured in the balance sheet under «Other short-time liabilities». Taking into account, in addition, the cheque accounts of the other banks, the net loans to the banks were reduced during the year by 7 396 million marks in all to 15 153 million.

*Loans to trade and industry.* The direct loans of the Bank to the business world are illustrated by the following figures, in millions of marks.

	Dec. 31, 1957	Dec. 31, 1958	Change
Bills in Finnish currency .....	12 909	8 823	— 4 086
Bills in foreign currency .....	13 240	12 644	— 596
Cheque accounts .....	619	440	— 179
Other assets .....	566	1 212	+ 646
<b>Assets .....</b>	<b>27 334</b>	<b>23 119</b>	<b>— 4 215</b>
Other cheque accounts .....	189	293	+ 104
Other short-term liabilities .....	372	232	— 140
<b>Liabilities .....</b>	<b>561</b>	<b>525</b>	<b>— 36</b>
<b>Net loans to trade and industry .....</b>	<b>26 773</b>	<b>22 594</b>	<b>— 4 179</b>

The Bank's direct loans to its own customers consist almost exclusively of bills in Finnish currency and credits on cheque accounts, the combined decrease of which amounted to 4 265 million marks. The reduction of bills in foreign currency was due, as already mentioned, to trade and industry having redeemed the credits received from the International Bank for Reconstruction and Development. Altogether, the net loans to trade and industry fell off during the year by 4 179 million marks and amounted to 22 594 million at the end of the year.

### Net foreign assets

The changes in the net foreign assets are shown in the following table, in millions of marks.

	Dec. 31, 1957	Dec. 31, 1958	Change
Gold .....	7 850	7 850	—
Foreign exchange .....	30 579	49 708	+ 19 129
Foreign bills .....	136	871	+ 735
Foreign bonds .....	2 775	2 213	— 562
Pre-1958 advances on exports to the USSR .....	14 731	9 535	— 5 196
<b>Assets .....</b>	<b>56 071</b>	<b>70 177</b>	<b>+ 14 106</b>
Foreign exchange accounts .....	4 569	2 178	— 2 391
Mark accounts of holders abroad .....	7 901	4 643	— 3 258
Long-term foreign liabilities .....	12 284	11 370	— 914
<b>Liabilities .....</b>	<b>24 754</b>	<b>18 191</b>	<b>— 6 563</b>
<b>Net foreign assets .....</b>	<b>31 317</b>	<b>51 986</b>	<b>+ 20 669</b>

The foreign accounts have been shown above to include also the prepayments received prior to 1958 by exporters to the Soviet Union, these being comparable to bilateral balances. The gross total of the foreign balances grew, owing to the increase in foreign exchange, by 14 106 million marks during the year. As the liabilities, on the other hand, fell off by 6 563 million marks, the net foreign balances as a whole increased by 20 669 million marks and amounted to 51 986 million at the end of the year.

The *gold and foreign exchange reserve* of the Bank, which is arrived at by deducting the liability on the foreign exchange accounts from the total holdings of gold and foreign exchange, increased during the year by 21 520 million marks. At the end of the year it totalled 55 380 million marks.

### The net balance

If, in addition to the net internal loans, the holdings of bonds and Finnish coin are taken into account, the net internal assets are obtained. The total of the net internal and foreign assets will then equal the total of the note

circulation, the Equalisation accounts and the Bank's own funds. The changes in this net balance are illustrated by the following table, in millions of marks (see also diagram on page 27).

	Dec. 31, 1957		Dec. 31, 1958		Change	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Net loans						
to the Treasury . . . . .	6 911		—3 280		— 10 191	
to the banks . . . . .	22 549		15 153		— 7 396	
to trade and industry ..	26 773		22 594		— 4 179	
Bonds and coin . . . . .	1 557		1 347		— 210	
Net internal assets . . . . .	57 790		35 814		— 21 976	
Net foreign assets . . . . .	31 317		51 986		+ 20 669	
Note circulation . . . . .		60 640		65 075		+ 4 435
Equalisation accounts and Bank funds . . . . .		28 467		22 725		— 5 742
<b>Total</b>	<b>89 107</b>	<b>89 107</b>	<b>87 800</b>	<b>87 800</b>	<b>— 1 307</b>	<b>— 1 307</b>

In 1958 the net growth of foreign exchange and other foreign assets increased the supply of currency by 20 669 million marks, besides which the reduction of the Equalisation accounts, mainly due to the growth of foreign exchange, exerted an influence in the same direction. Part of the increase in the supply of money was required for satisfying the simultaneous growing need of bank notes, while the reduction of the net internal assets consumed 21 976 million marks. The decrease of 10 191 million marks in the net loans to the Treasury was chiefly an indirect consequence of the growth of the foreign exchange reserve, for it was caused almost entirely by a part of the devaluation profit of exporters having been collected in the form of export levy paid to the State and employed in redeeming the Treasury Bond Loan. The growth of the foreign exchange reserve was also reflected in the decrease of the net loans to trade and industry by 4 179 million marks, which was an indication of the improvement in the liquidity of the business enterprises. The remainder of the increase in the supply of money was the principal cause of the net reduction of 7 396 million in the liabilities of the banks to the Bank of Finland.

### 3. STATEMENT OF THE NOTE ISSUE

The Bank's right of note issue is limited by the regulations in such a manner that the upper limit is equal to the ordinary cover plus a fixed sum. The note issue may, however, exceed the ordinary cover only if the Bank possesses supplementary cover equivalent to the excess. According to the standing regulations, the maximum amount by which the note

issue may exceed the ordinary cover is 50 000 million marks. By a decree issued on December 23, 1955, this amount was provisionally raised to 58 000 million marks up to the end of 1956, and by a decree issued on November 16, 1956, the same figure was fixed for the period 1957—1959.

At the end of 1957 the ordinary cover amounted to 41 340 million marks. The Bank held funds that were valid as supplementary cover to a total of 64 811 million marks, so that the right of note issue exceeded the ordinary cover by the full amount of 58 000 million marks and totalled 99 340 million marks. By the end of 1958 the ordinary cover had increased to 60 642 million marks owing to the increase in foreign exchange, but the funds valid as supplementary cover had decreased to 47 049 million. The right of note issue thus amounted in all to 107 691 million marks at the end of the year or 8 351 million more than one year earlier.

According to the regulations, the note issue consists of the notes in circulation, the Bank's drafts and other sight liabilities in Finnish currency and the amounts not drawn on cheque credits. At the end of 1957 the notes in circulation amounted to 60 640 million marks, the short-term liabilities mentioned to 20 581 million and the undrawn amounts of cheque credits to 624 million marks, so that the whole note issue amounted to 81 845 million marks. At the end of 1958 it totalled 83 935 million marks, consisting of 65 075 million in notes in circulation, 18 046 million in short-term liabilities and 814 million in undrawn amounts on cheque credits. The difference between the right of note issue and the note issue, or the note reserve, was thus 23 756 million marks at the end of 1958. The note reserve increased by 6 261 million marks during the year.

## 4. NOTES AND COINS

### Gold coin

Gold coin has not been put into circulation since the redemption of notes in gold was suspended in 1931 by force of circumstances. Nominally there are 1 010 000 marks' worth of gold coins in circulation, but in reality these coins are in the hands of collectors or have been melted down.

### Notes

The total amount of *existing notes* for which the Bank is responsible was 94 100 million marks at the beginning of 1958. During the year notes were printed to the value of 77 090 million marks and destroyed to the value of

75 829 million, whereby the amount of existing notes increased to 95 361 million marks. The quantities of notes of different denominations printed and destroyed will be found in Table 10. At the beginning of the year the Bank had notes in its vaults to the value of 33 460 million marks and at the end to the value of 30 286 million, so that the amount of notes in circulation rose from 60 640 million marks to 65 075 million.

*The composition of the note circulation.* The proportion of 10 000 mark notes to the total value of the note circulation rose from 38.9 to 41.7 per cent during the year, while the proportion of 5 000 mark notes fell from 32.9 to 32.3 per cent and of 1 000 mark notes from 20.4 to 19.2 per cent. The proportion of all the lower denominations remained unaltered. Since 1954 no 50 mark notes or lower denominations have been printed.

The composition of the note circulation is illustrated in Table 8, and to supplement it the following table shows the number of notes of different denominations in circulation at the end of 1956—1958, in thousands.

Denomination	1956	1957	1958
10 000 marks .....	2 397	2 363	2 712
5 000 » .....	4 015	3 993	4 210
1 000 » .....	11 977	12 361	12 472
500 » .....	4 810	4 775	4 764
100 » .....	21 706	21 672	19 266
50 » .....	739	709	695
20 » .....	2 359	2 266	2 225
10 » .....	3 326	3 256	3 220
5 » .....	3 514	3 499	3 489
<b>Total</b>	<b>54 843</b>	<b>54 894</b>	<b>53 053</b>

*The printing and destruction of notes.* In 1958 notes were printed to the number of 116.5 million, whereas the corresponding number was 103.6 million in 1957 and 109.0 million in 1956. The total value of the notes printed was 77 090 million marks. In 1957 notes were printed to the value of 60 337 million marks and in 1956 to the value of 85 650 million. Notes were destroyed in 1958 to the number of 102.5 million in comparison with 116.0 million in 1957 and 104.0 million in 1956. The total value of the notes destroyed was 75 829 million marks compared with 71 496 million in 1957 and 56 576 million in 1956.

## Coins

The Bank of Finland buys coins, produced by the Mint, from the State. For this reason the balance sheet of the Bank does not show the coins in circulation, but only those held by the Bank. At the end of 1958 coins to the value of 4 028 million marks were in circulation, the corresponding sums having been 3 618 million at the end of 1957 and 2 858 million at

the end of 1956. Of the amount in circulation at the end of 1958, 312 million marks were coins of the old type which were not actually in circulation, as they had either been lost or placed in numismatists' collections. The distribution of the coins in circulation according to their denominations is shown in Table 8, to which some particulars are added below.

*Silver coins* were in circulation at the beginning of 1958 to the value of 1 390 205 000 marks and to the value of 1 746 048 000 marks at its end, so that their amount increased by 355 843 000 marks during the year. This was due to the greater employment of the 200 and 100 mark silver coins issued in September 1956. Of these coins 1 169 546 000 marks were in circulation at the beginning of 1958 and 1 501 926 000 marks at the end of the year. Besides, 500 mark coins, struck to commemorate the Olympic Games of 1952, were outstanding, though they have not been employed as means of payment, but have been kept as souvenirs. At the beginning of the year 220 659 000 marks' worth of the Olympic coins were circulating and 244 122 000 marks' worth at the end.

*Aluminium-bronze coins* in denominations of 50, 20 and 10 marks were struck to the value of 55 320 000 marks. At the end of the year 2 per cent more aluminium-bronze coins were in circulation than at the beginning.

*Iron coins* were struck only in denominations of 5 marks and 1 mark. The amount of them in circulation increased during the year by 4 per cent. Table 8 also includes 1 mark coins of the old type, of other metal than iron, which have evidently gone out of circulation.

*Small change* has not been struck since 1948, but a considerable quantity of it is still outstanding. These coins are not used as means of payment and the greater part of them has evidently been lost. Nominally, there were 50 penni coins for 23 006 000 marks, 25 penni coins for 18 398 000 marks, 10 penni coins for 5 525 000 marks, 5 penni coins for 4 485 000 marks and 1 penni coins for 737 000 marks in circulation.

Altogether, there were *coins* in circulation at the end of the year to the nominal value of 4 028 million marks. This amount was 410 million or 11 per cent larger than at the end of 1957. The increase was due, practically entirely, to the greater employment of 200 and 100 mark silver coins. The *total amount of money in circulation*, i.e., notes and coin combined, increased during the year by 4 845 million marks. The total at the end of the last few years was as follows, in millions of marks.

1953 .....	46 684
1954 .....	49 949
1955 .....	58 113
1956 .....	63 593
1957 .....	64 258
1958 .....	69 103

## 5. PROFIT AND LOSS ACCOUNT

According to the Profit and Loss Account of the Bank in Table 4, the total earnings amounted to 2 485 million marks or 459 million less than in the previous year. This decrease was principally due to the interest on internal loans, especially on rediscounted bills, falling off considerably. There was also a reduction of income in *agio*, while interest from foreign correspondents increased. On the other hand, the total expenses of the Bank increased by 81 million marks to 854 million. The increase was most marked in the amounts written off, owing to the costs of renovating the head office. The profit of the Bank amounted to 1 631 million marks or 540 million marks less than a year before. One-half of the profit or 815.4 million marks will be transferred to the Reserve Fund. The disposal of the other half is subject to the decision of the Diet.

## 6. CASH AND CASH TURNOVER

The cash of the Bank of Finland, which consists of notes, coin and bank bills and cheques payable by the commercial banks, all in Finnish currency, amounted to 33 800 million marks at the beginning of 1958. As Table 11 shows, the cash receipts during the year amounted to 1 822 200 million marks and the cash payments to 1 825 300 million, so that the cash balance at the end of the year totalled 30 700 million marks. In 1957 the cash receipts amounted to 1 784 500 million marks. The branch offices were responsible for 41 per cent of the cash turnover during the year, and at the end of the year held 48 per cent of the total cash balance.

Of the cash balance at the end of 1958, 30 300 million marks consisted of notes and 400 million marks of coin. As already stated, only the value of the coins appears in the balance sheet of the Bank, for the notes held by the Bank are deducted from the total amount of the existing notes and the difference represents the »Notes in circulation» among the liabilities in the balance sheet.

The cash turnover mentioned above does not include the mutual payment orders of the banking establishments, nor their credit orders dealt with in the *clearing operations*. The total of these amounted to 1 376 000 million marks in 1958 compared with 1 327 000 million in the previous year. The clearing operations in the various offices of the Bank are shown in Table 13.

## 7. THE MANAGEMENT OF THE BANK OF FINLAND

**The Bank Supervisors delegated by the Diet.** The Bank Supervisors, delegated by the Diet to supervise the management and business of the Bank of Finland, consisted of the men appointed in 1955, until the Electors

of the Diet who assembled after the general election in July appointed the following new Bank Supervisors on August 13: KUSTI ESKOLA (Chairman), VÄINÖ TANNER (Vice-Chairman), AIMO AALTONEN, T. A. WIHERHEIMO, ONNI PELTONEN, ARVO KORSIMO, YRJÖ MURTO, J. O. SÖDERHJELM and OLLI J. UOTI. The first three form the Executive Committee.

**The Board of Management of the Bank of Finland.** During the whole of the year under review KLAUS WARIS occupied the post of Governor of the Bank and ESKO K. LEINONEN and AARRE SIMONEN were members of the Board. On January 27, K. T. JUTILA reached the retirement age and had to tender his resignation. As there were now two vacancies on the Board of Management the President of the Republic appointed AHTI KARJALAINEN and REINO ROSSI to these posts with effect from April 1.

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### III. FINLAND'S RELATIONS WITH THE INTERNATIONAL FINANCIAL INSTITUTIONS

The Bank of Finland acts as the Government agent for contacts with the International Monetary Fund, the International Bank for Reconstruction and Development and the International Finance Corporation, of which Finland is a member, and with the Bank for International Settlements, in which the Bank of Finland is a shareholder. Details were given in the preceding Year Book of Finland's relations with these international financial institutions for the whole time during which Finland has been connected with them.

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

Finland's membership subscription amounts to 38 million U.S. dollars, the equivalent of 12 160 million marks at the current parity of exchange. Of this subscription Finland has paid 25 per cent or 9 500 000 dollars in gold and dollars, which is equivalent to 3 040 million marks. The remaining 75 per cent were settled in marks by the payment of 90 million marks into the account of the IMF at the Bank of Finland and by the Government issuing non-interest bearing, non-negotiable notes, payable on demand, for 9 030 million marks. The notes are held by the Bank of Finland on behalf of the Monetary Fund. The cover for the payment in marks into the account of the IMF consists of a bill issued to the Bank of Finland by the Government.

Minister R. v. FIEANDT represented Finland on the Board of Governors of the IMF up to March 18, from which date he was succeeded by the Governor of the Bank of Finland, KLAUS WARIS. Their alternate throughout the year was EERO ASP, secretary for foreign affairs in the Bank of Finland.

TORBEN FRIIS, of Denmark, served up to November 1 as the Executive Director appointed by all the five Nordic countries and was succeeded by EERO ASP, secretary for foreign affairs in the Bank of Finland. JOUKO J. VOUTILAINEN, of the Bank of Finland, served as Alternate up to November 1 and was succeeded by THORHALLUR ASGEIRSSON, of Iceland.

### The International Bank for Reconstruction and Development (IBRD)

Finland's membership subscription to the International Bank for Reconstruction and Development, or the World Bank, is also 38 million U.S. dollars. Of this 2 per cent or 760 000 dollars, equivalent to 243.2 million marks, were paid in gold and dollars and 18 per cent or 2 188.8 million marks in Finnish currency into the account of the IBRD at the Bank of Finland. Of this mark account the IBRD employed about 110 million marks in December 1958 for financing an export order received from abroad by a Finnish metal works, to be delivered within the framework of the IBRD's loan agreement. Payment of the remaining 80 per cent of Finland's subscription, the equivalent of 9 728 million marks, cannot be claimed unless the IBRD's own commitments require it. Cover for the payment in marks into the account of the IBRD is provided by a bill issued by the Government to the Bank of Finland.

Finland has obtained six loans to date from the IBRD to a total of 65 279 464 dollars, the equivalent of 20 889 million marks at the current rate of exchange. The following table gives some particulars of these loans according to the accountancy of the IBRD.

Date of loan	Nominal amount	Rate of interest	Term, years	Redeemed up to Dec. 31, 1958	Drawn up to Dec. 31, 1958	Balance available on Dec. 31, 1958
	\$	%		\$	\$	\$
Aug. 1, 1949	12 500 000	4	15	6 564 000	5 936 000	—
Oct. 17, 1949	2 300 000	3	2	2 300 000 <sup>1</sup>	—	—
Apr. 4, 1952	20 000 000	4 <sup>3</sup> / <sub>4</sub>	18	4 603 000	15 397 000	—
Nov. 13, 1952	3 479 464	4 <sup>3</sup> / <sub>4</sub>	18	607 746 <sup>2</sup>	2 871 718	—
Mar. 24, 1955	12 000 000	4 <sup>5</sup> / <sub>8</sub>	15	728 000	11 272 000	—
May 22, 1956	15 000 000	4 <sup>3</sup> / <sub>4</sub>	20	—	6 450 004	8 549 996
<b>Total</b>	<b>65 279 464</b>			<b>14 802 746</b>	<b>41 926 722</b>	<b>8 549 996</b>

During the year under review Finland carried on negotiations with the IBRD for a new loan, larger than the former ones. The negotiations will not be completed until the middle of 1959.

<sup>1</sup> Of which 197 869 dollars cancelled. — <sup>2</sup> Of which 1 415 : 66 dollars cancelled.

KLAUS WARIS, Governor of the Bank of Finland, represented Finland as a member of the Board of Governors of the IBRD up to March 18 and was succeeded by R. v. FIEANDT. RALF TÖRNGREN, Head of the Treasury, served as Alternate up to March 18 and was succeeded by HEIKKI VALVANNE, Head of the Bank of Finland Institute for Economic Research, up to April 24 and from that date by REINO ROSSI, Member of the Board of Management of the Bank of Finland.

SVEN VIIG, of Norway, served as the Executive Director appointed by all the five Nordic countries up to November 1 and was succeeded by T. L. HAMMARSKIÖLD, of Sweden. BJÖRN TRYGGVASON, of Iceland, served as Alternate up to November 1 and was succeeded by H. E. THRANE, of Denmark.

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**Tables:**  
**Activity of the Bank of Finland**

## 1. Balance sheet, 1951—1958

	31/ 1951	31/ 1952	31/ 1953	31/ 1954	31/ 1955	31/ 1956
<b>ASSETS</b>						
1 <i>Ordinary note cover</i> .....	34 317	22 099	28 107	37 545	38 314	32 300
2 Gold .....	5 865	5 863	5 862	6 934	7 849	7 849
3 Foreign exchange .....	28 452	16 236	22 036	29 639	28 089	21 561
4 Foreign bills .....	—	—	0	115	115	115
5 Foreign bonds .....	—	—	209	857	2 261	2 775
6 <i>Supplementary note cover</i> .....	21 119	49 129	48 060	47 142	65 576	75 453
Inland bills discounted .....						
7        In foreign currency .....	2 513	4 158	5 980	6 737	8 511	9 366
8        In Finnish currency .....	11 567	14 678	13 812	11 940	14 437	14 922
9    Rediscounted bills .....	16	17 217	8 268	8 465	22 628	33 665
10    Treasury Bond Loan <sup>1</sup> .....	7 023	13 076	20 000	20 000	20 000	17 500
11 <i>Other assets</i> .....	6 530	11 651	13 686	11 544	11 616	13 370
12    Finnish bonds .....	949	1 161	2 238	2 248	1 915	1 794
13    Cheque accounts .....	596	225	398	—	490	862
14    Finnish coin .....	21	290	241	242	195	354
15    Other claims .....	4 964	9 975	10 809	9 054	9 016	10 360
16 <b>Total</b>	<b>61 966</b>	<b>82 879</b>	<b>89 853</b>	<b>96 231</b>	<b>115 506</b>	<b>121 123</b>
<b>LIABILITIES</b>						
17 <i>Notes in circulation</i> .....	44 774	46 153	45 019	47 902	55 883	60 735
18 <i>Short-term liabilities</i> .....	5 740	20 365	24 010	29 060	20 054	24 725
19    Foreign exchange accounts .....	3 594	13 141	8 737	7 017	3 855	4 601
20    Mark accounts of holders abroad	1 845	2 951	3 521	3 595	3 898	7 047
21    Cheque account of the Treasury	—	—	7 281	15 470	9 816	10 550
22    Cheque accounts of banks .....	—	2 088	2 157	2 187	1 706	1 167
23    Other cheque accounts .....	29	1 319	1 787	69	155	367
24    Other short-term liabilities ....	272	866	527	722	624	993
25 <i>Long-term liabilities</i> .....	1 848	2 573	5 716	6 507	22 268	14 725
26    Foreign .....	1 848	2 573	5 716	6 507	7 719	8 290
27    Finnish .....	—	—	—	—	14 549	6 435
28 <i>Equalisation accounts</i> .....	1 662	5 334	5 590	2 522	5 689	8 074
29 <i>Bank's own funds</i> .....	7 942	8 454	9 518	10 240	11 612	12 864
30    Capital .....	5 000	5 000	5 000	5 000	10 000	10 000
31    Reserve fund .....	1 527	2 242	2 847	3 683	—	812
32    Profits undisposed .....	—	—	—	36	—	—
33    Earnings less expenses .....	1 415	1 212	1 671	1 521	1 612	2 052
34 <b>Total</b>	<b>61 966</b>	<b>82 879</b>	<b>89 853</b>	<b>96 231</b>	<b>115 506</b>	<b>121 123</b>

<sup>1</sup> For 1951—1952 Treasury bills.

Mill. mk

31/12 1957	31/12 1958	1958						
		8/1	15/1	23/1	31/1	8/2	15/2	
<i>41 340</i>	<i>60 642</i>	<i>42 267</i>	<i>43 936</i>	<i>44 078</i>	<i>44 078</i>	<i>45 078</i>	<i>46 115</i>	1
7 850	7 850	7 850	7 850	7 850	7 850	7 850	7 850	2
30 579	49 708	31 514	32 149	32 291	32 291	33 291	34 328	3
136	871	128	1 162	1 162	1 162	1 162	1 162	4
2 775	2 213	2 775	2 775	2 775	2 775	2 775	2 775	5
<i>64 811</i>	<i>47 049</i>	<i>56 773</i>	<i>54 880</i>	<i>55 549</i>	<i>54 358</i>	<i>51 427</i>	<i>50 788</i>	6
13 240	12 644	13 240	13 240	13 266	13 266	13 146	13 149	7
12 909	8 823	13 393	13 558	14 024	14 664	14 877	15 010	8
24 912	18 707	17 640	15 582	15 759	15 178	13 404	12 629	9
13 750	6 875	12 500	12 500	12 500	11 250	10 000	10 000	10
<i>19 786</i>	<i>19 027</i>	<i>19 875</i>	<i>19 934</i>	<i>19 148</i>	<i>19 124</i>	<i>18 980</i>	<i>18 792</i>	11
1 258	909	1 244	1 245	1 245	1 247	1 246	1 246	12
619	440	652	702	804	739	724	608	13
299	438	323	368	408	442	434	434	14
17 610	17 240	17 656	17 619	16 691	16 696	16 576	16 504	15
<b>125 937</b>	<b>126 718</b>	<b>118 915</b>	<b>118 750</b>	<b>118 775</b>	<b>117 560</b>	<b>115 485</b>	<b>115 695</b>	16
<i>60 640</i>	<i>65 075</i>	<i>56 717</i>	<i>55 038</i>	<i>51 586</i>	<i>52 837</i>	<i>53 631</i>	<i>55 003</i>	17
<i>20 581</i>	<i>18 046</i>	<i>18 275</i>	<i>19 886</i>	<i>23 481</i>	<i>21 577</i>	<i>20 596</i>	<i>19 544</i>	18
4 569	2 178	4 344	4 192	4 290	4 329	4 212	3 770	19
7 901	4 643	7 866	7 307	7 291	7 294	7 251	7 248	20
5 145	7 146	2 315	6 257	10 501	8 462	6 861	7 366	21
2 405	1 474	2 906	1 307	590	254	1 769	665	22
189	293	560	503	441	867	182	170	23
372	2 312	284	320	368	371	321	325	24
<i>16 249</i>	<i>20 872</i>	<i>15 540</i>	<i>15 677</i>	<i>16 725</i>	<i>16 600</i>	<i>15 410</i>	<i>15 490</i>	25
12 284	11 370	12 282	12 281	12 307	12 307	12 144	12 146	26
3 965	9 502	3 258	3 396	4 418	4 293	3 266	3 344	27
<i>14 458</i>	<i>8 170</i>	<i>14 294</i>	<i>14 022</i>	<i>12 823</i>	<i>12 357</i>	<i>11 625</i>	<i>11 377</i>	28
<i>14 009</i>	<i>14 555</i>	<i>14 089</i>	<i>14 127</i>	<i>14 160</i>	<i>14 189</i>	<i>14 223</i>	<i>14 281</i>	29
10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	30
1 838	2 924	2 924	2 924	2 924	2 924	2 924	2 924	31
—	—	1 085	1 085	1 085	1 085	1 085	1 085	32
2 171	1 631	80	118	151	180	214	272	33
<b>125 937</b>	<b>126 718</b>	<b>118 915</b>	<b>118 750</b>	<b>118 775</b>	<b>117 560</b>	<b>115 485</b>	<b>115 695</b>	34

## 1. (Cont.) Balance sheet, 1951—1958

		1958					
		22/2	28/2	8/3	15/3	22/3	31/3
<b>ASSETS</b>							
1	<i>Ordinary note cover</i> .....	47 006	47 662	48 094	48 202	47 717	48 739
2	Gold .....	7 850	7 850	7 850	7 850	7 850	7 850
3	Foreign exchange .....	35 219	35 875	36 307	36 415	35 930	36 952
4	Foreign bills .....	1 162	1 162	1 162	1 162	1 162	1 162
5	Foreign bonds .....	2 775	2 775	2 775	2 775	2 775	2 775
6	<i>Supplementary note cover</i> .....	52 075	52 240	49 827	49 075	47 328	49 878
	Inland bills discounted .....						
7	In foreign currency .....	13 149	13 226	13 251	13 255	13 289	13 223
8	In Finnish currency .....	15 126	14 914	14 766	15 213	15 418	16 122
9	Rediscounted bills .....	13 800	15 350	13 060	11 857	11 121	13 033
10	Treasury Bond Loan .....	10 000	8 750	8 750	8 750	7 500	7 500
11	<i>Other assets</i> .....	18 784	18 758	18 598	18 661	18 589	18 711
12	Finnish bonds .....	1 246	1 246	1 245	1 244	1 236	1 236
13	Cheque accounts .....	629	641	594	645	546	802
14	Finnish coin .....	432	439	437	451	483	546
15	Other claims .....	16 477	16 432	16 322	16 321	16 324	16 127
16	<b>Total</b>	<b>117 865</b>	<b>118 660</b>	<b>116 519</b>	<b>115 938</b>	<b>113 634</b>	<b>117 328</b>
<b>LIABILITIES</b>							
17	<i>Notes in circulation</i> .....	55 169	56 793	55 035	55 285	55 183	55 877
18	<i>Short-term liabilities</i> .....	21 255	20 449	19 703	18 803	17 039	19 116
19	Foreign exchange accounts .....	3 565	3 379	3 397	3 273	3 077	2 773
20	Mark accounts of holders abroad .....	7 246	7 225	7 230	7 226	2 738	2 729
21	Cheque account of the Treasury .....	9 229	7 916	7 713	7 217	7 348	9 889
22	Cheque accounts of banks .....	808	983	885	375	230	100
23	Other cheque accounts .....	143	213	169	431	325	203
24	Other short-term liabilities .....	264	733	309	281	3 321	3 422
25	<i>Long-term liabilities</i> .....	15 979	16 026	16 474	16 542	15 917	16 966
26	Foreign .....	12 146	12 224	12 225	12 230	12 241	12 240
27	Finnish .....	3 833	3 802	4 249	4 312	3 676	4 726
28	<i>Equalisation accounts</i> .....	11 101	11 007	10 906	10 876	11 040	10 872
29	<i>Bank's own funds</i> .....	14 361	14 385	14 401	14 432	14 455	14 497
30	Capital .....	10 000	10 000	10 000	10 000	10 000	10 000
31	Reserve fund .....	2 924	2 924	2 924	2 924	2 924	2 924
32	Profits undisposed .....	1 085	1 085	1 085	1 085	1 085	1 085
33	Earnings less expenses .....	352	376	392	423	446	488
34	<b>Total</b>	<b>117 865</b>	<b>118 660</b>	<b>116 519</b>	<b>115 938</b>	<b>113 634</b>	<b>117 328</b>



Mill. mk

1958								
$\frac{8}{4}$	$\frac{15}{4}$	$\frac{23}{4}$	$\frac{30}{4}$	$\frac{8}{5}$	$\frac{14}{5}$	$\frac{23}{5}$	$\frac{31}{5}$	
48 855	47 856	47 017	46 252	46 168	46 256	46 793	47 490	1
7 850	7 850	7 850	7 850	7 850	7 850	7 850	7 850	2
37 068	36 069	35 230	34 465	34 381	34 469	35 006	35 703	3
1 162	1 162	1 162	1 162	1 162	1 162	1 162	1 162	4
2 775	2 775	2 775	2 775	2 775	2 775	2 775	2 775	5
48 794	46 559	48 837	53 547	52 826	52 240	52 349	52 220	6
13 227	13 174	13 134	13 183	13 185	13 185	13 406	13 415	7
16 266	16 780	17 095	17 252	17 132	17 302	17 388	17 710	8
11 801	9 105	10 483	14 987	14 384	13 628	13 430	12 970	9
7 500	7 500	8 125	8 125	8 125	8 125	8 125	8 125	10
18 791	18 092	18 160	18 168	18 466	18 345	19 077	18 976	11
1 235	1 202	1 202	1 202	1 162	1 311	1 614	1 614	12
889	466	527	477	618	329	422	334	13
549	556	565	579	577	579	593	601	14
16 118	15 868	15 866	15 910	16 109	16 126	16 448	16 427	15
<b>116 440</b>	<b>112 507</b>	<b>114 014</b>	<b>117 967</b>	<b>117 460</b>	<b>116 841</b>	<b>118 219</b>	<b>118 686</b>	16
56 696	55 259	54 202	56 174	56 698	58 448	57 750	59 038	17
17 329	14 527	17 909	19 057	17 591	15 220	16 609	15 355	18
2 741	2 599	2 800	2 703	2 709	2 916	2 973	2 831	19
2 683	2 677	2 780	2 810	2 944	2 956	2 947	3 214	20
6 656	4 716	9 006	9 982	7 908	4 938	7 413	6 155	21
1 679	763	56	314	725	1 389	537	271	22
242	206	197	196	275	216	215	357	23
3 328	3 566	3 070	3 052	3 030	2 805	2 524	2 527	24
17 004	16 964	15 841	16 487	16 767	16 733	17 557	18 177	25
12 243	12 131	12 131	12 135	12 138	12 137	12 360	12 342	26
4 761	4 833	3 710	4 352	4 629	4 646	5 197	5 835	27
10 893	11 226	11 517	11 688	11 820	11 797	11 700	11 497	28
14 518	14 531	14 545	14 561	14 584	14 593	14 603	14 619	29
10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	30
2 924	2 924	2 924	2 924	2 924	2 924	2 924	2 924	31
1 085	1 085	1 085	1 085	1 085	1 085	1 085	1 085	32
509	522	536	552	575	584	594	610	33
<b>116 440</b>	<b>112 507</b>	<b>114 014</b>	<b>117 967</b>	<b>117 460</b>	<b>116 841</b>	<b>118 219</b>	<b>118 686</b>	34

## 1. (Cont.) Balance sheet, 1951—1958

		1958					
		7/6	14/6	23/6	30/6	8/7	15/7
<b>ASSETS</b>							
1	<i>Ordinary note cover</i> .....	47 322	48 178	50 432	51 007	52 126	52 911
2	Gold .....	7 850	7 850	7 850	7 850	7 850	7 866
3	Foreign exchange .....	35 535	36 391	38 908	39 483	40 602	41 371
4	Foreign bills .....	1 162	1 162	899	899	899	899
5	Foreign bonds .....	2 775	2 775	2 775	2 775	2 775	2 775
6	<i>Supplementary note cover</i> .....	53 308	52 341	50 751	56 411	52 037	48 806
	Inland bills discounted .....						
7	In foreign currency .....	13 219	13 241	13 247	13 250	13 243	13 239
8	In Finnish currency .....	17 844	17 816	18 135	18 368	17 951	17 198
9	Rediscounted bills .....	14 120	13 159	11 244	16 668	12 718	10 244
10	Treasury Bond Loan .....	8 125	8 125	8 125	8 125	8 125	8 125
11	<i>Other assets</i> .....	18 948	18 411	18 508	18 449	18 095	17 852
12	Finnish bonds .....	1 602	1 602	1 677	1 665	1 640	1 640
13	Cheque accounts .....	335	322	396	663	437	314
14	Finnish coin .....	589	608	586	601	593	591
15	Other claims .....	16 422	15 879	15 849	15 520	15 425	15 307
16	<b>Total</b>	<b>119 578</b>	<b>118 930</b>	<b>119 691</b>	<b>125 867</b>	<b>122 258</b>	<b>119 569</b>
<b>LIABILITIES</b>							
17	<i>Notes in circulation</i> .....	57 189	58 091	58 268	59 332	57 681	57 142
18	<i>Short-term liabilities</i> .....	17 694	17 249	17 977	22 104	20 149	18 102
19	Foreign exchange accounts .....	2 897	3 031	2 929	2 802	2 934	2 989
20	Mark accounts of holders abroad .....	3 313	3 320	3 411	3 545	3 553	3 641
21	Cheque account of the Treasury .....	7 471	7 770	8 503	12 932	8 926	8 173
22	Cheque accounts of banks .....	1 166	465	417	—	1 896	548
23	Other cheque accounts .....	224	160	244	279	268	254
24	Other short-term liabilities .....	2 623	2 503	2 473	2 546	2 572	2 497
25	<i>Long-term liabilities</i> .....	18 414	18 463	18 787	19 716	19 809	19 844
26	Foreign .....	12 343	12 367	12 368	12 368	12 369	12 370
27	Finnish .....	6 071	6 096	6 419	7 348	7 440	7 474
28	<i>Equalisation accounts</i> .....	11 636	11 548	11 053	11 063	10 923	10 761
29	<i>Bank's own funds</i> .....	14 645	13 579	13 606	13 652	13 696	13 720
30	Capital .....	10 000	10 000	10 000	10 000	10 000	10 000
31	Reserve fund .....	2 924	2 924	2 924	2 924	2 924	2 924
32	Profits undisposed .....	1 085	—	—	—	—	—
33	Earnings less expenses .....	636	655	682	728	772	796
34	<b>Total</b>	<b>119 578</b>	<b>118 930</b>	<b>119 691</b>	<b>125 867</b>	<b>122 258</b>	<b>119 569</b>

Mill. mk

1958								
23/7	31/7	8/8	15/8	23/8	30/8	8/9	15/9	
54 425	55 831	57 111	58 531	61 190	61 444	62 636	63 981	1
7 866	7 866	7 866	7 866	7 866	7 866	7 866	7 866	2
42 885	44 291	45 560	46 980	49 639	49 893	51 065	52 406	3
899	899	910	910	910	910	930	934	4
2 775	2 775	2 775	2 775	2 775	2 775	2 775	2 775	5
48 603	49 711	47 321	44 458	43 076	44 735	42 664	39 797	6
13 244	13 367	13 223	13 208	13 218	13 174	13 198	13 168	7
17 103	16 663	16 119	16 117	15 664	14 748	14 634	14 121	8
10 131	11 556	9 854	7 008	6 069	8 688	6 707	4 383	9
8 125	8 125	8 125	8 125	8 125	8 125	8 125	8 125	10
17 789	17 518	17 346	17 047	17 074	17 209	17 502	17 177	11
1 643	1 643	1 642	1 642	1 643	1 644	1 789	1 787	12
403	352	315	274	372	363	518	247	13
582	583	551	541	535	542	547	558	14
15 161	14 940	14 838	14 590	14 524	14 660	14 648	14 585	15
<b>120 817</b>	<b>123 060</b>	<b>121 778</b>	<b>120 036</b>	<b>121 340</b>	<b>123 388</b>	<b>122 802</b>	<b>120 955</b>	16
56 101	56 824	57 541	57 865	57 724	59 511	57 491	57 538	17
20 517	21 350	19 639	17 770	19 578	19 337	20 852	19 235	18
3 005	3 096	3 226	3 197	3 407	3 315	3 532	3 360	19
3 759	3 783	4 040	4 098	4 185	4 242	4 272	4 226	20
10 785	11 464	7 797	5 798	8 097	6 941	9 138	7 973	21
382	367	1 101	1 054	345	570	429	47	22
261	385	231	380	283	203	284	330	23
2 325	2 255	3 244	3 243	3 261	4 066	3 197	3 299	24
20 021	20 942	20 895	21 001	21 228	21 711	21 867	21 883	25
12 372	12 381	12 215	12 214	12 214	12 214	12 213	12 209	26
7 649	8 561	8 680	8 787	9 014	9 497	9 654	9 674	27
10 411	10 146	9 849	9 500	8 894	8 893	8 652	8 332	28
13 767	13 798	13 854	13 900	13 916	13 936	13 940	13 967	29
10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	30
2 924	2 924	2 924	2 924	2 924	2 924	2 924	2 924	31
—	—	—	—	—	—	—	—	32
843	874	930	976	992	1 012	1 016	1 043	33
<b>120 817</b>	<b>123 060</b>	<b>121 778</b>	<b>120 036</b>	<b>121 340</b>	<b>123 388</b>	<b>122 802</b>	<b>120 955</b>	34

## 1. (Cont.) Balance sheet, 1951—1958

		1958					
		23/9	30/9	8/10	15/10	23/10	31/10
<b>ASSETS</b>							
1	<i>Ordinary note cover</i> .....	64 365	62 675	64 688	63 951	64 986	65 245
2	Gold .....	7 866	7 866	7 866	7 866	7 866	7 866
3	Foreign exchange .....	52 790	51 100	53 102	52 365	53 400	53 667
4	Foreign bills .....	934	934	945	945	945	937
5	Foreign bonds .....	2 775	2 775	2 775	2 775	2 775	2 775
6	<i>Supplementary note cover</i> .....	38 104	44 449	38 098	36 801	37 208	39 864
	Inland bills discounted .....						
7	In foreign currency .....	13 159	13 043	13 039	12 985	12 923	12 914
8	In Finnish currency .....	13 633	13 493	13 267	12 698	11 919	11 448
9	Rediscounted bills .....	4 437	11 038	4 917	4 243	5 491	8 627
10	Treasury Bond Loan .....	6 875	6 875	6 875	6 875	6 875	6 875
11	<i>Other assets</i> .....	17 441	18 302	18 205	18 248	18 400	18 112
12	Finnish bonds .....	1 787	1 788	1 785	1 755	1 755	1 757
13	Cheque accounts .....	315	416	316	349	328	295
14	Finnish coin .....	551	544	524	526	519	512
15	Other claims .....	14 788	15 554	15 580	15 618	15 798	15 548
16	<b>Total</b>	<b>119 910</b>	<b>125 426</b>	<b>120 991</b>	<b>119 000</b>	<b>120 594</b>	<b>123 221</b>
<b>LIABILITIES</b>							
17	<i>Notes in circulation</i> .....	56 703	58 191	56 867	57 206	56 944	58 681
18	<i>Short-term liabilities</i> .....	18 696	21 882	19 336	16 966	18 958	20 195
19	Foreign exchange accounts .....	3 299	3 224	3 364	3 290	2 780	2 407
20	Mark accounts of holders abroad .....	4 488	4 483	4 372	4 458	4 546	4 541
21	Cheque account of the Treasury .....	7 205	10 953	6 004	4 430	8 082	8 620
22	Cheque accounts of banks .....	409	—	2 320	1 493	278	1 554
23	Other cheque accounts .....	353	319	302	261	434	243
24	Other short-term liabilities .....	2 942	2 903	2 974	3 034	2 838	2 830
25	<i>Long-term liabilities</i> .....	22 177	22 484	22 737	22 493	22 511	22 012
26	Foreign .....	12 209	12 211	12 211	12 092	12 092	11 399
27	Finnish .....	9 968	10 273	10 526	10 401	10 419	10 613
28	<i>Equalisation accounts</i> .....	8 330	8 799	7 974	8 208	8 045	8 159
29	<i>Bank's own funds</i> .....	14 004	14 070	14 077	14 127	14 136	14 174
30	Capital .....	10 000	10 000	10 000	10 000	10 000	10 000
31	Reserve fund .....	2 924	2 924	2 924	2 924	2 924	2 924
32	Profits undisposed .....	—	—	—	—	—	—
33	Earnings less expenses .....	1 080	1 146	1 153	1 203	1 212	1 250
34	<b>Total</b>	<b>119 910</b>	<b>125 426</b>	<b>120 991</b>	<b>119 000</b>	<b>120 594</b>	<b>123 221</b>

Mill. mk

1958								
8/11	15/11	22/11	29/11	8/12	15/12	23/12	31/12	
65 933	65 990	65 002	65 005	64 722	63 952	62 073	60 642	1
7 866	7 866	7 850	7 850	7 850	7 850	7 850	7 850	2
54 355	54 412	53 440	53 444	53 005	52 235	50 576	49 708	3
937	937	937	936	915	915	1 051	871	4
2 775	2 775	2 775	2 775	2 952	2 952	2 596	2 213	5
37 314	34 549	34 857	38 574	38 873	38 676	44 778	47 049	6
12 908	12 908	12 902	12 844	12 638	12 638	12 643	12 644	7
10 924	10 524	10 621	10 141	9 688	10 141	9 791	8 823	8
6 607	4 242	4 459	8 714	9 672	9 022	15 469	18 707	9
6 875	6 875	6 875	6 875	6 875	6 875	6 875	6 875	10
17 955	17 830	18 724	18 622	18 670	19 043	20 264	19 027	11
1 745	1 745	1 796	1 796	1 809	2 235	2 309	909	12
336	223	251	254	268	170	640	440	13
475	475	471	485	486	468	422	438	14
15 399	15 387	16 206	16 087	16 107	16 170	16 893	17 240	15
<b>121 202</b>	<b>118 369</b>	<b>118 583</b>	<b>122 201</b>	<b>122 265</b>	<b>121 671</b>	<b>127 115</b>	<b>126 718</b>	16
58 862	59 597	59 601	61 755	60 492	61 968	64 324	65 075	17
17 979	14 627	14 533	16 241	17 715	15 390	17 629	18 046	18
2 329	2 294	2 037	2 268	2 241	2 249	2 205	2 178	19
4 519	4 542	4 534	4 554	4 568	4 571	4 529	4 643	20
5 321	3 168	4 818	5 371	7 583	5 549	8 272	7 146	21
2 734	1 515	319	1 079	631	259	—	1 474	22
261	301	219	347	261	428	391	293	23
2 815	2 807	2 606	2 622	2 431	2 334	2 232	2 312	24
22 119	21 869	21 810	21 587	21 287	21 289	21 018	20 872	25
11 400	11 399	11 401	11 371	11 371	11 372	11 370	11 370	26
10 719	10 470	10 409	10 216	9 916	9 917	9 648	9 502	27
8 018	8 005	8 320	8 273	8 372	8 532	9 632	8 170	28
14 224	14 271	14 319	14 345	14 399	14 442	14 462	14 555	29
10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	30
2 924	2 924	2 924	2 924	2 924	2 924	2 924	2 924	31
—	—	—	—	—	—	—	—	32
1 300	1 347	1 395	1 421	1 475	1 518	1 538	1 631	33
<b>121 202</b>	<b>118 369</b>	<b>118 583</b>	<b>122 201</b>	<b>122 265</b>	<b>121 671</b>	<b>127 115</b>	<b>126 718</b>	34

## 2. Certain accounts, 1952—1958

Date	«Other claims»			«Short-term liabilities»		«Long-term liabilities, Finnish»
	Prepayments for exports <sup>1</sup>	Advances for stand-by stocks	Cover for IMF and IBRD accounts	«Cheque accounts of banks» <sup>2</sup>	Account of the Mortgage Bank of Finland Oy <sup>3</sup>	Account for levy on export proceeds
31. XII						
1952	7 024	—	1 662	2 088	—	—
1953	8 120	—	1 662	2 157	—	—
1954	7 234	—	1 662	2 187	—	—
1955	7 051	—	1 660	1 706	—	—
1956	8 381	—	1 660	1 167	280	—
1957	14 731	—	2 271	2 405	— 42	751
1958	9 535	4 335	2 158	1 474	2 080	6 288
1958						
8. I	14 737	—	2 271	2 906	— 48	44
15.	14 695	—	2 271	1 307	— 54	182
23.	13 799	—	2 271	590	— 40	1 204
31.	13 800	—	2 271	254	— 42	1 079
8. II	13 717	—	2 271	1 769	— 2	52
15.	13 648	—	2 271	665	— 20	130
22.	13 622	—	2 271	808	— 17	619
28.	13 520	—	2 271	983	— 43	588
8. III	13 473	—	2 271	885	33	1 035
15.	13 482	—	2 271	375	67	1 098
22.	13 485	—	2 271	230	3 225	462
31.	13 289	—	2 271	100	3 226	1 512
8. IV	13 293	—	2 271	1 679	3 233	1 547
15.	13 051	—	2 271	763	2 978	1 619
23.	13 052	—	2 271	56	2 987	496
30.	13 047	—	2 271	314	2 973	1 138
8. V	13 050	—	2 271	725	2 974	1 415
14.	13 057	—	2 271	1 389	2 756	1 432
23.	13 059	—	2 271	537	2 474	1 983
31.	13 045	—	2 271	271	2 463	2 621
7. VI	13 037	—	2 271	1 166	2 585	2 857
14.	12 499	—	2 271	465	2 462	2 882
23.	12 468	—	2 271	417	2 442	3 205
30.	12 124	—	2 271	— 145	2 432	4 134

Mill. mk

Date	»Other claims»			»Short-term liabilities»		»Long-term liabilities, Finnish»
	Prepayments for exports <sup>1</sup>	Advances for stand-by stocks	Cover for IMF and IBRD accounts	»Cheque accounts of banks» <sup>2</sup>	Account of the Mortgage Bank of Finland Oy <sup>3</sup>	Account for levy on export proceeds
1958						
8. VII	12 028	—	2 271	1 896	2 435	4 226
15.	11 968	—	2 271	548	2 206	4 260
23.	11 817	—	2 271	382	2 232	4 435
31.	11 604	—	2 271	367	2 226	5 347
8. VIII	11 473	—	2 271	1 101	3 200	5 466
15.	11 450	—	2 271	1 054	3 186	5 573
23.	11 407	—	2 271	345	3 192	5 800
30.	11 070	564	2 271	570	3 192	6 283
8. IX	11 051	564	2 271	429	3 159	6 440
15.	10 963	590	2 271	47	2 932	6 460
23.	10 895	876	2 271	409	2 865	6 754
30.	10 752	1 788	2 271	— 4	2 856	7 059
8. X	10 727	1 848	2 271	2 320	2 898	7 312
15.	10 728	1 886	2 271	1 493	2 922	7 187
23.	10 587	2 200	2 271	278	2 744	7 205
31.	10 335	2 228	2 271	1 554	2 760	7 399
8. XI	10 174	2 245	2 271	2 734	2 769	7 505
15.	10 168	2 265	2 271	1 515	2 736	7 256
22.	9 782	3 440	2 271	319	2 531	7 195
29.	9 664	3 440	2 271	1 079	2 504	7 002
8. XII	9 586	3 492	2 271	631	2 377	6 702
15.	9 535	3 492	2 271	259	2 076	6 703
23.	9 535	4 041	2 271	—253	2 080	6 434
31.	9 535	4 335	2 158	1 474	2 080	6 288

<sup>1</sup> Advances to Finnish firms for exports to the U.S.S.R. booked before 1958.

<sup>2</sup> A liability (—) of the banks on this account is included in »cheque accounts» among assets in the statement of the Bank of Finland.

<sup>3</sup> Included in »other short-term liabilities» in the statement of the Bank of Finland. A liability (—) of the Mortgage Bank of Finland on this account is included in »other claims».

### 3. Foreign exchange reserve, at end of year or quarter, 1953—1958

Thousand million marks

Currencies	1953	1954	1955	1956	1957				1958				
					I	II	III	IV	I	II	III	IV	
Gold .....	5.9	6.9	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.9	7.8	
Convertible .....	6.6	6.7	7.8	11.2	9.4	9.5	16.3	17.8	16.1	12.1	16.9	} 31.2	
OEEC: transferable .	} 3.5	16.5	16.6	6.4	4.1	2.8	{ 5.7	3.9	5.1	5.5	9.5		
OEEC: other .....												} 3.7	2.1
Eastern Bloc .....	-0.5	-2.7	-2.5	-3.1	-2.0	-1.7	-3.9	-2.0	-0.8	-1.2	-1.4		
Other .....	<b>Total</b>	<b>19.2</b>	<b>29.5</b>	<b>32.1</b>	<b>24.8</b>	<b>19.7</b>	<b>15.2</b>	<b>25.1</b>	<b>33.9</b>	<b>42.0</b>	<b>44.5</b>	<b>55.7</b>	<b>55.4</b>

### 4. Profit and loss account, 1953—1958

Mill. mk

	1953	1954	1955	1956	1957	1958
<b>EARNINGS</b>						
Interest on internal loans .....	1 373	1 163	1 180	1 997	1 655	1 151
Interest on current accounts abroad ....	208	146	251	415	293	484
Interest on bonds .....	163	204	332	291	342	317
Commission .....	192	190	186	166	173	163
Agio profit .....	561	577	442	382	417	285
Other earnings .....	72	61	64	63	64	85
<b>Total earnings</b>	<b>2 569</b>	<b>2 341</b>	<b>2 455</b>	<b>3 314</b>	<b>2 944</b>	<b>2 485</b>
<b>EXPENSES</b>						
Salaries and fees .....	278	277	296	372	386	402
Pensions .....	18	19	23	33	33	35
Family pensions .....	6	7	7	9	10	11
Fees and expenses of Bank Supervisors ..	1	1	1	1	1	2
Fees of Branch controllers .....	1	1	1	1	1	1
Payments for children's allowances and national pensions .....	14	15	16	17	16	19
Interest on cash reserve accounts .....	—	—	166	296	—	—
Manufacture of bank notes .....	132	118	141	182	156	165
Other expenses .....	80	70	77	92	90	97
Amounts written off .....	368	312	115	259	80	122
<b>Total expenses</b>	<b>898</b>	<b>820</b>	<b>843</b>	<b>1 262</b>	<b>773</b>	<b>854</b>
Net profit	1 671	1 521	1 612	2 052	2 171	1 631
<b>Grand total</b>	<b>2 569</b>	<b>2 341</b>	<b>2 455</b>	<b>3 314</b>	<b>2 944</b>	<b>2 485</b>



## 5. Notes in circulation, monthly averages, 1951—1958

Mill. mk

Month	1951	1952	1953	1954	1955	1956	1957	1958
I	31 342	40 084	41 673	41 801	44 568	51 684	54 591	54 045
II	34 451	42 081	43 068	44 159	46 476	52 293	56 652	55 149
III	36 619	43 368	43 348	44 511	47 448	54 406	54 944	55 345
IV	37 170	44 162	43 277	45 640	48 798	53 625	55 137	55 583
V	38 763	45 653	45 190	46 555	50 992	56 587	54 731	57 984
VI	39 224	45 288	43 051	44 898	49 104	57 133	55 309	58 220
VII	40 286	44 116	42 426	44 453	49 365	58 423	53 701	56 937
VIII	40 803	44 692	44 678	46 077	50 343	58 890	52 440	58 160
IX	41 403	43 414	43 038	44 904	49 898	57 573	54 433	57 481
X	41 791	42 615	42 218	45 432	51 037	57 262	53 028	57 425
XI	43 374	44 422	44 623	47 716	52 446	57 818	55 060	59 954
XII	44 391	45 146	44 946	48 538	54 437	59 669	59 190	62 965
Average	39 135	43 753	43 461	45 390	49 576	56 280	54 935	57 437

## 6. Notes in circulation, end-of-month figures, 1954—1958

Mill. mk

Month	1954		1955		1956		1957		1958	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change	Amount	Change
I	42 230	-2 789	44 764	-3 138	50 539	-5 344	54 160	-6 575	52 837	-7 803
II	46 225	+3 995	48 151	+3 387	53 870	+3 331	58 245	+4 085	56 793	+3 956
III	44 658	-1 567	48 746	+ 595	54 252	+ 382	54 967	-3 278	55 877	- 916
IV	45 508	+ 850	49 713	+ 967	54 951	+ 699	55 764	+ 797	56 174	+ 297
V	47 169	+1 661	51 344	+1 631	57 361	+2 410	56 311	+ 547	59 038	+2 864
VI	44 605	-2 564	49 584	-1 760	57 911	+ 550	56 177	- 134	59 332	+ 294
VII	44 720	+ 115	49 903	+ 319	58 281	+ 370	53 471	-2 706	56 824	-2 508
VIII	45 849	+1 129	50 376	+ 473	58 927	+ 646	53 736	+ 265	59 511	+2 687
IX	45 080	- 769	50 634	+ 258	58 831	- 96	55 828	+2 092	58 191	-1 320
X	46 497	+1 417	51 433	+ 799	56 795	-2 036	54 094	-1 734	58 681	+ 490
XI	48 711	+2 214	53 493	+2 060	58 468	+1 673	57 477	+3 383	61 755	+3 074
XII	47 902	- 809	55 883	+2 390	60 735	+2 267	60 640	+3 163	65 075	+3 320

## 7. Note issue, 1951—1958

Date	Right of note issue			Used right of issue			
	Ordinary cover	Supplementary cover (maximum 58 000 mill. mk <sup>1</sup> )	Total	Notes in circulation	Short-term liabilities	Undrawn on cheque credits	Total
1	2	3	4	5	6	7	8
31. XII							
1951	34 317	21 119	<b>55 436</b>	44 774	5 740	646	<b>51 160</b>
1952	22 099	49 129	<b>71 228</b>	46 153	20 365	802	<b>67 320</b>
1953	28 107	48 060	<b>76 167</b>	45 019	24 010	625	<b>69 654</b>
1954	37 545	47 142	<b>84 687</b>	47 902	29 060	1 009	<b>77 971</b>
1955	38 314	58 000	<b>96 314</b>	55 883	20 054	494	<b>76 431</b>
1956	32 300	58 000	<b>90 300</b>	60 735	24 725	316	<b>85 776</b>
1957	41 340	58 000	<b>99 340</b>	60 640	20 581	624	<b>81 845</b>
1958	60 642	47 049	<b>107 691</b>	65 075	18 046	814	<b>83 935</b>
1958							
8. I	42 267	56 773	<b>99 040</b>	56 717	18 275	591	<b>75 583</b>
15.	43 936	54 880	<b>98 816</b>	55 038	19 886	541	<b>75 465</b>
23.	44 078	55 549	<b>99 627</b>	51 586	23 481	439	<b>75 506</b>
31.	44 078	54 358	<b>98 436</b>	52 837	21 577	504	<b>74 918</b>
8. II	45 078	51 427	<b>96 505</b>	53 631	20 596	529	<b>74 756</b>
15.	46 115	50 788	<b>96 903</b>	55 003	19 544	645	<b>75 192</b>
22.	47 006	52 075	<b>99 081</b>	55 169	21 255	625	<b>77 049</b>
28.	47 662	52 240	<b>99 902</b>	56 793	20 449	612	<b>77 854</b>
8. III	48 094	49 827	<b>97 921</b>	55 035	19 703	659	<b>75 397</b>
15.	48 202	49 075	<b>97 277</b>	55 285	18 803	609	<b>74 697</b>
22.	47 717	47 328	<b>95 045</b>	55 183	17 039	707	<b>72 929</b>
31.	48 739	49 878	<b>98 617</b>	55 877	19 116	451	<b>75 444</b>
8. IV	48 855	48 794	<b>97 649</b>	56 696	17 329	364	<b>74 389</b>
15.	47 856	46 559	<b>94 415</b>	55 259	14 527	787	<b>70 573</b>
23.	47 017	48 837	<b>95 854</b>	54 202	17 909	726	<b>72 837</b>
30.	46 252	53 547	<b>99 799</b>	56 174	19 057	776	<b>76 007</b>
8. V	46 168	52 826	<b>98 994</b>	56 698	17 591	635	<b>74 924</b>
14.	46 256	52 240	<b>98 496</b>	58 448	15 220	924	<b>74 592</b>
23.	46 793	52 349	<b>99 142</b>	57 750	16 609	831	<b>75 190</b>
31.	47 490	52 220	<b>99 710</b>	59 038	15 355	920	<b>75 313</b>
7. VI	47 322	53 308	<b>100 630</b>	57 189	17 694	918	<b>75 801</b>
14.	48 178	52 341	<b>100 519</b>	58 091	17 249	931	<b>76 271</b>
23.	50 432	50 751	<b>101 183</b>	58 268	17 977	827	<b>77 072</b>
30.	51 007	56 411	<b>107 418</b>	59 332	22 104	735	<b>82 171</b>

<sup>1</sup> 50 000 million marks until December 22, 1955.

Mill. mk

Note reserve		Ordinary cover		Total right of issue		Date
Amount (col. 4—8)	% of right of issue (col. 4)	% of notes in circulation (col. 5)	% of used right of issue (col. 8)	% of notes in circulation (col. 5)	% of used right of issue (col. 8)	
9	10	11	12	13	14	15
						31. XII
<b>4 276</b>	7.7	76.6	67.1	123.8	108.4	1951
<b>3 908</b>	5.5	47.9	32.8	154.3	105.8	1952
<b>6 513</b>	8.6	62.4	40.4	169.2	109.4	1953
<b>6 716</b>	7.9	78.4	48.2	176.8	108.6	1954
<b>19 883</b>	20.6	68.6	50.1	172.3	126.0	1955
<b>4 524</b>	5.0	53.2	37.7	148.7	105.3	1956
<b>17 495</b>	17.6	68.2	50.5	163.8	121.4	1957
<b>23 756</b>	22.1	93.2	72.2	165.5	128.3	1958
						1958
<b>23 457</b>	23.7	74.5	55.9	174.6	131.0	8. I
<b>23 351</b>	23.6	79.8	58.2	179.5	130.9	15.
<b>24 121</b>	24.2	85.4	58.4	193.1	131.9	23.
<b>23 518</b>	23.9	83.4	58.8	186.3	131.4	31.
<b>21 749</b>	22.5	84.1	60.3	179.9	129.1	8. II
<b>21 711</b>	22.4	83.8	61.3	176.2	128.9	15.
<b>22 032</b>	22.2	85.2	61.0	179.6	128.6	22.
<b>22 048</b>	22.1	83.9	61.2	175.9	128.3	28.
<b>22 524</b>	23.0	87.4	63.8	177.9	129.9	8. III
<b>22 580</b>	23.2	87.2	64.5	176.0	130.2	15.
<b>22 116</b>	23.3	86.5	65.4	172.2	130.3	22.
<b>23 173</b>	23.5	87.2	64.6	176.5	130.7	31.
<b>23 260</b>	23.8	86.2	65.7	172.2	131.3	8. IV
<b>23 842</b>	25.3	86.6	67.8	170.9	133.8	15.
<b>23 017</b>	24.0	86.7	64.6	176.8	131.6	23.
<b>23 792</b>	23.8	82.3	60.9	177.7	131.3	30.
<b>24 070</b>	24.3	81.4	61.6	174.6	132.1	8. V
<b>23 904</b>	24.3	79.1	62.0	168.5	132.0	14.
<b>23 952</b>	24.2	81.0	62.2	171.7	131.9	23.
<b>24 397</b>	24.5	80.4	63.1	168.9	132.4	31.
<b>24 829</b>	24.7	82.7	62.4	176.0	132.8	7. VI
<b>24 248</b>	24.1	82.9	63.2	173.0	131.8	14.
<b>24 111</b>	23.8	86.6	65.4	173.7	131.3	23.
<b>25 247</b>	23.5	86.0	62.1	181.0	130.7	30.

## 7. (Cont.) Note issue, 1951—1958

Date	Right of note issue			Used right of issue			
	Ordinary cover	Supplementary cover (maximum 58 000 mill. mk)	Total	Notes in circulation	Short-term liabilities	Undrawn on cheque credits	Total
1	2	3	4	5	6	7	8
1958							
8. VII	52 126	52 037	<b>104 163</b>	57 681	20 149	816	<b>78 646</b>
15.	52 911	48 806	<b>101 717</b>	57 142	18 102	939	<b>76 183</b>
23.	54 425	48 603	<b>103 028</b>	56 101	20 517	850	<b>77 468</b>
31.	55 831	49 711	<b>105 542</b>	56 324	21 350	901	<b>79 075</b>
8. VIII	57 111	47 321	<b>104 432</b>	57 541	19 639	939	<b>78 119</b>
15.	58 531	44 458	<b>102 989</b>	57 865	17 770	980	<b>76 615</b>
23.	61 190	43 076	<b>104 266</b>	57 724	19 578	882	<b>78 184</b>
30.	61 444	44 735	<b>106 179</b>	59 511	19 337	891	<b>79 739</b>
8. IX	62 636	42 664	<b>105 300</b>	57 491	20 852	736	<b>79 079</b>
15.	63 981	39 797	<b>103 778</b>	57 538	19 235	1 007	<b>77 780</b>
23.	64 365	38 104	<b>102 469</b>	56 703	18 696	938	<b>76 337</b>
30.	62 675	44 449	<b>107 124</b>	58 191	21 882	841	<b>80 914</b>
8. X	64 688	38 098	<b>102 786</b>	56 867	19 336	938	<b>77 141</b>
15.	63 951	36 801	<b>100 752</b>	57 206	16 966	905	<b>75 077</b>
23.	64 986	37 208	<b>102 194</b>	56 944	18 958	925	<b>76 827</b>
31.	65 245	39 864	<b>105 109</b>	58 681	20 195	958	<b>79 834</b>
8. XI	65 933	37 314	<b>103 247</b>	58 862	17 979	917	<b>77 758</b>
15.	65 990	34 549	<b>100 539</b>	59 597	14 627	1 030	<b>75 254</b>
22.	65 002	34 857	<b>99 859</b>	59 601	14 533	1 002	<b>75 136</b>
29.	65 005	38 574	<b>103 579</b>	61 755	16 241	999	<b>78 995</b>
8. XII	64 722	38 873	<b>103 595</b>	60 492	17 715	986	<b>79 193</b>
15.	63 952	38 676	<b>102 628</b>	61 968	15 390	1 084	<b>78 442</b>
23.	62 073	44 778	<b>106 851</b>	64 324	17 629	867	<b>82 820</b>
31.	60 642	47 049	<b>107 691</b>	65 075	18 046	814	<b>83 935</b>
Average	54 292	46 975	<b>101 267</b>	57 437	18 606	801	<b>76 844</b>
Fluctuation	23 723	22 224	<b>13 276</b>	13 489	8 948	720	<b>13 362</b>

Mill. mk

Note reserve		Ordinary cover		Total right of issue		Date
Amount (col. 4—8)	% of right of issue (col. 4)	% of notes in circulation (col. 5)	% of used right of issue (col. 8)	% of notes in circulation (col. 5)	% of used right of issue (col. 8)	
9	10	11	12	13	14	15
						1958
<b>25 517</b>	24.5	90.4	66.3	180.6	132.4	8. VII
<b>25 534</b>	25.1	92.6	69.5	178.0	133.5	15.
<b>25 560</b>	24.8	97.0	70.3	183.6	133.0	23.
<b>26 467</b>	25.1	98.3	70.6	185.7	133.5	31.
<b>26 313</b>	25.2	99.3	73.1	181.5	133.7	8. VIII
<b>26 374</b>	25.6	101.2	76.4	178.0	134.4	15.
<b>26 082</b>	25.0	106.0	78.3	180.6	133.4	23.
<b>26 440</b>	24.9	103.2	77.1	178.4	133.2	30.
<b>26 221</b>	24.9	108.9	79.2	183.2	133.2	8. IX
<b>25 998</b>	25.1	111.2	82.3	180.4	133.4	15.
<b>26 132</b>	25.5	113.5	84.3	180.7	134.2	23.
<b>26 210</b>	24.5	107.7	77.5	184.1	132.4	30.
<b>25 645</b>	24.9	113.8	83.9	180.7	133.2	8. X
<b>25 675</b>	25.5	111.8	85.2	176.1	134.2	15.
<b>25 367</b>	24.8	114.1	84.6	179.5	133.0	23.
<b>25 275</b>	24.0	111.2	81.7	179.1	131.7	31.
<b>25 489</b>	24.7	112.0	84.8	175.4	132.8	8. XI
<b>25 285</b>	25.1	110.7	87.7	168.7	133.6	15.
<b>24 723</b>	24.8	109.1	86.5	167.5	132.9	22.
<b>24 584</b>	23.7	105.3	82.3	167.7	131.1	29.
<b>24 402</b>	23.6	107.0	81.7	171.3	130.8	8. XII
<b>24 186</b>	23.6	103.2	81.5	165.6	130.8	15.
<b>24 031</b>	22.5	96.5	74.9	166.1	129.0	23.
<b>23 756</b>	22.1	93.2	72.2	165.5	128.3	31.
<b>24 423</b>	24.1	94.5	70.7	176.3	131.8	Average
<b>4 756</b>	.	.	.	.	.	Fluctua- tion

## 8. Notes and coins in circulation, end-of-year figures, 1951—1958

Mill. mk

Denomination	1951	1952	1953	1954	1955	1956	1957	1958
Notes in circulation								
10 000 mk	—	—	—	—	13 821	23 971	23 627	27 117
5 000 »	28 774	30 611	30 306	33 087	26 109	20 076	19 966	21 049
1 000 »	11 117	10 624	10 253	10 498	11 178	11 977	12 361	12 472
500 »	1 966	1 981	1 967	2 049	2 321	2 405	2 388	2 381
100 »	1 924	1 914	1 990	2 090	2 308	2 171	2 167	1 927
50 »	452	462	112	49	41	37	36	35
20 »	327	344	308	71	52	47	45	44
10 »	195	198	65	40	35	33	32	32
5 »	19	19	18	18	18	18	18	18
<b>Total notes</b>	<b>44 774</b>	<b>46 153</b>	<b>45 019</b>	<b>47 902</b>	<b>55 883</b>	<b>60 735</b>	<b>60 640</b>	<b>65 075</b>
Percentage of total note circulation								
10 000 mk	—	—	—	—	24.7	39.5	38.9	41.7
5 000 »	64.3	66.3	67.3	69.1	46.7	33.0	32.9	32.3
1 000 »	24.8	23.0	22.8	21.9	20.0	19.7	20.4	19.2
500 »	4.4	4.3	4.4	4.3	4.2	3.9	3.9	3.7
100 »	4.3	4.2	4.4	4.4	4.1	3.6	3.6	3.0
50 »	1.0	1.0	0.3	0.1	0.1	0.1	0.1	0.0
20 »	0.7	0.7	0.7	0.1	0.1	0.1	0.1	0.1
10 »	0.4	0.4	0.1	0.1	0.1	0.1	0.1	0.0
5 »	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Coins in circulation								
500 mk	—	165	183	188	191	199	220	244
200 »	—	—	—	—	—	279	697	859
100 »	—	—	—	—	—	199	472	643
50 »	—	—	513	570	610	642	630	632
20 »	46	44	76	395	464	507	525	546
10 »	41	48	295	315	351	376	385	392
5 »	284	308	301	272	286	305	317	329
1 »	213	236	243	254	275	298	319	331
Small change	56	55	54	53	53	53	53	52
<b>Total coins</b>	<b>640</b>	<b>856</b>	<b>1 665</b>	<b>2 047</b>	<b>2 230</b>	<b>2 858</b>	<b>3 618</b>	<b>4 028</b>

## 9. Printing and destruction of notes, 1954—1957

Mill. mk

Denomination	Notes printed				Notes cancelled			
	1954	1955	1956	1957	1954	1955	1956	1957
10 000 mk	—	16 000	26 000	15 400	—	—	2 350	16 070
5 000 »	18 100	25 455	28 100	13 750	21 335	37 695	22 630	19 275
1 000 »	14 480	16 600	20 000	19 000	16 816	13 067	19 875	22 364
500 »	5 420	4 380	4 340	5 200	3 931	4 324	4 790	6 234
100 »	7 600	7 770	7 210	6 987	7 784	8 482	6 920	7 547
50 »	—	—	—	—	67	9	4	2
20 »	22	—	—	—	352	20	5	3
10 »	—	—	—	—	27	5	2	1
5 »	—	—	—	—	0	0	0	0
<b>Total</b>	<b>45 622</b>	<b>70 205</b>	<b>85 650</b>	<b>60 337</b>	<b>50 312</b>	<b>63 602</b>	<b>56 576</b>	<b>71 496</b>
Number in thousands	106 060	109 751	109 000	103 560	128 493	115 814	103 972	116 043

## 10. Notes and coins, 1958

Mill. mk

Denomination	Total issue 31. XII 1957	Issued in 1958	Destroyed in 1958	Total issue 31. XII 1958	Held by the Bank of Finland 31. XII 1958	In circulation 31. XII 1958
<b>Notes</b>						
10 000 mk	38 980	20 000	21 630	37 350	10 233	27 117
5 000 »	32 944	19 500	24 340	28 104	7 055	21 049
1 000 »	15 827	24 900	18 266	22 461	9 989	12 472
500 »	3 388	5 150	4 848	3 690	1 309	2 381
100 »	2 830	7 540	6 743	3 627	1 700	1 927
50 »	36	—	1	35	0	35
20 »	45	—	1	44	0	44
10 »	32	—	0	32	0	32
5 »	18	—	0	18	0	18
<b>Total</b>	<b>94 100</b>	<b>77 090</b>	<b>75 829</b>	<b>95 361</b>	<b>30 286</b>	<b>65 075</b>
Number in thousands	71 129	116 500	102 515	85 114	32 061	53 053
<b>Coins</b>						
500 mk	302	—	—	302	58	244
200 »	742	302	0	1 044	185	859
100 »	524	170	0	694	51	643
50 »	691	12	1	702	70	632
20 »	557	10	1	566	20	546
10 »	401	33	1	433	41	392
5 »	326	17	6	337	8	329
1 »	321	20	5	336	5	331
Small change	53	—	1	52	0	52
<b>Total</b>	<b>3 917</b>	<b>564</b>	<b>15</b>	<b>4 466</b>	<b>438</b>	<b>4 028</b>

## 11. Turnover on various accounts, 1958 Thousand million marks

Account	Balance 31. XII 1957 + = asset - = liability	Turnover in 1958		Balance 31. XII 1958 + = asset - = liability
		+ Debitings	- Creditings	
<b>Cash accounts</b>				
Head office .....	+ 18.3	1 078.5	1 080.7	+ 16.1
Turku .....	+ 2.2	123.3	124.1	+ 1.4
Pori .....	+ 1.1	55.7	55.8	+ 1.0
Vaasa .....	+ 1.7	69.6	70.3	+ 1.0
Oulu .....	+ 1.6	155.6	155.4	+ 1.8
Kuopio .....	+ 1.2	52.8	52.5	+ 1.5
Joensuu .....	+ 0.9	22.9	22.9	+ 0.9
Mikkeli .....	+ 0.8	19.1	18.8	+ 1.1
Tampere .....	+ 1.4	99.6	99.8	+ 1.2
Hämeenlinna .....	+ 0.9	22.5	22.5	+ 0.9
Jyväskylä .....	+ 1.1	35.6	35.3	+ 1.4
Kotka .....	+ 1.7	37.5	37.5	+ 1.7
Lahti .....	+ 0.9	49.5	49.7	+ 0.7
Total	+ 33.8	1 822.2	1 825.3	+ 30.7
<b>Gold .....</b>				
	+ 7.8	0.0	0.0	+ 7.8
<b>Foreign exchange accounts</b>				
Discounted bills .....	+ 26.0	194.2	172.7	+ 47.5
Rediscounted bills .....	+ 26.3	105.7	109.7	+ 22.3
Treasury Bond Loan .....	+ 24.9	124.2	130.4	+ 18.7
Bonds .....	+ 13.7	3.8	10.6	+ 6.9
Sundry accounts .....	+ 4.0	4.1	5.0	+ 3.1
Note account .....	+ 17.3	47.6	50.0	+ 14.9
Mark accounts of holders abroad .....	- 94.1	75.8	77.1	- 95.4
Cheque account of Treasury Other cheque accounts ....	- 7.9	6.5	3.1	- 4.5
Long-term liabilities .....	- 5.1	679.9	681.9	- 7.1
Equalisation accounts and Bank funds .....	- 2.0	1 189.2	1 188.5	- 1.3
<b>Grand total</b>	- 16.2	11.3	16.0	- 20.9
	- 28.5	8.3	2.5	- 22.7
	± 153.8	4 272.8	4 272.8	± 151.9

## 12. Minimum discount rate, 1932—1958

From	%	From	%	From	%
19. IV 1932	6 1/2	3. XII 1934	4	1. VII 1949	5 3/4
1. II 1933	6	6. VI 1947	4 1/2	3. XI 1950	7 3/4
3. VI 1933	5 1/2	15. XII 1947	5 1/4	16. XII 1951	5 3/4
5. IX 1933	5	6. II 1948	7 1/4	1. XII 1954	5
20. XII 1933	4 1/2	1. II 1949	6 3/4	19. IV 1956	6 1/2



### 13. Internal clearing operations: number and value of bank-post-bills, cheques and transfers of accounts, 1955—1958

Number in thousands

Value in mill. mk

Month and year	Head office		Branch offices		Total	
	Number	Amount	Number	Amount	Number	Amount
1958						
I	249	89 534	83	22 450	<b>332</b>	<b>111 984</b>
II	232	79 502	80	23 247	<b>312</b>	<b>102 749</b>
III	249	84 765	85	24 022	<b>334</b>	<b>108 787</b>
IV	245	82 645	85	24 276	<b>330</b>	<b>106 921</b>
V	257	83 206	96	25 405	<b>353</b>	<b>108 611</b>
VI	249	85 940	92	24 860	<b>341</b>	<b>110 800</b>
VII	250	94 099	95	26 083	<b>345</b>	<b>120 182</b>
VIII	223	83 832	89	24 303	<b>312</b>	<b>108 135</b>
IX	251	93 625	98	28 146	<b>349</b>	<b>121 771</b>
X	272	94 028	102	29 218	<b>374</b>	<b>123 246</b>
XI	254	86 774	94	26 517	<b>348</b>	<b>113 291</b>
XII	335	109 998	101	29 226	<b>436</b>	<b>139 224</b>
<b>Total</b>	<b>3 066</b>	<b>1 067 948</b>	<b>1 100</b>	<b>307 753</b>	<b>4 166</b>	<b>1 375 701</b>
1957	2 792	1 019 039	1 041	308 010	<b>3 833</b>	<b>1 327 049</b>
1956	2 562	955 807	967	294 355	<b>3 529</b>	<b>1 250 162</b>
1955	2 450	888 976	915	267 510	<b>3 365</b>	<b>1 156 486</b>

Number in thousands

Value in mill. mk

Branch office	1955		1956		1957		1958	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Turku . . . . .	125	54 150	133	63 632	126	60 897	109	58 383
Pori . . . . .	69	19 297	75	21 649	85	24 834	88	22 824
Vaasa . . . . .	122	22 459	125	26 045	131	25 997	139	30 386
Oulu . . . . .	91	27 658	97	32 037	103	29 322	106	30 782
Kuopio . . . . .	51	13 224	52	12 573	54	12 576	57	14 412
Joensuu . . . . .	26	5 381	26	6 921	28	7 462	30	7 890
Mikkeli . . . . .	25	6 030	27	5 418	31	5 284	33	5 955
Tampere . . . . .	146	64 947	155	69 855	163	77 670	170	70 408
Hämeenlinna . . . . .	36	7 115	39	7 531	44	8 930	47	8 091
Jyväskylä . . . . .	74	13 151	71	12 939	86	14 741	96	16 123
Kotka . . . . .	34	13 256	34	12 322	38	13 988	41	15 368
Lahti . . . . .	116	20 842	133	23 433	152	26 309	184	27 131
<b>Total</b>	<b>915</b>	<b>267 510</b>	<b>967</b>	<b>294 355</b>	<b>1 041</b>	<b>308 010</b>	<b>1 100</b>	<b>307 753</b>

### 14. The Bank's own funds, end-of-year figures, 1926—1958

Mill. mk

Year	Capital	Reserve Fund	Value of premises and furniture	Profits undisposed	Total
1926	500	133	12	107	752
1927	500	240	12	117	869
1928	500	357	12	144	1 013
1929	500	501	12	151	1 164
1930	1 000	76	12	131	1 219
1931	1 000	142	12	111	1 265
1932	1 000	197	12	116	1 325
1933	1 000	204	12	112	1 328
1934	1 000	206	12	111	1 329
1935	1 000	262	12	100	1 374
1936	1 000	313	12	101	1 426
1937	1 000	363	12	102	1 477
1938	1 250	415	12	105	1 782
1939	1 250	469	12	103	1 834
1940	1 250	522	12	203	1 987
1941	1 250	625	12	212	2 099
1942	1 250	737	12	231	2 230
1943	1 250	868	32	232	2 382
1944	1 250	1 001	32	222	2 505
1945	1 250	1 154	32	237	2 673
1946	1 250	1 291	32	242	2 815
1947	1 250	1 433	—	604	3 287
1948	5 000	137	—	834	5 971
1949	5 000	571	—	908	6 479
1950	5 000	1 025	—	1 004	7 029
1951	5 000	1 527	—	1 415	7 942
1952	5 000	2 242	—	1 212	8 454
1953	5 000	2 847	—	1 671	9 518
1954	5 000	3 683	—	1 557	10 240
1955	10 000	—	—	1 612	11 612
1956	10 000	812	—	2 052	12 864
1957	10 000	1 838	—	2 171	14 009
1958	10 000	2 924	—	1 631	14 555

## 15. Appropriation of profits, 1926—1958

Mill. mk

Year	Profits at disposal at beginning of year	Of which:			Annual profit
		Transferred to Reserve Fund	Transferred to the disposal of the Diet	Undisposed at end of year	
1926	83	83	—	—	107
1927	107	107	—	—	117
1928	117	117	—	—	144
1929	144	144	—	—	151
1930	151	76	75	0	131
1931	131	66	65	0	111
1932	111	55	55	1	115
1933	116	6	110	—	112
1934	112	2	110	—	111
1935	111	56	55	—	100
1936	100	50	50	—	101
1937	101	51	50	—	102
1938	102	52	50	—	105
1939	105	55	50	—	103
1940	103	53	50	—	203
1941	203	103	100	—	212
1942	212	112	100	—	231
1943	231	131	100	—	232
1944	232	132	100	—	222
1945	222	122	100	—	237
1946	237	137	100	—	242
1947	242	142	100	—	604
1948	604	304	300	—	834
1949	834	434	400	—	908
1950	908	408	500	—	1 004
1951	1 004	502	502	—	1 415
1952	1 415	715	700	—	1 212
1953	1 212	606	606	—	1 671
1954	1 671	835	800	36	1 521
1955	1 557	796	761	—	1 612
1956	1 612	812	800	—	2 052
1957	2 052	1 026	1 026	—	2 171
1958	2 171	1 086	1 085	—	1 631

## 16. Rates of exchange: par rates and selling rates at sight, 1958

From	1 Dollar New York	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Copen- hagen	100 Kroner Oslo	100 Francs Zurich	100 D. Mark Frankfurt a/M	100 Francs Paris
Par rate	320	896: —	6 186	4 633	4 480	7 318	7 619	76: 19
Selling rate								
2. I	321: —	898: —	6 192	4 640	4 490	7 330	7 638	76: 45
3.	321: —	898: —	6 192	4 640	4 490	7 330	7 638	76: 30
4.	321: —	898: —	6 192	4 640	4 490	7 330	7 632	76: 30
7.	321: —	898: —	6 192	4 640	4 490	7 330	7 632	76: 30
8.	321: —	898: —	6 192	4 640	4 490	7 330	7 632	76: 40
9.	321: —	898: —	6 192	4 640	4 490	7 325	7 632	76: 20
10.	321: —	898: —	6 192	4 640	4 490	7 325	7 627	76: 25
11.	321: —	898: —	6 192	4 640	4 490	7 325	7 627	76: 30
15.	321: —	898: —	6 192	4 640	4 490	7 325	7 627	76: 30
18.	321: —	898: —	6 192	4 640	4 490	7 325	7 627	76: 30
20.	321: —	898: —	6 192	4 640	4 490	7 325	7 627	76: 37
22.	321: —	898: —	6 195	4 640	4 490	7 325	7 627	76: 37
24.	321: —	898: —	6 195	4 640	4 490	7 325	7 627	76: 37
28.	321: —	898: —	6 195	4 640	4 490	7 325	7 627	76: 37
29.	321: —	898: —	6 195	4 640	4 490	7 325	7 627	76: 37
1. II	321: —	898: —	6 195	4 640	4 490	7 325	7 627	76: 37
3.	321: —	898: —	6 195	4 640	4 490	7 325	7 627	76: 37
4.	321: —	898: —	6 195	4 640	4 490	7 325	7 627	76: 37
5.	321: —	898: —	6 195	4 640	4 490	7 320	7 627	76: 37
8.	321: —	898: —	6 190	4 640	4 490	7 320	7 627	76: 37
10.	321: —	898: —	6 185	4 640	4 490	7 315	7 627	76: 37
11.	321: —	898: 50	6 185	4 640	4 490	7 315	7 627	76: 37
14.	321: —	898: 50	6 185	4 644	4 490	7 315	7 630	76: 37
19.	321: —	898: 50	6 181	4 644	4 490	7 315	7 630	76: 37
20.	321: —	898: 50	6 181	4 644	4 490	7 315	7 630	76: 37
24.	321: —	898: 50	6 181	4 644	4 490	7 315	7 635	76: 37
26.	321: —	898: 25	6 181	4 644	4 490	7 315	7 635	76: 37
27.	321: —	898: 25	6 181	4 644	4 490	7 318	7 635	76: 37
5. III	321: —	898: 25	6 181	4 644	4 490	7 318	7 635	76: 37
7.	321: —	898: 50	6 181	4 644	4 490	7 318	7 635	76: 37
10.	321: —	898: 50	6 185	4 644	4 490	7 318	7 635	76: 37
12.	321: —	898: 50	6 185	4 644	4 490	7 318	7 635	76: 37
13.	321: —	898: 50	6 185	4 644	4 490	7 318	7 635	76: 37

100 Francs Brussels	100 Guilders Amster- dam	100 Schillings Vienna	100 Koruny Prague	100 Escudos Lisbon	100 Lire Rome	1 Dollar Montreal	From
640: —	8 421	1 231: —	4 444	1 113: —	—	320	Par rate
							Selling rate
642: —	8 475	1 234	4 463	1 118: 50	51: 25	327: —	2. I
642: —	8 470	1 234	4 463	1 118: 50	51: 15	327: —	3.
642: —	8 470	1 233	4 463	1 118: 50	51: 15	327: —	4.
642: —	8 475	1 233	4 463	1 118: 50	51: 20	327: —	7.
642: —	8 475	1 233	4 463	1 118: 50	51: 25	327: —	8.
642: —	8 475	1 233	4 463	1 118: 50	51: 25	327: —	9.
642: —	8 475	1 233	4 463	1 118: 50	51: 25	327: —	10.
642: —	8 482	1 233	4 463	1 118: 50	51: 25	327: —	11.
642: —	8 482	1 232	4 463	1 118: 50	51: 25	327: —	15.
643: 30	8 482	1 232	4 463	1 118: 50	51: 29	327: —	18.
643: 30	8 482	1 232	4 463	1 118: 50	51: 29	327: —	20.
643: 60	8 484	1 232	4 463	1 118: 50	51: 29	327: —	22.
643: —	8 484	1 232	4 463	1 118: 50	51: 29	327: —	24.
644: —	8 484	1 232	4 463	1 118: 50	51: 29	327: —	28.
643: 50	8 484	1 232	4 463	1 118: 50	51: 29	327: —	29.
644: —	8 484	1 232	4 463	1 118: 50	51: 33	327: —	1. II
644: —	8 470	1 232	4 463	1 118: 50	51: 37	327: —	3.
643: 50	8 463	1 232	4 463	1 118: 50	51: 37	327: —	4.
643: 50	8 455	1 232	4 463	1 118: 50	51: 37	327: —	5.
643: 50	8 455	1 232	4 463	1 118: 50	51: 37	327: —	8.
643: 50	8 455	1 232	4 463	1 118: 50	51: 37	327: —	10.
643: 50	8 455	1 232	4 463	1 118: 50	51: 37	327: —	11.
643: 50	8 452	1 233	4 463	1 118: 50	51: 37	327: —	14.
643: 50	8 452	1 233	4 463	1 118: 50	51: 37	327: —	19.
643: 50	8 452	1 233	4 463	1 118: 50	51: 40	327: —	20.
643: 50	8 452	1 233	4 463	1 118: 50	51: 40	327: —	24.
643: 50	8 452	1 233	4 463	1 118: 50	51: 40	327: —	26.
643: 50	8 458	1 233	4 463	1 118: 50	51: 40	327: —	27.
643: —	8 458	1 233	4 463	1 118: 50	51: 40	327: —	5. III
643: —	8 458	1 233	4 463	1 118: 50	51: 40	327: —	7.
643: —	8 458	1 233	4 463	1 118: 50	51: 45	327: —	10.
642: —	8 458	1 233	4 463	1 118: 50	51: 45	327: —	12.
642: 50	8 458	1 233	4 463	1 118: 50	51: 45	327: —	13.

## 16. (Cont.) Rates of exchange: par rates and selling rates at sight, 1958

From	1 Dollar New York	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Copen- hagen	100 Kroner Oslo	100 Francs Zurich	100 D. Mark Frankfurt a/M	100 Francs Paris
19. III	321: —	898: 50	6 185	4 644	4 490	7 318	7 635	76: 37
20.	321: —	898: 50	6 185	4 644	4 490	7 318	7 640	76: 37
21.	321: —	898: —	6 185	4 640	4 490	7 318	7 640	76: 37
22.	321: —	898: —	6 185	4 640	4 490	7 324	7 650	76: 37
25.	321: —	898: —	6 185	4 640	4 490	7 324	7 650	76: 37
26.	321: —	898: —	6 185	4 640	4 490	7 324	7 650	76: 37
27.	321: —	898: —	6 185	4 640	4 490	7 324	7 650	76: 37
29.	321: —	898: —	6 185	4 640	4 490	7 324	7 646	76: 37
3. IV	321: —	898: —	6 185	4 640	4 490	7 324	7 646	76: 37
10.	321: —	898: —	6 185	4 640	4 490	7 330	7 646	76: 37
14.	321: —	897: 50	6 185	4 640	4 490	7 330	7 646	76: 37
15.	321: —	897: —	6 185	4 640	4 485	7 330	7 646	76: 37
16.	321: —	897: 50	6 185	4 640	4 485	7 330	7 646	76: 37
22.	321: —	897: —	6 185	4 640	4 485	7 330	7 646	76: 37
23.	321: —	897: —	6 185	4 640	4 485	7 330	7 650	76: 37
28.	321: —	897: —	6 185	4 640	4 485	7 330	7 650	76: 37
29.	321: —	897: —	6 185	4 636	4 485	7 326	7 650	76: 37
30.	321: —	897: —	6 185	4 636	4 485	7 326	7 655	76: 37
5. V	321: —	897: —	6 185	4 636	4 485	7 330	7 655	76: 37
6.	321: —	896: 50	6 185	4 636	4 482	7 330	7 655	76: 37
7.	321: —	896: —	6 185	4 630	4 482	7 330	7 655	76: 37
10.	321: —	896: 50	6 185	4 630	4 482	7 330	7 655	76: 37
13.	321: —	896: 50	6 180	4 630	4 482	7 330	7 655	76: 37
16.	321: —	896: 50	6 180	4 630	4 482	7 330	7 655	76: 37
19.	321: —	896: 50	6 190	4 630	4 482	7 330	7 655	76: 37
20.	321: —	896: 50	6 195	4 630	4 482	7 330	7 655	76: 37
27.	321: —	896: 50	6 195	4 634	4 482	7 330	7 655	76: 37
28.	321: —	896: 50	6 195	4 634	4 482	7 330	7 662	76: 37
6. VI	321: —	896: 50	6 195	4 634	4 482	7 330	7 662	76: 37
9.	321: —	896: 50	6 195	4 634	4 482	7 330	7 662	76: 37
10.	321: —	896: 50	6 199	4 634	4 482	7 330	7 662	76: 37
23.	321: —	896: 50	6 199	4 634	4 482	7 330	7 667	76: 37
24.	321: —	896: —	6 199	4 634	4 482	7 330	7 667	76: 37
25.	321: —	896: —	6 199	4 634	4 478	7 330	7 667	76: 37
27.	321: —	895: 50	6 194	4 634	4 478	7 330	7 667	76: 37
28.	321: —	895: 50	6 194	4 634	4 478	7 330	7 671	76: 37
1. VII	321: —	895: 50	6 194	4 634	4 478	7 335	7 671	76: 37
3.	321: —	895: 50	6 194	4 634	4 478	7 335	7 671	76: 37
12.	321: —	895: 50	6 194	4 634	4 478	7 335	7 671	76: 37

mk

100 Francs Brussels	100 Guilders Amster- dam	100 Schillings Vienna	100 Koruny Prague	100 Escudos Lisbon	100 Lire Rome	1 Dollar Montreal	From
642: 50	8 458	1 234	4 463	1 118: 50	51: 45	327: —	19. III
642: 50	8 458	1 234	4 463	1 118: 50	51: 45	327: —	20.
642: 50	8 458	1 234	4 463	1 118: 50	51: 45	327: —	21.
642: 50	8 458	1 234	4 463	1 118: 50	51: 45	327: —	22.
642: 50	8 458	1 235	4 463	1 118: 50	51: 45	327: —	25.
642: —	8 453	1 235	4 463	1 118: 50	51: 45	327: —	26.
642: 50	8 448	1 235	4 463	1 118: 50	51: 45	327: —	27.
643: —	8 448	1 235	4 463	1 118: 50	51: 45	327: —	29.
643: —	8 443	1 235	4 463	1 118: 50	51: 45	327: —	3. IV
643: —	8 455	1 235	4 463	1 118: 50	51: 45	330: —	10.
643: —	8 455	1 235	4 463	1 118: 50	51: 45	330: —	14.
643: —	8 460	1 235	4 463	1 118: 50	51: 45	330: —	15.
643: —	8 460	1 235	4 463	1 118: 50	51: 45	330: —	16.
643: —	8 460	1 235	4 463	1 118: 50	51: 45	330: —	22.
643: —	8 460	1 235	4 463	1 118: 50	51: 45	330: —	23.
643: —	8 460	1 235	4 463	1 118: 50	51: 40	330: —	28.
643: —	8 460	1 235	4 463	1 118: 50	51: 40	334: —	29.
643: —	8 465	1 236	4 463	1 118: 50	51: 40	331: —	30.
643: —	8 465	1 236	4 463	1 118: 50	51: 40	331: —	5. V
643: —	8 465	1 236	4 463	1 118: 50	51: 40	331: —	6.
643: —	8 465	1 236	4 463	1 118: 50	51: 40	331: —	7.
643: —	8 465	1 236	4 463	1 118: 50	51: 40	331: —	10.
643: —	8 465	1 236	4 463	1 118: 50	51: 40	331: —	13.
643: —	8 458	1 236	4 463	1 118: 50	51: 40	331: —	16.
643: —	8 458	1 236	4 463	1 118: 50	51: 35	331: —	19.
643: —	8 458	1 236	4 463	1 118: 50	51: 35	331: —	20.
643: —	8 458	1 236	4 463	1 118: 50	51: 35	331: —	27.
643: —	8 458	1 237	4 463	1 118: 50	51: 35	332: —	28.
643: —	8 458	1 237	4 463	1 118: 50	51: 35	333: —	6. VI
643: —	8 465	1 237	4 463	1 118: 50	51: 35	333: —	9.
643: —	8 470	1 237	4 463	1 118: 50	51: 45	333: —	10.
643: —	8 470	1 239	4 463	1 118: 50	51: 45	333: —	23.
643: —	8 470	1 239	4 463	1 118: 50	51: 45	333: —	24.
643: —	8 470	1 239	4 463	1 118: 50	51: 45	333: —	25.
643: —	8 470	1 239	4 463	1 118: 50	51: 45	333: —	27.
643: —	8 470	1 239	4 463	1 118: 50	51: 50	334: —	28.
643: —	8 470	1 239	4 463	1 118: 50	51: 50	334: —	1. VII
643: —	8 470	1 239	4 463	1 118: 50	51: 50	334: 50	3.
643: —	8 476	1 239	4 463	1 118: 50	51: 50	334: 50	12.

## 16. (Cont.) Rates of exchange: par rates and selling rates at sight, 1958

From	1 Dollar New York	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Copen- hagen	100 Kroner Oslo	100 Francs Zurich	100 D. Mark Frankfurt a/M	100 Francs Paris
14. VII	321: —	895: 50	6 200	4 634	4 478	7 335	7 671	76: 37
15.	321: —	895: —	6 200	4 634	4 478	7 335	7 671	76: 37
16.	321: —	894: —	6 205	4 628	4 478	7 335	7 665	76: 37
17.	321: —	894: —	6 210	4 628	4 478	7 340	7 665	76: 37
21.	321: —	895: —	6 210	4 628	4 478	7 340	7 665	76: 37
22.	321: —	895: —	6 210	4 628	4 478	7 340	7 665	76: 37
5. VIII	321: —	895: —	6 210	4 628	4 478	7 340	7 665	76: 37
8.	321: —	895: —	6 210	4 628	4 478	7 333	7 658	76: 37
14.	321: —	895: —	6 205	4 628	4 478	7 333	7 658	76: 37
15.	321: —	895: 50	6 205	4 628	4 478	7 333	7 658	76: 37
21.	321: —	895: 50	6 205	4 628	4 478	7 333	7 658	76: 37
22.	321: —	896: —	6 205	4 628	4 478	7 333	7 658	76: 37
23.	321: —	896: —	6 205	4 628	4 478	7 333	7 658	76: 37
26.	321: —	896: —	6 205	4 634	4 478	7 340	7 658	76: 37
28.	321: —	896: —	6 205	4 634	4 478	7 340	7 658	76: 37
29.	321: —	895: 50	6 205	4 634	4 478	7 340	7 658	76: 37
1. IX	321: —	895: 50	6 205	4 634	4 478	7 340	7 653	76: 37
4.	321: —	895: 50	6 200	4 634	4 478	7 340	7 653	76: 37
6.	321: —	895: 50	6 200	4 634	4 478	7 345	7 662	76: 37
9.	321: —	895: 50	6 195	4 634	4 478	7 340	7 662	76: 37
10.	321: —	895: 50	6 190	4 634	4 478	7 340	7 662	76: 37
11.	321: —	895: 50	6 190	4 634	4 478	7 340	7 662	76: 37
15.	321: —	895: 50	6 190	4 634	4 478	7 340	7 662	76: 37
19.	321: —	896: —	6 190	4 634	4 478	7 340	7 662	76: 37
20.	321: —	896: —	6 190	4 634	4 478	7 340	7 662	76: 37
24.	321: —	896: —	6 190	4 634	4 478	7 340	7 667	76: 37
26.	321: —	895: 50	6 190	4 634	4 478	7 340	7 667	76: 37
30.	321: —	896: —	6 190	4 634	4 478	7 340	7 667	76: 37
1. X	321: —	896: —	6 185	4 634	4 478	7 340	7 667	76: 37
6.	321: —	896: —	6 185	4 634	4 478	7 340	7 667	76: 37
7.	321: —	896: —	6 185	4 634	4 482	7 340	7 667	76: 37
8.	321: —	896: —	6 185	4 634	4 482	7 340	7 667	76: 37
15.	321: —	896: —	6 185	4 634	4 482	7 340	7 667	76: 37
18.	321: —	896: —	6 185	4 634	4 482	7 335	7 667	76: 37
28.	321: —	896: —	6 190	4 634	4 482	7 335	7 667	76: 37
29.	321: —	896: 50	6 190	4 634	4 482	7 335	7 667	76: 37
3. XI	321: —	896: 50	6 195	4 634	4 482	7 335	7 667	76: 37
5.	321: —	897: —	6 195	4 634	4 482	7 335	7 667	76: 37
6.	321: —	897: —	6 190	4 634	4 482	7 335	7 667	76: 37



mk

100 Francs Brussels	100 Guilders Amster- dam	100 Schillings Vienna	100 Koruny Prague	100 Escudos Lisbon	100 Lire Rome	1 Dollar Montreal	From
643: —	8 476	1 239	4 463	1 118: 50	51: 50	334: 50	14. VII
643: —	8 476	1 239	4 463	1 118: 50	51: 50	334: 50	15.
643: —	8 476	1 238	4 463	1 118: 50	51: 50	334: 50	16.
643: —	8 476	1 238	4 463	1 118: 50	51: 50	334: 50	17.
643: —	8 476	1 238	4 463	1 118: 50	51: 50	334: 50	21.
644: —	8 476	1 238	4 463	1 118: 50	51: 50	334: 50	22.
644: —	8 476	1 238	4 463	1 118: 50	51: 50	333: —	5. VIII
644: —	8 476	1 238	4 463	1 118: 50	51: 50	334: —	8.
644: —	8 476	1 238	4 463	1 118: 50	51: 50	334: —	14.
644: —	8 476	1 238	4 463	1 118: 50	51: 50	334: —	15.
644: —	8 476	1 238	4 463	1 118: 50	51: 50	333: —	21.
644: —	8 476	1 238	4 463	1 118: 50	51: 50	333: —	22.
644: —	8 476	1 238	4 463	1 118: 50	51: 50	332: —	23.
644: 50	8 476	1 238	4 463	1 118: 50	51: 50	331: —	26.
644: 50	8 476	1 238	4 463	1 118: 50	51: 55	331: —	28.
644: 50	8 476	1 238	4 463	1 118: 50	51: 55	331: —	29.
644: 50	8 476	1 237	4 463	1 118: 50	51: 55	330: —	1. IX
644: 50	8 476	1 237	4 463	1 118: 50	51: 55	329: —	4.
644: 50	8 476	1 238	4 463	1 118: 50	51: 55	329: —	6.
644: 50	8 476	1 237	4 463	1 118: 50	51: 55	328: —	9.
644: 50	8 476	1 237	4 463	1 118: 50	51: 55	328: —	10.
644: 50	8 476	1 237	4 463	1 118: 50	51: 55	327: —	11.
644: 50	8 476	1 237	4 463	1 118: 50	51: 55	328: —	15.
644: 50	8 476	1 237	4 463	1 118: 50	51: 55	328: —	19.
644: —	8 476	1 237	4 463	1 118: 50	51: 45	328: —	20.
644: —	8 482	1 238	4 463	1 118: 50	51: 45	328: —	24.
644: —	8 482	1 238	4 463	1 118: 50	51: 45	328: —	26.
644: —	8 482	1 238	4 463	1 118: 50	51: 40	328: —	30.
644: —	8 482	1 238	4 463	1 118: 50	51: 40	328: —	1. X
644: —	8 482	1 238	4 463	1 118: 50	51: 35	328: —	6.
643: 50	8 482	1 238	4 463	1 118: 50	51: 35	328: —	7.
643: —	8 482	1 238	4 463	1 118: 50	51: 35	330: —	8.
643: —	8 482	1 238	4 463	1 118: 50	51: 40	330: —	15.
643: —	8 482	1 238	4 463	1 118: 50	51: 40	330: —	18.
643: —	8 482	1 238	4 463	1 118: 50	51: 40	330: —	28.
643: —	8 482	1 238	4 463	1 118: 50	51: 40	330: —	29.
643: —	8 482	1 238	4 463	1 118: 50	51: 40	330: —	3. XI
643: —	8 482	1 238	4 463	1 118: 50	51: 40	330: —	5.
643: —	8 482	1 238	4 463	1 118: 50	51: 40	330: —	6.

**16. (Cont.) Rates of exchange: par rates and selling rates at sight, 1958**

From	1 Dollar New York	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Copen- hagen	100 Kroner Oslo	100 Francs Zurich	100 D. Mark Frankfurt a/M	100 Francs Paris
12. XI	321: —	897: —	6 190	4 634	4 482	7 335	7 667	76: 37
17.	321: —	897: —	6 190	4 634	4 482	7 330	7 667	76: 37
18.	321: —	897: —	6 195	4 634	4 482	7 330	7 667	76: 37
22.	321: —	897: —	6 195	4 634	4 482	7 330	7 667	76: 37
24.	321: —	896: 50	6 195	4 634	4 482	7 330	7 667	76: 37
26.	321: —	897: —	6 195	4 634	4 482	7 330	7 667	76: 37
27.	321: —	896: 50	6 195	4 637	4 482	7 330	7 667	76: 37
28.	321: —	896: 50	6 195	4 637	4 482	7 330	7 667	76: 37
3. XII	321: —	897: —	6 195	4 637	4 482	7 330	7 667	76: 37
8.	321: —	896: 50	6 195	4 637	4 482	7 330	7 667	76: 37
10.	321: —	896: 50	6 190	4 637	4 482	7 330	7 667	76: 37
12.	321: —	896: 50	6 190	4 637	4 482	7 338	7 667	76: 37
13.	321: —	896: 50	6 190	4 637	4 482	7 350	7 667	76: 37
15.	321: —	896: 50	6 190	4 637	4 482	7 350	7 667	76: 37
17.	321: —	896: —	6 190	4 637	4 482	7 355	7 667	76: 37
18.	321: —	896: —	6 190	4 637	4 482	7 355	7 667	76: 37
20.	321: —	896: —	6 190	4 637	4 482	7 355	7 660	76: 37
29.	320: 40	897: —	6 197	4 637	4 482	—	7 670	64: 98
30.	320: 40	897: 50	6 197	4 642	4 487	7 440	7 670	64: 98
Average	320: 99	896: 67	6 192	4 636	4 483	7 332	7 655	76: 25

The clearing accounts with some countries are based on the dollar. The quotations for Ankara, Asunción, Athens, Beograd, Berlin, Bogotá, Budapest, Buenos Aires (up to May 14, 1958), Madrid, Montevideo, Rio de Janeiro, Sofia, Tel-Aviv, Tokyo and Warszawa were 321 mk. The clearing accounts with Reykjavik were based on pound sterling, quoted at 900 mk, and those with Bucharest, Moscow and Peking on the rouble, at the rate of 8 035 mk to 100 roubles.

mk

100 Francs Brussels	100 Guilders Amster- dam	100 Schillings Vienna	100 Koruny Prague	100 Escudos Lisbon	100 Lire Rome	1 Dollar Montreal	From
643: —	8 474	1 238	4 463	1 118: 50	51: 40	330: —	12. XI
643: —	8 470	1 238	4 463	1 118: 50	51: 40	330: —	17.
643: —	8 470	1 238	4 463	1 118: 50	51: 36	330: —	18.
643: —	8 476	1 238	4 463	1 118: 50	51: 42	332: —	22.
643: —	8 476	1 238	4 463	1 118: 50	51: 42	332: —	24.
643: —	8 476	1 238	4 463	1 118: 50	51: 42	332: —	26.
643: —	8 476	1 238	4 463	1 118: 50	51: 42	332: —	27.
643: —	8 476	1 238	4 463	1 118: 50	51: 38	332: —	28.
643: —	8 476	1 238	4 463	1 118: 50	51: 38	332: —	3. XII
643: —	8 476	1 238	4 463	1 118: 50	51: 38	332: —	8.
643: —	8 476	1 238	4 463	1 118: 50	51: 38	332: —	10.
643: —	8 476	1 238	4 463	1 118: 50	51: 38	332: —	12.
643: —	8 476	1 238	4 463	1 118: 50	51: 38	332: —	13.
643: —	8 482	1 238	4 463	1 118: 50	51: 38	332: —	15.
643: —	8 482	1 238	4 463	1 118: 50	51: 38	332: —	17.
643: —	8 475	1 238	4 463	1 118: 50	51: 34	332: —	18.
643: —	8 465	1 238	4 463	1 118: 50	51: 34	332: —	20.
643: —	8 478	—	4 463	—	51: 30	332: 50	29.
643: —	8 478	1 234	4 463	1 118: 50	51: 30	332: 50	30.
643: 25	8 470	1 236	4 463	1 118: 50	51: 42	330: 23	Average

## 17. Rates of exchange, selling rates at sight, monthly averages,

Month	1 Dollar New York	1 Pound sterling London	100 Kroner Stockholm	100 Kroner Copen- hagen	100 Kroner Oslo	100 Francs Zurich	100 D. Mark Frankfurt a/M
<b>1956</b>							
I	231: —	646: —	4 445	3 345	3 228	5 275	5 507
II	231: —	646: —	4 447	3 342	3 228	5 278	5 511
III	231: —	645: 99	4 445	3 338	3 228	5 276	5 511
IV	231: —	646: —	4 444	3 334	3 228	5 266	5 505
V	231: —	646: —	4 446	3 329	3 229	5 268	5 508
VI	231: —	645: 53	4 451	3 331	3 229	5 281	5 516
VII	231: —	644: 04	4 466	3 331	3 224	5 285	5 516
VIII	231: —	644: 35	4 474	3 330	3 223	5 292	5 514
IX	231: —	644: 64	4 475	3 333	3 226	5 286	5 514
X	231: —	645: 09	4 461	3 336	3 228	5 275	5 512
XI	231: —	644: 32	4 472	3 334	3 229	5 276	5 510
XII	231: —	645: 20	4 467	3 331	3 236	5 270	5 510
<b>1957</b>							
I	231: —	647: 11	4 466	3 337	3 241	5 277	5 513
II	231: —	647: 94	4 469	3 339	3 238	5 279	5 515
III	231: —	648: 06	4 475	3 337	3 242	5 283	5 515
IV	231: —	648: 18	4 471	3 334	3 243	5 282	5 515
V	231: —	647: 67	4 475	3 332	3 240	5 285	5 515
VI	231: —	646: 38	4 475	3 331	3 237	5 288	5 515
VII	231: —	644: 74	4 462	3 331	3 229	5 286	5 517
VIII	231: —	644: 22	4 464	3 331	3 227	5 294	5 517
IX	277: 80	775: 38	5 367	4 009	3 886	6 371	6 637
X	321: —	897: 94	6 200	4 634	4 498	7 330	7 639
XI	321: —	898: 50	6 198	4 634	4 495	7 325	7 633
XII	321: —	898: 37	6 201	4 640	4 491	7 326	7 637
<b>1958</b>							
I	321: —	898: —	6 193	4 640	4 490	7 326	7 629
II	321: —	898: 30	6 186	4 642	4 490	7 317	7 630
III	321: —	898: 28	6 184	4 643	4 490	7 320	7 640
IV	321: —	897: 48	6 185	4 640	4 487	7 328	7 647
V	321: —	896: 50	6 189	4 632	4 482	7 330	7 656
VI	321: —	896: 31	6 197	4 634	4 481	7 330	7 664
VII	321: —	895: 07	6 203	4 631	4 478	7 337	7 668
VIII	321: —	895: 38	6 207	4 629	4 478	7 336	7 660
IX	321: —	895: 63	6 193	4 634	4 478	7 340	7 661
X	321: —	896: 06	6 186	4 634	4 481	7 338	7 667
XI	321: —	896: 85	6 193	4 634	4 482	7 333	7 667
XII	320: 92	896: 52	6 192	4 637	4 482	7 351	7 666

1956—1958

mk

100 Francs Paris	100 Francs Brussels	100 Guilders Amster- dam	100 Schillings Vienna	100 Koruny Prague	100 Escudos Lisbon	100 Lire Rome	1 Dollar Montreal	Month
								<b>1956</b>
66: —	462: 70	6 085	890: —	3 208	804: —	—	231: —	I
66: —	463: 10	6 082	890: —	3 208	804: —	—	231: —	II
66: —	463: —	6 069	890: —	3 208	804: —	—	231: —	III
65: 58	462: 40	6 063	890: —	3 208	804: —	—	231: —	IV
65: 61	462: 70	6 054	890: —	3 208	804: —	—	231: —	V
65: 71	463: 36	6 053	890: —	3 208	804: —	—	231: —	VI
65: 72	463: 34	6 054	890: —	3 208	804: —	—	233: 42	VII
65: 69	463: 22	6 056	890: —	3 208	804: —	—	234: —	VIII
65: 68	463: 18	6 067	890: —	3 208	804: —	—	234: —	IX
65: 65	462: 14	6 070	890: —	3 208	804: —	—	234: 30	X
65: 63	462: 05	6 075	890: —	3 208	804: —	—	236: 64	XI
65: 63	460: 97	6 067	890: —	3 208	804: —	—	238: —	XII
								<b>1957</b>
65: 67	460: 95	6 072	890: —	3 208	804: —	—	238: —	I
65: 68	460: 87	6 075	890: —	3 208	804: —	—	238: —	II
65: 69	460: 79	6 079	890: —	3 208	804: —	—	238: —	III
65: 70	460: 43	6 086	890: —	3 208	804: —	—	238: —	IV
65: 70	460: 17	6 078	890: 42	3 208	804: —	—	238: —	V
65: 71	460: —	6 071	891: —	3 208	804: —	—	238: 70	VI
65: 75	460: 50	6 061	891: —	3 208	804: —	—	240: —	VII
58: 99	462: 06	6 057	891: —	3 208	804: —	—	241: —	VIII
66: 10	555: 16	7 302	1 072: —	3 860	967: 54	51: 35	289: 28	IX
76: 02	640: 50	8 448	1 235: —	4 463	1 118: 50	51: 35	332: 22	X
76: 02	641: 62	8 450	1 234: —	4 463	1 118: 50	51: 35	334: —	XI
76: 35	642: 07	8 466	1 234: —	4 463	1 118: 50	51: 35	330: 07	XII
								<b>1958</b>
76: 33	642: 66	8 480	1 232: —	4 463	1 118: 50	51: 26	327: —	I
76: 37	643: 54	8 456	1 233: —	4 463	1 118: 50	51: 38	327: —	II
76: 37	642: 73	8 456	1 234: —	4 463	1 118: 50	51: 44	327: —	III
76: 37	643: —	8 456	1 235: —	4 463	1 118: 50	51: 44	329: 57	IV
76: 37	643: —	8 461	1 236: —	4 463	1 118: 50	51: 38	331: —	V
76: 37	643: —	8 467	1 238: —	4 463	1 118: 50	51: 43	333: —	VI
76: 37	643: —	8 474	1 238: —	4 463	1 118: 50	51: 50	334: 46	VII
76: 37	644: 10	8 476	1 238: —	4 463	1 118: 50	51: 51	333: 13	VIII
76: 37	644: 33	8 477	1 237: —	4 463	1 118: 50	51: 51	328: 27	IX
76: 37	643: 20	8 482	1 238: —	4 463	1 118: 50	51: 39	329: 56	X
76: 37	643: —	8 476	1 238: —	4 463	1 118: 50	51: 40	330: 58	XI
74: 88	643: —	8 475	1 238: —	4 463	1 118: 50	51: 36	332: 07	XII

## 18. Rates of exchange, selling rates at sight, 1926—1958

Year	1 Dollar New York			1 Pound sterling London			100 Kronor Stockholm		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
1926	39: 70	39: 70	39: 70	193: 35	192: 55	193: 02	1 067: 50	1 060: 50	1 063: 75
1927	39: 70	39: 70	39: 70	193: 95	192: 65	193: 09	1 074: —	1 060: 50	1 065: 80
1928	39: 70	39: 70	39: 70	194: 05	192: 55	193: 32	1 071: 50	1 062: —	1 065: 25
1929	39: 70	39: 70	39: 70	194: 20	192: 65	193: 11	1 073: 50	1 061: 50	1 065: 52
1930	39: 70	39: 70	39: 70	194: 15	192: 90	193: 20	1 071: —	1 065: —	1 067: 38
1931	74: 95	39: 70	43: 54	245: 85	160: —	193: 99	1 358: —	930: —	1 081: 14
1932	71: 90	56: 70	64: 89	240: —	216: 50	226: 49	1 329: —	1 040: —	1 195: 06
1933	68: 35	41: 90	55: 03	227: 50	226: 75	227: 01	1 243: —	1 162: —	1 183: 96
1934	46: 55	43: 85	45: 10	227: —	227: —	227: —	1 171: —	1 171: —	1 171: —
1935	47: 95	45: 60	46: 35	227: —	227: —	227: —	1 171: —	1 171: —	1 171: —
1936	46: 70	44: 95	45: 82	227: —	227: —	227: —	1 171: —	1 171: —	1 171: —
1937	46: 70	45: 50	46: 06	227: —	227: —	227: —	1 171: —	1 171: —	1 171: —
1938	49: 15	45: 25	46: 62	227: —	227: —	227: —	1 171: —	1 171: —	1 171: —
1939	50: 70	48: 50	48: 86	227: —	184: —	217: 22	1 171: —	1 171: —	1 171: —
1940	49: 35	49: 35	49: 35	199: —	157: 75	185: 76	1 171: —	1 171: —	1 171: —
1941	49: 35	49: 35	49: 35	197: —	191: —	195: 31	1 171: —	1 171: —	1 171: —
1942	49: 35	49: 35	49: 35	196: —	196: —	196: —	1 171: —	1 171: —	1 171: —
1943	49: 35	49: 35	49: 35	196: —	196: —	196: —	1 171: —	1 171: —	1 171: —
1944	49: 35	49: 35	49: 35	196: —	196: —	196: —	1 171: —	1 171: —	1 171: —
1945	136: —	49: 35	89: 59	547: —	196: —	358: 48	3 230: —	1 171: —	2 127: 68
1946	136: —	136: —	136: —	547: —	547: —	547: —	3 790: —	3 230: —	3 497: 91
1947	136: —	136: —	136: —	547: —	547: —	547: —	3 790: —	3 790: —	3 790: —
1948	136: —	136: —	136: —	547: —	547: —	547: —	3 790: —	3 790: —	3 790: —
1949	231: —	136: —	169: 16	646: —	547: —	597: 48	4 450: —	3 790: —	4 126: 56
1950	231: —	231: —	231: —	646: —	646: —	646: —	4 450: —	4 450: —	4 450: —
1951	231: —	231: —	231: —	646: —	646: —	646: —	4 450: —	4 450: —	4 450: —
1952	231: —	231: —	231: —	646: —	646: —	646: —	4 450: —	4 450: —	4 450: —
1953	231: —	231: —	231: —	646: —	646: —	646: —	4 450: —	4 450: —	4 450: —
1954	231: —	231: —	231: —	646: —	646: —	646: —	4 450: —	4 450: —	4 450: —
1955	231: —	231: —	231: —	646: —	646: —	646: —	4 450: —	4 447: —	4 450: —
1956	231: —	231: —	231: —	646: —	644: —	645: 25	4 479: —	4 440: —	4 458: —
1957	321: —	231: —	257: 31	898: 50	644: —	720: 09	6 210: —	4 456: —	4 975: —
1958	321: —	320: 40	320: 99	898: 50	894: —	896: 67	6 210: —	6 180: —	6 192: —

100 Kroner Copenhagen			100 Kroner Oslo			100 Francs Basle/Zurich			Year
Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	
1 061:—	980:—	1 044: 40	1 032:—	809:—	890: 62	771:—	766:—	768: 46	1926
1 067:—	1 059:—	1 062: 70	1 059:—	1 009:—	1 036: 71	769:—	765:—	765: 94	1927
1 067:—	1 059: 50	1 063: 16	1 065:—	1 056: 50	1 061: 04	768:—	764: 50	765: 67	1928
1 068: 50	1 059:—	1 061: 67	1 068:—	1 059:—	1 061: 73	774: 50	764: 50	767: 22	1929
1 067:—	1 062: 50	1 064:—	1 067:—	1 062:—	1 063: 79	773:—	767: 50	770: 53	1930
1 360:—	905:—	1 074: 32	1 352:—	905:—	1 073: 76	1 453:—	764: 50	846: 77	1931
1 307:—	1 180:—	1 215: 86	1 284:—	1 051:—	1 164: 21	1 382:—	1 103:—	1 259: 83	1932
1 180:—	1 011:—	1 025: 42	1 175:—	1 141:—	1 151: 09	1 436:—	1 252:—	1 327: 77	1933
1 015:—	1 014:—	1 014: 70	1 142:—	1 141:—	1 141: 70	1 521:—	1 348:—	1 460: 57	1934
1 014:—	1 014:—	1 014:—	1 141:—	1 141:—	1 141:—	1 577:—	1 481:—	1 506: 39	1935
1 014:—	1 014:—	1 014:—	1 141:—	1 141:—	1 141:—	1 507:—	1 057:—	1 376: 56	1936
1 014:—	1 014:—	1 014:—	1 141:—	1 141:—	1 141:—	1 064:—	1 047:—	1 054: 86	1937
1 014:—	1 014:—	1 014:—	1 141:—	1 141:—	1 141:—	1 119:—	1 045:—	1 065: 52	1938
1 014:—	954:—	994: 61	1 141:—	1 122:—	1 136: 30	1 146:—	1 091:—	1 106: 88	1939
954:—	954:—	954:—	1 127:—	1 127:—	1 127:—	1 156:—	1 120:—	1 134: 17	1940
954:—	954:—	954:—	1 127:—	1 127:—	1 127:—	1 158:—	1 156:—	1 157: 87	1941
1 035:—	954:—	1 030: 43	1 127:—	1 127:—	1 127:—	1 158:—	1 158:—	1 158:—	1942
1 035:—	1 035:—	1 035:—	1 127:—	1 127:—	1 127:—	1 158:—	1 158:—	1 158:—	1943
1 035:—	1 035:—	1 035:—	1 127:—	1 127:—	1 127:—	1 158:—	1 158:—	1 158:—	1944
2 830:—	1 035:—	1 870: 90	2 750:—	1 127:—	1 861: 78	3 175:—	1 158:—	2 098: 05	1945
2 830:—	2 830:—	2 830:—	2 750:—	2 745:—	2 746: 99	3 175:—	3 175:—	3 175:—	1946
2 830:—	2 830:—	2 830:—	2 745:—	2 745:—	2 745:—	3 175:—	3 175:—	3 175:—	1947
2 830:—	2 830:—	2 830:—	2 745:—	2 745:—	2 745:—	3 175:—	3 175:—	3 175:—	1948
3 330:—	2 829:—	3 084: 72	3 231:—	2 745:—	2 992: 53	5 375:—	3 175:—	3 906: 29	1949
3 330:—	3 330:—	3 330:—	3 231:—	3 231:—	3 231:—	5 300:—	5 300:—	5 300:—	1950
3 340:—	3 330:—	3 334: 95	3 235:—	3 231:—	3 231: 77	5 300:—	5 300:—	5 300:—	1951
3 340:—	3 340:—	3 340:—	3 235:—	3 235:—	3 235:—	5 300:—	5 300:—	5 300:—	1952
3 340:—	3 340:—	3 340:—	3 235:—	3 235:—	3 235:—	5 300:—	5 300:—	5 300:—	1953
3 340:—	3 340:—	3 340:—	3 235:—	3 235:—	3 235:—	5 300:—	5 300:—	5 300:—	1954
3 341:—	3 340:—	3 340:—	3 235:—	3 228:—	3 235:—	5 300:—	5 275:—	5 300:—	1955
3 346:—	3 327:—	3 335:—	3 242:—	3 220:—	3 228:—	5 297:—	5 263:—	5 278:—	1956
4 640:—	3 331:—	3 714:—	4 500:—	3 227:—	3 604:—	7 370:—	5 277:—	5 883:—	1957
4 644:—	4 628:—	4 636:—	4 490:—	4 478:—	4 483:—	7 355:—	7 315:—	7 332:—	1958

## 18. (Cont.) Rates of exchange, selling rates at sight, 1926—1958

Year	100 Reichsmark/100 D. Mark <sup>1</sup> Berlin/Frankfurt a/M			100 Francs Paris			100 Francs <sup>2</sup> Brussels		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
1926	950:—	947:—	948:52	162:—	83:—	129:82	181:—	89:—	130:86
1927	950:—	944:—	946:08	159:—	156:—	156:68	111:40	111:—	111:11
1928	952:—	946:—	948:72	157:—	155:50	156:27	111:20	110:60	110:92
1929	953:50	940:50	947:50	157:—	155:50	156:12	111:60	110:60	110:85
1930	951:—	944:25	948:28	157:—	155:50	156:10	111:40	110:80	110:99
1931	1 765:—	932:—	1 039:93	292:—	155:30	170:93	208:20	110:50	121:56
1932	1 711:—	1 349:—	1 542:83	280:75	223:—	254:91	199:20	158:20	180:68
1933	1 764:—	1 489:—	1 630:94	289:50	255:—	269:19	206:20	181:—	191:46
1934	1 878:—	1 655:—	1 775:94	307:50	272:50	296:37	217:60	193:60	210:16
1935	1 952:—	1 838:—	1 866:86	320:—	301:75	305:67	226:60	154:—	171:63
1936	1 875:—	1 805:—	1 844:42	305:25	217:—	280:02	157:80	151:60	154:76
1937	1 872:—	1 832:—	1 848:33	217:25	154:—	187:09	157:80	153:60	155:20
1938	1 967:—	1 829:—	1 868:65	156:—	128:50	135:42	168:—	153:60	157:59
1939	1 982:—	1 942:—	1 958:18	130:75	106:50	124:60	172:—	162:80	165:60
1940	1 982:—	1 974:—	1 977:91	115:—	91:—	109:57	170:80	166:—	167:05
1941	1 974:35	1 974:35	1 974:35	107:—	107:—	107:—	166:—	157:95	162:31
1942	1 974:35	1 974:35	1 974:35	107:—	107:—	107:—	157:95	157:95	157:95
1943	1 974:35	1 974:35	1 974:35	107:—	107:—	107:—	157:95	157:95	157:95
1944	1 974:35	1 974:35	1 974:35	107:—	107:—	107:—	157:95	157:95	157:95
1945	1 974:35	1 974:35	1 974:35	115:—	107:—	107:19	310:—	157:95	157:95
1946	—	—	—	115:—	114:—	114:14	310:—	310:—	310:—
1947	—	—	—	114:—	114:—	114:—	310:—	310:—	310:—
1948	—	—	—	114:—	53:37	64:07	310:—	310:—	310:—
1949	—	—	—	66:—	50:10	57:06	462:—	310:—	366:12
1950	—	—	—	66:—	66:—	66:—	462:—	462:—	462:—
1951	—	—	—	66:—	66:—	66:—	462:—	462:—	462:—
1952	5 500:—	5 500:—	5 500:—	66:—	66:—	66:—	462:—	462:—	462:—
1953	5 500:—	5 500:—	5 500:—	66:—	66:—	66:—	462:—	462:—	462:—
1954	5 500:—	5 500:—	5 500:—	66:—	66:—	66:—	462:—	462:—	462:—
1955	5 510:—	5 500:—	5 500:—	66:—	66:—	66:—	462:70	462:—	462:—
1956	5 519:—	5 501:—	5 511:—	66:—	65:54	65:74	463:50	460:50	462:69
1957	7 676:—	5 509:—	6 137:—	76:50	54:82	67:79	642:50	459:90	513:59
1958	7 671:—	7 627:—	7 655:—	76:45	64:98	76:25	644:50	642:—	643:25

<sup>1</sup> Reichsmark was used up to 1948 and after that D. Mark.<sup>2</sup> From 8 Nov., 1926, to 29 Dec., 1945, the value of  $\frac{1}{5}$  of a belga is given (1 belga = 5 francs).



mk

100 Guilders Amsterdam			100 Koruny Prague			100 Lire Rome			Year
Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	
1 601:—	1 589:—	1 594:38	119:—	119:—	119:—	185:—	132:—	157:44	1926
1 607:50	1 587:50	1 593:93	119:—	119:—	119:—	231:—	171:—	206:38	1927
1 607:—	1 593:—	1 598:67	119:—	119:—	119:—	211:—	208:—	209:53	1928
1 606:50	1 592:—	1 597:83	119:—	118:—	118:61	209:—	208:—	208:52	1929
1 605:50	1 594:50	1 598:92	118:50	118:—	118:06	209:—	208:—	208:49	1930
3 018:—	1 592:50	1 755:45	225:—	117:50	129:59	388:—	207:50	227:42	1931
2 983:—	2 296:—	2 616:33	213:—	169:—	193:03	366:—	295:—	333:36	1932
2 985:—	2 600:—	2 764:95	220:—	194:—	204:45	388:—	331:—	358:53	1933
3 160:—	2 798:—	3 039:78	223:—	183:—	192:27	400:—	366:—	386:89	1934
3 289:—	3 080:—	3 138:48	203:—	191:—	193:95	405:—	361:—	384:04	1935
3 133:—	2 440:—	2 944:55	194:—	164:—	184:98	363:—	247:—	283:37	1936
2 550:—	2 512:—	2 531:14	165:—	160:—	161:58	247:—	240:—	243:70	1937
2 674:—	2 526:—	2 559:18	170:—	159:—	162:76	259:—	239:—	245:60	1938
2 711:—	2 572:—	2 614:28	170:—	168:—	168:12	267:—	256:—	258:12	1939
2 665:—	2 620:—	2 642:90	—	—	—	260:—	260:—	260:—	1940
2 620:—	2 620:—	2 620:—	—	—	—	265:—	260:—	263:03	1941
2 620:—	2 620:—	2 620:—	—	—	—	265:—	265:—	265:—	1942
2 620:—	2 620:—	2 620:—	—	—	—	265:—	265:—	265:—	1943
2 620:—	2 620:—	2 620:—	—	—	—	265:—	265:—	265:—	1944
2 620:—	2 620:—	2 620:—	—	—	—	265:—	265:—	265:—	1945
5 120:—	5 120:—	5 120:—	275:—	275:—	275:—	—	—	—	1946
5 120:—	5 120:—	5 120:—	275:—	275:—	275:—	—	—	—	1947
5 120:—	5 120:—	5 120:—	275:—	275:—	275:—	—	—	—	1948
6 090:—	5 120:—	5 605:76	462:—	275:—	339:51	—	—	—	1949
6 090:—	6 090:—	6 090:—	462:—	462:—	462:—	—	—	—	1950
6 090:—	6 090:—	6 090:—	462:—	462:—	462:—	—	—	—	1951
6 090:—	6 090:—	6 090:—	462:—	462:—	462:—	—	—	—	1952
6 090:—	6 090:—	6 090:—	3 208:—	3 208:—	3 208:—	—	—	—	1953
6 090:—	6 090:—	6 090:—	3 208:—	3 208:—	3 208:—	—	—	—	1954
6 090:—	6 080:—	6 090:—	3 208:—	3 208:—	3 208:—	—	—	—	1955
6 091:—	6 049:—	6 066:—	3 208:—	3 208:—	3 208:—	—	—	—	1956
8 475:—	6 056:—	6 768:—	4 463:—	3 208:—	3 575:—	51:35	51:25	51:35	1957
8 484:—	8 443:—	8 470:—	4 463:—	4 463:—	4 463:—	51:55	51:15	51:42	1958

## **Bank Supervisors, Delegated by the Diet, at the End of 1958**

ESKOLA, KUSTAA OSKARI, *Chairman*  
TANNER, VÄINÖ ALFRED, *Vice chairman*  
AALTONEN, AIMO ANSELM  
WIHERHEIMO, TOIVO ANTERO  
PELTONEN, ONNI EVERT  
KORSIMO, ARVO ILMARI  
MURTO, YRJÖ ALEKSANTERI  
SÖDERHJELM, JOHAN OTTO  
UOTI, OLLI JOHANNES

## **Bank of Finland at the End of 1958**

### **Board of Management**

WARIS, KLAUS HENRIK, *Governor*  
LEINONEN, ESKO KULLERVO  
SIMONEN, AARRE EDVARD  
KARJALAINEN, AHTI KALLE SAMULI  
ROSSI, TARU REINO KAI

### **Secretaries**

VATANEN, UUNO ARMAS, *Credits*  
TAMMIVUORI, PERTTI JUHANI, *Administration*  
ASP, EERO RAFAEL, *Foreign affairs (leave of absence)*  
VOUTILAINEN, JOUKO JUHANI, *Information*

## **Head Office**

### *Chief Accountant*

ENGBERG, KARL GUNNAR

### *Chiefs of Department*

SUNDMAN, CARL GUSTAV, Foreign exchange

BLOMQUIST, PAUL MIKAEL, Accounts

ÖSTERLUND, PAUL-ERIK LUDVIG, Foreign exchange

KAJANTIE, ARVO OLAVI, Documentary credits and control

HELANDER, JOSEF JOHANNES, Foreign exchange control

JUSSILA, JUHO EINO, Office

LINDSTRÖM, HELGE EUGEN, Credits

NENONEN, AARRE VILHO, Foreign correspondence

### *Chief Cashier*

ASPELUND, BROR KARL ARTHUR

## **Institute for Economic Research**

VALVANNE, HEIKKI ILMARI, *Chief*