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The Bank of Finland Year Book for 1965 follows the same lines as last year's edition. Besides the monetary, credit and foreign exchange policies of the Bank and the development of the Bank's accounts during the year, it reviews the Acts on Revised Regulations for the Bank of Finland and on special deposits of banks at the Bank of Finland issued in 1965. The statistical section provides detailed information on the statements of the Bank and various banking transactions during 1965.

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I. A REVIEW OF THE FINNISH ECONOMY IN 1965

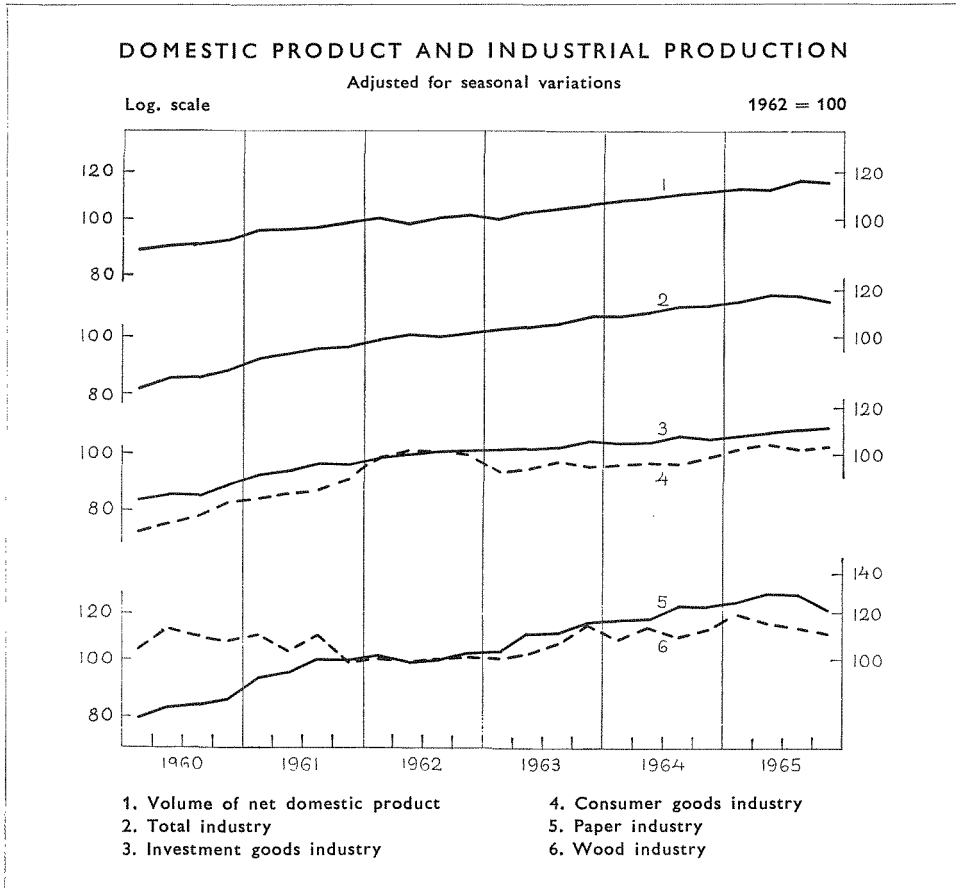
The volume of gross domestic product increased by almost 5 per cent in 1965, so that the growth in total output was about one percentage point lower than in the previous year but approximately the same as the postwar average. The deficit in the balance of payments necessitated the introduction of special measures by the Government and the Bank of Finland. Nevertheless, the trade deficit widened to some extent. One of the positive features of economic development in 1965 was the stabilisation of the value of the currency.

The employment level remained satisfactory during most of the year, the rate of unemployment averaging 1.5 per cent as in 1964. However, with the decline in the growth rate of total production, a slight weakening of the employment situation set in.

Private investment was high and may be regarded as the main expansionary factor in 1965. The volume of private fixed investment increased by more than 8 per cent. Since public sector investment rose by only 4 per cent, the growth in total investment was just over 7 per cent. Acceleration in investment activity was caused mainly by construction. As in the previous year, the advance in the industrial sector's building activity exceeded the average growth in investment. Investment in residential building grew appreciably in the first part of the year. Investment in machinery and equipment was modest. During the second half of 1965 the growth in private investment clearly decelerated.

The growth in the volume of private consumption accelerated slightly during the year under review. Private consumption expenditure increased in volume by nearly 6 per cent, or more than the rise in gross domestic product. As the real disposable income of households grew by over 5 per cent, the propensity to consume increased. The volume of the public sector's consumption expenditure increased by more than 4 per cent.

Slackening in manufacturing activity was more pronounced than in the economy as a whole. In 1965 the increase in the volume of output was 5 per cent against 7 per cent in 1964. The output of investment goods grew by more than 5 per cent, and that of consumer goods by 3 per cent. The growth of output of the wood and paper industries displayed a marked



deceleration. The volume of output of forestry grew by 3 per cent, and that of house construction by 11 per cent. The growth rate of the service sector as a whole rose appreciably. Agricultural production was more or less on the same level as in 1964.

The cost pressure was considerably less than in 1964. As other factors also tended to moderate inflation, the rise in the average price level remained at about half of the 10 per cent recorded for 1964. The cost of living index rose by an average of 5 per cent and during the latter part of the year this index, like the wholesale price index, remained virtually unchanged. The average level of wage and salary earnings showed a nominal increase of about 8 per cent.

Because of some slackening in the rate of growth of purchasing countries, the volume of exports failed to grow at a rate equivalent to that of the

previous year. Nevertheless, the value of exports of goods increased by more than 10 per cent, of which almost one half may be attributed to price increases. Exports of wood and paper industry products grew less than in 1964. The downward trend in the export of raw wood continued, while exports of metal industry products expanded substantially, and the so-called new exports developed favourably.

The volume of imports grew by only 6 per cent, in comparison to more than 20 per cent in 1964. The sharp decline was partly the result of the various economic policy measures put into effect. As import prices rose by about 3 per cent, the value of imports increased by 9 per cent. The total value of commodity imports amounted to 5 266 million marks and that of commodity exports to 4 566 million, the balance of trade thus showing a deficit of 700 million marks, a bigger deficit than in 1964. The balance of payments on current account, which includes income and expenditure due to services, income from investment and income transfers, showed a deficit of 591 million marks, against 559 million in 1964. Since the deficit could be financed only partly by net imports of capital, the total gold and foreign exchange reserves of the country fell by 283 million marks during the year. The reserves of the Bank of Finland decreased by 202 million marks.

On the financial market the stringent conditions characteristic of the past two years, intensified. As a result of the marked decline in the foreign exchange reserves, commercial bank liabilities to the Bank of Finland grew by 192 million marks to 641 million. To counter this development and reduce the pressure on the reserves, in the spring of 1965 the Bank of Finland imposed quantitative restrictions on the growth of bank advances. Consequently the growth of commercial bank lending was slightly reduced, to 1 121 million marks. Bank deposits grew by 1 039 million marks, against 953 million in 1964.

II. CREDIT AND CAPITAL MARKETS

The ends and means of monetary policy

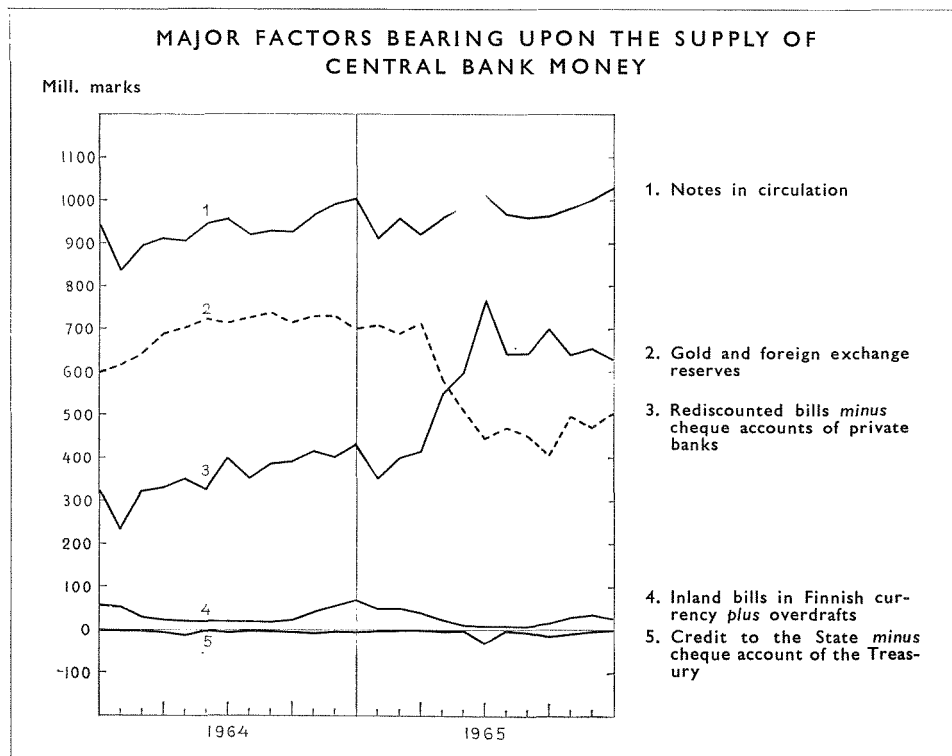
In view of the weakening external liquidity position, the measures introduced by the Bank of Finland in 1965 were primarily aimed at improving the balance of payments. Since this was impossible to achieve purely through the methods available to the Bank of Finland, at the beginning of April the Bank suggested that the Government and the Bank draw up a programme aimed at restoring equilibrium in the balance of payments within a period of two years. A plan on these lines was prepared and published on May 20. However, before that date both the Government and the Bank of Finland introduced a number of urgent special measures, most of which were intended to reduce imports. For example, on the initiative of the Bank of Finland, on April 23 the Government tightened the hire purchase terms on passenger cars, tractors and certain consumer durables. Again on May 14 the Bank submitted a proposal for raising the tax on passenger cars to Parliament, the subsequent Act coming into force on June 4. The Bank of Finland on its part restricted the use of foreign import and suppliers' credits, and on April 30 issued new credit policy instructions to the banking institutions.

In these instructions the Bank of Finland emphasised that in order to prevent a further decrease in the foreign exchange reserves and to supplement the Government measures aimed at restricting imports, it was necessary that the banking institutions curtail their lending. Since the instructions concerning rediscounting rights had proved inadequate for maintaining credit expansion within the limits permitted by the balance of payments, the Bank of Finland found it imperative to quantitatively regulate lending until a satisfactory monetary balance was achieved. The Bank of Finland therefore announced that the growth in advances — provisionally estimated at more than 5 per cent for January—April — must not exceed 9 per cent for the period January—October. This limitation was placed on all banking institutions in the form of a recommendation, but those rediscounting banks which for liquidity reasons were unable to keep their rediscounting within prescribed limits were further informed that continued and increased rediscounting was directly conditional on their observance of the instructions

on advances. At the same time the Bank promised that if a bank could restrain its lending as required, the penalty interest paid on rediscounts between January and October would be refunded. Further, if the ten-month increase in a bank's lending was not more than 8 per cent, then from November 1965 to April 1966 the bank would be allowed a reduction of one half of a percentage point on its basic rate of interest for rediscounts; if the increase was not more than 7 per cent, the corresponding reduction would be 1 percentage point. With regard to the Central Bank of the Savings Banks and the Central Bank of the Co-operative Credit Societies, it was prescribed that in calculating the increase in their advances, the total amount of lending by savings banks and co-operative credit societies respectively should be taken into account. Concurrently with these instructions the Bank Supervisors authorised the Bank of Finland to charge less than 7 per cent but not less than 6 per cent on rediscounts.

The Bank of Finland also enjoined the banking institutions to in particular cut advances for financing imports and hire purchase, and consumption in general, and favour such credits that are least liable to stimulate the immediate import demand. In order to discourage the demand for and the use of credit the Bank of Finland announced that the banks could widen the differentiation of interest rates on bills and overdrafts, and charge up to 10 per cent, provided their average lending rates did not exceed 7 ½ per cent. In addition the rediscounting banks were requested to completely refrain from granting long-term building loans, unless a contract had already been entered into, and from investing funds in, or granting loans for the purchases of landed property, without special permission from the Bank of Finland.

Although the measures implemented by the Government and the Bank of Finland in the spring resulted in a change in the right direction, they did not go so far as to prevent a further weakening of the balance of payments. By summer the combined gold and foreign exchange reserves of the Bank of Finland, the authorised banks and the Treasury had decreased by more than 200 million marks from the beginning of the year. The Bank of Finland therefore considered it necessary to introduce additional measures. On September 11 the Bank informed the banking institutions that the restrictive credit policy would be continued beyond October, and fixed the new deadline at April 30, 1966. The Bank of Finland was of the opinion that the growth in bank lending would have to be brought down to below 6 per cent per annum, which meant that the rise during November 1965—April 1966 would have to be less than 3 per cent. However, in view of the general seasonal increase in the demand for credit in the spring, the Bank announced that at the end of April 1966 advances would be permitted to exceed the figure for end-1964 by a maximum of 13 per cent. All banking



institutions were requested to continue restricting credits granted for imports and hire purchase, and to restrict consumer credit.

The rediscounting banks were individually informed that their right to exceed the rediscounting limits was conditional on their limiting the growth in advances to 13 per cent. At the same time the special rules enforced in February 1964 for determining the penalty rate of interest chargeable to the Central Bank of the Savings Banks and the Central Bank of the Co-operative Credit Societies were repealed as being ineffective, despite the tightening of conditions at the beginning of May 1965. Thus from October 1, the same instructions were applied to all rediscounting banks. The Bank of Finland also announced that those banks which adhered to the lending instructions would be refunded the penalty interest charged during November 1965—April 1966, and that if their advances at the end of April 1966 were not more than 12 per cent above the figure for the end of 1964, they would be granted a reduction of 1 percentage point on their basic rediscounting rate during the following sixmonth period May—October 1966. The bank emphasised that the rediscounting banks must continue to limit their advances to the specific purposes recommended in the instructions of April 1965.

Along with the credit policy outlined above, on September 16 the Bank of Finland decided to tighten the rules relating to the eligibility of bills for rediscounting from November 1.

At the end of October it was found that the banking institutions had in fact been able to keep their advances in check and that they were thus entitled to a repayment of penalty interest and a reduction in their basic rate for rediscounting. The only exception related to the savings banks, which were not tied by the instructions since their central bank had not exceeded the rediscounting limit. The total increase in the advances of all the banking institutions from the beginning of the year to the end of October was 7.1 per cent, calculated according to the instructions. In a circular letter of November 20 the Bank of Finland stated that the target had been reached, but pointed out that the banking institutions should exercise their discretion in deciding the order of priority of credit applications, and favour the projects most likely to maintain the level of employment and least liable to increase the demand for imports. The Bank removed the total bar that had been placed on commercial banks regarding building credits. The banking institutions were now required to obtain the permission of the Bank of Finland before granting loans for the purchase of sites or other landed property whose price exceeds 300 000 marks, or before making similar investments of their own. The banking institutions were also required to submit semi-annual reports to the Bank of Finland as the credit granted for building purposes.

Although bank lending remained well below the permitted maximum at the end of October, during the last two months of the year it once again increased considerably. This meant that the banking institutions immediately availed themselves of the greater part of the new limit. Rediscounting was consequently very high, although the liquidity position of individual banks varied to a great extent. The following table shows the changes in rediscounting during the year; it should be kept in mind that the banks were permitted to exceed the rediscounting limits at the end of 1965 on the conditions above.

	Rediscounting limit	Total of bills rediscounted		Exceeding rediscounting limit (+) and below rediscounting limit (—)	
		Dec. 31, 1964	Dec. 31, 1965	Dec. 31, 1964	Dec. 31, 1965
		Million marks			
Kansallis-Osake-Pankki	180	174	246	— 6	+ 66
Oy Pohjoismaiden Yhdyspankki	180	180	213	— 0	+ 33
Helsingin Osakepankki	40	22	27	— 18	— 13
Ålands Aktiebank	5	3	5	— 2	— 0
Central Bank of the Savings Banks . . .	70	—	—	— 70	— 70
Central Bank of the Co-operative Credit Societies	70	70	150	—	+ 80
	545	449	641	— 96	+ 96

In October the Bank of Finland approached the Government again reminding it of the weakening in the balance of payments and proposing more effective measures to prevent any worsening. In collaboration with the Bank, the Government drew up a programme of additional measures aimed partly at limiting imports temporarily, but mainly at promoting exports. It may be mentioned, for example, that on the initiative of the Bank, from the beginning of November the Government restricted the amount of Finnish currency that travellers could take out of the country and restricted the rights of tourists to import tax-free goods. Moreover, Parliamentary Bills on export reserve funds and on tax concessions for the promotion of exports were prepared jointly by the Government and the Bank. The proposals were passed to Parliament in November. The latter proposal was, however, repealed by the Government as other EFTA countries had expressed doubts about whether it would be in accord with the agreement.

In order to encourage efforts to promote exports, on December 20 the Bank of Finland decided to create a special credit procedure jointly with the banking institutions for the specific purpose of boosting the new exports. In accordance with this procedure credit is granted primarily to small and medium-sized enterprises for the short-term finance of manufacture, marketing and storage, on the condition that new exports are promoted or that exports in general are increased. In such cases the Bank of Finland is willing to participate in providing additional credit to the enterprise. In practice the procedure works as follows: credit is granted by the bankers of the enterprise and the Bank of Finland rediscounts the corresponding bills of the bank. In the case of a savings bank or a co-operative credit society, rediscounting takes place through the central banks. The granting of such credit for promoting new exports was postponed to 1966.

In surveying the other measures implemented by the Bank of Finland in 1965, it may be mentioned that purchases of bonds of the 1962 loan from banking institutions at an interest rate of 8 per cent were continued until the bonds matured on June 28. The loan amounted to 30 million marks. After this, other bonds, acceptable for purchase by the Bank of Finland on similar special terms were bought from the banking institutions. The total amount of bonds that the Bank promised to buy from the banking institutions was at the same time raised to 42 million marks.

In the autumn of 1964 the Bank granted grain wholesalers and mills credits equal to the amount they received from the commercial banks and the Central Bank of the Co-operative Credit Societies together. Most of this credit amounting to 42.6 million marks at the beginning of 1965 was refunded to the Bank early in the year, but part of it was settled as late as in August. Since the possibilities for the banks to grant credit were limited by the Bank of Finland, the Bank decided to participate during the harvesting season in

financing the purchases of domestic bread corn, domestic oats for groats, and domestic seed corn up to an amount equal to that advanced by the commercial banks and the Central Bank of the Co-operative Credit Societies. Regarding the credits for bread corn, however, it was specified that for those purchases made in September—October the wholesalers and mills were to pay only half of the price in cash to growers and the rest within 6 months, for those purchases made in November—December, similarly half of the price was to be paid in cash and the remainder within 5 months; for purchases made in 1966 the total price was to be paid in cash. Moreover, a condition was made that the firms had to finance a certain share of the purchases themselves. The credits granted by the commercial banks and the Central Bank of the Co-operative Credit Societies within the framework of this procedure are not subject to the limits (explained above) set by the Bank of Finland on bank credits. At the end of the year the amount drawn from the Bank of Finland on credits for purchases of bread corn, oats for groats, and seed corn was 25.4 million marks.

Of the other credit arrangements of the Bank of Finland may be mentioned the medium-term suppliers' credits to the engineering industry; the total amount of the bills in the portfolio of the Bank due to these credits was 11.4 million marks at the beginning of 1965. The commercial banks were obliged to start repurchases of these bills at the beginning of July. The Bank of Finland, however, exempted them from repurchasing these bills both in July 1965 and in January 1966 at the same time while setting forth regulations on credit policy of the banks. The amount drawn on these suppliers' credits in the course of 1965 was 38.8 million marks, bringing the total amount of credit outstanding at the end of the year to 50.2 million marks. The amount undrawn on these credits was still 34.0 million marks at the end of 1965. During the year the Bank of Finland subscribed to the amount of 10 million marks of the II shipbuilding bonds, in accordance with the agreement concluded in 1964, and thus the total of the 30 million marks financing programme for shipbuilding, in which the Post Office Savings Bank and the National Pension Institute participated besides the Bank of Finland, was completed. It may be mentioned further that according to the financing programme for forestry (MERA) the Treasury issued Forestry Improvement Bonds amounting to 20 million marks. As agreed, the Bank of Finland subscribed to the bonds at issue and sold them later to the banking institutions and insurance companies.

A Bill relating to special deposits of banks at the Bank of Finland prepared jointly by the Government and the Bank, was placed before Parliament in July 1963. The corresponding Act was passed by Parliament towards the end of the year under review and issued on December 30. In accordance with it the Cabinet may, in the circumstances specified more in

detail in the Act, having consulted the Bank, require the banks by decree to place a proportion of their funds in special deposits at the Bank of Finland. The special deposits, the upper limit of which is set in detail in the Act, are credited with interest at a rate at least 1 percentage points higher than the average rate of interest paid by each bank on its deposits. On the initiative of the Bank Supervisors, the Government placed before Parliament a Bill relating to a revision of the Regulations for the Bank of Finland on May 14, and after the sanction of Parliament the Act was issued on December 30. From the point of view of monetary policy, the most significant amendment in the Regulations was that of considerably extending the Bank's right to grant credit on bonds. Both the Acts mentioned above are to be found in an appendix at the end of the text (p. 47—51).

The exchange of notes and coin following the currency reform was no longer of any great significance during the year under review, indicating that the old notes and coin remaining in circulation have almost entirely been lost or acquired by collectors. The notes of old denominations in circulation were equivalent to 21.2 million new marks at the beginning of the year. The corresponding amount at the end of the year was 19.2 million marks or 2.0 million marks less. Similarly, the amount of old coin in circulation, which was equivalent to 17.0 million new marks at the beginning of 1965, decreased during the year by 0.6 million marks, to 16.4 million marks. It may also be mentioned that the amount of the new one mark silver coins in circulation increased from 9.5 million marks to 24.4 million marks during the year. At the same time the amount of the new one mark notes in circulation decreased from 23.7 million marks to 13.6 million marks.

The changes in the balance sheet of the Bank of Finland during the year under review are shown in the table below indicating the weekly averages of the most important items for both half years and for the whole year. The corresponding data for 1964 are included for the purpose of comparison.

Assets and liabilities of the Bank of Finland

Averages of weekly figures, million marks

Assets	1964			1965		
	I—VI	VII—XII	I—XII	I—VI	VII—XII	I—XII
Gold and foreign exchange (net) ..	823	879	851	794	651	722
Foreign bills and bonds	65	69	67	75	81	78
Discounted bills, in foreign currency	66	59	63	53	49	51
Discounted bills, in Finnish currency	29	34	32	33	19	26
Rediscounted bills	303	389	346	481	663	572
Finnish bonds	44	26	35	23	33	28
Other assets	65	72	68	85	102	93
Total	1 394	1 528	1 461	1 543	1 597	1 570

Liabilities

Notes in circulation	884	944	914	938	975	956
Cheque account of Treasury	7	6	6	4	5	5
Cheque account of Post Office Savings Bank	21	23	22	11	10	10
Cheque accounts of private banks ..	8	4	6	6	7	6
Other sight liabilities	33	31	32	20	22	21
Term liabilities	65	59	62	64	60	62
Other liabilities	377	462	419	501	519	510
Total	1 394	1 528	1 461	1 543	1 597	1 570

One of the most striking changes in the balance sheet is a weakening in the gold and foreign exchange reserves. The weekly average of the reserves decreased by 129 million marks on the previous year. However, the decrease was still greater in real terms, since the 1965 averages were increased at the end of the year as a result of certain formal arrangements (these are mentioned later in another context). Foreign bills and bonds increased slightly in comparison with the previous year, while bills discounted in foreign currency continued to decrease as a result of repayment of foreign credits arranged through the agency of the Bank. The variations in the amounts of bills discounted in Finnish currency were mainly caused by the change in the method of financing the corn trade. Rediscounted bills accounted for the most important change, with an increase in the weekly average of 226 million marks. The portfolio of domestic bonds remained on average smaller than in 1964, while other assets increased mainly as a result of purchases of credit bills from the suppliers to the engineering industry.

On the liabilities side, the growth in the notes in circulation amounted to 4.6 per cent of the 1964 average, reflecting, above all, a levelling-off of prices. The cheque account of the Treasury was at the minimum level, as were the cheque accounts of the Post Office Savings Bank and of the private banks. Other sight liabilities showed a decrease. Term liabilities remained unchanged, which was due to the fact that at the same time as foreign liabilities decreased because of repayments, domestic liabilities increased as a result of the metal industry's new investment deposits. The rise in the item »other liabilities» was mainly due to an increase in the equalization accounts.

Banking institutions

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

	Change on 1964 Million marks	
Cash		— 12.8
Foreign balances, net		+ 2.7
Loans to the public		
Bills	+ 99.3	
Cheque accounts	— 9.1	
Loans	+ 272.9	+ 363.1
Shares and bonds		+ 111.5
Assets		+ 464.5
Deposits by the public		
Term deposits	+ 343.4	
Cheque accounts	— 17.6	+ 325.8
Payments in transit, net		— 56.8
Finnish banks, net		+ 2.4
Bank of Finland		+ 110.2
Capital accounts		+ 125.2
Other items, net		— 42.3
Liabilities		+ 464.5

In 1965, the growth in commercial bank advances was 37 million marks greater than that of deposits from the public. In 1964 the rise in advances exceeded the rise in deposits by 100 million marks. The capital accounts of the commercial banks increased by 125 million marks during the year, of this 102 million marks as a result of new issues of shares. The outstanding liabilities to the Bank of Finland rose by 110 million marks and net liabilities to Finnish banks by 2 million marks. On the assets side, the commercial banks increased, besides advances, their investments in shares and bonds, the total of which amounted to 112 million marks.

The table below shows the changes in total deposits accepted from the public by all the banking institutions in 1964 and 1965.

	Change on the previous year			
	1964		1965	
	Million marks	%	Million marks	%
Commercial banks	+ 343.7	+ 10.9	+ 325.8	+ 9.3
Savings banks	+ 280.4	+ 11.6	+ 352.3	+ 13.0
Co-operative Credit Societies	+ 236.1	+ 15.7	+ 273.3	+ 15.7
Post Office Savings Bank	+ 65.4	+ 10.1	+ 59.4	+ 8.3
Savings Departments of Co-operative Stores	+ 20.7	+ 6.7	+ 25.8	+ 7.8
Central Bank of the Co-operative Credit Societies	+ 6.8	+ 28.0	+ 2.5	+ 7.9
Mortgage banks	— 0.4	— 48.0	+ 0.02	+ 5.1
Total	+ 952.7	+ 11.8	+ 1 039.1	+ 11.5

In absolute terms the increase in total deposits in 1965 was 86.4 million marks greater than in 1964; this meant that the annual growth rate slackened from 11.8 per cent to 11.5 per cent. The cheque accounts, most of which are held at the commercial banks, fell by 6.0 million marks or 0.7 per cent, while in the previous year they had decreased by 20.5 million marks or 2.3 per cent. The growth in term deposits was 1 045.1 million marks or 12.8 per cent, as compared to 973.2 million marks or 13.5 per cent in 1964. By the end of 1965 total term deposits amounted to 9 203.3 million marks.

In the composition of term deposits by the public the same tendency prevailed as in 1964. Throughout the year, the growth of deposits on 100 per cent index-tied A-accounts was more marked than on other deposit accounts, while deposits on 50 per cent index-tied B-accounts decreased considerably. The share of A index deposits in the term deposits rose from 14.3 per cent to 17.3 per cent during the year under review. The share of A and B index deposits together was 18.2 per cent of the term deposits at the end of 1965 compared with 15.8 per cent a year earlier. It is to be noted that almost all of the growth in A-accounts occurred in the first half of the year, while the greater part of the increase in accounts without an index clause took place in the latter part of the year. This indicates the increasing confidence of the public in the levelling-off of the price level. The distribution of term deposits is shown in the table below.

	Term deposits by the public		
	Dec. 31, 1964	Dec. 31, 1965	Change
	Million marks		%
Index-tied deposits	1 286.8	1 670.4	+29.8
Accounts A	1 167.9	1 594.7	+36.5
Accounts B	118.9	75.7	-36.3
High-interest deposits	591.7	708.0	+19.7
Total	1 878.5	2 378.4	+26.6
Other	6 279.7	6 824.9	+ 8.7
Grand total	8 158.2	9 203.3	+12.8

The following table illustrates the changes in bank advances in 1964 and 1965.

	Change on the previous year			
	1964		1965	
	Million marks	%	Million marks	%
Commercial banks	+ 444.0	+12.8	+ 363.1	+ 9.3
Savings banks	+ 183.5	+ 8.6	+ 289.4	+12.5
Co-operative Credit Societies	+ 211.8	+13.2	+ 208.6	+11.5
Post Office Savings Bank	+ 63.7	+11.7	+ 108.8	+17.9
Central Bank of the Co-operative				
Credit Societies	+ 88.0	+59.1	+ 81.0	+34.2
Mortgage banks	+ 165.0	+24.8	+ 70.1	+ 8.4
Total	+1 156.0	+13.5	+1 121.0	+11.5

The growth in the advances of all the banking institutions in both relative and quantitative terms remained smaller than in the previous year. The growth slackened markedly, from the beginning of May, due to the limits on bank advances placed by the Bank of Finland. In absolute terms, the rise in advances of the commercial and savings banks was the largest. In relative terms, however, the greatest rise was recorded for the advances of the Central Bank of the Co-operative Credit Societies and the Post Office Savings Bank.

The provisions concerning interest rates on deposits remained unchanged. The rates of interest on different deposit accounts applied during 1965 are shown below.

	%
12-month deposits (high-interest deposits)	6
6-month deposits	4 1/2
Index-tied deposits	
Accounts A	2 1/2
Accounts B	4
Cheque accounts and postal giro accounts	0

The lending rates of interest applied by the banking institutions rose slightly during the year. The rediscounting banks were permitted to charge a maximum rate of 10 per cent within prescribed limits. The weighted average of the lending rates of the commercial banks was 7.40 per cent at the end of 1965, compared with 6.99 per cent at the end of the previous year. The corresponding figures for both the savings banks and the co-operative credit societies were somewhat higher. In addition to normal interest as such, the banking institutions debited index charges on the major proportion of their advances; this, as a rule, amounted to 1/2 per cent and was intended to cover the index compensation paid on the index-tied deposits.

The stock market

In 1965 the stock market was somewhat more active than in the previous year. The total turnover on the Helsinki Stock Exchange amounted to 34.8 million marks, or was 11.9 per cent greater than in 1964. The sale of bonds totalled 5.3 million marks, the increase over 1964 being 9.5 per cent. Dealings in subscription rights and debentures grew from 0.7 million marks in 1964 to 5.4 million marks. In contrast, the sale of shares amounting to 24.2 million marks in 1965 was reduced by 5.6 per cent.

Quotations for bank shares fell throughout the year as in 1964 and were 11.3 per cent lower at the end of the year than a year ago. Similarly,

those for industrial shares fell steadily, the change from December 1964 to December 1965 amounting to 9.6 per cent. On an annual average the quotations for bank shares were 13.2 per cent and those for industrial shares 5.1 per cent lower than in 1964. The yearly average of the general index of shares quoted on the Stock Exchange (1948 = 100) reduced 5.8 per cent on 1964.

In 1965, 1 631 new companies were founded with a total capital of 187.7 million marks. The increases in the share capital of 552 companies amounted to 251.3 million marks. 439 companies with a total capital of 17.3 million marks closed down. Thus the net increase was 1 192 companies and 421.7 million marks. The corresponding figures for 1964 were 1 119 companies and 316.1 million marks.

State finances

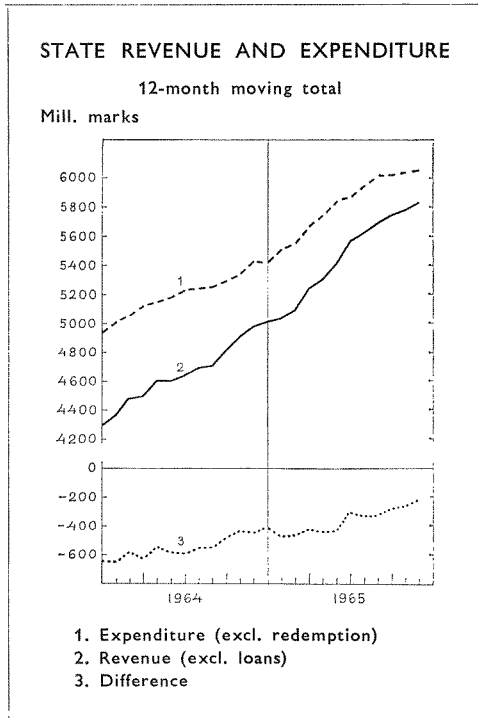
In the ordinary budget for 1965 total revenue was 5 954 million marks and total expenditure 5 953 million marks. The increase in revenue in comparison with the finance accounts of 1964 was slightly less than 3 per cent and that in expenditure below 4 per cent.

Even though revenue from taxation was expected to increase as a result of a growth in incomes, it was necessary to increase certain taxes. The tax rate on undistributed profits of companies was raised from 45 to 48, while that on distributed profits was reduced to 42. The tax on liquid fuels was also increased at the beginning of 1965. In contrast to this, the stamp duty levied at the registration of motor vehicles was removed.

The decision to discontinue the Marketing Fund for agricultural produce meant the inclusion of the corresponding expenditure in the budget. Hence expenditure on agriculture increased by 160 million marks.

In April the first supplementary budget was passed. The expenditure side, which had a total of 595 million marks, included an item of 360 million marks for agricultural subsidies. The most notable item on the revenue side was the re-entry of an amount of 300 million marks, contained in the original budget proposal. The appropriation for raising the Finnish quotas in the International Monetary Fund and the World Bank accounted for the major part of the second supplementary budget, which amounted to 271 million marks and was passed in June.

During the first six months of the year the total of new loans obtained in the form of domestic bond issues and debentures was 416 million marks, of which tax payment certificates, which are included in short-term credit, amounted to 178 million marks. At the beginning of the year two loans totalling 40 million marks were issued for subscription by the public at



interest rates of 7 and 8 $\frac{1}{4}$ per cent. Of the loan of 30 million marks at variable rate of interest issued in the beginning of March, only 17 million marks was taken up by the middle of the year. The Post Office Savings Bank granted the Treasury two loans of 21 million marks each. Other banking institutions subscribed an amount of 91 million marks of the 100 million marks loan at variable rate of interest issued at the end of June. Of the loans from insurance companies issued at the beginning of the year, the amount of 27 million marks was taken up.

At the end of June the cash deficit of the Treasury was 59 million marks, having been on occasions around 200 million during the earlier months. In January—February the increase in expenditure on the previous year was more than the

increase in revenue, but later in the spring the growth in revenue accelerated. In the first half of the year, revenue was 22 per cent higher than in 1964, while the increase in expenditure remained at 17 per cent. The growth in revenue was mainly the result of a 25 per cent increase in the net yield of income and property taxation, and an almost 50 per cent increase in the yield of the purchase tax. Proceeds from borrowing, on the other hand, approximately equalled the redemption, partly due to the fact that foreign loans were harder to obtain than earlier.

The third supplementary budget was confirmed in October, and the fourth and fifth in December. Of these, the third and fifth consisted entirely of expenditure for the maintenance of the Finnish troops in the service of the United Nations, 7 million marks in all. In the fourth supplementary budget the expenditure was 306 million marks, the greater part of which consisted of appropriations for maintaining the level of employment and for covering the deficit of the State Railways. New loans entered on the revenue side totalled 152 million marks. The increase in the tax on passenger cars and motor-cycles put into effect in June was estimated to yield 55 million marks.

The composition of total revenue and expenditure is shown in the table below.

	1965 Ordinary and supplementary budgets	1964 Finance report
Million marks		
Revenue:		
Current revenue	5 595	5 027
Loans, obligations etc. ¹	1 122	583
Other capital revenue	185	183
Total	6 902	5 793
Expenditure:		
Current expenditure	4 889	3 621
Redemption	418	246
Other capital expenditure	1 825	1 878
Total	7 132	5 745

In the third quarter of 1965 the cash deficit of the Treasury varied between 50 and 80 million marks. In October, a temporary surplus was recorded, but again at the end of November the deficit was 41 million marks. The net yield of income and property taxation in January—November 1965 was only 11 per cent and that of purchase tax 38 per cent higher than in the corresponding period of the previous year. Current expenditure increased by 12 per cent and capital expenditure, excluding redemption, by 15 per cent. It may be mentioned further that interest paid on Treasury loans increased by 28 per cent. In the twelve-month period December 1964—November 1965 state revenue increased to 5 833 million marks, or by 17 per cent, and expenditure to 6 052 million marks, or by 12 per cent.

Throughout the year the amount of short-term credit was somewhat higher in 1965 than in 1964. Although total bill credits decreased in the latter part of the year, the net sales of the tax payment certificates amounted to 82 million marks. The cheque account balance of the Treasury with the Bank of Finland was small throughout the year: at the end of the year it was 1.1 million marks. The amount outstanding for the credit for stand-by stocks, 10 million marks, was redeemed to the Bank of Finland in November.

The following figures on the Public Debt are based on the official statement. The figures for 1965 are provisional. The short-term assets and liabilities arising from the cash transactions of the Treasury are not included in the figures. The marked rise in »Indemnity bonds and similar obligations» was due to the fact that the Treasury, as a result of the recurring cash difficulties, was obliged to pay the major part of the purchase tax refund in the form of bonds.

¹ The figure for 1965 includes a loan converted from the postponed sales tax refunds and the arrangements for loans to meet the increase in the Finnish subscriptions to the international financial institutions.

	Dec. 31, 1964	Dec. 31, 1965
	Million marks	
Ordinary loans	1 049	1 042
Obligation to IMF	135	135
Foreign debt	1 184	1 177
Ordinary loans	1 205	1 430
Short-term debt	290	348
Indemnity bonds and similar obligations	7	203
Internal debt	1 502	1 981
Total Public Debt	2 686	3 158

Drawings on new foreign loans during the year were 83 million marks. A publicly issued loan of 48 million marks was obtained from the United States in October. The Highway Loan granted by the World Bank in the previous year was drawn to the extent of 25 million marks. Of the commodity credit obtained from the Soviet-Union an amount equivalent to 10 million marks was drawn.

In the latter part of the year, loans for subscription by banks were taken up by the Post Office Savings Bank for 145 million marks, and by the Central Bank of the Co-operative Credit Societies for 50 million marks. During the year as a whole, bonds for subscription by the public (excluding tax payment certificates) were sold for 86 million marks. The total amount of loans subscribed by banks during 1965 was 337 million marks and that of loans subscribed by insurance companies 45 million marks. The net increase in the domestic consolidated debt was 421 million marks.

The bond market

During 1965, thirty-one new loans were issued, twenty-seven of which were bonds issued in Finland in Finnish marks and four issued abroad in foreign currency. The foreign loans consisted of the following: a loan of 15 million dollars issued by the Treasury and a loan of 10 million dollars issued by the City of Helsinki, both of which were issued in the United States, a loan of 14 million dollars to the Industrialization Fund from the World Bank, and a loan of 4 million pounds arranged for Enso-Gutzeit Oy by an international banking consortium.

Seventeen of the domestic loans of a total nominal amount of 649 million marks were issued by the Treasury. Of these six were intended for private subscription and the remainder for subscription by the banking institutions, insurance companies and labour pensions funds. The total amount of the Treasury bonds sold during the year was 600 million marks, of which firms and individuals subscribed 266 million marks. The bonds in Finnish currency issued in 1965 are listed in the following table.

Bond issues in 1965

	Total issue planned	Sold
	Million marks	
State loans	649	600
7 per cent loan	25	25
8 ¼ per cent loan	15	15
Loan at variable rate of interest	30	23
IV loan at variable rate of interest	30	23
Tax payment certificates	79	79
II tax payment certificates	102	102
8 per cent loan from banking institutions	21	21
6 ½ per cent loan from banking institutions	21	21
II loan at variable rate of interest	100	100
II 8 per cent loan from banking institutions	21	21
II 6 ½ per cent loan from banking institutions	21	21
III 6 ½ per cent loan from banking institutions	23	23
III loan at variable rate of interest	50	50
Loan from insurance companies	40	40
II loan from insurance companies	40	5
Forest improvement bonds	20	20
Labour pensions fund loan at variable rate of interest	11	11
Bank loans	90	66
Land and Industry Real Estate Bank Ltd	20	19
—»—	5	1
—»—	20	15
Central Bank of the Co-operative Credit Societies	10	8
Real Estate Bank in Finland Ltd	5	5
—»—	5	5
Industrial Mortgage Bank of Finland Ltd	25	13
Industrial loans	50	30
Rauma-Repola Oy	30	10
Oy Tampella Ab	20	20
Other loans	10	0
Hankkija Central Organization of the Agricultural Co-operative Societies	10	0
	Total 799	696

The nominal rate of interest on domestic bonds varied from 6 ½ per cent to 8 ¼ per cent, depending on whether or not they were index-tied. The rate of interest on Tax Payment Certificates was 9 per cent. Nineteen loans were provided with 50 per cent index clauses. Twelve Treasury loans were tied to the cost of living index; similarly five of the loans of the financial institutions were tied to the cost of living index and one to the wholesale price index; the loan to Hankkija Central Organization of the Agricultural Co-operative Societies was tied to the cost of living index.

III. FOREIGN EXCHANGE POLICY AND THE BALANCE OF PAYMENTS

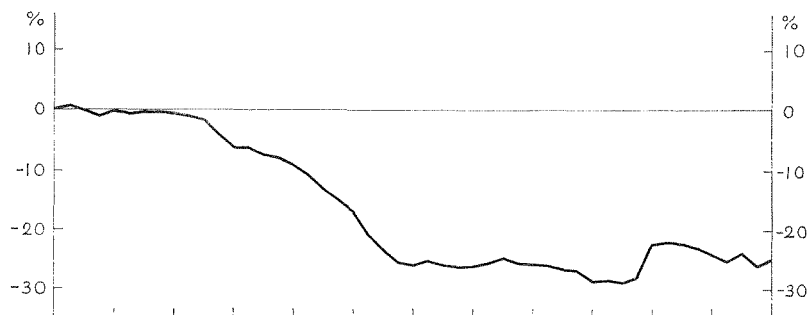
Rates of exchange

The rates of exchange quoted by the Bank of Finland are based on the par value of the mark as established in the first paragraph of Article 2 of the Currency Act of March 30, 1962; this par value has been 0.27771 grammes of fine gold to the mark (112 marks to a troy ounce of gold).

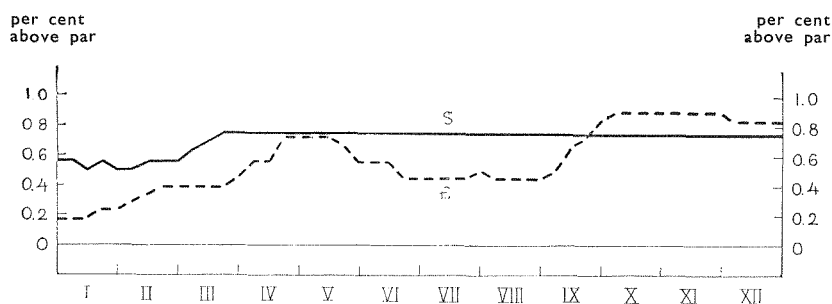
The Articles of Agreement of the International Monetary Fund oblige its members to maintain their foreign exchange rates within prescribed limits on either side of their par values and the par rates of exchange based on these. In Finland, the rates of exchange of the convertible currencies are quoted in a meeting of the authorized banks and the Bank of Finland held daily. The alterations in the rates of exchange become valid upon publication of the Bank of Finland's quotation list. In accordance with the Bank of Finland Regulations, the rates are also published in The Official Gazette (Virallinen lehti) and broadcast daily on the radio, through which, for example, the branch offices receive the quickest news of changes. For the exchange rates of the convertible currencies included in the official list of quotations by the Bank of Finland the maximum deviations have been calculated following the practice of the member countries of the European Monetary Agreement (EMA). Thus the maximum variation for the U.S. dollar has been $\frac{3}{4}$ per cent above or below par, the limits for the other variable rates being determined by the limits of the dollar rate applied by the countries concerned. The buying rates for these currencies are calculated on the basis of the selling rates, using the fixed maximum margins established by the Bank of Finland. The ranges of fluctuations of these rates of exchange are seen in the table on page 29, where the lowest buying rate and the highest selling rate for each of these currencies are indicated.

Sudden changes in the demand for and the supply of foreign currency, typical of the foreign currency dealings of our banks were particularly marked during the year under review. Since the borrowing of the banks at the Bank

THE RESERVE OF GOLD AND CONVERTIBLE CURRENCIES IN 1965,
PERCENTUAL CHANGE SINCE BEGINNING OF YEAR



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



of Finland remained on a high level, the banks had, as previously, to manage without substantial foreign currency reserves that would have levelled out the variations. Even though the weakening of the net foreign exchange position of the authorized banks served to counter the decline in the foreign exchange reserves of the Bank of Finland, the difference in timing of these opposing trends increased foreign currency transactions between the commercial banks and the Bank of Finland. A distinct decrease in the reserve of the convertible currencies in March rapidly brought the rate of exchange of the dollar to its upper limit. This also enabled the banks to buy dollars

from the Bank of Finland at a fixed intervention rate even outside the daily meetings. Hence, the transactions in foreign currency at the meetings amounted to a total of 232 million marks, i.e. at approximately the same as in the previous year. Through the last three quarters of the year, as a result of the continued foreign currency purchases by the banks, the rates of exchange remained as high as the respective international quotations allowed. The sales of foreign currency, which were almost exclusively due to foreign borrowing by the banks on the Euro-dollar market or from other sources, were only sporadic, and thus had hardly any influence on the rates. The increase in the reserve of convertible currencies towards the end of October was, in addition to the above mentioned, caused by the Treasury's sale to the Bank of Finland of the proceeds from the bond issue in the United States, and also by certain changes in investments in foreign securities made by the Bank of Finland on behalf of other domestic institutions. The mark rate for the pound quite closely followed the changes in the international value of the pound, the reductions in the rate resulting from the rise of the mark rate of the dollar to its upper limit. The difficulties of the pound at the beginning of the year were seen on the list of quotations only as a rise in the mark rates for other currencies. The policy measures introduced by the British Government in April to counter the adverse trend of the balance of payments and to maintain the international value of the pound, however, restored confidence in the pound. The improved position of sterling is clearly apparent in the figure above. Since the dollar rate could not rise further, the pound rate decreased in May—June, although at the same time the sales of foreign currency to commercial banks were at their highest for the year. The fall of the international rate of exchange of the pound can be attributed to the heavy demand for dollars. At the beginning of June it was possible for Britain to lower the Bank Rate from 7 per cent to 6 per cent. The announcement of a new international credit granted to Britain to support the rate of exchange of the pound, in connection with the first quarterly surplus in the balance of payments in two years, raised the dollar rate of the pound so that the mark rate for the pound also reached the highest level of the year in September—October.

Fixed rates were quoted throughout the year for the currencies bound through clearing agreements, which since April 1 consisted of Soviet Union roubles and clearing dollars only.

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

Variable rates	Official selling rates		The limits of selling rates at sight		Maximum margins between selling and buying rates during 1965 mk	
	Dec. 31, 1964 mk	Dec. 31, 1965 mk	Minimum buying rates mk	Maximum selling rates mk		
New York	1 \$	3.218	3.224	3.176	3.224	— .015
Montreal	1 Can \$	2.998	2.998	2.9085	3.0120	— .015
London	1 £	8.975	9.035	8.829	9.0920	— .04
Stockholm	100 Skr	62.60	62.34	60.930	62.785	— .32
Oslo	100 Nkr	44.98	45.14	44.110	45.475	— .25
Copenhagen	100 Dkr	46.50	46.83	45.645	47.015	— .25
Frankf. o. M.	100 DM	80.98	80.60	78.805	81.210	— .38
Amsterdam	100 Hfl	89.54	89.42	87.070	89.745	— .50
Brussels	100 Bfr	6.485	6.497	6.3045	6.4970	— .035
Zurich	100 Sfr	74.58	74.70	71.370	75.065	— .42
Paris	100 FF	65.65	65.80	63.850	65.800	— .33
Rome	100 Lit	— .5147	— .5163	— .50450	— .51960	— .003
Vienna	100 Sch	12.46	12.48	12.120	12.500	— .08
Lisbon	100 Esc	11.20	11.27	10.920	11.345	— .08
Reykjavik	100 Ikr	7.50	7.50	—	—	— .07
Madrid	100 Ptas	5.42	5.42	5.2500	5.4200	— .10
Fixed rates						
Prague						
(till March 31)	100 Kč	44.58	—	—	—	— .28 ¹
Moscow, clearing	1 Rub	3.5667	3.5667	—	—	— .0222 ¹
Bucharest, Peking						
Clearing dollars	1 cl-\$	3.21	3.21	—	—	— .02 ¹
Ankara, Athens, Berlin, Bogotá, Budapest, Prague (starting April 1), Sofia and Warsaw						

¹ Fixed.

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

Foreign payments

At the end of 1965 Finland was a party to bilateral payments agreements, which call for payment through clearing, with eight countries of the Eastern Bloc (Bulgaria, China, Czechoslovakia, the Democratic Republic of Germany, Hungary, Poland, Rumania and the Soviet Union) and with two members of the International Monetary Fund (Colombia and Greece). According to the agreement with Czechoslovakia, in April 1965 clearing dollars were adopted as a basis for settlement instead of Czechoslovakian crowns. The agreement with Greece can be considered as partly multilateral, for one

half of the balance is settled every four months in convertible currencies. Payments with Turkey were settled in convertible currencies from February 1, 1965.

The following changes in the foreign exchange regulations of the Bank of Finland were made during the year. With effect from April 15 the Bank of Finland shortened (from 10 to 5 years) the period over which foreign legal or physical persons who have been resident abroad for the last three years may have such capital as they hold in Finland transferred abroad; if the total amount concerned is below 25 000 marks, it may be transferred in annual portions of 5 000 marks at the most. This was a step towards the liberalization of the use of foreign-held capital assets (previously termed »blocked assets»), in line with measures undertaken by other countries where such assets are still under official control. At the same time, the deterioration of external liquidity made it necessary to restrain the growth in current expenditure of foreign exchange, particularly that connected with tourist traffic. Thus, with effect from November 1, on the suggestion of the Bank of Finland, the Government reduced from 200 to 100 marks the amount of Finnish currency which a traveller from Finland is allowed to take out of the country. For persons who make frequent visits to a neighbouring country but do not travel beyond the bordering commune, the amount was lowered from 200 to 100 marks per calendar month.¹ The other changes introduced in the foreign exchange regulations related to minor measures of liberalisation and technical adjustments.

The balance of payments and the foreign exchange reserve

Despite the slackening in the growth of total production and imports, the trade balance for 1965 showed a deficit of 721 million marks; in the previous year the corresponding figure was 698 million. The surplus from services remained approximately at the 1964 level. The balance of payments deficit on current account amounted to 591 million marks, against 559 million in the previous year.

In 1964 the substantially increased deficit of the balance of payments on current account could be financed by foreign capital, mainly long-term loans; the foreign exchange reserves of the Bank of Finland actually increased in that year. In 1965, however, the tightening in the foreign capital markets, which had started towards the end of the previous year, caused very considerable changes in the structure of the Finnish balance of payments. The growing difficulties of raising capital in Western Europe and the United States were reflected partly in a rise in interest rates, but mainly in a heavy

¹ At the same time, the Board of Customs restricted travellers' rights to bring in duty-free goods.

fall in the amount of loans obtained. During the year new foreign credit totalled 434 million marks whereas in 1964 the corresponding figure had been 766 million. As the redemption of previously obtained loans increased from 231 to 273 million marks, the growth in long-term foreign debt was reduced from 535 to 161 million marks.

Although there was a slight increase in the inflow of short-term capital, mainly in the form of suppliers' credits the financing of the balance of payments deficit on current account greatly reduced the foreign exchange reserves of the country. The Bank of Finland's reserves fell, while the foreign liabilities of the authorised banks increased; this development is described in greater detail on p. 33—35.

The marked fall in the inflow of foreign capital mainly related to bond issues. In 1964, the Government, banks and private corporations had made ten issues in Western Europe and the United States, amounting to a total nominal value of 344 million marks. Last year only three loans were obtained, nominally 116 million marks in all. At the beginning of February the Enso-Gutzeit Osakeyhtiö issued bonds, guaranteed by a Finnish commercial bank, to an amount of £ 4 million on the European market; interest and redemption are also payable in DM at a fixed rate of exchange. At the beginning of April the City of Helsinki issued bonds amounting to \$ 10 million in New York. This was the first foreign loan of the city since 1938. The Government made only one issue abroad in 1965, amounting to \$ 15 million. The terms of this loan, launched in New York in October, were slightly less favourable than those of the bonds issued in the United States in December 1964, an indication of the weakening in the market.

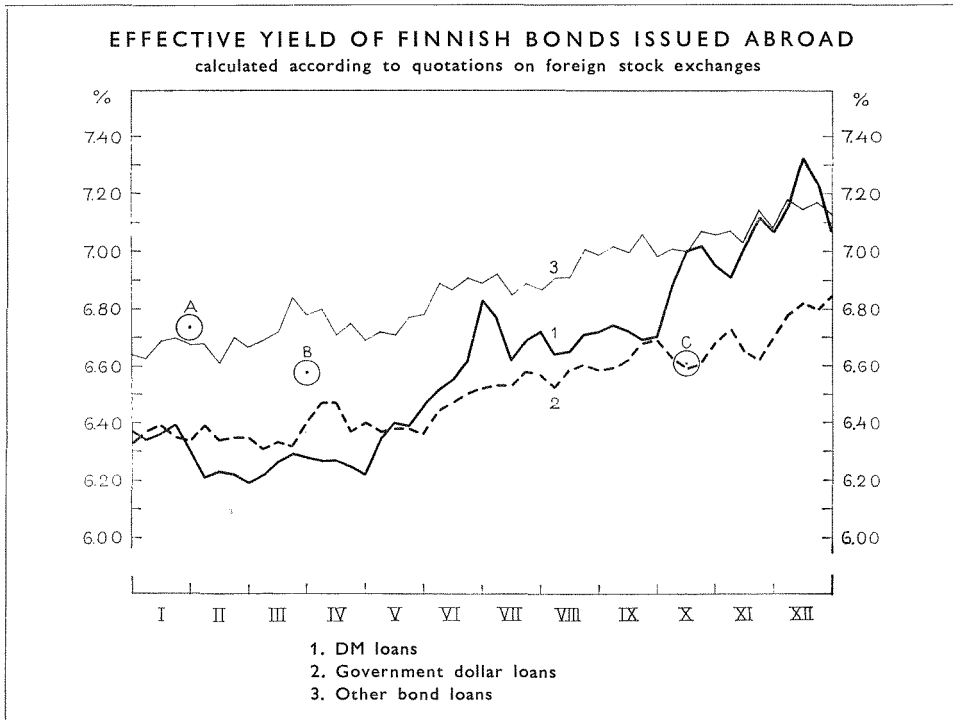
The amounts and terms of the three issues made in 1965 are shown in the table below. For comparison, the corresponding totals for 1964 are also given; these show that the average loan period has been reduced and that the effective yield to the buyer has increased somewhat, mainly because of the rise in the nominal rate of interest.

Finnish bond issues abroad in 1965

Date of loan	Borrower	Nominal amount, millions	Equivalent in million marks	Term, year	Nominal rate of interest %	Rate of issue %	Effective yield to buyer ¹ %
1. 2.	Enso-Gutzeit Oy ²	£ 4	35.8	15.0	6.50	97.75	6.74
1. 4.	Helsinki	\$ 10	32.0	12.0	6.25	97.25	6.58
15. 10.	State	\$ 15	48.0	15.0	6.50	99.00	6.61
	Total in 1965		115.8	14.2	6.41	98.00	6.64
	in 1964		344.2	14.5	6.20	98.03	6.41

¹ Calculated for the whole loan period.

² Guaranteed by a Finnish commercial bank.



However, the clearest evidence of the deterioration of the market is afforded by the foreign stock exchange quotations for Finnish bonds. During the first half of 1965 a slightly falling tendency was already noticeable, but towards the end of the year the fall was so heavy that the average market price of all issues quoted on foreign stock exchanges dropped to 94.6 per cent; a year ago it had been 98.6 per cent.

The curves in the diagram above illustrate averages of the effective yields of the individual loans for the remaining loan periods, calculated on the basis of quotations. The groups roughly represent types of loans with differing courses of development.¹ It is also apparent from the diagram that the terms of the three issues made in 1965 had to be adjusted to the market position of the earlier loans. Each new issue would naturally influence the quotations of the old ones, if its effective yield differed considerably from the general level of market rates.

At the end of the last three years the average effective yields of all Finnish bonds issued abroad were: 5.93 per cent for 1963, 6.43 per cent for 1964 and 7.21 per cent for 1965. Thus the fall in their market rates during 1965 meant an increase of 0.78 percentage points in their effective yield.

¹ The Government bonds issued in Switzerland in 1961 and the 1964 sterling loan of the Rautaruukki Oy have been omitted, since for various reasons the movement of their quotations deviates considerably from the general trend.

The tightening of the foreign capital markets affected other forms of borrowing also. As a result, the total increase in Finland's long-term foreign debt was no more than 7 per cent in 1965, against about 30 per cent in the previous year. The composition of the debt, specified according to the type of the loans, was as follows at the end of the last two years.

Finnish long-term foreign liabilities

	Dec. 31, 1964	Disbursed in 1965	Repaid in 1965	Dec. 31, 1965	Net change
	Million marks				
Credits granted by foreign governments	799	10	74	735	— 64
The USSR	299	10	44	265	—34
Sweden	249	—	11	238	—11
The United States	251	—	18	233	—18
Credits from international monetary institutions	328	62	23	367	+ 39
Bond issues	422	128	3	547	+125
Other financial credits	452	100	74	478	+ 26
Commodity credits	286	134	99	321	+ 35
Total	2 287	434	273	2 448	+161

Of the total foreign debt, the equivalent of 2 448 million marks by the end of 1965, 1 016 million marks is payable in U.S. dollars, 397 million marks in Swedish crowns, 378 million marks in DM and 266 million marks in roubles. The remaining amount of 391 million marks is due in other currencies, of this only 29 million in Finnish marks.

As mentioned above, the reduced inflow of foreign capital meant a drop in the foreign exchange reserves of the Bank of Finland and an increase in the net foreign indebtedness of the authorised banks. The following table indicates, by principal categories of the reserves, the change over the year in the net assets of the Bank of Finland and other holders (authorised banks and Treasury).¹

	Bank of Finland		Others		Change on 1964	
	1964	1965	1964	1965	Bank of Finland 1965	Total 1965
	Million marks					
Gold	273	267	—	—	— 6	— 6
Convertible currencies	708	483	—74	—155	—225	—306
IMF gold tranche	46	46	—	—	—	—
Total	1 027	796	—74	—155	—231	—312
Other currencies	—9	20	1	1	+ 29	+ 29
Grand total	1 018	816	—73	—154	—202	—283

¹ The Bank of Finland commenced publishing these data monthly at the beginning of 1965 in a special report which supplements the information obtainable from the Bank's statements. In these reports gold has been given at its par value throughout the period; in the statements the valuation of gold at par was introduced on December 31, 1965. Table 2 gives the quarterly movements of the reserves.

The gold and foreign exchange reserves of the Bank of Finland was reduced by a net amount of 202 million marks during 1965.¹ The fall was particularly marked in the first half of the year. In the third quarter a temporary increase occurred, mainly due to certain deliveries of ships, but subsequently the reserves fell again. The minimum for the year, 723 million marks, was recorded on September 30, the decrease since the beginning of the year being then 295 million marks. In October the reserves of the bank grew substantially, by 91 million marks. Of this about half was derived from the proceeds of the Government dollar loan which the Treasury sold to the Bank of Finland. The other half of the increase represented purchases of foreign exchange from the authorised banks and is thus insignificant if the total foreign exchange position of the country is considered. At the end of the year the net liability in »other currencies» changed into a net credit balance which also raised the foreign exchange reserves to some extent.

Throughout the year the Bank's reports on the foreign exchange position included the IMF gold tranche, which is in practice automatically available in convertible currencies and thus comparable with other foreign exchange assets. As described on p. 42, the Bank of Finland bought the gold tranche from the Treasury at the end of 1965; in the final statement of the year it was booked under ordinary note cover; it was also included in the Bank's gold and foreign exchange reserves.

At the end of 1965 the proportion of gold in the total gold and foreign exchange reserves of the Bank of Finland was 33 per cent (27 per cent at the end of 1964). Convertible currencies represented 59 per cent (69 per cent) and the IMF gold tranche 6 per cent (5 per cent) of the total reserves.

The foreign bills in the Bank's portfolio, which are included in the ordinary note cover but not in the foreign exchange reserves increased by 25.0 million marks in 1965; at the end of the year their book value was 54.7 million marks. These bills, discounted by financial institutions and private enterprises, are related to export deliveries. The Bank's holdings of foreign bonds were reduced by 17.5 million marks according to the statements, their end-of-year book value amounting to 29.1 million marks. These assets, which are also not included in the foreign exchange reserves, are denominated in convertible currencies.

The Treasury held no foreign assets either at the beginning or at the end of the year. The highest figure reached in the course of the year was 20 million marks. The short-term bill credit of 36 million marks obtained from a foreign bank at the end of 1964, matured during the year under review. One-half of the credit was renewed, and the Treasury's short-term foreign debt thus amounted to 18 million marks at the end of 1965. This debt

¹ The reduction appears to be considerably less if it is calculated from the Bank's statements, where gold was not valued at par until the end of December 1965 (Act of December 30, 1965). The increase in the gold reserve due to the change in book valuation amounted to 83.5 million marks (See p. 36).

has not been deducted in calculating the total reserves shown in the table on p. 33.

The net foreign debt of the authorised banks grew considerably. For reasons of monetary and foreign exchange policy these liabilities are for the greater part subject to the supervision of the central bank. The Bank of Finland has set a ceiling to each authorised bank's foreign obligations, and this must not be surpassed without special permission from the Bank of Finland. The foreign liabilities of the authorised banks fell from 223 to 218 million marks during 1965. On the other hand their foreign assets were also reduced, from 150 to 64 million marks. Thus their external liquidity position deteriorated by 81 million marks. This net indebtedness has been deducted in the calculation of the combined foreign exchange position of the Bank of Finland, the Treasury and the banks shown above.

IV. BANK OF FINLAND STATEMENTS

Details of the statements of the Bank of Finland are given in the statistical section of the Year Book. Some additional data are provided below on the contents of the individual items in these statements, and the changes that have occurred in them.

Foreign accounts

	Dec. 31, 1964	Dec. 31, 1965 <small>Million marks</small>	Change
Gold	189.6	267.5	+ 77.9
Gold tranche at the International Monetary Fund	—	45.6	+ 45.6
Foreign exchange	783.8	547.8	—236.0
Foreign bills	29.7	54.7	+ 25.0
Foreign bonds	46.6	29.1	— 17.5
Assets	1 049.7	944.7	—105.0
Foreign exchange accounts	84.7	44.8	— 39.9
Mark accounts of holders abroad	28.5	10.9	— 17.6
Foreign term liabilities	54.3	45.6	— 8.7
Liabilities	167.5	101.3	— 66.2
Net foreign assets	882.2	843.4	— 38.8

The Regulations for the Bank of Finland were revised with the Act issued on December 30, 1965 so that the gold holdings of the Bank, which since 1950 had been booked at 2 500 marks per kilogramme of fine gold, are to be booked at the international par value of the mark. Since January 1, 1963 this par value is 0.27771 grammes of fine gold to the mark, which is equivalent to 3 600.88 marks to a kilogramme of gold. When the book value of gold was raised in accordance with this at the closing of the books on December 31, 1965, the value of gold holdings in the Balance Sheet increased by 83.5 million marks. The increase in the value of gold holdings during the year was not, however, more than 77.9 million marks; thus, in real terms, the gold holdings decreased by 5.6 million marks during the year. A new item in the foreign assets of the Balance Sheet is the gold tranche

at the International Monetary Fund, which the Bank of Finland redeemed to the Treasury (See page 42). The foreign term liabilities consisting of the loans obtained from the World Bank prior to 1956 are reduced yearly by amortization; the Bank of Finland has advanced these loans to industrial and power companies receiving bills in foreign currency from them as cover.

The gold and foreign exchange reserve of the Bank, arrived at by deducting the liabilities of foreign exchange accounts from the total of the gold holdings, the gold tranche, and the foreign exchange assets, amounted to 816 million marks at the end of the year at book valuation. The decrease in the gold and foreign exchange reserve is partly covered by the change in the valuation of gold and the transfer of the gold tranche; without these the reduction would have amounted to 202 million marks. The composition of the reserve and the changes that occurred in it are shown in greater detail in Table 2.

Treasury accounts

	Dec. 31, 1964	Dec. 31, 1965	Change
	Million marks		
Assets: Credit for stand-by stocks	10.0	—	—10.0
Cheque account	5.4	1.1	— 4.3
Export levy account	1.1	1.1	—
Liabilities	6.5	2.2	— 4.3
Net loans to the Treasury	3.5	—2.2	— 5.7

The remaining 10 million marks of the credit for stand-by stocks, entered in the Balance Sheet under »Other claims», was in accordance with the loan agreement paid off by the Treasury. The Treasury's export levy account, included among Finnish long-term liabilities, remained unchanged during the year. The table does not include the marketable Treasury bonds held by the Bank and purchased either from the banks, or direct from the Treasury.

Accounts of the banks

	Dec. 31, 1964	Dec. 31, 1965	Change
	Million marks		
Assets: Rediscounted bills	448.4	640.6	+192.2
Cheque account of Post Office Savings Bank	49.6	8.3	— 41.3
Cheque accounts of private banks	16.4	11.9	— 4.5
Mortgage Bank of Finland Oy	0.6	0.2	— 0.4
Liabilities	66.6	20.4	— 46.2
Net indebtedness of banks	381.8	620.2	+238.4

The weekly average of the rediscounts amounted to 572 million marks during the year under review, which is 226 million marks more than the previous year. The basic rate of interest on rediscounts remained at 7 per cent, but from November 1 the Board of Management was entitled to apply a lower rate also, not however, less than 6 per cent. From the same date this rate of 6 per cent was applied to the banks that had restricted their lending to the limits set by the Bank of Finland (See page 11). The upper limit of the penalty rate on rediscounts was 4 per cent per annum.

The account of the Mortgage Bank of Finland Oy, shown in the above table is entered among »Other liabilities payable on demand». The table does not include the bonds temporarily purchased from the banks.

Accounts of trade and industry

	Dec. 31, 1964	Dec. 31, 1965	Change
	Million marks		
Bills in Finnish currency	67.1	26.0	—41.1
Cheque accounts	2.5	1.9	— 0.6
Bills in foreign currency	55.2	45.5	— 9.7
Other claims	30.2	74.5	+44.3
Assets	155.0	147.9	— 7.1
Cheque accounts	0.7	1.2	+ 0.5
Other liabilities payable on demand	0.9	0.7	— 0.2
Finnish term liabilities	—	10.5	+10.5
Liabilities	1.6	12.4	+10.8
Net loans to trade and industry	153.4	135.5	—17.9

Bill credits in Finnish currency granted to trade and industry decreased, partly because of the decline in credits granted to grain wholesalers, but mainly because of a decrease in other clients' credits. The bills in foreign currency which are those mentioned above to cover loans granted by the Bank out of World Bank credits, were reduced by regular amortization payments. The increase in »Other claims» is mainly due to medium-term suppliers' credits for the metal industry, which rose by 38.8 million marks. The increase in liabilities was almost exclusively due to investment deposits in accordance with the Act on Investment reserve fund of the metal industry (648/64) totalling 10.5 million marks in 1965 and booked in »Finnish term liabilities» in the Balance Sheet.

Other accounts

As regards the accounts entered under Assets and not dealt with above it may be stated that the portfolio of Finnish bonds remained nearly unchanged. The total holdings of bonds increased by only about 1 million marks and amounted to 37 million marks at the end of the year. Finnish coin, booked under »Other assets» in the Balance Sheet relates to the metal coinage held by the Bank. Coins in circulation, which do not appear in the Balance Sheet, increased from 52.4 million marks to 67.9 million marks during the year, mainly because one mark notes were continuously replaced by new one mark metal coins. The movement and composition of coins in circulation are shown in Tables 7 and 9.

In accordance with the Act on Revised Regulations for the Bank of Finland the capital of the Bank was raised from 100 million to 300 million marks, utilizing the funds of the equalization accounts, at the closing of the books. The total visible capital of the Bank, excluding the annual profit of 1965 totalled 397.9 million marks. The increase on the previous year was 213.1 million marks, of which 200 million marks consisted of the raising of the capital of the Bank as mentioned above, while the remaining 13.1 million marks was the sum transferred to the reserve fund from the profit of 1964. The equalization accounts, which were affected by changes in the valuation of gold and in the foreign exchange reserve, as well as by the raising of the capital of the Bank, decreased by 96.7 million marks during the year under review.

The Profit and Loss Account of the Bank of Finland is shown in Table 3. Earnings were 5.7 million marks more than the previous year, or 46.6 million marks. The rise was almost entirely a result of the increased interest earnings on domestic credit. Expenses were 2.7 million marks more than the previous year, or 17.3 million marks. Of the expenses, the amounts written off, arising from building work at some branch offices, showed the greatest increase.

The profit of the Bank amounted to 29.3 million marks. In accordance with the Act on Revised Regulations governing the Bank of Finland, at least one-half of the annual profit is to be transferred to the reserve fund until the capital and the reserve fund total 500 million marks; the limit was formerly 200 million marks. Accordingly, one-half of the annual profit of 1965 was transferred to the reserve fund. The disposal of the other half will be decided by Parliament.

V. FINLAND'S RELATIONS WITH INTERNATIONAL FINANCIAL INSTITUTIONS

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

International Monetary Fund (IMF)

The quota of Finland in the International Monetary Fund was 57 million U.S. dollars in 1965, which is equivalent to 182.4 million marks at the current par rate of exchange. Of this amount, Finland had paid 25 per cent, or 45.6 million marks, in gold and dollars. The remaining 75 per cent had been paid in marks by crediting the account of the Fund at the Bank of Finland with 1.95 million marks, and by a Government issue of non-interest-bearing, non-negotiable notes, payable on demand, for 134.85 million marks. The notes are held by the Bank of Finland on behalf of the Fund.

At the end of 1965, Finland's quota represented 0.36 per cent of the total quotas of the 103 member countries of the Fund, which amounted to almost 16 000 million dollars. The member countries make no contributions to the budget of the Fund, which is financed entirely out of its current receipts.

Article XIV of the Fund Agreement (Treaty Roll No. 3/1948) provides that Finland shall annually consult the Fund as to the further retention of foreign exchange restrictions. The decision of the consultations of December 1964 was taken in 1965. With a decision reached on April 21 the Board of Executive Directors of the Fund accepted the foreign exchange regulations applied by Finland.

The annual meeting of the Board of Governors of the Fund was held in Washington from September 27 to October 1. Finland was represented by Dr. KLAUS WARIS, Governor of the Bank of Finland, with Dr. REINO ROSSI, Member of the Board of Management of the Bank of Finland, as his

alternate. In addition, OLAVI MUNKKI, the Finnish Ambassador in Washington, and JOUKO J. VOUTILAINEN, Secretary of the Bank of Finland, participated as advisers.

The most important issue discussed at the meeting, as anticipated, was the problem of international liquidity. The marked disequilibrium in international settlements that prevailed towards the end of 1964, and which affected the two most important reserve currencies of the world, greatly encumbered the system of international settlements. This led to discussions on improving the present system. It was stated in the meeting that the existing system should, however, be further developed on the basis of its present form.

The Board of Governors of the Fund approved the proposal of the Executive Board regarding the increase in the quotas of the Fund members on March 31, 1965. Two separate resolutions were passed, by which the quotas of all member countries were to be increased by 25 per cent, and a special increase in the quotas of 16 countries was sanctioned. Finland participates in both the increases and is entitled to increase her quota to 125 million dollars, 43 million dollars in accordance with the Resolution on special increases and 25 million dollars in accordance with the general increase. Of the increase, 25 per cent is paid in gold. When the increases take effect, the total of the quotas of the Fund members will approach 21 000 million dollars, which will increase international liquidity considerably.

The member countries were required to send their consents to the increases in the quotas to the Fund by September 25, 1965. A majority of two thirds, calculated on the basis of the quotas in force on February 26, 1965, was required for the increases to become effective. However, since the required majority was not obtained within the time limit set because of internal legislative formalities in some member countries, the Fund decided to extend the deadline to March 25, 1966.

The increase in the Finnish quota was approved by Parliament on June 3, 1965 in connection with the second supplementary budget for the year under review. The Government confirmed the increase on September 9, and an official statement of consent regarding the increase in the quota was delivered to the Fund on September 14. According to the Fund resolution, the rise in the Finnish quota falls due within 30 days after Finland has consented to the increase, provided that the above-mentioned majority of two thirds is secured. As the latter condition was still not fulfilled at the end of 1965, the payment of the increase was postponed to 1966.

On September 9 the Government decided that the payment of the increase of 68 million dollars in the quota, equivalent to 217 600 000 marks, would be made as follows: 25 per cent or 54 400 000 marks in gold, 1 per cent or 2 176 000 marks in Finnish marks to the account of the International

Monetary Fund with the Bank of Finland, and 74 per cent or 161 024 000 marks by a Government issue of non-interest-bearing, non-negotiable notes payable on demand, according to the terms outlined in the resolution passed by the Board of Governors of the Fund on March 31, 1965.

On the same date the Government confirmed the internal financial arrangements of the increase in the quota on the lines previously agreed upon with the Bank of Finland. That part of the increase in the quota to be settled in gold will be paid by the Bank of Finland from its own reserves. The Bank of Finland will also redeem the equivalent of the gold tranche in the present quota, 45.6 million marks, previously paid by the Treasury. In part settlement of this, the Bank of Finland, on behalf of the Treasury, paid the short-term bill credit granted by an international bank, equivalent to 17 959 405.02 marks that fell due on June 10, 1965. The remainder or 27 640 594.98 marks was paid by the Bank of Finland to the Treasury on December 27, 1965.

Moreover, on the basis of a parliamentary decision the Government agreed, on behalf of the State that the right to decide on drawings from the Fund within Finland's gold tranche belongs to the Board of Management of the Bank of Finland, which may freely decide in this matter in the same manner as it does in the case of the Bank's other foreign exchange assets. If Finland should cease to be a member of the Fund and then the Fund returned to the Government payments related to Finland's membership, or if the Bank of Finland should incur a loss for any other reason for the payment of the gold tranche, the State will reimburse the Bank of Finland the equivalent of the gold tranche (whose nominal value at the current par value and after the increase of the quota is put into effect will be 100 million marks).

KURT EKLÖF of Sweden, served as Executive Director, elected by the five Nordic countries to the end of the year under review, while OTTO SCHELIN of Denmark, served as alternate.

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

Finland's subscription to the World Bank is 76 million U.S. dollars, equivalent to 243.2 million marks at the current par value of the mark. Of this amount, 1 per cent, or 760 000 U.S. dollars, equivalent to 2 432 000 marks, was paid in gold and dollars, and 9 per cent, or 21 888 000 marks, deposited in marks on the account of the World Bank at the Bank of Finland. Payment of the remaining 90 per cent of Finland's subscription, equivalent to 68 400 000 dollars or about 218.9 million marks, is subject to call only when required to meet the World Bank's own obligations.

At the end of 1965, Finland's subscription represented 0.35 per cent of the total capital of the World Bank (21 605.8 million dollars). At the same date, the World Bank had 103 members. Like the International Monetary Fund, the World Bank finances its annual budget from current receipts, without recourse to contributions from the member countries.

The special increase in the Finnish quota in the International Monetary Fund, described above, calls for a corresponding increase in the Finnish subscription to the World Bank. In addition to its present subscription of 76 million dollars Finland has therefore to subscribe new shares to the value of 57.3 million dollars so that its total subscription will amount to 133.3 million dollars. The Board of Governors of the World Bank accepted the proposal to subscribe to new shares on April 30, 1965. In accordance with the resolution, Finland is permitted to increase its subscription from 57.3 million dollars to 133.3 million dollars, which is the equivalent of 183 360 000 marks at the present par value of the mark; 1 per cent of the increase is to be paid in gold or dollars and 9 per cent in Finnish marks. The remainder 165 024 000 marks, does not have to be paid; it will only add to the guarantee obligation securing the liabilities of the World Bank.

After Parliament's sanction to the capital subscription had been granted, at the same time as the second supplementary budget was passed on May 14, the government decided to increase Finland's subscription to the World Bank, in accordance with the conditions of the resolution of the Board of Governors of the World Bank on September 9, 1965. Thus the Treasury will credit 1 per cent of the rise, or 1 833 600 marks, in dollars and 9 per cent, or 16 502 400 marks, in Finnish marks to the account of the World Bank with the Bank of Finland. In settlement of the latter, the Bank of Finland will grant the Treasury a credit; the Government's decision to accept the credit was made on September 9.

The actual subscription was made with the letter of the Treasury to the World Bank dated October 25, stating that Finland would subscribe to new shares in the World Bank to the value of 57.3 million dollars. The new Finnish subscription did not, however, come into force in 1965, since the increases in the quotas of the International Monetary Fund were postponed to 1966.

During the year under review Finland obtained its twelfth loan from the World Bank, amounting to 14 million dollars (44.8 million marks). The loan was granted to the Industrialization Fund (Teollistamisrahasto Oy) and was the second loan to this institution from the World Bank. The initial negotiations for the loan were conducted in February—March, when a delegation from the World Bank visited Finland to study the country's economic conditions and the activities of the Industrialization Fund. The final phase of the negotiations proceeded in Washington in May, when a

delegation representing the Finnish Government and the Industrialization Fund settled in detail the terms of the loan with the World Bank. The loan agreement was signed in Washington on June 30 by PENTTI UUSIVIRTA, Counsellor of the Embassy, representing the Finnish Government, the guarantor of the loan, and KLAUS CASTRÉN, Counsellor of the Embassy, representing the Industrialization Fund.

In 1965 Finland also applied for a new road loan from the World Bank, and in connection with the application representatives of the World Bank visited Finland in August and in November to study the projects outlined in the application as well as the country's general economic situation. The final negotiations were, however, postponed to 1966.

The twelve loans obtained from the World Bank by the end of 1965 total 201 779 464 U.S. dollars, or 645.7 million marks at the par value of the mark. The loans from the World Bank are drawn upon as and when the relevant investments require financing, so that a proportion of the most recent loans is still unutilised. The following table gives some particulars of the loans obtained by Finland from the World Bank.

Date of loan	Nominal value \$	Rate of interest %	Term, years	Repaid by Dec. 31, 1965 \$	Outstanding on Dec. 31, 1965 \$	Undisbursed balance on Dec. 31, 1965 \$
1. 8. 1949	12 500 000	4	15	12 500 000	—	—
17. 10. 1949	2 300 000	3	2	2 300 000 ¹	—	—
30. 4. 1952	20 000 000	4 ³ / ₄	18	12 468 000	7 532 000	—
13. 11. 1952	3 479 464	4 ³ / ₄	18	2 168 479 ²	1 310 985	—
24. 3. 1955	12 000 000	4 ⁵ / ₈	15	6 873 000	5 127 000	—
22. 5. 1956	15 000 000	4 ³ / ₄	20	4 579 000	10 421 000	—
16. 3. 1959	37 000 000	5 ³ / ₄	15	7 875 000	29 125 000	—
9. 8. 1961	25 000 000	5 ³ / ₄	15	1 497 000	23 503 000	—
15. 8. 1962	25 000 000	5 ³ / ₄	20	—	22 229 985	2 770 015
18. 9. 1963	7 000 000	var.	var.	26 000	5 658 126	1 315 874
10. 7. 1964	28 500 000	5 ¹ / ₂	15	—	7 678 082	20 821 918
30. 6. 1965	14 000 000	5 ¹ / ₂	17	—	1 382 074	12 617 926
	201 779 464			50 286 479	113 967 252	37 525 733

The annual meeting of the Board of Governors of the World Bank was held in Washington simultaneously with the annual meeting of the International Monetary Fund. Finland was represented by R. V. FLEANDT, Envoy Extraordinary and Minister Plenipotentiary, with ESKO REKOLA, Chief to the Prime Minister's Office, as his alternate. OLAVI MUNKKI, Finland's Ambassador to the United States, and JOUKO J. VOUTILAINEN, Secretary of the Bank of Finland, participated as advisers.

VILHJÁLMUR THOR, of Iceland, served as Executive Director elected by the five Nordic countries, while ODD HØKEDAL, of Norway, served as alternate.

¹ Of which \$ 197 869 was cancelled. — ² Of which \$ 1 416 was cancelled.

International Finance Corporation (IFC)

Finland's subscription to the International Finance Corporation is 421 000 U.S. dollars, equivalent to 1 347 000 marks at the current par value of the mark. This amount was paid in full on the accession of Finland to the Corporation at the time of its foundation in 1956. The capital of the Corporation amounts to 99.3 million dollars. At the end of 1965, the Corporation, which is affiliated to the World Bank, had a membership of 80 countries. The Finnish representatives on the Board of Governors were *ex officio* those occupying the corresponding posts in the World Bank.

The International Finance Corporation was established with the object of providing funds for private enterprise and development finance institutions extending long-term finance to industry without a guarantee from the Government of the country concerned.

In 1965 the Board of Governors of both the World Bank and the International Finance Corporation suggested, in the resolutions of August 25, 1965, an amendment to the Articles of Agreements of the two institutions so that the World Bank would be allowed to make, participate in, or guarantee loans to the International Finance Corporation. These resolutions were accepted on behalf of Finland on December 10, 1965 (Statute Roll 676/65 and 677/65, and Treaty Roll 67/65 and 68/65), and they came into force in 1965.

Of the increase of 2 million marks in the capital of the Industrialization Fund offered for subscription abroad, the International Finance Corporation subscribed 502 000 marks in 1963. In 1965 the International Finance Corporation granted a long-term loan of 700 000 dollars to Huhtamäki-yhtymä, and in addition subscribed to the shares of this company to the value of 100 000 dollars. The two investments of the International Finance Corporation made in Finland in 1960 that were granted to Finnish companies in the form of loans have now been redeemed.

International Development Association (IDA)

Finland joined the International Development Association as an original member on its establishment in 1960. At the end of 1965, the Association had a membership of 96. The total capital of the Association is 999.1 million U.S. dollars, of which the original Finnish subscription amounted to 3.83 million dollars.

Finland participated in the general increase of the subscriptions in the International Development Association, decided in 1964, with the amount

of 2 298 000 U.S. dollars, or 7 353 600 marks. The additional increase in the Finnish subscription will be paid in three equal instalments in 1965—1967. The first instalment, or 766 000 dollars, was paid according to the agreement during the year under review.

Finland has not received financial assistance from the International Development Association, which grants very long-term and interest-free loans to developing countries only.

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

* * *

The following table shows the amounts and method of payment of Finland's subscriptions to the four international financial institutions discussed above, as at December 31, 1965.

	IMF	IBRD	IFC 1 000 marks	IDA	Total
Subscription	182 400	243 200	1 347	19 609	446 556
a) paid					
— in gold or dollars	45 600	2 432	1 347	1 226	50 605
— in marks to account at the Bank of Finland ...	1 908	21 888	—	13 481	37 277
— in Government notes ..	134 892	—	—	—	134 892
b) unmatured	—	—	—	4 902	4 902
c) guarantee amount	—	218 880	—	—	218 880

Appendix

Law on Revised Regulations for the Bank of Finland

Issued in Helsinki on December 30, 1965.

In accordance with the decision of the Diet, § 4, 6 and 7, § 11 Clause 1 (2) and (5), § 30 Clause 1, and § 32 of the Regulations for the Bank of Finland (365/25) issued on December 21, 1925, are revised, § 4 Clause 1 and § 30 Clause 1 having been amended in the Act (453/55) issued on November 18, 1955, § 6 having been amended in the Act (282/53) issued on June 29, 1953, and § 7 having been amended in the Act (288/31) issued on October 30, 1931. The revised regulations are stated below:

§ 4

The funds of the Bank consist of:

the capital, which shall be raised up to three hundred million marks and maintained at that amount;

the reserve fund, which shall be increased as provided for later in these regulations and in which the value of the real estate and furniture of the Bank must not be included, nor the value of shares belonging to the Bank.

§ 6

The amount of the Bank's notes in circulation may not exceed the aggregate amount of the gold holdings of the Bank and the undisputed balances of the Bank with its foreign correspondents by more than five hundred million marks. The undisputed balances include bills payable abroad in foreign currency, foreign bonds listed on foreign Stock Exchanges, bonds and interest coupons in foreign currency which have fallen due, and foreign money.

In the event of the Bank's notes in circulation exceeding the total amount of the assets specified in Clause 1, the cover for the notes must consist of inland bills maturing not later than within three months, for the payment of which at least two trustworthy persons or firms are responsible.

The drafts of the Bank in Finnish currency and other liabilities payable on demand, as well as the undrawn advances on current accounts shall be classified with the note circulation.

If circumstances render it unavoidably necessary, the maximum amount specified in Clause 1 may, on the representation of the Bank Supervisors, be increased for a fixed period by decree to five hundred and eighty million marks at the most.

The gold holdings of the Bank shall be booked at a value equivalent to the par value of the mark.

The assets of the Bank in foreign currency specified in Clause 1 shall be booked at not more than their current value or at cost price, if the latter is below the current value, but bonds at not more than their face value.

§ 7

The gold holdings of the Bank are considered to consist of the gold of the Bank, stored in Finland or on deposit elsewhere or in transit for account of the Bank.

§ 11

The Bank of Finland is entitled:

— — — —

2) to buy and sell gold and other precious metals;

— — — —

5) to grant credit other than on bills, provided that its aggregate amount shall not exceed the Bank's own assets; and

— — — —

§ 30

Until the capital and reserve fund of the Bank amount in all to five hundred million marks, at least one half of the annual profit of the Bank shall be employed to increase the reserve fund. Thereafter at least one third of the annual profit shall be transferred to the reserve fund. Such part of the profit as is not employed for increasing the funds of the Bank may be employed, according to the decision of the Diet, for public purposes.

— — — —

§ 32

A charge for neglect of duty against a Bank Supervisor or a member of the Board of Management shall be tried before the Helsinki Court of Appeal in the first instance.

Act on special deposits to be held by banks at the Bank of Finland

Issued in Helsinki on December 30, 1965.

In accordance with the decision of the Diet, the Act contains the following provisions:

§ 1

If the banks' lending is considered to be too expansive from the viewpoint of internal and external stability, and the Bank of Finland has not reached an agreement with all the banks referred to in this Act on the special deposits to be placed by the banks with the Bank of Finland, then upon the statement of the Bank of Finland the banks may be required by decree to hold such deposits subject to the following provisions.

The deposit obligation referred to above in Clause 1 shall also be removed by decree upon the statement of the Bank of Finland.

A bank which is bound by an agreement to place special deposits with the Bank of Finland is exempt from the deposit obligation imposed by this Act during the period for which the agreement is valid.

§ 2

In this Act, the term »bank» refers to banks, savings banks, co-operative credit societies, the Central Bank of the Co-operative Credit Societies and the Post Office Savings Bank.

The term »total deposits» means:

1) deposits accepted by a bank on long-term deposit accounts, on savings accounts and other similar accounts, or against deposit certificates with the exception of deposits accepted from other banks as defined in this Act;

2) deposits in Finnish or foreign currency accepted by a bank as funds freely transferable abroad from a non-resident, for a specified period or with an agreed period of maturity.

In determining the amount of the deposit referred to in Clause 2 (2) above, the equivalent of foreign currency in Finnish currency shall be calculated on the basis of the par value of foreign currency and the Finnish mark.

§ 3

A decree relating to special deposits to be held by banks, issued subject to the provisions of § 1, Clause 1, shall prescribe:

1) the specific date, on the basis of which the amount of the bank's special deposit obligation shall be calculated, this date being set no earlier than the date on which the decree comes into force;

2) that proportion of a bank's total deposits on the specific date which shall, in total, be held in a special account at the Bank of Finland, and which may not exceed 6 per cent;

3) the monthly addition to the special deposits which the bank shall place with the Bank of Finland, until the total amount specified in (2) above is reached, provided that the monthly addition shall not exceed 0.5 per cent of the bank's total deposits as on the specific date.

Notwithstanding the above provisions, at no time shall the bank's special deposits with the Bank of Finland exceed the equivalent of 70 per cent of the cumulative increase in the bank's total deposits since the specific date. The cumulative increase excludes interest which the bank, subject to the terms of the deposit, credits to the accounts specified in § 2, Clause 2 (1), and excludes the cash reserve out of the increase in its total deposits since the specific date which the bank, subject to the provisions of § 10 below, places on deposit account or cheque account with another bank.

A bank is wholly exempt from the obligation to hold special deposits, if the amount of its total deposits does not exceed the limit fixed by decree.

§ 4

If a bank holds a deposit at the Bank of Finland which exceeds the amount it is obliged to hold according to the provisions of § 1, Clause 2, or is in excess in relation to subsequent developments in its total deposits, it is entitled to withdraw that part of the special deposit which is greater than the required proportion.

§ 5

A savings bank places a special deposit with the Bank of Finland through the agency of the Central Bank of the Savings Banks, and a co-operative credit society through the agency of the Central Bank of the Co-operative Credit Societies.

§ 6

A special deposit held by a bank at the Bank of Finland, subject to the provisions of this Act, shall be credited by the Bank of Finland with annual

interest at a rate at least one percentage point higher than the average rate of interest which the particular bank pays on its total deposits as defined in § 2, Clause 2.

The interest referred to above in Clause 1 shall be paid by the Bank of Finland to a savings bank through the agency of the Central Bank of the Savings Banks and to a co-operative credit society through the agency of the Central Bank of the Co-operative Credit Societies.

§ 7

No fees may be charged on transactions made to the provisions of this Act.

§ 8

Additional detailed provisions on the execution and application of this Act shall be issued by the Ministry of Finance.

The Ministry of Finance may, upon the statement of the Bank of Finland, partly or wholly exempt a bank from the deposit obligation referred to in this Act, in case the liquidity of the bank has declined, or for any other specified reason.

§ 9

If at any time a bank's special deposit at the Bank of Finland falls short of the amount stipulated in the Act, the bank shall be liable to pay interest on the amount of the shortfall at a rate of 12 per cent per annum. The amount of interest to be paid shall be determined by the Ministry of Finance.

§ 10

Funds deposited with the Bank of Finland, as provided by this Act, are not as such regarded as cash reserve and lending cover as referred to in § 18 of the Bank Law of March 17, 1933 (87/33), in § 33 and § 34 of the Savings Bank Law of July 17, 1931 (235/31), as amended by the Act of January 27, 1939 (25/39), and in § 2 of the Act of June 4, 1920 (164/20), on the rights of co-operative stores granting credit, and on the conditions under which the central organizations may accept deposits.

This Act comes into force on January 1, 1966.

Tables:

Activity of the Bank of Finland

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

1. Balance sheet, 1958—1965

	31/12 1958	31/12 1959	31/12 1960	30/12 1961	31/12 1962	31/12 1963
ASSETS						
1 <i>Ordinary note cover</i>	606,4	766,9	753,1	779,0	705,4	817,8
2 Gold	78,5	84,5	91,2	104,2	135,2	134,5
3 IMF gold tranche	—	—	—	—	—	—
4 Foreign exchange	497,1	646,1	594,8	587,3	502,5	617,7
5 Foreign bills	8,7	3,7	8,7	10,0	17,7	26,2
6 Foreign bonds	22,1	32,6	58,4	77,5	50,0	39,4
7 <i>Supplementary note cover</i>	470,5	270,2	419,9	472,2	516,5	451,2
Inland bills discounted						
8 In foreign currency	126,4	115,3	105,0	94,3	81,8	68,7
9 In Finnish currency	88,2	38,9	72,3	70,8	33,5	57,2
10 Rediscounted bills	187,1	47,2	205,1	294,6	401,2	325,3
11 Treasury Bond Loan	68,8	68,8	37,5	12,5	—	—
12 <i>Other assets</i>	190,3	181,0	78,2	62,3	88,0	138,8
13 Finnish bonds	9,1	26,2	30,7	19,7	34,7	89,5
14 Cheque accounts	4,4	2,7	4,2	6,1	3,6	1,7
15 Finnish coin	4,4	6,5	7,2	7,5	5,5	3,6
16 Other claims	172,4	145,6	36,1	29,0	44,2	44,0
17 Total	1 267,2	1 218,1	1 251,2	1 313,5	1 309,9	1 407,8
LIABILITIES						
18 <i>Notes in circulation</i>	650,8	694,4	727,4	837,1	774,4	943,7
19 <i>Liabilities payable on demand</i>	180,5	178,1	166,8	73,2	112,6	59,2
20 Foreign exchange accounts	21,8	21,2	40,6	13,4	17,1	18,2
21 Mark accounts of holders abroad	46,4	47,8	42,4	37,7	35,8	33,6
Cheque accounts						
22 Treasury	71,5	64,2	61,9	1,1	5,5	0,2
23 Post Office Savings Bank ...	—	—	—	—	53,3	3,0
24 Private banks	14,8	38,5	16,8	5,7	—4,0	1,3
25 Other	2,9	2,3	1,7	1,8	0,8	0,4
26 Other sight liabilities	23,1	4,1	3,4	13,5	4,1	2,5
27 <i>Term liabilities</i>	208,7	140,9	106,3	135,8	80,2	68,0
28 Foreign	113,7	110,6	100,3	90,7	79,1	66,9
29 Finnish	95,0	30,3	6,0	45,1	1,1	1,1
30 <i>Equalization accounts</i>	81,7	54,8	90,8	95,2	157,5	141,0
31 <i>Bank's own funds</i>	145,5	149,9	159,9	172,2	185,2	195,9
32 Capital	100,0	100,0	100,0	100,0	100,0	100,0
33 Reserve fund	29,2	37,4	43,6	51,8	62,0	73,6
34 Profits undisposed	—	—	—	—	—	—
35 Earnings less expenses	16,3	12,5	16,3	20,4	23,2	22,3
36 Total	1 267,2	1 218,1	1 251,2	1 313,5	1 309,9	1 407,8

¹ Increased book value (See the text).

Million marks

³¹ / ₁₂ 1964	³¹ / ₁₂ 1965	1965						
		⁸ / ₁	¹⁵ / ₁	²³ / ₁	³⁰ / ₁	⁸ / ₂	¹⁵ / ₂	
1 049,7	944,7	1 050,7	1 046,6	1 049,4	1 066,7	1 055,2	1 051,8	1
189,6	267,5 ¹	189,6	189,6	189,7	189,7	189,7	189,7	2
—	45,6	—	—	—	—	—	—	3
783,8	547,8	784,9	781,0	783,6	801,9	790,6	787,1	4
29,7	54,7	29,6	29,4	29,5	28,5	28,3	28,4	5
46,6	29,1	46,6	46,6	46,6	46,6	46,6	46,6	6
570,7	712,1	470,9	444,4	462,9	460,8	458,0	450,0	7
55,2	45,5	55,2	55,2	55,2	55,2	55,2	54,2	8
67,1	26,0	63,1	62,8	50,6	48,3	48,8	48,6	9
448,4	640,6	352,6	326,4	357,1	357,3	354,0	347,2	10
—	—	—	—	—	—	—	—	11
97,4	119,5	73,0	74,2	93,2	89,8	88,8	87,7	12
35,8	36,9	7,8	8,7	15,3	10,8	9,7	11,9	13
2,5	1,9	2,3	2,1	1,8	1,9	1,7	1,7	14
3,8	6,2	3,9	4,6	5,1	5,4	6,0	6,3	15
55,3	74,5	59,0	58,8	71,0	71,7	71,4	67,8	16
1 717,8	1 776,3	1 594,6	1 565,2	1 605,5	1 617,3	1 602,0	1 589,5	17
1 002,7	1 028,5	943,2	917,8	909,1	910,2	884,0	887,4	18
186,8	98,3	137,9	140,7	141,8	145,7	158,5	159,3	19
84,7	44,8	60,6	77,0	88,6	94,7	102,8	106,1	20
28,5	10,9	28,3	28,1	27,5	16,5	16,7	16,6	21
5,4	1,1	0,6	0,4	1,7	2,5	3,5	4,4	22
49,6	8,3	21,2	6,3	21,2	2,5	6,0	10,5	23
16,4	11,9	24,3	26,1	—	5,9	6,7	—	24
0,7	1,2	0,9	1,1	0,9	0,8	0,4	0,6	25
1,5	20,1	2,0	1,7	1,9	22,8	22,4	21,1	26
55,4	57,2	55,4	55,4	63,4	65,9	65,9	65,9	27
54,3	45,6	54,3	54,3	54,3	54,3	54,3	54,3	28
1,1	11,6	1,1	1,1	9,1	11,6	11,6	11,6	29
261,8	165,1	246,6	239,4	278,7	282,8	279,9	262,5	30
211,1	427,2	211,5	211,9	212,5	212,7	213,7	214,4	31
100,0	300,0	100,0	100,0	100,0	100,0	100,0	100,0	32
84,8	97,9	97,9	97,9	97,9	97,9	97,9	97,9	33
—	—	13,2	13,1	13,2	13,2	13,2	13,2	34
26,3	29,3	0,4	0,9	1,4	1,6	2,6	3,3	35
1 717,8	1 776,3	1 594,6	1 565,2	1 605,5	1 617,3	1 602,0	1 589,5	36

1. (Cont.) Balance sheet, 1958—1965

		1965					
		23/2	27/2	8/3	15/3	23/3	31/3
ASSETS							
1	Ordinary note cover	1 052,7	1 056,5	1 040,7	1 033,1	1 004,1	973,8
2	Gold	189,7	189,7	189,7	189,7	189,7	189,7
3	IMF gold tranche	—	—	—	—	—	—
4	Foreign exchange	788,1	792,5	778,1	771,2	743,3	715,1
5	Foreign bills	28,3	27,7	26,3	25,6	24,5	22,4
6	Foreign bonds	46,6	46,6	46,6	46,6	46,6	46,6
7	Supplementary note cover	502,4	519,2	501,0	500,7	549,3	525,9
	Inland bills discounted						
8	In foreign currency	54,2	54,2	54,2	54,2	54,2	54,2
9	In Finnish currency	48,4	48,4	48,7	43,3	42,1	40,0
10	Rediscounted bills	399,8	416,6	398,1	403,2	453,0	431,7
11	Treasury Bond Loan	—	—	—	—	—	—
12	Other assets	90,2	90,3	87,2	95,9	95,1	118,5
13	Finnish bonds	15,4	14,4	9,7	20,7	16,4	22,1
14	Cheque accounts	1,8	2,4	3,9	2,1	4,0	25,4
15	Finnish coin	6,2	6,0	6,5	6,5	6,3	6,4
16	Other claims	66,8	67,5	67,1	66,6	68,4	64,6
17	Total	1 645,3	1 666,0	1 628,9	1 629,7	1 648,5	1 618,2
LIABILITIES							
18	Notes in circulation	905,4	959,2	904,8	898,6	902,5	921,3
19	Liabilities payable on demand	176,3	166,5	150,5	156,2	182,5	161,6
20	Foreign exchange accounts	105,7	104,3	103,7	107,4	108,7	102,0
21	Mark accounts of holders abroad	16,4	16,3	16,2	16,1	15,9	15,7
	Cheque accounts						
22	Treasury	7,4	1,4	4,7	3,3	14,3	—
23	Post Office Savings Bank ...	23,7	1,6	4,0	2,8	20,4	0,6
24	Private banks	0,2	18,1	—	1,9	—	19,5
25	Other	0,7	0,6	0,4	0,5	0,5	0,8
26	Other sight liabilities	22,2	24,2	21,5	24,2	22,7	23,0
27	Term liabilities	65,9	65,9	65,9	65,9	65,9	65,9
28	Foreign	54,3	54,3	54,3	54,3	54,3	54,3
29	Finnish	11,6	11,6	11,6	11,6	11,6	11,6
30	Equalization accounts	283,0	259,0	291,6	292,4	280,2	251,5
31	Bank's own funds	214,7	215,4	216,1	216,6	217,4	217,9
32	Capital	100,0	100,0	100,0	100,0	100,0	100,0
33	Reserve fund	97,9	97,9	97,9	97,9	97,9	97,9
34	Profits undisposed	13,2	13,2	13,2	13,2	13,2	13,2
35	Earnings less expenses	3,6	4,3	5,0	5,5	6,3	6,8
36	Total	1 645,3	1 666,0	1 628,9	1 629,7	1 648,5	1 618,2

Million marks

1965								
8/4	15/4	23/4	30/4	8/5	15/5	22/5	31/5	
968,8	955,6	950,4	937,4	920,2	887,6	863,8	844,0	1
189,7	189,7	189,7	189,7	189,7	189,8	189,8	189,8	2
—	—	—	—	—	—	—	—	3
710,0	695,7	690,4	677,1	659,9	627,0	603,8	586,7	4
22,3	23,4	23,5	23,8	24,1	24,3	23,6	24,0	5
46,8	46,8	46,8	46,8	46,5	46,5	46,6	43,5	6
515,8	542,7	542,1	624,7	617,7	631,2	697,6	661,2	7
54,2	53,1	52,6	52,6	52,6	52,6	52,6	52,6	8
37,9	29,9	26,5	23,6	20,5	14,3	13,4	11,8	9
423,7	459,7	463,0	548,5	544,6	564,3	631,6	596,8	10
—	—	—	—	—	—	—	—	11
104,4	122,7	126,9	113,0	113,5	109,9	125,3	130,9	12
27,9	42,9	41,2	24,8	21,7	21,5	32,4	24,5	13
3,3	3,0	3,6	4,2	3,5	2,8	4,3	18,2	14
6,4	6,1	5,9	5,8	5,9	6,2	6,1	6,6	15
66,8	70,7	76,2	78,2	82,4	79,4	82,5	81,6	16
1 589,0	1 621,0	1 619,4	1 675,1	1 651,4	1 628,7	1 686,7	1 636,1	17
922,1	960,5	941,1	958,1	941,3	939,4	969,5	983,7	18
146,9	156,6	157,9	154,3	150,0	127,3	144,6	112,7	19
99,7	108,3	106,7	94,6	96,8	83,0	83,1	74,4	20
15,6	15,5	15,3	15,2	15,1	15,0	14,8	14,7	21
1,5	3,7	0,7	1,6	4,4	0,9	10,4	—	22
6,7	3,6	9,3	19,3	7,5	3,9	12,3	0,8	23
0,7	2,5	4,4	0,8	3,3	2,0	1,6	—	24
0,7	0,9	0,9	0,8	0,9	0,7	0,9	1,2	25
22,0	22,1	20,6	22,0	22,0	21,8	21,5	21,6	26
64,3	64,3	64,3	64,3	64,3	64,3	63,7	62,8	27
52,7	52,7	52,7	52,7	52,7	52,7	52,1	51,2	28
11,6	11,6	11,6	11,6	11,6	11,6	11,6	11,6	29
237,3	220,5	236,4	278,2	274,9	276,0	286,7	254,2	30
218,4	219,1	219,7	220,2	220,9	221,7	222,2	222,7	31
100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	32
97,9	97,9	97,9	97,9	97,9	97,9	97,9	97,9	33
13,2	13,2	13,2	13,2	13,2	13,2	13,2	13,2	34
7,3	8,0	8,6	9,1	9,8	10,6	11,1	11,6	35
1 589,0	1 621,0	1 619,4	1 675,1	1 651,4	1 628,7	1 686,7	1 636,1	36

1. (Cont.) Balance sheet, 1958—1965

		1965					
		8/6	15/6	23/6	30/6	8/7	15/7
ASSETS							
1	<i>Ordinary note cover</i>	820,7	810,0	786,0	775,8	799,0	771,9
2	Gold	189,8	189,8	189,8	187,9	187,9	187,9
3	IMF gold tranche	—	—	—	—	—	—
4	Foreign exchange	546,8	534,6	510,1	501,0	526,5	499,8
5	Foreign bills	40,6	42,3	42,8	43,6	44,0	43,6
6	Foreign bonds	43,5	43,3	43,3	43,3	40,6	40,6
7	<i>Supplementary note cover</i>	677,2	646,1	783,9	834,3	752,1	743,4
	Inland bills discounted						
8	In foreign currency	49,9	49,9	49,9	49,9	49,9	49,9
9	In Finnish currency	11,2	7,4	5,1	7,6	6,5	8,9
10	Rediscounted bills	616,1	588,8	728,9	776,8	695,7	684,6
11	Treasury Bond Loan	—	—	—	—	—	—
12	<i>Other assets</i>	135,2	143,2	128,4	147,5	122,0	121,4
13	Finnish bonds	35,3	36,1	33,9	46,7	17,1	18,0
14	Cheque accounts	14,6	2,2	3,0	5,3	5,1	3,0
15	Finnish coin	6,5	6,5	6,2	6,1	6,1	6,2
16	Other claims	78,8	98,4	85,3	89,4	93,7	94,2
17	Total	1 633,1	1 599,3	1 698,3	1 757,6	1 673,1	1 636,7
LIABILITIES							
18	<i>Notes in circulation</i>	978,9	948,5	1 003,5	1 010,3	986,2	968,6
19	<i>Liabilities payable on demand</i>	114,8	119,7	140,8	174,8	111,9	90,6
20	Foreign exchange accounts	72,0	70,4	61,7	55,8	36,8	38,8
	Mark accounts of holders abroad	14,7	14,7	14,4	14,3	14,6	14,3
21	Cheque accounts						
22	Treasury	—	1,0	8,5	28,9	0,9	5,9
23	Post Office Savings Bank ...	5,5	4,7	26,0	41,6	3,7	6,5
24	Private banks	0,4	6,8	6,0	10,0	32,0	1,1
25	Other	1,3	1,2	1,1	1,2	1,4	1,3
26	Other sight liabilities	20,9	20,9	23,1	23,0	22,5	22,7
27	<i>Term liabilities</i>	61,6	61,6	61,6	61,6	61,6	61,6
28	Foreign	50,0	50,0	50,0	50,0	50,0	50,0
29	Finnish	11,6	11,6	11,6	11,6	11,6	11,6
30	<i>Equalization accounts</i>	254,2	245,3	280,7	298,8	300,3	302,2
31	<i>Bank's own funds</i>	223,6	224,2	211,7	212,1	213,1	213,7
32	Capital	100,0	100,0	100,0	100,0	100,0	100,0
33	Reserve fund	97,9	97,9	97,9	97,9	97,9	97,9
34	Profits undisposed	13,2	13,2	—	—	—	—
35	Earnings less expenses	12,5	13,1	13,8	14,2	15,2	15,8
36	Total	1 633,1	1 599,3	1 698,3	1 757,6	1 673,1	1 636,7

Million marks

1965								
$\frac{23}{7}$	$\frac{31}{7}$	$\frac{7}{8}$	$\frac{14}{8}$	$\frac{23}{8}$	$\frac{31}{8}$	$\frac{8}{9}$	$\frac{15}{9}$	
772,8	780,7	790,6	800,3	793,9	792,4	783,8	770,1	1
187,9	187,9	187,9	187,9	187,9	187,9	187,9	187,9	2
—	—	—	—	—	—	—	—	3
501,5	509,4	519,2	529,4	529,4	522,3	513,7	500,3	4
42,8	42,8	42,9	42,4	42,2	48,2	48,2	47,9	5
40,6	40,6	40,6	40,6	34,4	34,0	34,0	34,0	6
737,9	705,5	682,1	669,9	712,7	701,6	702,2	688,8	7
49,9	49,9	49,9	49,9	49,9	49,9	49,9	49,9	8
8,9	9,5	7,5	7,1	7,0	7,0	7,0	8,0	9
679,1	646,1	624,7	612,9	655,8	644,7	645,3	630,9	10
—	—	—	—	—	—	—	—	11
135,5	151,7	138,4	144,3	146,2	140,7	124,1	142,9	12
31,0	47,4	32,0	32,0	42,4	37,5	20,2	37,1	13
3,2	1,8	2,7	8,4	2,9	2,1	2,2	2,0	14
5,9	5,7	5,3	5,7	6,0	5,8	5,8	6,1	15
95,4	96,8	98,4	98,2	94,9	95,3	95,9	97,7	16
1 646,2	1 637,9	1 611,1	1 614,5	1 652,8	1 634,7	1 610,1	1 601,8	17
961,7	965,5	959,0	954,6	961,2	957,5	930,6	927,8	18
103,8	94,6	115,2	122,4	112,6	122,9	111,1	130,8	19
36,8	39,1	58,1	73,9	73,5	70,9	69,0	80,6	20
14,1	14,7	14,6	14,4	14,3	14,0	13,8	13,6	21
3,4	1,4	2,1	—	0,7	6,1	1,9	2,7	22
19,6	10,7	2,4	0,5	0,2	7,0	0,6	6,1	23
6,0	4,4	13,7	9,7	—	1,2	4,9	4,8	24
1,4	1,8	1,8	1,6	1,6	1,0	1,0	1,1	25
22,5	22,5	22,5	22,3	22,3	22,7	19,9	21,9	26
61,6	61,6	61,6	61,6	61,6	61,6	61,6	61,6	27
50,0	50,0	50,0	50,0	50,0	50,0	50,0	50,0	28
11,6	11,6	11,6	11,6	11,6	11,6	11,6	11,6	29
304,5	301,1	259,7	259,5	300,3	274,9	288,3	262,3	30
214,6	215,1	215,6	216,4	217,1	217,8	218,5	219,3	31
100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	32
97,9	97,9	97,9	97,9	97,9	97,9	97,9	97,9	33
—	—	—	—	—	—	—	—	34
16,7	17,2	17,7	18,5	19,2	19,9	20,6	21,4	35
1 646,2	1 637,9	1 611,1	1 614,5	1 652,8	1 634,7	1 610,1	1 601,8	36

1. (Cont.) Balance sheet, 1958—1965

		1965					
		23/9	30/9	8/10	15/10	23/10	30/10
ASSETS							
1	Ordinary note cover	768,2	742,7	760,3	756,2	782,3	849,5
2	Gold	187,9	187,9	187,9	187,9	188,0	188,0
3	IMF gold tranche	—	—	—	—	—	—
4	Foreign exchange	501,4	475,9	493,5	489,3	515,5	582,9
5	Foreign bills	48,9	48,9	48,9	49,0	48,8	48,6
6	Foreign bonds	30,0	30,0	30,0	30,0	30,0	30,0
7	Supplementary note cover	740,4	767,2	714,1	714,3	763,8	719,2
	Inland bills discounted						
8	In foreign currency	49,9	49,9	49,9	48,7	48,2	48,2
9	In Finnish currency	11,1	16,6	18,7	20,6	25,9	29,8
10	Rediscounted bills	679,4	700,7	645,5	645,0	689,7	641,2
11	Treasury Bond Loan	—	—	—	—	—	—
12	Other assets	147,0	139,7	141,9	128,1	131,8	131,6
13	Finnish bonds	43,5	36,5	32,8	34,0	34,8	43,9
14	Cheque accounts	2,0	1,7	2,5	2,6	3,0	2,8
15	Finnish coin	6,0	6,1	6,2	6,4	6,4	6,5
16	Other claims	95,5	95,4	100,4	85,1	87,6	78,4
17	Total	1 655,6	1 649,6	1 616,3	1 598,6	1 677,9	1 700,3
LIABILITIES							
18	Notes in circulation	938,6	962,9	957,9	952,3	959,3	980,2
19	Liabilities payable on demand ...	136,8	132,0	124,8	125,0	144,0	155,1
20	Foreign exchange accounts	72,9	69,6	77,4	73,8	77,0	85,5
	Mark accounts of holders abroad	13,5	13,2	12,9	12,8	12,7	12,4
21	Cheque accounts						
22	Treasury	5,5	15,1	1,2	1,7	2,0	11,6
23	Post Office Savings Bank ...	20,5	8,3	5,8	3,9	20,4	21,8
24	Private banks	1,2	0,2	4,1	9,4	8,8	2,0
25	Other	1,3	2,7	1,3	1,3	1,1	1,9
26	Other sight liabilities	21,9	22,9	22,1	22,1	22,0	19,9
27	Term liabilities	61,6	60,0	60,0	60,0	60,0	60,0
28	Foreign	50,0	48,4	48,4	48,4	48,4	48,4
29	Finnish	11,6	11,6	11,6	11,6	11,6	11,6
30	Equalization accounts	298,6	274,1	252,3	239,3	292,1	282,1
31	Bank's own funds	220,0	220,6	221,3	222,0	222,5	222,9
32	Capital	100,0	100,0	100,0	100,0	100,0	100,0
33	Reserve fund	97,9	97,9	97,9	97,9	97,9	97,9
34	Profits undisposed	—	—	—	—	—	—
35	Earnings less expenses	22,1	22,7	23,4	24,1	24,6	25,0
36	Total	1 655,6	1 649,6	1 616,3	1 598,6	1 677,9	1 700,3

¹ Increased book value (See the text).

Million marks

1965								
8/11	15/11	23/11	30/11	8/12	15/12	23/12	31/12	
851,5	851,1	848,0	834,7	821,2	823,8	800,7	944,7	1
188,0	188,0	188,0	188,0	188,0	187,7	187,7	267,5 ¹	2
—	—	—	—	—	—	—	45,6	3
586,6	585,3	581,8	568,4	556,3	555,0	529,7	547,8	4
47,9	48,8	49,2	49,3	47,9	52,1	54,3	54,7	5
29,0	29,0	29,0	29,0	29,0	29,0	29,0	29,1	6
724,0	726,4	761,5	740,4	727,6	781,7	856,5	712,1	7
48,2	48,2	48,2	48,2	45,4	45,4	45,4	45,5	8
29,7	30,2	32,1	34,5	34,6	35,0	40,6	26,0	9
646,1	648,0	681,2	657,7	647,6	701,3	770,5	640,6	10
—	—	—	—	—	—	—	—	11
115,9	107,5	140,4	129,5	130,2	139,9	153,5	119,5	12
18,7	10,7	34,7	35,6	22,1	46,4	42,3	36,9	13
2,3	1,4	12,9	1,4	1,2	1,3	18,2	1,9	14
6,6	6,8	6,8	6,8	6,9	6,5	5,4	6,2	15
88,3	88,6	86,0	85,7	100,0	85,7	87,6	74,5	16
1 691,4	1 685,0	1 749,9	1 704,6	1 679,0	1 745,4	1 810,7	1 776,3	17
974,2	957,0	965,1	1 001,8	1 031,5	1 022,4	1 100,4	1 028,5	18
136,5	146,6	201,9	141,6	130,6	185,7	132,0	98,3	19
90,5	96,2	102,1	97,2	82,9	83,7	92,9	44,8	20
12,2	12,1	11,9	11,7	11,6	11,6	11,3	10,9	21
6,9	0,9	35,4	1,2	0,1	15,4	0,2	1,1	22
4,6	7,0	30,3	5,9	0,1	39,1	6,0	8,3	23
0,0	8,3	—	3,6	13,7	13,9	—	11,9	24
1,4	1,2	1,3	1,3	1,3	1,2	1,4	1,2	25
20,9	20,9	20,9	20,7	20,9	20,8	20,2	20,1	26
60,0	60,0	60,0	60,0	57,2	57,2	57,2	57,2	27
48,4	48,4	48,4	48,4	45,6	45,6	45,6	45,6	28
11,6	11,6	11,6	11,6	11,6	11,6	11,6	11,6	29
297,5	297,4	298,6	276,6	234,5	254,4	294,6	165,1	30
223,2	224,0	224,3	224,6	225,2	225,7	226,5	427,2	31
100,0	100,0	100,0	100,0	100,0	100,0	100,0	300,0	32
97,9	97,9	97,9	97,9	97,9	97,9	97,9	97,9	33
—	—	—	—	—	—	—	—	34
25,3	26,1	26,4	26,7	27,3	27,8	28,6	29,3	35
1 691,4	1 685,0	1 749,9	1 704,6	1 679,0	1 745,4	1 810,7	1 776,3	36

2. Foreign exchange reserve, at end of year or quarter, 1962—1965

Million marks

Currencies	1962	1963	1964				1965			
			I	II	III	IV	I	II	III	IV
Gold	135	135	146	145	145	190	190	188	188	267 ¹
IMF gold tranche ...	—	—	—	—	—	—	—	—	—	46
Convertible	330	478	586	586	622	708	650	443	418	483
Bilateral	156	121	102	128	93	— 9	—37	2	—12	20
Total	621	734	834	859	860	889	803	633	594	816

¹ Increased book value (See the text).

3. Profit and loss account, 1960—1965

Million marks

	1960	1961	1962	1963	1964	1965
EARNINGS						
Interest on internal loans	8,6	9,5	21,5	18,1	19,7	28,1
Interest on foreign exchange holdings	13,0	13,4	7,4	7,3	10,2	7,7
Interest on bonds	4,3	4,7	2,9	3,1	5,5	4,9
Commission	1,3	1,3	1,2	1,7	1,8	2,0
Agio	2,4	2,4	2,5	1,9	2,0	2,1
Other earnings	1,3	1,4	1,5	1,6	1,7	1,8
Total earnings	30,9	32,7	37,0	33,7	40,9	46,6
EXPENSES						
Salaries	4,3	4,6	5,2	5,6	6,3	6,8
Pensions	0,4	0,4	0,4	0,5	0,6	0,6
Family pensions	0,1	0,1	0,2	0,2	0,2	0,2
Fees and expenses of Bank Supervisors ..	0,0	0,0	0,0	0,0	0,0	0,0
Fees of Branch controllers	0,0	0,0	0,0	0,0	0,0	0,0
Social security contributions.....	0,2	0,2	0,3	0,3	0,4	0,4
Interest on cash reserve accounts	—	0,5	2,5	—	—	—
Printing of bank notes	2,3	2,3	2,8	2,3	2,4	3,2
Other expenses	1,3	1,5	1,5	2,0	1,7	1,8
Amounts written off and depreciation ...	6,0	2,7	0,9	0,5	3,0	4,3
Total expenses	14,6	12,3	13,8	11,4	14,6	17,3
Net profit	16,3	20,4	23,2	22,3	26,3	29,3
Grand total	30,9	32,7	37,0	33,7	40,9	46,6

4. Interest rates applied by the Bank of Finland, 1948—1965

Per cent

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

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

² In certain cases a lower rate of interest, 6 per cent, has been applied from November 1, 1965 (See the text).

5. Internal clearing operations: number and value of bank-post-bills, cheques and transfers of account, 1962—1965

Number in thousands

Value in million marks

	Head office		Branch offices		Total	
	Number	Amount	Number	Amount	Number	Amount
1965						
I—III	1 760	5 489,2	633	1 476,4	2 393	6 965,6
IV—VI	1 783	6 092,4	685	1 697,5	2 468	7 789,9
VII—IX	1 771	5 879,0	703	1 652,4	2 474	7 531,4
X—XII	1 946	6 562,3	774	1 769,9	2 720	8 332,2
Total	7 260	24 022,9	2 795	6 596,2	10 055	30 619,1
1964	6 304	21 015,9	2 395	5 708,3	8 699	26 724,2
1963	5 404	17 464,8	2 150	5 511,4	7 554	22 976,2
1962	4 982	16 433,8	1 891	5 071,3	6 873	21 505,1

6. Note issue, 1956—1965

Date	Right of note issue			Used right of issue				Note reserve
	Ordinary cover	Supplementary cover (maximum 500 mill. mk ¹)	Total	Notes in circulation	Liabilities payable on demand	Undrawn on cheque credits	Total	
31. XII								
1956	323,0	580,0	903,0	607,3	247,3	3,2	857,8	45,2
1957	413,4	580,0	993,4	606,4	205,8	6,2	818,4	175,0
1958	606,4	470,5	1 076,9	650,8	180,5	8,1	839,4	237,5
1959	766,9	270,2	1 037,1	694,4	178,1	9,3	881,8	155,3
1960	753,1	419,9	1 173,0	727,4	166,8	9,8	904,0	269,0
1961	779,0	472,2	1 251,2	837,1	73,2	8,9	919,2	332,0
1962	705,4	500,0	1 205,4	774,4	112,6	4,3	891,3	314,1
1963	817,8	451,2	1 269,0	943,7	59,2	5,8	1 008,7	260,3
1964	1 049,7	500,0	1 549,7	1 002,7	186,8	5,0	1 194,5	355,2
1965	944,7	500,0	1 444,7	1 028,5	98,3	5,1	1 131,9	312,8
1965								
8. I	1 050,7	470,9	1 521,6	943,2	137,9	4,7	1 085,8	435,8
15.	1 046,6	444,4	1 491,0	917,8	140,7	4,9	1 063,4	427,6
23.	1 049,4	462,9	1 512,3	909,1	141,8	5,3	1 056,2	456,1
30.	1 066,7	460,8	1 527,5	910,2	145,7	5,1	1 061,0	466,5
8. II	1 055,2	458,0	1 513,2	884,0	158,5	5,2	1 047,7	465,5
15.	1 051,8	450,0	1 501,8	887,4	159,3	5,6	1 052,3	449,5
23.	1 052,7	500,0	1 552,7	905,4	176,3	5,3	1 087,0	465,7
27.	1 056,5	500,0	1 556,5	959,2	166,5	4,6	1 130,3	426,2
8. III	1 040,7	500,0	1 540,7	904,8	150,5	4,2	1 059,5	481,2
15.	1 033,1	500,0	1 533,1	898,6	156,2	4,9	1 059,7	473,4
23.	1 004,1	500,0	1 504,1	902,5	182,5	4,3	1 089,3	414,8
31.	973,8	500,0	1 473,8	921,3	161,6	3,8	1 086,7	387,1
8. IV	968,8	500,0	1 468,8	922,1	146,9	3,7	1 072,7	396,1
15.	955,6	500,0	1 455,6	960,5	156,6	4,0	1 121,1	334,5
23.	950,4	500,0	1 450,4	941,1	157,9	3,5	1 102,5	347,9
30.	937,4	500,0	1 437,4	958,1	154,3	2,8	1 115,2	322,2
8. V	920,2	500,0	1 420,2	941,3	150,0	3,5	1 094,8	325,4
15.	887,6	500,0	1 387,6	939,4	127,3	4,3	1 071,0	316,6
22.	863,8	500,0	1 363,8	969,5	144,6	2,8	1 116,9	246,9
31.	844,0	500,0	1 344,0	983,7	112,7	4,5	1 100,9	243,1
8. VI	820,7	500,0	1 320,7	978,9	114,8	5,0	1 098,7	222,0
15.	810,0	500,0	1 310,0	948,5	119,7	4,8	1 073,0	237,0
23.	786,0	500,0	1 286,0	1 003,5	140,8	4,0	1 148,3	137,7
30.	775,8	500,0	1 275,8	1 010,3	174,8	1,7	1 186,8	89,0

Million marks

Date	Right of note issue			Used right of issue				Note reserve
	Ordinary cover	Supplementary cover (maximum 500 mill. mk ¹)	Total	Notes in circulation	Liabilities payable on demand	Undrawn on cheque credits	Total	
1965								
8. VII	799,0	500,0	1 299,0	986,2	111,9	1,9	1 100,0	199,0
15.	771,9	500,0	1 271,9	968,6	90,6	4,0	1 063,2	208,7
23.	772,8	500,0	1 272,8	961,7	103,8	3,8	1 069,3	203,5
31.	780,7	500,0	1 280,7	965,5	94,6	5,2	1 065,3	215,4
7. VIII	790,6	500,0	1 290,6	959,0	115,2	4,3	1 078,5	212,1
14.	800,3	500,0	1 300,3	954,6	122,4	5,1	1 082,1	218,2
23.	793,9	500,0	1 293,9	961,2	112,6	4,9	1 078,7	215,2
31.	792,4	500,0	1 292,4	957,5	122,9	5,0	1 085,4	207,0
8. IX	783,8	500,0	1 283,8	930,6	111,1	4,8	1 046,5	237,3
15.	770,1	500,0	1 270,1	927,8	130,8	5,0	1 063,6	206,5
23.	768,2	500,0	1 268,2	938,6	136,8	5,0	1 080,4	187,8
30.	742,7	500,0	1 242,7	962,9	132,0	5,3	1 100,2	142,5
8. X	760,3	500,0	1 260,3	957,9	124,8	4,5	1 087,2	173,1
15.	756,2	500,0	1 256,2	952,3	125,0	4,4	1 081,7	174,5
23.	782,3	500,0	1 282,3	959,3	144,0	4,0	1 107,3	175,0
30.	849,5	500,0	1 349,5	980,2	155,1	4,3	1 139,6	209,9
8. XI	851,5	500,0	1 351,5	974,2	136,5	4,7	1 115,4	236,1
15.	851,1	500,0	1 351,1	957,0	146,6	5,6	1 109,2	241,9
23.	848,0	500,0	1 348,0	965,1	201,9	5,5	1 172,5	175,5
30.	834,7	500,0	1 334,7	1 001,8	141,6	5,6	1 149,0	185,7
8. XII	821,2	500,0	1 321,2	1 031,5	130,6	5,8	1 167,9	153,3
15.	823,8	500,0	1 323,8	1 022,4	185,7	5,7	1 213,8	110,0
23.	800,7	500,0	1 300,7	1 100,4	132,0	5,7	1 238,1	62,6
31.	944,7	500,0	1 444,7	1 028,5	98,3	5,1	1 131,9	312,8
Average	881,1	494,7	1 375,8	956,4	139,3	4,5	1 100,2	275,6
Fluctuation	324,0	55,6	313,8	216,4	111,3	4,1	191,6	418,6

¹ From December 23, 1955 to December 31, 1959 the maximum was 580 million marks.

7. Notes and coins in circulation, end-of-year figures, 1960—1965

Million marks

Denomination	1960	1961	1962	1963	1964	1965
Notes						
New						
100 mk	—	—	—	474,2	537,7	591,9
50 »	—	—	—	239,5	240,4	238,4
10 »	—	—	—	145,3	148,9	153,1
5 »	—	—	—	29,4	30,8	31,5
1 »	—	—	—	27,1	23,7	13,6
Total	—	—	—	915,5	981,5	1 028,5
Old						
10 000 omk	328,0	395,3	362,4	14,3	10,5	9,6
5 000 »	223,5	248,0	226,9	5,4	3,6	2,9
1 000 »	127,9	140,9	134,4	3,6	2,9	2,6
500 »	25,4	27,7	26,5	1,2	0,9	0,9
100 »	21,4	24,0	23,0	2,5	2,1	2,0
50, 20, 10, 5 »	1,2	1,2	1,2	1,2	1,2	1,2
Total	727,4	837,1	774,4	28,2	21,2	19,2
Grand total	727,4	837,1	774,4	943,7	1 002,7	1 047,7
Coins						
New						
1 mk	—	—	—	—	9,5	24,4
50 p	—	—	—	8,0	8,6	8,4
20 »	—	—	—	7,0	8,4	8,8
10 »	—	—	—	3,5	4,0	4,2
5 »	—	—	—	2,2	3,0	3,3
1 »	—	—	—	1,3	1,9	2,4
Total	—	—	—	22,0	35,4	51,5
Old						
1 000 omk	2,0	2,0	1,9	1,8	1,7	1,7
500 »	2,9	3,0	2,9	2,8	2,8	2,9
200 »	7,4	7,3	5,9	1,8	1,7	1,6
100 »	5,1	4,7	3,8	1,1	0,9	0,8
50 »	6,9	7,8	7,7	1,7	1,4	1,4
20 »	6,6	7,5	7,7	2,1	1,8	1,6
10 »	4,3	4,7	4,8	1,8	1,5	1,5
5 »	3,7	4,0	3,9	2,0	1,9	1,8
1 »	3,7	4,0	4,1	3,0	2,8	2,6
50, 25, 10, 5, 1 op	0,5	0,5	0,5	0,5	0,5	0,5
Total	43,1	45,5	43,2	18,6	17,0	16,4
Grand total	43,1	45,5	43,2	40,6	52,4	67,9

8. Printing and destruction of notes, 1963—1965 Million marks

Denomination	Notes printed			Notes cancelled		
	1963	1964	1965	1963	1964	1965
Notes						
New						
100 mk	881,0	348,0	341,0	63,8	175,0	210,0
50 »	565,5	149,5	155,0	60,5	145,0	167,5
10 »	387,0	158,0	298,0	111,4	213,0	201,0
5 »	73,0	52,0	83,0	31,8	50,0	57,0
1 »	119,4	80,9	73,3	69,3	99,2	61,7
Total	2 025,9	788,4	950,3	336,8	682,2	697,2
In millions	192,8	113,5	126,2	88,7	135,1	98,7
Old						
Total	—	—	—	1 137,1	7,3	2,1
In millions	—	—	—	72,7	1,0	0,2
Grand total	2 025,9	788,4	950,3	1 470,9	689,5	699,3
In millions	192,8	113,5	126,2	161,3	136,1	98,9

9. Notes and coins, 1965 Million marks

Denomination	Total issue 31. XII 1964	Issued in 1965	Destroyed in 1965	Total issue 31. XII 1965	Held by the Bank of Finland 31. XII 1965	In circulation 31. XII 1965
Notes						
New						
100 mk	990,2	341,0	210,0	1 121,2	529,3	591,9
50 »	509,5	155,0	167,5	497,0	258,6	238,4
10 »	220,6	298,0	201,0	317,6	164,5	153,1
5 »	43,2	83,0	57,0	69,2	37,7	31,5
1 »	31,8	73,3	61,7	43,4	29,8	13,6
Total	1 795,3	950,3	697,2	2 048,4	1 019,9	1 028,5
In millions	82,6	126,2	98,7	110,1	64,3	45,8
Old						
Total	21,3	—	2,1	19,2	—	19,2
In millions	11,8	—	0,2	11,6	—	11,6
Grand total	1 816,6	950,3	699,3	2 067,6	1 019,9	1 047,7
In millions	94,4	126,2	98,9	121,7	64,3	57,4
Coins						
New						
1 mk	10,0	15,1	—	25,1	0,7	24,4
50 p	10,2	0,8	—	11,0	2,6	8,4
20 »	8,8	1,2	—	10,0	1,2	8,8
10 »	4,5	0,5	—	5,0	0,8	4,2
5 »	3,3	0,5	—	3,8	0,5	3,3
1 »	2,2	0,4	—	2,6	0,2	2,4
Total	39,0	18,5	—	57,5	6,0	51,5
Old						
1 000—100 omk	7,3	—	0,2	7,1	0,1	7,0
50 omk—1 op	9,9	—	0,5	9,4	0,0	9,4
Total	17,2	—	0,7	16,5	0,1	16,4
Grand total	56,2	18,5	0,7	74,0	6,1	67,9

10. Rates of exchange: par rates and selling rates at sight¹, 1965

Date	1 Dollar New York	1 Dollar Montreal	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Oslo	100 Kroner Copen- hagen	100 D. Mark Frankfurt o.M	100 Guldens Amster- dam
Par rate	3,20	2,96	8,96	61,86	44,80	46,33	80,00	88,40
Selling rate								
1. I	3,218	2,998	8,975	62,60	44,98	46,50	80,98	89,54
7.	3,218	2,996	8,975	62,60	44,98	46,50	80,92	89,47
8.	3,218	2,996	8,975	62,60	44,98	46,50	80,92	89,54
13.	3,216	2,996	8,975	62,60	44,98	46,50	80,92	89,54
18.	3,216	2,996	8,975	62,60	44,98	46,50	80,86	89,54
20.	3,216	2,996	8,980	62,65	44,98	46,54	80,86	89,54
21.	3,216	2,996	8,980	62,65	44,98	46,54	80,86	89,54
22.	3,218	2,996	8,980	62,65	44,98	46,50	80,92	89,61
25.	3,216	2,996	8,980	62,65	44,98	46,50	80,86	89,54
26.	3,216	2,996	8,980	62,65	44,98	46,50	80,86	89,54
1. II	3,216	2,996	8,980	62,60	44,98	46,50	80,86	89,54
2.	3,216	2,996	8,990	62,60	44,98	46,50	80,86	89,54
4.	3,216	2,996	8,985	62,60	44,98	46,50	80,86	89,54
9.	3,216	2,996	8,990	62,60	44,98	46,50	80,86	89,54
10.	3,216	2,994	8,990	62,60	44,98	46,50	80,86	89,54
12.	3,216	2,992	8,990	62,60	44,98	46,50	80,86	89,54
15.	3,218	2,992	8,990	62,65	44,98	46,50	80,86	89,54
17.	3,216	2,992	8,990	62,65	44,98	46,50	80,86	89,54
19.	3,218	2,992	8,990	62,65	44,98	46,50	80,86	89,54
22.	3,218	2,990	8,995	62,65	44,98	46,54	80,86	89,54
24.	3,218	2,986	8,995	62,65	44,98	46,54	80,92	89,54
25.	3,218	2,982	8,995	62,65	44,98	46,54	80,92	89,54
26.	3,218	2,982	8,995	62,65	44,98	46,54	80,98	89,54
2. III	3,218	2,982	8,995	62,70	45,02	46,54	80,98	89,54
3.	3,218	2,980	8,995	62,70	45,02	46,54	80,98	89,54
5.	3,220	2,980	8,995	62,70	45,02	46,54	80,98	89,54
8.	3,220	2,980	8,995	62,70	45,02	46,58	80,98	89,54
10.	3,220	2,980	8,995	62,70	45,02	46,58	80,98	89,47
11.	3,220	2,980	8,990	62,70	45,02	46,58	80,98	89,47
12.	3,220	2,980	8,995	62,75	45,02	46,58	81,04	89,47
15.	3,222	2,980	8,995	62,75	45,02	46,58	81,04	89,47
18.	3,222	2,980	8,995	62,75	45,02	46,58	81,04	89,47
19.	3,224	2,980	8,995	62,75	45,02	46,58	81,04	89,54
22.	3,224	2,980	8,995	62,78	45,02	46,58	81,04	89,54
24.	3,224	2,980	9,000	62,78	45,06	46,58	81,04	89,54
25.	3,224	2,975	9,000	62,78	45,06	46,58	81,04	89,61
27.	3,224	2,975	8,995	62,78	45,06	46,58	81,04	89,61
30.	3,224	2,982	9,000	62,78	45,06	46,58	81,04	89,54
31.	3,224	2,982	9,000	62,78	45,06	46,58	81,04	89,54

¹ Quotations for the days on which rates were changed.

Marks

100 Francs Brussels	100 Francs Zurich	100 Francs Paris	100 Lire Rome	100 Schilling Vienna	100 Escudos Lisbon	100 Kronur Reykja- vik	100 Pesetas Madrid	100 Koruny Prague	Date
6,40	73,18	64,82	0,5120	12,31	11,13	7,44	5,33	44,44	Par rate Selling rate
6,485	74,58	65,65	0,5147	12,46	11,20	7,50	5,42	44,58	1. I
6,485	74,58	65,65	0,5147	12,46	11,20	7,50	5,42	44,58	7.
6,485	74,58	65,65	0,5147	12,46	11,20	7,50	5,42	44,58	8.
6,485	74,52	65,65	0,5147	12,46	11,20	7,50	5,42	44,58	13.
6,480	74,46	65,65	0,5147	12,46	11,20	7,50	5,42	44,58	18.
6,480	74,46	65,65	0,5147	12,46	11,20	7,50	5,42	44,58	20.
6,485	74,46	65,65	0,5147	12,45	11,20	7,50	5,42	44,58	21.
6,485	74,46	65,65	0,5147	12,45	11,20	7,50	5,42	44,58	22.
6,485	74,46	65,65	0,5147	12,45	11,20	7,50	5,42	44,58	25.
6,485	74,40	65,65	0,5147	12,45	11,20	7,50	5,42	44,58	26.
6,485	74,40	65,65	0,5147	12,45	11,20	7,50	5,42	44,58	1. II
6,485	74,40	65,65	0,5147	12,45	11,20	7,50	5,42	44,58	2.
6,485	74,40	65,65	0,5147	12,45	11,20	7,50	5,42	44,58	4.
6,485	74,40	65,65	0,5147	12,45	11,20	7,50	5,42	44,58	9.
6,485	74,34	65,65	0,5147	12,44	11,21	7,50	5,42	44,58	10.
6,480	74,34	65,65	0,5147	12,44	11,21	7,50	5,42	44,58	12.
6,480	74,34	65,65	0,5147	12,44	11,21	7,50	5,42	44,58	15.
6,480	74,34	65,65	0,5147	12,45	11,21	7,50	5,42	44,58	17.
6,480	74,34	65,65	0,5147	12,45	11,21	7,50	5,42	44,58	19.
6,480	74,28	65,65	0,5147	12,45	11,21	7,50	5,42	44,58	22.
6,480	74,28	65,65	0,5147	12,45	11,21	7,50	5,42	44,58	24.
6,485	74,28	65,65	0,5151	12,45	11,21	7,50	5,42	44,58	25.
6,485	74,34	65,65	0,5151	12,45	11,21	7,50	5,42	44,58	26.
6,485	74,34	65,65	0,5151	12,46	11,21	7,50	5,42	44,58	2. III
6,485	74,28	65,65	0,5151	12,46	11,22	7,50	5,42	44,58	3.
6,485	74,28	65,65	0,5151	12,46	11,22	7,50	5,42	44,58	5.
6,485	74,28	65,70	0,5151	12,46	11,22	7,50	5,42	44,58	8.
6,490	74,22	65,75	0,5155	12,47	11,22	7,50	5,42	44,58	10.
6,490	74,16	65,75	0,5155	12,47	11,22	7,50	5,42	44,58	11.
6,490	74,16	65,75	0,5155	12,47	11,22	7,50	5,42	44,58	12.
6,490	74,16	65,75	0,5155	12,47	11,22	7,50	5,42	44,58	15.
6,490	74,22	65,75	0,5155	12,47	11,22	7,50	5,42	44,58	18.
6,490	74,22	65,75	0,5155	12,47	11,22	7,50	5,42	44,58	19.
6,495	74,22	65,75	0,5155	12,47	11,22	7,50	5,42	44,58	22.
6,495	74,22	65,75	0,5159	12,48	11,22	7,50	5,42	44,58	24.
6,495	74,16	65,75	0,5159	12,48	11,22	7,50	5,42	44,58	25.
6,495	74,16	65,75	0,5159	12,48	11,22	7,50	5,42	44,58	27.
6,495	74,16	65,75	0,5159	12,48	11,22	7,50	5,42	44,58	30.
6,495	74,16	65,80	0,5159	12,48	11,22	7,50	5,42	44,58	31.

10. (Cont.) Rates of exchange: par rates and selling rates at sight, 1965

Date	1 Dollar New York	1 Dollar Montreal	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Oslo	100 Kroner Copen- hagen	100 D. Mark Frankfurt o.M	100 Guldens Amster- dam
1. IV	3,224	2,982	8,995	62,78	45,06	46,58	81,10	89,54
2.	3,224	2,982	8,995	62,78	45,06	46,58	81,10	89,54
5.	3,224	2,982	9,000	62,78	45,06	46,58	81,10	89,61
6.	3,224	2,982	9,005	62,78	45,06	46,58	81,10	89,61
7.	3,224	2,982	9,005	62,78	45,06	46,58	81,10	89,61
8.	3,224	2,982	9,010	62,78	45,06	46,58	81,10	89,61
9.	3,224	2,986	9,010	62,78	45,06	46,63	81,16	89,61
12.	3,224	2,986	9,015	62,78	45,06	46,63	81,10	89,61
20.	3,224	2,988	9,020	62,73	45,10	46,67	81,10	89,61
21.	3,224	2,990	9,025	62,73	45,10	46,67	81,10	89,61
22.	3,224	2,990	9,025	62,73	45,10	46,67	81,16	89,61
26.	3,224	2,990	9,025	62,68	45,10	46,67	81,16	89,61
3. V	3,224	2,990	9,025	62,63	45,10	46,67	81,16	89,61
5.	3,224	2,990	9,025	62,58	45,10	46,67	81,10	89,61
10.	3,224	2,990	9,025	62,53	45,10	46,67	81,10	89,61
11.	3,224	2,990	9,025	62,48	45,10	46,67	81,04	89,61
12.	3,224	2,990	9,025	62,43	45,10	46,67	81,04	89,61
13.	3,224	2,986	9,025	62,53	45,10	46,67	81,04	89,61
14.	3,224	2,986	9,025	62,66	45,10	46,67	81,04	89,61
17.	3,224	2,986	9,025	62,71	45,10	46,67	81,04	89,61
20.	3,224	2,986	9,020	62,76	45,10	46,67	81,04	89,61
24.	3,224	2,986	9,020	62,78	45,10	46,62	80,90	89,61
25.	3,224	2,986	9,015	62,78	45,10	46,62	80,90	89,61
28.	3,224	2,986	9,010	62,73	45,10	46,62	80,90	89,61
31.	3,224	2,986	9,010	62,63	45,10	46,58	80,84	89,61
1. VI	3,224	2,986	9,005	62,63	45,10	46,58	80,84	89,51
2.	3,224	2,986	9,005	62,63	45,10	46,58	80,84	89,51
4.	3,224	2,982	9,010	62,58	45,10	46,58	80,78	89,51
14.	3,224	2,982	9,010	62,53	45,10	46,58	80,72	89,44
17.	3,224	2,982	9,005	62,53	45,10	46,58	80,72	89,44
18.	3,224	2,980	9,000	62,53	45,10	46,54	80,66	89,44
21.	3,224	2,980	9,005	62,48	45,10	46,54	80,66	89,44
22.	3,224	2,980	9,005	62,43	45,10	46,54	80,66	89,51
23.	3,224	2,980	9,000	62,38	45,10	46,54	80,66	89,51
28.	3,224	2,980	9,000	62,33	45,10	46,54	80,60	89,51
29.	3,224	2,980	9,000	62,38	45,10	46,54	80,60	89,51
7. VII	3,224	2,980	9,000	62,38	45,10	46,54	80,60	89,51
8.	3,224	2,980	9,000	62,38	45,10	46,54	80,60	89,51
14.	3,224	2,975	9,000	62,43	45,10	46,54	80,60	89,51
16.	3,224	2,975	9,000	62,53	45,10	46,54	80,60	89,58
20.	3,224	2,975	9,000	62,53	45,10	46,54	80,60	89,58
21.	3,224	2,975	9,000	62,53	45,10	46,54	80,53	89,58

Marks

100 Francs Brussels	100 Francs Zurich	100 Francs Paris	100 Lire Rome	100 Schilling Vienna	100 Escudos Lisbon	100 Kronur Reykja- vik	100 Pesetas Madrid	100 Koruny Prague	Date
6,497	74,16	65,80	0,5159	12,48	11,22	7,50	5,42	—	1. IV
6,497	74,22	65,80	0,5159	12,48	11,22	7,50	5,42	—	2.
6,497	74,22	65,80	0,5159	12,48	11,22	7,50	5,42	—	5.
6,497	74,22	65,80	0,5159	12,48	11,23	7,50	5,42	—	6.
6,497	74,28	65,80	0,5159	12,48	11,23	7,50	5,42	—	7.
6,497	74,34	65,80	0,5159	12,48	11,23	7,50	5,42	—	8.
6,497	74,34	65,80	0,5159	12,48	11,23	7,50	5,42	—	9.
6,497	74,34	65,80	0,5159	12,48	11,23	7,50	5,42	—	12.
6,497	74,34	65,80	0,5159	12,48	11,24	7,50	5,42	—	20.
6,497	74,34	65,80	0,5159	12,48	11,24	7,50	5,42	—	21.
6,497	74,28	65,80	0,5163	12,49	11,25	7,50	5,42	—	22.
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	26.
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	3. V
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	5.
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	10.
6,497	74,22	65,80	0,5163	12,48	11,25	7,50	5,42	—	11.
6,497	74,22	65,80	0,5163	12,48	11,25	7,50	5,42	—	12.
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	13.
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	14.
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	17.
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	20.
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	24.
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	25.
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	28.
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	31.
6,497	74,31	65,80	0,5163	12,49	11,25	7,50	5,42	—	1. VI
6,497	74,49	65,80	0,5163	12,49	11,25	7,50	5,42	—	2.
6,497	74,49	65,80	0,5163	12,49	11,24	7,50	5,42	—	4.
6,497	74,49	65,80	0,5163	12,49	11,24	7,50	5,42	—	14.
6,497	74,49	65,80	0,5163	12,49	11,24	7,50	5,42	—	17.
6,497	74,49	65,80	0,5163	12,49	11,23	7,50	5,42	—	18.
6,497	74,49	65,80	0,5163	12,49	11,23	7,50	5,42	—	21.
6,497	74,49	65,80	0,5163	12,49	11,23	7,50	5,42	—	22.
6,497	74,49	65,80	0,5163	12,49	11,23	7,50	5,42	—	23.
6,497	74,43	65,80	0,5163	12,49	11,23	7,50	5,42	—	28.
6,497	74,37	65,80	0,5163	12,49	11,23	7,50	5,42	—	29.
6,497	74,42	65,80	0,5163	12,49	11,23	7,50	5,42	—	7. VII
6,497	74,49	65,80	0,5163	12,49	11,23	7,50	5,42	—	8.
6,497	74,49	65,80	0,5163	12,49	11,23	7,50	5,42	—	14.
6,497	74,55	65,80	0,5163	12,49	11,23	7,50	5,42	—	16.
6,497	74,65	65,80	0,5163	12,49	11,23	7,50	5,42	—	20.
6,497	74,70	65,80	0,5163	12,49	11,23	7,50	5,42	—	21.

10. (Cont.) Rates of exchange: par rates and selling rates at sight, 1965

Date	1 Dollar New York	1 Dollar Montreal	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Oslo	100 Kroner Copen- hagen	100 D. Mark Frankfurt o.M	100 Guldens Amster- dam
28. VII	3,224	2,977	9,005	62,48	45,10	46,54	80,47	89,58
30.	3,224	2,980	9,005	62,43	45,10	46,54	80,41	89,51
3. VIII	3,224	2,980	9,000	62,43	45,10	46,50	80,41	89,51
4.	3,224	2,980	9,000	62,43	45,10	46,50	80,35	89,57
6.	3,224	2,984	9,000	62,43	45,10	46,50	80,53	89,70
9.	3,224	2,984	9,000	62,43	45,10	46,50	80,43	89,70
10.	3,224	2,984	9,000	62,43	45,10	46,50	80,37	89,70
11.	3,224	2,984	9,000	62,38	45,10	46,50	80,37	89,70
13.	3,224	2,990	9,000	62,38	45,10	46,50	80,42	89,70
20.	3,224	2,990	9,000	62,38	45,10	46,46	80,42	89,70
27.	3,224	2,992	9,000	62,38	45,10	46,46	80,42	89,63
8. IX	3,224	2,994	9,005	62,38	45,10	46,50	80,42	89,63
9.	3,224	2,994	9,005	62,38	45,10	46,54	80,42	89,63
10.	3,224	2,996	9,005	62,38	45,10	46,58	80,42	89,63
13.	3,224	2,996	9,015	62,38	45,10	46,58	80,42	89,63
15.	3,224	2,996	9,020	62,38	45,10	46,58	80,42	89,63
16.	3,224	2,996	9,020	62,38	45,10	46,65	80,42	89,56
17.	3,224	2,994	9,020	62,49	45,10	46,65	80,42	89,56
20.	3,224	2,994	9,025	62,49	45,10	46,65	80,42	89,56
22.	3,224	2,994	9,025	62,49	45,10	46,65	80,42	89,56
23.	3,224	2,996	9,025	62,49	45,10	46,70	80,42	89,56
29.	3,224	2,996	9,030	62,49	45,10	46,70	80,42	89,56
30.	3,224	2,996	9,035	62,49	45,14	46,74	80,42	89,63
1. X	3,224	2,996	9,035	62,44	45,14	46,74	80,42	89,63
4.	3,224	2,996	9,040	62,44	45,14	46,79	80,42	89,63
11.	3,224	2,998	9,040	62,39	45,14	46,79	80,42	89,63
12.	3,224	2,998	9,040	62,39	45,14	46,79	80,48	89,56
15.	3,224	2,998	9,040	62,39	45,14	46,79	80,54	89,56
19.	3,224	3,000	9,040	62,39	45,14	46,79	80,54	89,56
20.	3,224	3,000	9,040	62,39	45,14	46,75	80,60	89,56
1. XI	3,224	3,000	9,040	62,34	45,14	46,75	80,60	89,49
4.	3,224	3,000	9,045	62,34	45,14	46,75	80,60	89,49
8.	3,224	3,000	9,040	62,34	45,14	46,75	80,60	89,49
9.	3,224	3,000	9,040	62,34	45,14	46,75	80,60	89,56
15.	3,224	2,998	9,040	62,34	45,14	46,75	80,60	89,49
18.	3,224	3,000	9,040	62,34	45,14	46,79	80,60	89,49
1. XII	3,224	3,000	9,040	62,34	45,14	46,79	80,60	89,49
2.	3,224	3,000	9,035	62,34	45,14	46,79	80,60	89,49
7.	3,224	2,998	9,035	62,34	45,14	46,83	80,60	89,49

Marks

100 Francs Brussels	100 Francs Zurich	100 Francs Paris	100 Lire Rome	100 Schilling Vienna	100 Escudos Lisbon	100 Kronur Reykja- vik	100 Pesetas Madrid	100 Koruny Prague	Date
6,497	74,70	65,80	0,5163	12,50	11,23	7,50	5,42	—	28. VII
6,497	74,70	65,80	0,5163	12,50	11,23	7,50	5,42	—	30.
6,497	74,70	65,80	0,5163	12,50	11,23	7,50	5,42	—	3. VIII
6,497	74,70	65,80	0,5163	12,50	11,23	7,50	5,42	—	4.
6,497	74,76	65,80	0,5163	12,50	11,23	7,50	5,42	—	6.
6,497	74,76	65,80	0,5163	12,50	11,23	7,50	5,42	—	9.
6,497	74,76	65,80	0,5163	12,50	11,23	7,50	5,42	—	10.
6,497	74,76	65,80	0,5163	12,50	11,23	7,50	5,42	—	11.
6,497	74,76	65,80	0,5163	12,50	11,23	7,50	5,42	—	13.
6,497	74,70	65,80	0,5163	12,50	11,22	7,50	5,42	—	20.
6,497	74,70	65,80	0,5163	12,50	11,22	7,50	5,42	—	27.
6,497	74,70	65,80	0,5163	12,50	11,23	7,50	5,42	—	8. IX
6,497	74,70	65,80	0,5163	12,50	11,23	7,50	5,42	—	9.
6,497	74,76	65,80	0,5163	12,50	11,23	7,50	5,42	—	10.
6,497	74,76	65,80	0,5163	12,50	11,23	7,50	5,42	—	13.
6,497	74,76	65,80	0,5163	12,50	11,23	7,50	5,42	—	15.
6,497	74,70	65,80	0,5163	12,50	11,24	7,50	5,42	—	16.
6,497	74,70	65,80	0,5163	12,50	11,24	7,50	5,42	—	17.
6,497	74,70	65,80	0,5163	12,50	11,24	7,50	5,42	—	20.
6,492	74,70	65,80	0,5163	12,50	11,25	7,50	5,42	—	22.
6,492	74,70	65,80	0,5163	12,50	11,25	7,50	5,42	—	23.
6,492	74,70	65,80	0,5163	12,50	11,25	7,50	5,42	—	29.
6,492	74,70	65,80	0,5163	12,50	11,25	7,50	5,42	—	30.
6,492	74,70	65,80	0,5163	12,49	11,25	7,50	5,42	—	1. X
6,492	74,70	65,80	0,5163	12,49	11,25	7,50	5,42	—	4.
6,492	74,70	65,80	0,5163	12,49	11,25	7,50	5,42	—	11.
6,492	74,70	65,80	0,5163	12,49	11,27	7,50	5,42	—	12.
6,492	74,70	65,80	0,5163	12,49	11,27	7,50	5,42	—	15.
6,492	74,64	65,80	0,5163	12,49	11,27	7,50	5,42	—	19.
6,492	74,64	65,80	0,5163	12,49	11,27	7,50	5,42	—	20.
6,492	74,64	65,80	0,5163	12,49	11,27	7,50	5,42	—	1. XI
6,492	74,64	65,80	0,5163	12,49	11,29	7,50	5,42	—	4.
6,492	74,64	65,80	0,5163	12,49	11,29	7,50	5,42	—	8.
6,497	74,64	65,80	0,5163	12,49	11,28	7,50	5,42	—	9.
6,497	74,64	65,80	0,5163	12,49	11,28	7,50	5,42	—	15.
6,497	74,64	65,80	0,5163	12,49	11,28	7,50	5,42	—	18.
6,497	74,70	65,80	0,5163	12,49	11,28	7,50	5,42	—	1. XII
6,497	74,70	65,80	0,5163	12,49	11,27	7,50	5,42	—	2.
6,497	74,70	65,80	0,5163	12,48	11,27	7,50	5,42	—	7.

10. (Cont.) Rates of exchange: par rates and selling rates at sight, 1965

Date	1 Dollar New York	1 Dollar Montreal	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Oslo	100 Kroner Copen- hagen	100 D. Mark Frankfurt o.M.	100 Guldens Amster- dam
9. XII	3,224	2,996	9,035	62,34	45,14	46,83	80,60	89,42
23.	3,224	2,998	9,035	62,34	45,14	46,83	80,66	89,42
31.	3,224	2,998	9,035	62,34	45,14	46,83	80,60	89,42

The clearing dollar was quoted at 3,21 mk. Clearing agreements based on the dollar were in force with the following countries: Bulgaria, Czechoslovakia (since Apr. 1, 1965), Colombia, German Democratic Republic, Greece, Hungary, Poland and Turkey (until Jan. 31, 1965). The clearing agreements with China, Roumania and USSR were based on the rouble, quoted at 3,5667 mk to one rouble.

11. Rates of exchange: selling rates at sight, monthly averages, 1964—1965

Month	1 Dollar New York	1 Dollar Montreal	1 Pound sterling London	100 Kronor Stockholm	100 Kroner Oslo	100 Kroner Copen- hagen	100 D. Mark Frankfurt o.M.	100 Guldens Amster- dam
1964								
I	3,220	2,982	9,009	62,05	44,99	46,62	80,98	89,39
II	3,217	2,980	9,000	62,06	44,94	46,53	81,00	89,25
III	3,217	2,980	9,000	62,50	44,94	46,59	80,96	89,21
IV	3,219	2,980	9,009	62,61	45,03	46,66	80,99	89,24
V	3,220	2,980	9,015	62,70	45,05	46,66	81,01	89,18
VI	3,222	2,980	9,003	62,73	45,06	46,63	81,09	89,05
VII	3,224	2,980	8,995	62,68	45,05	46,62	81,12	89,16
VIII	3,224	2,987	8,986	62,74	45,04	46,57	81,12	89,24
IX	3,223	2,994	8,972	62,76	44,99	46,53	81,09	89,35
X	3,219	2,996	8,959	62,42	44,93	46,46	80,99	89,38
XI	3,216	2,995	8,956	62,37	44,90	46,41	80,87	89,48
XII	3,217	2,994	8,975	62,54	44,97	46,50	80,90	89,54
1965								
I	3,217	2,996	8,977	62,62	44,98	46,50	80,90	89,54
II	3,217	2,992	8,990	62,62	44,98	46,51	80,87	89,54
III	3,222	2,980	8,996	62,74	45,03	46,57	81,02	89,53
IV	3,224	2,986	9,014	62,75	45,08	46,63	81,13	89,60
V	3,224	2,987	9,021	62,65	45,10	46,66	81,02	89,61
VI	3,224	2,982	9,006	62,52	45,10	46,56	80,72	89,49
VII	3,224	2,978	9,001	62,45	45,10	46,54	80,56	89,54
VIII	3,224	2,987	9,000	62,40	45,10	46,49	80,42	89,66
IX	3,224	2,995	9,015	62,43	45,10	46,60	80,42	89,60
X	3,224	2,998	9,040	62,41	45,14	46,77	80,51	89,58
XI	3,224	3,000	9,040	62,34	45,14	46,77	80,60	89,50
XII	3,224	2,997	9,035	62,34	45,14	46,82	80,61	89,44

Marks

100 Francs Brussels	100 Francs Zurich	100 Francs Paris	100 Lire Rome	100 Schilling Vienna	100 Escudos Lisbon	100 Kronur Reykja- vik	100 Pesetas Madrid	100 Koruny Prague	Date
6,497	74,70	65,80	0,5163	12,48	11,27	7,50	5,42	—	9. XII
6,497	74,70	65,80	0,5163	12,48	11,27	7,50	5,42	—	23.
6,497	74,70	65,80	0,5163	12,48	11,27	7,50	5,42	—	31.

100 Francs Brussels	100 Francs Zurich	100 Francs Paris	100 Lire Rome	100 Schilling Vienna	100 Escudos Lisbon	100 Kronur Reykja- vik	100 Pesetas Madrid	100 Koruny Prague	Month
									1964
6,462	74,60	65,72	0,5173	12,47	11,24	7,49	5,42	44,58	I
6,458	74,43	65,66	0,5169	12,45	11,22	7,49	5,42	44,58	II
6,457	74,36	65,65	0,5162	12,45	11,22	7,49	5,42	44,58	III
6,464	74,49	65,68	0,5151	12,46	11,23	7,49	5,42	44,58	IV
6,470	74,64	65,70	0,5152	12,46	11,24	7,49	5,42	44,58	V
6,465	74,68	65,73	0,5155	12,47	11,23	7,49	5,42	44,58	VI
6,475	74,63	65,80	0,5160	12,49	11,22	7,50	5,42	44,58	VII
6,482	74,62	65,80	0,5160	12,49	11,21	7,50	5,42	44,58	VIII
6,490	74,64	65,77	0,5160	12,49	11,19	7,50	5,42	44,58	IX
6,485	74,58	65,69	0,5153	12,46	11,17	7,50	5,42	44,58	X
6,480	74,52	65,65	0,5147	12,45	11,16	7,50	5,42	44,85	XI
6,481	74,54	65,65	0,5147	12,45	11,19	7,50	5,42	44,58	XII
									1965
6,484	74,50	65,65	0,5147	12,46	11,20	7,50	5,42	44,58	I
6,483	74,35	65,65	0,5147	12,45	11,21	7,50	5,42	44,58	II
6,490	74,22	65,73	0,5155	12,47	11,22	7,50	5,42	44,58	III
6,497	74,27	65,80	0,5160	12,48	11,24	7,50	5,42	—	IV
6,497	74,22	65,80	0,5163	12,49	11,25	7,50	5,42	—	V
6,497	74,47	65,80	0,5163	12,49	11,24	7,50	5,42	—	VI
6,497	74,56	65,80	0,5163	12,49	11,23	7,50	5,42	—	VII
6,497	74,73	65,80	0,5163	12,50	11,23	7,50	5,42	—	VIII
6,495	74,71	65,80	0,5163	12,50	11,24	7,50	5,42	—	IX
6,492	74,67	65,80	0,5163	12,49	11,26	7,50	5,42	—	X
6,496	74,64	65,80	0,5163	12,49	11,28	7,50	5,42	—	XI
6,497	74,70	65,80	0,5163	12,48	11,27	7,50	5,42	—	XII

12. Rates of exchange: selling rates at sight, 1951—1965

Year	1 Dollar New York			1 Pound sterling London			100 Kronor Stockholm		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
1951	2,31	2,31	2,31	6,46	6,46	6,46	44,50	44,50	44,50
1952	2,31	2,31	2,31	6,46	6,46	6,46	44,50	44,50	44,50
1953	2,31	2,31	2,31	6,46	6,46	6,46	44,50	44,50	44,50
1954	2,31	2,31	2,31	6,46	6,46	6,46	44,50	44,50	44,50
1955	2,31	2,31	2,31	6,46	6,46	6,46	44,50	44,50	44,50
1956	2,31	2,31	2,31	6,46	6,44	6,4525	44,79	44,40	44,58
1957	3,21	2,31	2,5731	8,9850	6,44	7,2009	62,10	44,56	49,75
1958	3,21	3,2040	3,2099	8,9850	8,94	8,9667	62,10	61,80	61,92
1959	3,2060	3,2020	3,2028	9,0200	8,96	8,9960	61,97	61,85	61,92
1960	3,2120	3,2020	3,2072	9,0350	8,96	9,0049	62,32	61,85	62,07
1961	3,2220	3,2050	3,2146	9,0550	8,9700	9,0088	62,45	61,95	62,23
1962	3,2230	3,2170	3,2209	9,0600	9,0250	9,0437	62,66	62,05	62,50
1963	3,223	3,221	3,223	9,045	9,010	9,027	62,35	62,05	62,16
1964	3,224	3,216	3,220	9,020	8,950	8,990	62,78	62,00	62,52
1965	3,224	3,216	3,223	9,045	8,975	9,011	62,78	62,33	62,52

Year	100 Kroner Oslo			100 Kroner Copenhagen			100 D. Mark Frankfurt o. M.		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
1951	32,35	32,31	32,32	33,40	33,30	33,35	—	—	—
1952	32,35	32,35	32,35	33,40	33,40	33,40	55,00	55,00	55,00
1953	32,35	32,35	32,35	33,40	33,40	33,40	55,00	55,00	55,00
1954	32,35	32,35	32,35	33,40	33,40	33,40	55,00	55,00	55,00
1955	32,35	32,28	32,35	33,41	33,40	33,40	55,10	55,00	55,00
1956	32,42	32,20	32,28	33,46	33,27	33,35	55,19	55,01	55,11
1957	45,00	32,27	36,04	46,40	33,31	37,14	76,76	55,09	61,37
1958	44,90	44,78	44,83	46,44	46,28	46,36	76,71	76,27	76,55
1959	45,00	44,84	44,94	46,56	46,42	46,49	76,78	76,54	76,64
1960	45,09	44,80	44,97	46,73	46,39	46,54	77,04	76,78	76,91
1961	45,25	44,90	45,02	46,84	46,38	46,57	81,07	76,80	80,06
1962	45,20	45,08	45,14	46,84	46,58	46,69	80,90	80,36	80,60
1963	46,16	45,01	45,11	46,77	46,65	46,71	81,09	80,48	80,88
1964	45,09	44,89	44,99	46,69	46,37	46,56	81,12	80,86	81,01
1965	45,14	44,98	45,08	46,83	46,46	46,62	81,16	80,35	80,73

Marks

Year	100 Guildens Amsterdam			100 Francs Brussels			100 Francs Zurich		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
1951	60,90	60,90	60,90	4,62	4,62	4,62	53,00	53,00	53,00
1952	60,90	60,90	60,90	4,62	4,62	4,62	53,00	53,00	53,00
1953	60,90	60,90	60,90	4,62	4,62	4,62	53,00	53,00	53,00
1954	60,90	60,90	60,90	4,62	4,62	4,62	53,00	53,00	53,00
1955	60,90	60,80	60,90	4,6270	4,62	4,62	53,00	52,75	53,00
1956	60,91	60,49	60,66	4,6350	4,6050	4,6269	52,97	52,63	52,78
1957	84,75	60,56	67,68	6,4250	4,5990	5,1359	73,70	52,77	58,83
1958	84,84	84,43	84,70	6,4450	6,4200	6,4325	73,55	73,15	73,32
1959	85,02	84,75	84,87	6,4250	6,3900	6,4112	74,40	73,68	74,13
1960	85,18	84,82	85,05	6,4550	6,4000	6,4337	74,62	73,80	74,74
1961	89,69	84,70	88,58	6,4750	6,4100	6,4501	74,66	74,18	74,44
1962	89,69	88,86	89,42	6,4850	6,4650	6,4747	74,72	74,02	74,51
1963	89,76	89,20	89,55	6,485	6,455	6,467	74,72	74,44	74,62
1964	89,54	88,98	89,29	6,490	6,455	6,473	74,70	74,34	74,56
1965	89,70	89,42	89,55	6,497	6,480	6,494	74,76	74,16	74,51

Year	100 Francs ¹ Paris			100 Lire Rome			100 Schilling Vienna		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
1951	0,66	0,66	0,66	—	—	—	—	—	—
1952	0,66	0,66	0,66	—	—	—	—	—	—
1953	0,66	0,66	0,66	—	—	—	—	—	—
1954	0,66	0,66	0,66	—	—	—	—	—	—
1955	0,66	0,66	0,66	—	—	—	8,90	8,90	8,90
1956	0,6600	0,6554	0,6574	—	—	—	8,90	8,90	8,90
1957	0,7650	0,5482	0,6779	0,5135	0,5125	0,5135	12,40	8,90	9,91
1958	0,7645	0,6498	0,7625	0,5155	0,5115	0,5142	12,39	12,32	12,36
1959	0,6498	0,6498	0,6498	0,5165	0,5135	0,5160	12,42	12,34	12,38
1960	65,55	65,20	65,41	0,5176	0,5156	0,5168	12,45	12,31	12,36
1961	65,75	65,32	65,54	0,5192	0,5160	0,5179	12,50	12,32	12,40
1962	65,80	65,60	65,74	0,5193	0,5180	0,5190	12,49	12,46	12,48
1963	65,80	65,75	65,79	0,5193	0,5176	0,5188	12,50	12,46	12,49
1964	65,80	65,65	65,71	0,5176	0,5147	0,5157	12,50	12,45	12,47
1965	65,80	65,65	65,77	0,5163	0,5147	0,5160	12,50	12,44	12,48

¹ New Francs since 1 Jan. 1960.

Bank Supervisors, Delegated by Parliament, at the End of 1965

ESKOLA, KUSTI, *Chairman*
WIHERHEIMO, T. A., *Vice Chairman*
AALTONEN, AIMO
KOKKOLA, VEIKKO
KINNUNEN, T. H.
TEIR, GRELS
LEHTO, OIVA
SALO, TUURE
PAASIO, RAFAEL

Bank of Finland at the End of 1965

Board of Management

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

Secretaries

VATANEN, U. A., *Credits*
TAMMIVUORI, PERTTI, *Administration*
VOUTILAINEN, JOUKO J., *Foreign affairs, Information*
IGNATIUS, K., *Administration*
ARANKO, JORMA, *Foreign exchange*

Head Office

Chief Accountant

ENGBERG, G.

Heads of Department

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

Chief cashier

ASPELUND, ARTHUR

Institute for Economic Research

VALVANNE, HEIKKI, *Director*
PAUNIO, J. J., *Head of department*
HELELÄ, TIMO, *Head of department*