



BANK OF FINLAND

MONTHLY BULLETIN

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THE FINNISH MARKET REVIEW.

THE MONEY MARKET.

An obvious change towards a tightening of the Finnish money market has been noted during the last few months. The money market, which had remained easy all through the war and even afterwards, revealed signs of a tenseness already in the beginning of last year. News about an impending exchange of notes, however, called forth a steady stream of deposits into the credit institutions at the end of the year. The advance in the deposits was substantial particularly in December when the deposit accounts of the public in all credit institutions increased by 4,346.7 million marks, the corresponding increase having been only 563.3 millions in December, 1944. The appreciable increase in the deposited capital eased the money market at the end of 1945. The liquidity of the credit institutions was good.

The exchange of notes beginning on January 1st, 1946, and accounted for elsewhere in this Bulletin, noticeably influenced the development on the money market especially in January but partly in February as well. As the ready money was placed into the banks at the end of last year, a shortage of cash appeared in the beginning of this year among the public and in business. In order to improve the supply of cash large sums of money were again taken out of the banks in the beginning of this year. As the influx of deposits was slow at the same time there was a consequent reduction of the savings in the credit institutions. The cheque accounts of

the *Commercial Banks* decreased by a total of 1,320.4 million marks in January, but the reduction in deposit accounts did not exceed 50.2 millions. Compared with the exceptionally lively flow of money from the banks in January, February proved much more peaceful. Cheque accounts fell off continually but already at a slower rate than in January, the reduction being only 334.3 millions in February. Deposit accounts recorded an increase of 85.2 million marks.

In this way the figures for the first two months of the current year clearly record a weakening in the supply of money. Along with this an active demand for credit has caused a stringency on the money market. The credits granted by the *Commercial Banks* increased by 2,502.2 million marks in January—February, the increase having been 4,870.5 million marks during the whole of last year and no more than 306.7 millions during the first two months of that year. The increase lately in the demand for credit is partly seasonal in character, but chiefly it is to be regarded as a phenomenon of a permanent nature that is going to exert its influence on the situation of the money market for a long time ahead. The influence of the recovering depository movement and the increased credit granting may be seen in a weakening of the situation of the banks and in their deteriorating liquidity. Thus, the cash of the *Commercial Banks* has abruptly shrunk this year. It was 6,054.6 million marks in December, 1945, decreasing to 3,586.3 millions in January and to 2,653.1 millions in February.

The lowering liquidity forced the Commercial Banks to rediscount bills for 625.0 million marks in the central bank in February. The money market will apparently stay tight, possibly even tightening still, as the need for capital is exceptionally great at present owing to reconstruction and similar requirements and as, on the other hand, savings have not accumulated in the credit institutions at the same rate as the need for money has increased lately.

The development of the position of the *Bank of Finland* partly reflects the general situation of the money market at the beginning of this year. Mention has already been made of the rediscounting of bills of the Commercial Banks caused by the tightening of the situation. During March the amount of the rediscounted bills has still increased reaching 1,349.0 million marks at the end of the third week, which shows that the position in the money market is continually growing more difficult. During the last week of March rediscounts fell below one milliard. The total credits granted by the Bank of Finland have somewhat fallen off in January—February, solely owing to the great reduction in the bills of credit of the Treasury; other credits have increased. The note circulation is again increasing after the contraction caused by the exchange of notes, a normal occurrence at this time of the year and principally originating from the timber fellings. During the third week of March the notes in circulation had already reached as high as 16,638.4 million marks, having been only 13,597.7 millions at the end of 1945. The reserve of foreign currency of the Bank of Finland grew considerably during January—February, and by the end of February it was 1,883.5 millions. In March this figure was again reduced.

PRICES.

The level of prices displayed a very steep rise in 1945, chiefly occasioned by raised wages. Towards the end of the year the rise in prices already showed signs of slowing down. The same development has continued in the beginning of this year. The index for the cost of living (August 1938—July 1939 = 100), indeed, still rose

to 423 points in January from 404 points in December but it remained unchanged in February. The wholesale price index (1935 = 100) rose 7 points in January and 5 points in February, thereby reaching 619 points, a rise the insignificance of which points to the development of prices calming down. It is, however, too early to conclude whether this tendency towards stability is going to last, as the level of prices may rise at any time, at least until the increase in wages has been stopped and equilibrium established in the State finances.

TRADE AND INDUSTRY.

No data are available as yet about industry this year. It should be mentioned, though, that the lumber work, which is very important because of its furnishing the woodworking industry with raw material and facilitating the strained fuel situation, has made a very good progress this winter. The goal set for the fellings in the season of 1945/46 was reached already by the end of March. Apparently, the plans for driving out the timber will also be fulfilled during the spring.

Preliminary figures about foreign trade in January—February show that the trade with foreign countries was rather lively in January, especially in regard to exports. Exports totalled 1,418.3 million marks in January, the amount including 461.2 millions' worth of war reparation deliveries so that the value of the free exports was 957.1 millions. As the value of imports was 944.2 million marks, the free exports exceeded imports by 12.9 millions. In February a considerable shrinkage of foreign trade was recorded, which is usual at that time of the year. Imports decreased to 883.2 million marks and exports to 1,260.5 millions. Reparations were delivered for 587.7 million marks in February, and the value of the free exports amounted to 672.8 millions. Considering imports and the free exports, the trade balance showed an excess of imports that was 210.4 million marks in February and 197.5 millions in January—February. The share of reparation deliveries in total exports was 32.5 per cent in January and 46.6 per cent in February.

THE BANK OF FINLAND MONTHLY BULLETIN

is now reappearing after an intermission of more than six years. The last issue published was No. 10, 1939. The Bulletin will be published only four times in 1946 but, on the whole, the contents will be similar to those of pre-war days. The purpose of it

is to give reliable information about the economic situation in Finland. The data are partly presented in statistical tables, which are kept up-to-date, partly in more comprehensive surveys or short reports. A market review is given in each issue.

CONTENTS OF THE TABLES.

I. MONEY MARKET.

Bank of Finland:

1. Statement.
2. Note issue.
3. Notes in circulation and foreign correspondents.
4. Right to issue notes, note reserve, and home loans.
5. Treasury bills and balances of current accounts.
6. Rates of exchange.

Commercial Banks:

7. Home deposits.
8. Home loans.
9. Position towards foreign countries.
10. Foreign Payment Position of all Banks.
11. Deposits in Post Office Savings Bank.
12. Deposits in the Savings Banks.
13. Deposits in Co-operative Credit Societies and Consumers' Co-operative Societies.
14. Deposits in all Credit Institutions.
15. Insurances in life assurance companies.
16. Changes in number and capital of limited companies.
17. Bankruptcies.
18. Stock Exchange.
19. Stock Exchange index.

II. STATE FINANCES.

20. Public Debt.
21. State Revenue and Expenditure.
22. Collection of Customs and Excise dues.

III. TRADE AND INDUSTRY.

23. Value of imports and exports.
24. Value of imports and exports in different classes of goods.
25. Imports of the most important articles.
26. Exports of the most important articles.
27. Foreign trade with various countries.
28. Value index of imports and exports.
29. Total sales of some wholesale firms.
30. Index of industrial production.
31. Building activity.

IV. TRAFFIC.

32. Foreign shipping.
33. State Railways.

V. LEVEL OF PRICES.

34. Wholesale price index.
 35. Cost of living index.
 36. Bank of Finland building cost index.
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STATISTICS.
1. — STATEMENT OF THE BANK OF FINLAND.

	End of Year Mill. mk						
	1939	1940	1941	1942	1943	1944	1945
ASSETS.							
I. Gold Reserve	1 179	604	171	171	172	172	¹⁾ 387
Foreign Correspondents	1 726	1 177	933	495	215	350	¹⁾ 1283
II. Foreign Bills	2	7	4	4	3	25	¹⁾ 72
Foreign Bank Notes and Coupons	3	1	4	1	1	4	¹⁾ 10
Inland Bills	2 357	5 275	12 225	15 873	17 189	19 906	22 282
III. Foreign Clearing Accounts	—	—	—	—	—	2 365	—
Loans on Security	474	88	26	30	30	19	38
Advances on Cash Credit	93	33	28	61	95	51	77
Bonds in Finnish Currency	325	370	377	327	435	408	336
» » Foreign	322	306	296	263	292	227	273
Shares	—	—	—	262	167	111	0
Bank Premises and Furniture	12	12	12	12	32	32	32
Sundry Assets	316	1 619	102	77	317	272	435
Total	6 809	9 492	14 178	17 576	18 948	23 942	25 225
LIABILITIES.							
Notes in circulation	4 039	5 551	7 317	9 617	10 825	15 657	13 598
Other Liabilities payable on demand:							
Balance of Current Accounts due to the Treasury	26	—	37	10	26	222	149
» » » » Others	686	834	1 258	1 179	711	721	2 685
Bank-Post-Bills	67	57	88	83	84	43	87
Foreign Correspondents	68	295	1 047	406	2 296	3 432	141
Foreign Clearing Accounts	25	338	1 490	2 956	1 410	—	2 803
Sundry Accounts	64	411	801	1 053	1 184	309	1 079
Capital	1 250	1 250	1 250	1 250	1 250	1 250	1 250
Reserve Fund	470	522	625	737	868	1 000	1 154
Bank Premises and Furniture	12	12	12	12	32	32	32
Earnings less Expenses	102	203	213	231	232	222	237
Sundry Liabilities	—	19	40	42	30	1 054	2 010
Total	6 809	9 492	14 178	17 576	18 948	23 942	25 225

¹⁾ Booked values changed according to new rates of exchange.

2. — NOTE ISSUE OF THE BANK OF FINLAND.

	End of Year Mill. mk						
	1939	1940	1941	1942	1943	1944	1945
RIGHT TO ISSUE NOTES.							
Gold Reserve and Foreign Correspondents	2 905	1 781	1 104	666	337	522	1 670
According to Law of Dec. 13, 1939 ¹⁾	2 362	5 283	12 233	15 878	17 193	19 935	22 364
Additional Right of Issue	1 800	1 800	1 800	1 800	1 800	1 800	1 800
Total	7 067	8 864	15 137	18 344	19 380	22 257	25 834
USED AMOUNT OF ISSUE.							
Notes in circulation	4 039	5 551	7 317	9 617	10 825	15 657	13 598
Other Liabilities payable on demand	936	1 935	4 721	5 687	5 711	4 727	6 944
Undrawn Amount of Advances on Cash Credit	69	143	169	156	134	196	274
Total	5 044	7 629	12 207	15 460	16 670	20 580	20 816
NOTE RESERVE	2 023	1 235	2 930	2 884	2 710	1 677	5 018
Grand total	7 067	8 864	15 137	18 344	19 380	22 257	25 834

¹⁾ Bills payable abroad in foreign currency, foreign bonds listed on foreign Stock Exchanges, interest coupons in foreign currency which have fallen due for payment, foreign bank notes, and inland bills falling due not later than within three months' time.

Bank Rate since December 3, 1934, 4 0/ c.

3. — BANK OF FINLAND. NOTES IN CIRCULATION AND FOREIGN CORRESPONDENTS.

End of Month	Notes in circulation					Foreign Correspondents ¹⁾					End of Month
	Mill. mk					Mill. mk					
	1941	1942	1943	1944	1945	1941	1942	1943	1944	1945	
Jan.	[5 551] 5 268	7 204	9 442	10 533	15 027	[1 177] 1 208	898	491	205	349	Jan.
Febr.	5 551	7 463	9 796	11 033	15 255	1 218	885	451	197	324	Febr.
March	5 724	7 751	10 206	11 905	16 146	1 067	802	408	207	337	March
April	5 798	8 044	10 335	12 111	16 768	925	743	376	223	338	April
May	5 659	8 112	9 618	11 977	17 055	894	582	350	269	339	May
June	6 067	7 975	9 087	12 590	16 971	962	755	327	258	334	June
July	6 387	8 036	9 060	13 141	17 688	1 083	710	289	242	270	July
Aug.	6 440	8 161	9 301	13 495	18 872	1 000	699	267	247	309	Aug.
Sept.	6 561	8 501	9 945	14 308	18 113	1 030	617	235	245	346	Sept.
Oct.	6 532	8 762	10 426	14 636	17 259	949	570	227	227	430	Oct.
Nov.	6 779	9 016	10 430	15 425	17 414	931	521	217	324	193	Nov.
Dec.	7 317	9 617	10 825	15 657	13 598	933	495	215	350	²⁾ 1 283	Dec.

¹⁾ Credit balances with foreign correspondents. — ²⁾ Booked values changed according to new rates of exchange.

4. — BANK OF FINLAND. RIGHT TO ISSUE NOTES, NOTE RESERVE AND HOME LOANS.

End of Month	Right to Issue Notes				Note Reserve				Home Loans ¹⁾				End of Month
	Percentage of Liabilities payable on demand				Mill. mk				Mill. mk				
	1942	1943	1944	1945	1942	1943	1944	1945	1942	1943	1944	1945	
Jan.	[109.25] 107.97	103.42	104.09	112.81	2 791	2 343	2 464	4 011	[12 279] 12 406	15 852	16 631	19 023	Jan.
Febr.	102.74	102.08	104.89	111.71	2 150	2 135	2 608	3 852	12 126	15 946	17 127	19 160	Febr.
March	106.03	104.30	101.66	110.54	2 595	2 549	2 084	3 768	13 074	17 687	17 159	20 213	March
April	104.41	103.93	99.80	110.71	2 390	2 493	1 765	3 846	13 071	17 893	16 919	20 710	April
May	100.10	102.34	97.31	109.58	1 815	2 192	1 323	3 676	13 217	16 750	16 877	21 050	May
June	105.35	100.27	91.88	110.74	2 567	1 843	320	3 893	14 203	15 741	16 426	21 183	June
July	104.26	103.57	92.80	112.43	2 411	2 354	426	4 335	14 109	15 745	17 398	22 585	July
Aug.	109.35	100.53	92.44	107.71	3 132	1 884	280	3 465	14 769	15 713	18 222	22 852	Aug.
Sept.	108.77	98.18	94.37	111.15	3 053	1 504	636	4 248	14 805	15 677	19 165	23 966	Sept.
Oct.	105.71	102.37	93.30	109.92	2 639	2 203	396	3 946	14 869	17 086	19 216	23 229	Oct.
Nov.	104.75	103.90	93.51	107.75	2 499	2 433	392	3 569	14 812	16 608	19 833	24 270	Nov.
Dec.	107.01	105.46	99.40	115.46	2 884	2 710	1 677	5 018	15 964	17 314	19 976	22 397	Dec.

¹⁾ Inland bills, loans on security and advances on cash credit.

5. — BANK OF FINLAND. TREASURY BILLS AND BALANCES OF CURRENT ACCOUNTS.

End of Month	Treasury Bills				Balance of Current Accounts due to the Treasury				Balance of Current Accounts due to others than the Treasury				End of Month
	(Included in Home Loans)				Mill. mk				Mill. mk				
	1942	1943	1944	1945	1942	1943	1944	1945	1942	1943	1944	1945	
Jan.	[10 700] 10 800	14 560	15 250	16 500	[37] 129	— 426	— 381	— 75	[1 258] 1 150	1 085	853	635	Jan.
Febr.	10 500	14 560	15 650	16 500	— 781	— 531	— 272	— 319	1 002	940	917	605	Febr.
March	11 400	16 360	15 650	17 700	— 382	— 95	— 727	— 343	1 103	1 265	1 092	722	March
April	11 400	16 560	15 350	17 700	— 592	— 147	— 396	— 295	875	1 311	927	655	April
May	11 500	15 460	15 350	17 700	— 1 208	— 301	— 409	— 541	993	1 436	1 275	876	May
June	12 500	14 500	14 850	17 700	— 449	— 913	— 786	— 419	1 166	1 152	1 105	851	June
July	12 500	14 500	15 850	19 000	— 685	— 452	— 297	— 14	998	965	1 214	687	July
Aug.	13 200	14 500	16 750	19 000	— 1	— 900	— 202	— 759	1 095	1 298	1 625	382	Aug.
Sept.	13 300	14 500	17 750	20 100	— 108	— 1 269	138	143	1 094	1 021	1 246	1 034	Sept.
Oct.	13 300	15 900	17 750	19 400	— 535	— 626	— 264	— 125	1 194	1 331	1 371	1 218	Oct.
Nov.	13 300	15 300	18 250	20 500	— 395	— 352	— 251	— 416	1 243	711	1 055	1 368	Nov.
Dec.	14 560	15 950	17 750	18 600	10	26	222	149	1 179	711	721	2 685	Dec.

The figures in brackets [] indicate the position at the end of the previous year.

6. — RATES OF EXCHANGE QUOTED BY THE BANK OF FINLAND.

	1939	1940	1941	1942—1944	1945			
	31/12	31/12	31/12	31/12	31/3	30/6	30/9	31/12
New York	49:35	49:35	49:35	49:35	49:35	86:30	120:80	136:—
London	197:—	¹⁾ 191:—	¹⁾ 196:—	¹⁾ 196:—	¹⁾ 196:—	343:—	485:—	547:—
Stockholm	1 171:—	1 171:—	1 171:—	1 171:—	1 171:—	2 050:—	2 870:—	3 230:—
Berlin	1 982:—	1 974:35	1 974:35	1 974:35	¹⁾ 1 974:35	—	—	—
Paris	113:50	¹⁾ 107:—	¹⁾ 107:—	¹⁾ 107:—	¹⁾ 107:—	—	—	115:—
Brussels	836:—	¹⁾ 830:—	¹⁾ 789:75	¹⁾ 789:75	¹⁾ 789:75	—	—	310:—
Amsterdam	2 650:—	¹⁾ 2 620:—	¹⁾ 2 620:—	¹⁾ 2 620:—	¹⁾ 2 620:—	—	—	—
Basle	1 123:—	1 156:—	1 158:—	1 158:—	1 158:—	2 026:—	2 830:—	3 175:—
Oslo	1 127:—	¹⁾ 1 127:—	¹⁾ 1 127:—	¹⁾ 1 127:—	¹⁾ 1 127:—	1 750:—	2 450:—	2 750:—
Copenhagen	954:—	954:—	954:—	¹⁾ 1 035:—	¹⁾ 1 035:—	1 810:—	2 515:—	2 830:—
Rome	260:—	260:—	265:—	265:—	¹⁾ 265:—	—	—	—
Madrid	¹⁾ 540:—	¹⁾ 540:—	¹⁾ 540:—	¹⁾ 540:—	¹⁾ 540:—	—	—	—
Montreal	45:25	45:25	45:25	¹⁾ 45:25	¹⁾ 45:25	78:50	109:75	124:—
Lisbon	—	—	—	²⁾ 212:—	210:—	355:—	497:—	560:—

¹⁾ Nominal rate. — ²⁾ Only end of 1942 and 1943; end of 1944 mk 205:—.

7. — HOME DEPOSITS IN THE COMMERCIAL BANKS.

End of Month	Due to the Public				Total ¹⁾							End of Month	
	Cheque accounts Mill. mk		Deposits Mill. mk		Mill. mk								
	1944	1945	1944	1945	1939	1940	1941	1942	1943	1944	1945		
	[7 761]		[10 802]		[10 755]								
Jan.	7 206	8 281	11 101	13 407	10 804	10 774	13 864	14 840	18 456	21 342	26 641	Jan.	
Febr.	7 080	8 378	11 293	13 528	10 706	10 978	13 780	15 498	18 644	21 521	26 795	Febr.	
March	8 005	8 583	11 689	13 755	10 942	11 427	13 440	15 889	19 499	23 278	27 150	March	
April	7 803	8 576	11 988	13 784	10 942	12 233	13 705	16 525	19 738	22 274	27 012	April	
May	8 139	8 520	12 210	14 101	11 031	12 570	13 102	16 567	20 162	23 964	27 480	May	
June	8 773	8 915	12 449	14 376	11 167	12 795	12 761	17 041	21 169	24 998	28 306	June	
July	8 906	8 485	12 612	14 435	11 184	12 970	12 811	16 876	21 387	25 550	28 344	July	
Aug.	9 553	8 371	12 806	14 442	11 038	12 778	13 345	17 056	21 650	26 615	28 035	Aug.	
Sept.	9 769	9 606	12 866	15 058	10 624	12 925	13 792	17 620	22 270	27 136	30 839	Sept.	
Oct.	9 997	10 301	13 026	15 332	10 513	12 968	14 221	17 509	22 473	27 605	32 148	Oct.	
Nov.	10 149	10 891	13 023	15 373	10 365	13 410	14 457	18 193	22 031	27 881	32 462	Nov.	
Dec.	8 733	11 566	13 068	16 558	10 766	13 488	14 829	17 931	21 681	26 470	35 303	Dec.	

¹⁾ Including deposits due to other credit institutions.

Tables 7—9 according to Finnish Official Statistics VII, D, Bank Statistics. Mortgage banks are not included.

8. — HOME LOANS GRANTED BY THE COMMERCIAL BANKS.

End of Month	To the Public				Total ¹⁾							End of Month
	Inland Bills Mill. mk		Other credits Mill. mk		Mill. mk							
	1944	1945	1944	1945	1939	1940	1941	1942	1943	1944	1945	
	[4 786]		[9 901]		[9 212]							
Jan.	4 796	5 869	9 966	10 750	9 304	9 676	12 005	11 160	12 689	14 986	16 951	Jan.
Febr.	4 511	5 813	9 984	10 952	9 372	9 808	12 167	11 266	12 739	14 780	17 120	Febr.
March	4 975	5 836	9 941	11 381	9 480	10 139	11 794	11 716	12 878	15 262	17 642	March
April	5 256	5 695	10 093	12 059	9 572	10 980	12 000	12 457	13 478	15 669	18 148	April
May	5 443	5 767	10 026	12 402	9 538	10 622	11 595	12 346	13 403	15 873	18 674	May
June	5 593	5 871	10 049	12 816	9 502	11 006	10 914	12 605	14 131	16 095	19 134	June
July	6 022	6 221	10 190	13 444	9 519	11 484	11 175	12 390	15 037	16 642	20 567	July
Aug.	6 332	5 902	9 970	13 821	9 545	11 397	11 332	12 197	14 850	16 745	20 403	Aug.
Sept.	6 513	6 731	9 928	13 897	9 731	11 534	11 824	12 242	15 512	16 911	21 631	Sept.
Oct.	6 831	7 675	9 919	14 205	9 775	11 400	11 907	12 703	15 615	17 162	22 935	Oct.
Nov.	6 547	7 504	9 993	14 257	9 762	11 550	11 908	12 516	15 545	16 994	22 600	Nov.
Dec.	5 976	7 248	10 482	14 081	9 910	11 303	11 041	12 250	14 987	16 822	22 293	Dec.

¹⁾ Including loans to other credit institutions.

The figures in brackets [] indicate the position at the end of the previous year.

9. — POSITION OF THE COMMERCIAL BANKS TOWARDS FOREIGN COUNTRIES.

End of Month	Claims ¹⁾							Indebtedness ²⁾							End of Month
	Mill. mk							Mill. mk							
	1939	1940	1941	1942	1943	1944	1945	1939	1940	1941	1942	1943	1944	1945	
	[455]						[309]								
Jan.	514	326	180	158	125	141	125	302	143	137	151	506	373	251	Jan.
Febr.	722	289	184	143	114	134	103	318	130	134	156	434	390	255	Febr.
March	702	265	189	141	119	128	84	308	134	140	156	371	320	263	March
April	582	292	174	136	116	131	86	309	158	164	268	413	324	276	April
May	526	312	150	135	113	133	91	318	188	151	271	247	356	274	May
June	534	316	150	130	113	133	95	309	207	143	313	256	385	283	June
July	716	337	145	124	118	137	86	303	192	128	265	255	518	296	July
Aug.	613	267	143	122	133	127	98	308	151	127	259	372	461	292	Aug.
Sept.	454	242	147	123	134	125	104	258	157	128	369	273	425	301	Sept.
Oct.	360	231	150	127	148	124	176	231	153	131	341	211	438	313	Oct.
Nov.	344	227	147	128	149	123	232	197	140	134	366	209	247	317	Nov.
Dec.	317	202	163	128	140	125	355	145	144	152	445	352	247	352	Dec.

¹⁾ Credit balances with foreign correspondents and foreign bills. — ²⁾ Due to foreign correspondents.

10. — FOREIGN PAYMENT POSITION OF ALL BANKS.¹⁾

End of Month	Net Claims (+) and Net Indebtedness (—)						End of Month
	Mill. mk						
	1939	1940	1941	1942	1943	1944		1945
	[+2 436]						
Jan.	+2 504	+1 497	+ 551	-2 061	-3 966	-3 488	- 322
Febr.	+2 624	+1 157	+ 705	-2 392	-4 057	-3 273	- 875
March	+2 628	+1 184	+ 505	-2 503	-4 485	-2 624	- 991
April	+2 351	+1 073	+ 241	-2 741	-4 535	-2 162	- 951
May	+2 302	+1 006	- 121	-3 257	-4 187	-1 715	- 887
June	+2 464	+ 873	- 131	-3 485	-4 316	-1 206	- 929
July	+2 647	+ 909	- 350	-3 458	-3 996	-1 107	-1 332
Aug.	+2 449	+ 712	- 629	-3 229	-3 950	- 967	-1 379
Sept.	+2 058	+ 934	- 995	-3 099	-3 844	- 932	-1 507
Oct.	+1 843	+ 682	-1 239	-3 220	-3 667	-1 095	-1 624
Nov.	+1 778	+ 681	-1 495	-2 878	-3 602	- 814	-2 543
Dec.	+1 806	+ 610	-1 589	-3 179	-3 700	- 813	-1 556

¹⁾ For the Bank of Finland the net result of the debit and credit accounts with foreign correspondents and of foreign clearing transactions as well as foreign bills are taken into account, and for the Commercial Banks their net position is taken into account according to table 9 above.

²⁾ According to Finnish Official Statistics VII, D, Bank Statistics. At the end of 1939 deposits were 453 mill. mk.

11. — DEPOSITS IN POST OFFICE SAVINGS BANK.²⁾

End of Month	Deposits					End of Month
	Mill. mk					
	1941	1942	1943	1944	1945	
	[593]					
Jan.	605	784	1 087	2 103	3 355	Jan.
Febr.	615	811	1 131	2 173	3 337	Febr.
March	626	830	1 132	2 305	3 342	March
April	631	848	1 230	2 472	3 413	April
May	610	865	1 382	2 552	3 749	May
June	614	892	1 450	2 589	4 112	June
July	643	927	1 524	2 661	4 139	July
Aug.	671	951	1 637	2 735	4 130	Aug.
Sept.	692	963	1 689	2 777	4 494	Sept.
Oct.	707	975	1 841	2 878	4 681	Oct.
Nov.	722	991	1 875	2 857	4 784	Nov.
Dec.	755	1 036	1 949	3 170	5 417	Dec.

12. — DEPOSITS IN THE SAVINGS BANKS.

End of Month	Savings Accounts		Current Accounts		Total						End of Month	
	Mill. mk		Mill. mk		Mill. mk							
	1944	1945	1944	1945	1939	1940	1941	1942	1943	1944		1945
	[10 923]		[587]		[7 781]							
Jan.	11 150	13 258*	537	746*	7 814	7 709	8 183	8 273	9 550	11 687	14 004*	Jan.
Febr.	11 293	13 455*	546	761*	7 871	7 738	8 218	8 383	9 689	11 839	14 216*	Febr.
March	11 483	13 532*	585	779*	7 990	7 842	8 234	8 457	9 904	12 068	14 311*	March
April	11 620	13 577*	565	757*	8 012	7 925	8 271	8 526	10 116	12 185	14 334*	April
May	11 806	13 753*	629	800*	8 046	7 989	7 785	8 584	10 335	12 435	14 553*	May
June	12 078	14 160*	636	844*	8 049	8 010	7 750	8 810	10 710	12 714	15 004*	June
July	12 207	14 318*	673	863*	8 083	8 022	7 797	8 885	10 854	12 880	15 186*	July
Aug.	12 419	14 456*	750	945*	8 087	7 970	7 892	8 988	11 053	13 169	15 401*	Aug.
Sept.	12 549	15 277*	803	1 017*	7 951	7 836	7 977	9 084	11 186	13 352	16 294*	Sept.
Oct.	12 725	15 807*	844	1 024*	7 728	7 787	8 026	9 128	11 366	13 569	16 831*	Oct.
Nov.	12 826	16 167*	875	1 034*	7 545	7 826	8 055	9 183	11 405	13 701	17 201*	Nov.
Dec.	12 928	17 584*	769	1 243*	7 722	8 137	8 184	9 374	11 510	13 697	18 827*	Dec.

According to figures supplied by the Central Statistical Office.

The figures in brackets [] indicate the position at the end of the previous year.

* Preliminary figures subject to minor alterations.

13. — DEPOSITS IN CO-OPERATIVE CREDIT SOCIETIES AND CONSUMERS' CO-OPERATIVE SOCIETIES.

End of Month	Deposits in Co-operative Credit Societies ¹⁾ Mill. mk						Deposits in Consumers' Co-operative Societies ²⁾ Mill. mk						End of Month
	1940	1941	1942	1943	1944	1945	1940	1941	1942	1943	1944	1945	
Jan.	[1 484]						[656]						Jan.
Febr.	1 487	1 740	1 943	2 488	3 482	4 602	652	640	669	806	1 087	1 318	Febr.
March	1 508	1 750	1 987	2 545	3 583	4 661	653	646	681	824	1 108	1 341	March
April	1 541	1 781	2 032	2 641	3 781	4 804	661	652	691	848	1 132	1 354	April
May	1 571	1 804	2 073	2 707	3 888	4 842	665	658	698	874	1 151	1 363	May
June	1 603	1 734	2 123	2 801	4 005	4 978	662	620	707	896	1 171	1 388	June
July	1 648	1 760	2 199	2 934	4 110	5 150	668	616	726	931	1 188	1 429	July
Aug.	1 657	1 782	2 228	3 013	4 187	5 246	658	619	735	950	1 193	1 447	Aug.
Sept.	1 655	1 805	2 257	3 101	4 310	5 332	643	624	740	965	1 209	1 465	Sept.
Oct.	1 656	1 832	2 297	3 188	4 374	5 657	636	630	743	979	1 216	1 599	Oct.
Nov.	1 653	1 831	2 309	3 274	4 447	5 901	626	634	748	995	1 232	1 690	Nov.
Dec.	1 673	1 855	2 356	3 338	4 453	6 061	624	640	756	1 007	1 244	1 755	Dec.
	1 724	1 917	2 428	3 434	4 507	6 912	631	653	776	1 039	1 268	2 036	

¹⁾ Figures supplied by the Central Bank for Co-operative Credit Societies. — ²⁾ According to data supplied by the Finnish Co-operative Wholesale Society and the Co-operative Wholesale Association.

14. — DEPOSITS IN ALL CREDIT INSTITUTIONS.¹⁾

End of Month	Total Deposits due to the Public Mill. mk						
	1939	1940	1941	1942	1943	1944	1945
Jan.	[19 938]						
Febr.	19 974	20 090	23 709	25 072	30 311	36 741	45 061*
March	19 991	20 422	23 651	25 868	30 712	37 155	45 586*
April	20 270	20 990	23 442	26 372	31 792	39 065	46 263*
May	20 378	21 881	23 723	27 033	32 290	39 579	46 420*
June	20 512	22 299	22 600	27 198	33 120	40 596	47 396*
July	20 699	22 497	22 642	27 931	34 550	41 924	49 098*
Aug.	20 791	22 658	22 736	27 849	34 955	42 539	49 067*
Sept.	20 766	22 421	23 252	28 115	35 532	43 883	49 285*
Oct.	20 356	22 474	23 785	28 719	36 360	44 452	52 335*
Nov.	19 656	22 527	24 174	28 767	36 824	45 266	54 374*
Dec.	19 486	22 962	24 454	29 587	36 606	45 535	56 186*
	19 770	23 297	25 066	29 526	36 569	44 535	61 401*

¹⁾ Commercial Banks, Post Office Savings Bank, Savings Banks, Co-operative Credit Societies, Central Bank for Co-operative Credit Societies, Consumers' Co-operative Credit Societies, and Mortgage Banks. — ²⁾ According to information supplied by the Finnish Life Assurance Companies.

15. — INSURANCES IN LIFE ASSURANCE COMPANIES.

Year and Quarter	New risks accepted ¹⁾	
	Number	Amount Mill. mk
1939	82 484	1 155
1940	52 888	807
1941	62 443	986
1942	82 405	1 499
1943	131 901	2 942
1944	112 237	2 324
1945	198 612	7 249
1945		
Jan.—March	50 258	1 440
April—June	49 914	1 600
July—Sept.	40 202	1 544
Oct.—Dec.	58 238	2 665

16. — CHANGES IN NUMBER AND CAPITAL OF LIMITED COMPANIES.

Year and Quarter	Companies founded		Increase of capital		Companies liquidated		Companies with reduced capital		Net increase (+) or reduction (-)		Year and Quarter
	Num-ber	Capital Mill. mk	Num-ber	Mill. mk	Num-ber	Capital Mill. mk	Num-ber	Reduction of capital Mill. mk	Num-ber	Capital Mill. mk	
1939	791	176	256	295	150	68	6	11	+ 641	+ 392	1939
1940	433	193	168	147	130	212	9	60	+ 303	+ 68	1940
1941	653	518	451	607	213	244	13	30	+ 440	+ 851	1941
1942	720	492	578	864	506	240	10	5	+ 214	+ 1 111	1942
1943	866	573	541	1 250	193	134	6	9	+ 673	+ 1 680	1943
1944	523	238	316	633	176	128	2	1	+ 347	+ 742	1944
1945	1 485	797	428	511	120	111	4	34	+ 1 365	+ 1 163	1945
1945											1945
Jan.—March	315	168	86	51	30	61	2	28	+ 285	+ 130	Jan.—March
April—June	424	170	104	155	36	34	1	1	+ 388	+ 290	April—June
July—Sept.	316	296	97	170	21	4	—	—	+ 295	+ 462	July—Sept.
Oct.—Dec.	430	163	141	135	33	12	1	5	+ 397	+ 281	Oct.—Dec.

Figures supplied by the Central Statistical Office.

The figures in brackets [] indicate the position at the end of the previous year.

* Preliminary figures subject to minor alterations.

17. — BANKRUPTCIES.

Month	Bankruptcies ¹⁾						
	Number						
	1939	1940	1941	1942	1943	1944	1945
Jan.	73	8	11	12	15	7	10
Febr.	70	12	18	6	8	10	6
March	58	13	22	13	8	4	6
April	74	28	19	10	10	12	3
May	60	30	29	7	13	6	7
June	40	28	7	6	9	2	12
July	31	26	3	9	11	9	2
Aug.	31	20	9	7	4	12	8
Sept.	36	24	2	17	1	15	2
Oct.	31	19	15	9	7	10	10
Nov.	20	31	17	7	12	10	2
Dec.	5	26	28	14	11	8	8
Total	529	265	180	117	109	105	76

18. — STOCK EXCHANGE.

Month	Turnover of Stock Exchange ²⁾							Month
	Mill. mk							
	1939	1940	1941	1942	1943	1944	1945	
Jan.	18	—	31	40	24	30	29	Jan.
Febr.	24	—	33	51	26	38	41	Febr.
March	40	—	37	88	29	44	117	March
April	21	57	78	75	34	27	108	April
May	22	30	57	75	48	41	81	May
June	20	22	31	20	30	49	129	June
July	9	23	40	19	28	31	114	July
Aug.	19	20	24	19	24	44	132	Aug.
Sept.	51	25	20	28	59	51	219	Sept.
Oct.	16	55	58	40	37	33	157	Oct.
Nov.	5	71	38	29	40	53	94	Nov.
Dec.	—	27	54	38	46	47	109	Dec.
Total	245	330	501	522	425	488	1 330	Total

¹⁾ Preliminary figures compiled by the Central Statistical Office from the reports sent in by the various Courts including all bankruptcy petitions, of which only about half will lead in due course to actual bankruptcy. — ²⁾ According to data supplied by the Stock Exchange Committee.

19. — STOCK EXCHANGE INDEX. 1935=100.

Month	Share prices							Bank share prices	Industrial share prices	Year and Month
	All kinds									
	1939	1940	1941	1942	1943	1944	1945			
January	129	—	147	220	256	244	218	117	141	1939
February	131	—	150	237	255	240	214	91	161	1940
March	134	—	153	268	258	249	260	106	220	1941
April	133	138	166	262	262	255	305	127	306	1942
May	135	141	172	249	268	257	352	129	233	1943
June	137	133	178	259	270	245	458	121	282	1944
July	136	134	200	254	264	239	651	134	540	1945
August	136	129	210	258	263	256	691			
September	133	132	207	272	250	248	499			1945
October	125	139	217	271	229	235	497	122	322	March
November	120	150	213	252	210	202	417	160	611	June
December	—	146	209	245	219	209	416	167	661	September
Whole year	132	138	135	254	250	240	415	140	545	December

*Units: index based on the prices quoted for the shares of 3 banks and 10 industrial firms.

20. — PUBLIC DEBT.

End of Year and Month	Funded Debt			Short-term Credit			Total Public Debt			End of Year and Month
	Foreign	Internal	Total	Foreign	Internal	Total	Foreign	Internal	Total	
	Mill. mk									
1938	1 081	2 539	3 620	—	57	57	1 081	2 596	3 677	1938
1939	1 757	3 380	5 137	—	757	757	1 757	4 137	5 894	1939
1940	3 555	3 884	7 439	140	9 837	9 977	3 695	13 721	17 416	1940
1941	3 631	8 744	12 375	674	14 444	15 118	4 305	23 188	27 493	1941
1942	3 931	12 550	16 481	1 034	19 330	20 364	4 965	31 880	36 845	1942
1943	4 144	23 561	27 705	1 248	22 669	23 917	5 392	46 230	51 622	1943
1944	4 832	35 777	40 609	1 266	25 447	26 713	6 098	61 224	67 322	1944
1945										1945
March	5 396	35 474	40 870	1 266	25 320	26 586	6 662	60 794	67 456	March
June	10 327	36 841	47 168	2 218	24 245	26 463	12 545	61 086	73 631	June
Sept.	14 553	37 246	51 799	3 110	26 485	29 595	17 663	63 731	81 394	Sept.
Dec.	16 425	38 612	55 037	3 522	26 947	30 469	19 947	65 559	85 506	Dec.

According to data supplied by the Treasury. Internal loans are given at their nominal value and foreign loans in Finnish currency according to current rates of exchange.

21. — STATE REVENUE AND EXPENDITURE.

Year and Month	Total revenue	Current revenue ¹⁾ derived from							Capital revenue	Expenditure			Year and Month
		Income and Property tax ²⁾	Excise on spirits, wines, etc.	Stamp duty	Sales tax	Interest and Dividends	Railways, Posts, Telegraphs ³⁾	State Forests ⁴⁾		Total	Current	Capital	
1939	8 336	1 087	146	262	—	332	290	200	3 627	8 358	6 071	2 287	1939
1940	17 062	1 442	208	210	—	288	379	72	11 879	21 308	17 433	3 875	1940
1941	29 960	1 759	221	240	1 410	571	550	151	17 994	31 424	24 571	6 853	1941
1942	27 783	3 693	180	271	3 510	640	830	416	10 598	27 679	21 672	6 007	1942
1943	39 094	6 394	203	304	4 002	1 521	1 207	240	17 055	33 762	29 969	3 793	1943
1944	37 499	6 179	180	365	4 019	2 691	745	149	15 860	43 903	37 526	6 377	1944
1945	42 897	13 759	334	857	6 872	2 533	601	113	9 163	42 755	33 754	9 001	1945
1946 Budget	55 529	12 250	268	800	5 750	4 091	1 775	435	12 580	55 526	41 200	14 326	1946 Budget

Tables 21—22 according to preliminary monthly accounts kept by the Treasury, the Customs and the Board of Excise Revenue.

¹⁾ The current revenue derived from Customs duty, and some other State receipts are specified in table 22 below. — ²⁾ Including special and supplementary taxes on income and property but not the Capital Levy nor the surplus income tax and inheritance tax. — ³⁾ The figures given refer to net revenue.

22. — COLLECTION OF CUSTOMS AND EXCISE DUES.

Year and Month	Total Customs Receipts	Customs duty on		Fines, Light Dues, etc.	Total Excise Dues	Excise on				Year and Month
		Imported goods incl. storage charges	Exported goods			Tobacco	Spirits	Beer	Matches	
1939	1 631	1 599	1	31	588	355	77	69	—	1939
1940	958	944	1	13	943	587	74	135	52	1940
1941	1 407	1 391	2	14	1 375	926	83	137	82	1941
1942	1 689	1 669	1	19	1 652	1 159	99	80	121	1942
1943	1 088	1 064	2	22	1 737	1 288	128	75	110	1943
1944	703	683	2	18	1 927	1 531	105	76	137	1944
1945	436	416	0	20	2 365	167	171	162	205	1945
1946 Budget	1 901	1 860	1	40	3 766	3 100	128	140	240	1946 Budget

23. — VALUE OF IMPORTS AND EXPORTS.

Month	Imports (c. i. f.)			Exports (f. o. b.)			Imports (c. i. f.)	Exports (f. o. b.)	Surplus of Imports (—) or Exports (+)	Year
	Mill. mk			Mill. mk						
	1943	1944	1945	1943	1944	1945				
January	1 172	963	391*	463	769	720*				
February	947	718	339*	563	749	864*				
March	1 282	1 174	332*	536	796	343*	7 573	7 710	+ 137	1939
April	1 125	855	367*	589	787	332*	9 164	2 875	—6 289	1940
May	1 199	914	429*	845	783	771*	10 201	4 321	—5 880	1941
June	941	837	349*	635	685	645*	11 731	5 991	—5 740	1942
July	1 000	903	311*	891	809	889*	12 880	8 713	—4 167	1943
August	937	1 036	662*	817	596	1 118*	8 919	1) 6 597	—2 322	1944
September	1 391	713	512*	798	186	1 789*	6 821*	2) 12 290*	+5 469*	1945
October	948	177	685*	912	39	1 412*				
November	994	179	813*	815	155	1 493*				
December	944	450	1 631*	849	243	1 864*				
Total	12 880	8 919	6 821*	8 713	1) 6 597	2) 12 290*				

Tables 23—28 according to Finnish Official Statistics I, A, Foreign Trade of Finland, Monthly Reports.

The term *imports* covers all imported goods which are placed on the market either immediately after importation or after storage. *Exports* covers all goods exported from the open market, including re-exports. Goods are declared to the Customs by their owner, who must at the same time state the value of the goods as calculated at the frontiers of the country.

¹⁾ Including 265 mill. marks' worth of reparation deliveries. — ²⁾ Including 6 622 mill. marks' worth of reparation deliveries.

* Preliminary figures subject to minor alterations.

24. — VALUE OF IMPORTS AND EXPORTS IN DIFFERENT CLASSES OF GOODS.

Classes of Goods	Imports (c. i. f.) Mill. mk					Exports (f. o. b.) Mill. mk				
	1939	1942	1943	1944	1945*	1939	1942	1943	1944	1945*
Dairy produce, eggs, honey	2	580	377	416	274	500	—	—	0	57
Other animal products, live animals	39	91	44	57	264	142	6	16	4	19
Vegetables	6	199	152	52	78	0	—	0	3	—
Eatable fruit	118	69	100	22	4	18	0	139	0	0
Coffee, tee, spices	205	17	4	1	13	1	0	0	0	—
Cereals, milling products ..	173	1 454	1 438	1 194	1 365	1	0	22	0	0
Certain seeds and fruit, plants for industrial purposes ..	42	90	92	89	46	13	30	102	124	2
Raw materials for tanning and dyeing	14	36	31	16	3	0	2	0	—	0
Animal and vegetable fats ..	106	12	73	88	269	2	—	0	—	—
Meat and fish products ...	3	71	52	35	81	0	—	—	—	—
Sugar, sweets	211	532	401	371	271	1	—	0	—	—
Beverages, vinegars	63	82	79	126	0	0	3	6	13	—
Fodder	24	13	97	27	2	0	—	7	2	0
Tobacco	123	125	181	209	195	1	0	—	—	—
Minerals, ore	147	168	260	139	208	16	206	539	544	85
Mineral fuel and oils	820	1 370	2 142	1 398	531	5	4	3	5	2
Chemical and pharmaceutical products	246	465	617	365	274	32	47	54	53	20
Tanning and dyeing extracts, varnishes	143	128	195	115	73	6	1	1	0	1
Caseine, albumine, glues ..	34	41	76	37	116	3	—	0	—	—
Fertilizers	158	255	273	195	157	0	—	—	—	0
Hides, skins, leather and furs; manufactures of these materials	155	54	175	144	45	126	58	134	162	0
Rubber and rubber articles	83	136	124	122	77	3	0	0	0	2
Wood and wooden goods ..	71	10	12	7	3	2 836	2 317	3 060	2 211	3 306
Woodpulp	0	0	0	—	4	1 972	931	1 106	933	2 440
Cardboard and paper; their applications	34	27	36	24	6	1 406	1 321	2 328	1 553	2 197
Textile materials, textile goods	932	1 243	1 411	732	567	103	33	154	210	206
Footwear	5	31	9	31	40	13	5	20	32	0
Articles of stone and of other mineral material, glass ..	83	103	142	97	48	72	64	74	68	63
Base metals; articles made therefrom	1 088	1 779	1 797	1 111	1 092	240	246	307	206	497
Machinery, apparatus	569	796	756	584	364	49	17	15	8	542
Electrical machinery and apparatus	452	564	662	357	123	11	11	23	12	387
Transport material	546	272	355	228	52	24	536	334	280	2 362
Instruments, clocks and watches, musical instruments	86	138	132	88	31	5	1	2	4	1
All others	792	780	585	442	145	109	152	267	170	101
Total	7 573	11 731	12 880	8 919	6 821	7 710	5 991	8 713	¹⁾ 6 597	²⁾ 12 290

¹⁾ Including 265 mill. marks' worth of reparation deliveries. — ²⁾ Including 6 622 mill. marks' worth of reparation deliveries.

* Preliminary figures subject to minor alterations.

25. — IMPORTS OF THE MOST IMPORTANT ARTICLES.

Month	Wheat Tons			Rye Tons			Sugar Refined and Unrefined Tons			Month
	1939	1944	1945	1939	1944	1945	1939	1944	1945	
January	1 159	2 720	11 133*	11	25 452	12 764*	7 573	3 355	2 278*	January
February	1 014	1 481	7 326*	400	10 297	5 839*	5 040	2 769	1 679*	February
March	1 047	14 378	11 378*	80	—	12 887*	8 663	2 794	1 563*	March
April	242	165	3 384*	0	500	12 994*	11 681	3 252	1 305*	April
May	298	196	2 221*	456	—	25 967*	13 068	3 037	538*	May
June	5 996	4 239	45*	250	0	16 632*	11 819	1 750	997*	June
July	598	—	1 270*	2 435	18 591	12 732*	10 101	1 232	1 910*	July
August	913	—	—	1 103	37 273	19 175*	17 100	2 659	1 355*	August
September	427	—	3 450*	782	33 923	5 748*	7 605	2 765	795*	September
October	3 211	—	6 645*	2 630	6 421	2 200*	2 909	2 330	1 361*	October
November	4 050	14 093	6 370*	4 687	9 485	5 910*	2 329	1 251	389*	November
December	3 059	15 212	16 504*	1 907	18 565	17 015*	1 135	2 462	1 992*	December
Total	22 014	52 484	69 726*	14 741	160 507	149 863*	99 023	29 706	16 162*	Total

Month	Raw Tobacco Tons			Coal and Coke Tons			Petrol Tons			Month
	1939	1944	1945	1939	1944	1945	1939	1944	1945	
January	457	200	119*	149 996	120 394	36 322*	9 058	3 110	113*	January
February	332	165	108*	53 661	71 346	6 726*	9 922	395	177*	February
March	323	189	96*	26 471	118 070	3 012*	10 342	266	88*	March
April	239	167	93*	46 482	96 137	—	12 354	274	228*	April
May	300	153	60*	138 283	124 816	—	15 087	3 028	196*	May
June	326	110	96*	194 414	113 080	—	15 311	5 215	208*	June
July	187	152	91*	197 685	87 913	—	18 812	255	259*	July
August	395	142	203*	212 135	78 229	—	16 268	5 242	386*	August
September	488	154	128*	140 995	61 068	—	8 836	264	525*	September
October	315	121	157*	103 261	300	20 123*	17 250	1 203	316*	October
November	338	112	159*	131 145	—	32 948*	7 569	274	419*	November
December	160	73	89*	26 440	33 690	12 167*	7 210	2 525	1 720*	December
Total	3 860	1 738	1 399*	1 420 968	905 043	111 298*	148 019	22 051	4 635*	Total

Month	Raw Cotton Tons			Pig Iron Tons			Bar Iron and Bar Steel Tons			Month
	1939	1944	1945	1939	1944	1945	1939	1944	1945	
January	1 233	—	908	1 711	770	—	8 006	4 065	116*	January
February	1 270	3	692*	361	—	—	3 397	3 361	826*	February
March	1 334	2	196*	420	—	—	4 552	4 531	3 291*	March
April	1 195	—	314*	1 369	—	—	4 345	9 234	3 201*	April
May	1 596	—	286*	10 072	150	—	8 833	4 054	2 414*	May
June	754	—	836*	5 276	—	—	8 733	3 859	1 586*	June
July	1 182	—	257*	7 415	—	150*	10 843	2 837	691*	July
August	639	—	278*	7 563	222	99*	11 191	3 085	1 169*	August
September	214	—	367*	775	—	125*	4 656	1 746	1 156*	September
October	521	—	646*	2 722	—	—	5 300	887	1 295*	October
November	1 376	2	556*	2 685	—	227*	2 706	350	952*	November
December	862	48	543*	558	—	100*	693	329	605*	December
Total	12 176	55	5 879*	40 927	1 142	701*	73 255	38 338	17 302*	Total

*) Preliminary figures subject to minor alterations.

26. — EXPORTS OF THE MOST IMPORTANT ARTICLES.

Month	Copper Ore Tons			Round Timber (All kinds excl. fuel) 1 000 m ³			Sawn Timber All kinds 1 000 standards			Month
	1939	1944	1945	1939	1944	1945	1939	1944	1945	
January	51	1 130	3 150*	17	2	1*	30	12	16*	January
February	—	3 512	69*	10	3	—	11	4	6*	February
March	—	2 345	129*	19	5	0*	24	3	5*	March
April	—	2 543	3 367*	36	2	16*	25	7	3*	April
May	—	2 320	100*	247	7	31*	36	11	12*	May
June	—	3 757	97*	370	40	43*	142	14	20*	June
July	275	1 505	153*	431	71	50*	165	34	16*	July
August	—	4 915	45*	510	60	83*	148	25	17*	August
September	—	1 290	54*	176	27	58*	49	5	27*	September
October	—	3 175	158*	157	—	147*	42	0	44*	October
November	—	17 314	118*	190	0	71*	26	8	21*	November
December	—	7 063	249*	26	2	27*	4	8	27*	December
Total	326	50 869	7 689*	2 189	219	527*	702	131	214*	Total

1 standard sawn timber = 4.672 m³.

Month	Matches Tons			Plywood 1 000 m ³			Bobbins (Spools) Tons			Month
	1939	1944	1945	1939	1944	1945	1939	1944	1945	
January	148	72	—	18	6	6*	375	78	80*	January
February	141	125	—	20	4	4*	320	296	139*	February
March	202	353	—	26	7	6*	481	270	125*	March
April	148	106	—	21	8	4*	455	150	134*	April
May	180	138	—	21	8	5*	404	185	133*	May
June	150	95	—	24	7	4*	530	181	136*	June
July	142	46	—	23	7	2*	472	142	87*	July
August	191	116	—	21	5	5*	387	161	79*	August
September	78	—	89*	13	1	8*	361	10	153*	September
October	87	—	116*	10	0	10*	318	—	132*	October
November	80	—	72*	14	2	9*	502	—	144*	November
December	105	—	72*	3	5	9*	348	—	163*	December
Total	1 652	1 051	349*	214	60	72*	4 953	1 473	1 505*	Total

Month	Mechanical Pulp ¹⁾ Tons			Sulphite Cellulose ¹⁾ Tons			Sulphate Cellulose ¹⁾ Tons			Month
	1939	1944	1945	1939	1944	1945	1939	1944	1945	
January	18 324	3 400	1 372*	43 616	11 039	8 207*	22 463	8 402	3 338*	January
February	23 485	3 012	4 264*	47 975	7 470	9 731*	31 743	8 170	5 883*	February
March	22 912	2 890	5 331*	44 412	19 459	8 265*	23 530	12 785	5 225*	March
April	22 086	1 024	2 710*	65 847	14 700	6 675*	34 726	14 612	4 333*	April
May	19 274	5 177	2 835*	70 927	12 075	12 052*	34 451	8 493	6 402*	May
June	18 506	6 358	4 845*	64 341	11 071	7 989*	29 927	2 885	2 222*	June
July	21 429	4 849	7 641*	57 546	10 932	17 350*	31 447	2 092	7 057*	July
August	20 389	4 663	15 879*	63 165	6 222	18 730*	43 662	3 410	11 238*	August
September	17 811	94	8 091*	71 041	—	13 232*	43 423	—	13 622*	September
October	9 645	—	4 789*	76 847	—	11 345*	46 438	—	7 808*	October
November	9 358	—	9 981*	67 759	3 834	26 252*	47 563	655	21 833*	November
December	2 141	6 561	17 600*	20 816	3 270	19 872*	9 359	7 331	15 497*	December
Total	205 360	38 028	85 338*	694 292	100 072	159 700*	398 732	68 835	104 458*	Total

¹⁾ Dry weight.

* Preliminary figures subject to minor alterations.

26. — EXPORTS OF THE MOST IMPORTANT ARTICLES. — Continued.

Month	Cardboard All Kinds Tons			Paper All Kinds Tons			Newsprint (Included in previous column) Tons			Month
	1939	1944	1945	1939	1944	1945	1939	1944	1945	
January	8 273	9 690	4 416*	48 564	19 545	14 136*	39 484	7 837	8 654*	January
February	9 279	9 869	4 214*	44 574	13 371	8 695*	36 331	4 870	4 457*	February
March	10 607	10 202	3 916*	49 170	19 307	8 630*	39 231	8 390	4 201*	March
April	11 114	11 224	4 054*	54 186	17 431	5 545*	42 528	6 003	1 537*	April
May	10 987	7 553	4 061*	52 846	17 614	7 246*	42 246	6 724	2 404*	May
June	10 540	9 303	3 635*	52 572	15 443	9 617*	40 724	5 540	4 248*	June
July	11 759	8 431	2 680*	46 449	11 857	12 203*	35 591	2 525	7 961*	July
August	11 616	6 111	6 087*	52 236	8 655	19 472*	41 014	1 333	11 151*	August
September	6 871	549	3 880*	42 680	856	20 451*	35 688	321	13 438*	September
October	7 802	—	6 481*	39 485	21	16 040*	30 799	—	8 659*	October
November	9 992	680	4 964*	40 144	233	15 176*	30 725	197	8 210*	November
December	4 567	1 153	12 522*	12 632	6 403	19 176*	8 059	4 566	12 422*	December
Total	113 407	74 765	60 910*	535 538	130 736	156 387*	422 420	48 306	87 342*	Total

27. — FOREIGN TRADE WITH VARIOUS COUNTRIES.

Country	Imports (c. i. f.)					Exports (f. o. b.)				
	1939	1943	1944	1945 *		1939	1943	1944	1945 *	
Europe:	%	%	%	Mill. mk	%	%	%	%	Mill. mk	%
Belgium	6.2	0.8	0.8	21.7	0.3	3.4	2.4	1.2	84.9	0.7
Bulgaria	0.0	0.6	1.1	39.8	0.6	0.0	1.3	1.0	—	—
Denmark	3.9	7.5	9.3	1 035.8	15.2	4.0	9.7	11.5	571.4	4.6
France	2.6	0.9	2.0	0.1	0.0	1.8	1.3	1.2	15.1	0.1
Germany	22.0	76.5	72.5	105.8	1.6	16.6	68.6	64.8	—	—
Great Britain	19.1	0.0	0.0	726.8	10.7	36.2	—	—	1 839.1	15.0
Holland	4.0	0.4	0.5	16.7	0.2	6.2	3.6	3.0	26.7	0.2
Hungary	0.5	1.2	2.8	1.3	0.0	0.1	2.3	2.9	—	—
Italy	1.2	3.1	0.4	2.1	0.0	1.5	4.1	0.0	0.3	0.0
Norway	2.0	1.3	0.7	17.8	0.3	1.1	1.1	1.1	12.6	0.1
Rumania	0.0	0.7	0.7	13.0	0.2	0.1	1.2	0.5	—	—
U. S. S. R.	0.8	0.0	0.0	1 292.9	19.0	0.3	—	4.0	1) 8 607.6	70.0
Sweden	15.9	5.4	8.0	3 501.1	51.3	6.3	2.4	6.7	823.0	6.7
Switzerland	1.6	0.5	0.3	2.1	0.0	0.2	0.9	0.5	8.3	0.1
Spain	0.1	0.4	0.3	—	—	0.2	0.5	0.3	—	—
Other European countries	4.9	0.7	0.6	40.9	0.6	2.8	0.6	1.3	45.0	0.4
Total Europe	84.8	100.0	100.0	6 817.9	100.0	80.8	100.0	100.0	12 034.0	97.9
Asia	1.1	—	—	0.0	0.0	1.4	—	—	—	—
Africa	0.2	—	—	0.0	0.0	2.1	—	—	6.7	0.0
United States	10.1	0.0	0.0	2.8	0.0	12.3	0.0	0.0	98.6	0.3
Other States of North America	0.6	—	—	—	—	0.2	—	—	8.2	0.1
South America	3.0	0.0	0.0	0.3	0.0	2.4	—	—	142.5	1.2
Australia	0.2	—	—	—	—	0.3	—	—	—	—
Grand Total	100.0	100.0	100.0	6 821.0	100.0	100.0	100.0	100.0	12 290.0	100.0

The country of import indicates the land in which goods were purchased, the country of export the land to which goods were sold.

1) Including 6 622 mill. marks' worth of reparations deliveries.

* Preliminary figures subject to minor alterations.

28. — VALUE INDEX OF IMPORTS AND EXPORTS. 1935=100.

Year and Month	Total Imports	Groups of Imported Goods				Total Exports	Principal Exported Goods				Year and Month
		Raw materials	Machinery	Food-stuffs	Other consumption goods		Sawn timber	Mechanical pulp	Dry cellulose	Paper	
1938	113	115	121	111	101	131	138	146	125	128	1938
1939	115	117	131	109	103	128	149	140	108	120	1939
1940	182	202	168	170	143	161	186	.	136	122	1940
1941	247	267	231	236	223	190	211	144	162	146	1941
1942	333	379	279	338	271	244	234	215	254	214	1942
1943	420	457	346	486	324	304	277	271	320	311	1943
1944	457	468	360	560	400	323	292	309	337	314	1944
1945											1945
Jan.—March	469	405	546	580	335	300	284	—	303	299	Jan.—March
Jan.—June	494	481	538	551	329	319	329	—	312	328	Jan.—June
Jan.—Sept.	586	584	687	610	374	387	374	574	371	372	Jan.—Sept.
Jan.—Dec.	709	729	798	713	447	452	433	597	436	445	Jan.—Dec.

Calculated by the Statistical Dept. of the Board of Customs. For details concerning the calculation of the indices see article in this Bulletin No. 4, 1939.

29. — TOTAL SALES OF WHOLESALE FIRMS.

Month	Total sales Mill. mk					Month
	1941	1942	1943	1944	1945	
January	1 038	677	981	1 046	1 412	January
February	849	821	1 073	1 206	1 482	February
March	1 035	923	1 306	1 360	1 585	March
April	1 076	914	1 266	1 246	1 626	April
May	1 253	1 007	1 329	1 411	1 848	May
June	867	1 138	1 099	1 043	1 759	June
July	891	1 186	1 106	948	1 400	July
August	914	1 072	1 167	1 229	1 847	August
September	906	1 125	1 308	1 023	2 420	September
October	957	1 098	1 337	1 077	2 954	October
November	875	1 076	1 302	1 191	3 186	November
December	967	1 188	1 429	1 419	3 267	December
Total	11 628	12 225	14 703	14 199	24 786	Total

Calculated by the «Uusi Suomi». The figures represent approximately 95% of the turnover of all wholesalers in Finland.

30. — INDEX OF INDUSTRIAL PRODUCTION. 1935=100.

Month	Home industries Value index							Exporting industries Volume index							Month
	1939	1940	1941	1942	1943	1944	1945	1939	1940	1941	1942	1943	1944	1945	
January	161	154	219	192	204	244	221	111	42	43	38	48	47	40	January
February	158	193	222	216	257	288	264	115	34	45	36	49	48	38	February
March	163	151	199	201	237	265	220	116	22	49	37	50	51	40	March
April	161	191	175	169	203	211	220	104	43	50	38	54	53	44	April
May	150	163	185	176	208	222	220	109	45	51	37	52	51	47	May
June	160	179	156	203	201	199	239	90	39	37	43	40	40	50	June
July	146	165	197	217	226	239	213	100	39	25	46	42	31	47	July
August	165	193	173	159	194	235	309	112	45	31	49	45	33	48	August
September	176	182	161	196	184	199	341	80	43	36	47	48	32	52	September
October	150	210	167	166	179	195	390	64	38	34	48	50	32	56	October
November	161	209	167	190	205	230	434	68	35	33	43	49	32	54	November
December	136	213	187	196	221	221	470	38	37	31	42	46	38	51	December
Whole year	158	189	182	189	208	225	303	93	37	39	43	48	40	47	Whole year

•Unitas• index based on seasonally adjusted monthly figures.

31. — BUILDING ACTIVITY.

Month	Consumption of cement in Finland ¹⁾						Plans approved in the Capital ²⁾						Month	
	1 000 tons						All buildings, 1 000 m ³							
	1940	1941	1942	1943	1944	1945	1940	1941	1942	1943	1944	1945		
January	[550]						[2 037.9]							
February	5	25					0.2	56.5	92.2	7.1	0.6	64.7	January	
March	6	25	23	28	31	46	0.1	228.8	88.3	18.3	0.3	35.5	February	
April	7	29					—	65.8	3.9	—	25.6	71.9	March	
May	9	34					7.0	28.8	12.1	4.8	2.9	116.8	April	
June	20	57	76	73	60	89	—	179.2	72.4	196.6	8.1	229.7	May	
July	30	36					7.0	97.6	35.1	19.9	70.2	101.7	June	
August	34	23					11.3	71.8	8.5	32.7	1.5	126.5	July	
September	34	15	96	79	52	83	3.3	—	8.9	11.5	6.9	42.5	August	
October	43	8					51.1	32.8	1.5	1.2	0.0	12.6	September	
November	46	8					57.6	26.8	12.1	12.7	1.7	47.7	October	
December	42	8	53	46	44	63	87.0	—	9.9	2.0	40.6	150.9	November	
	36	8					83.6	0.5	9.3	0.5	42.0	36.1	December	
Total	312	276	248	226	187	281	308.2	788.6	354.2	357.3	200.4	1 036.6	Total	

¹⁾ Comprising the total quantity of cement delivered by the country's 2 cement factories and including the quantity imported which is, however, only a negligible part of the total consumption. — ²⁾ According to data compiled by the Municipal Building Surveyor's Office in Helsinki.

The figures in brackets [] indicate the activity of the previous year.

32. — FOREIGN SHIPPING.

Year and Quarter	Arrivals				Sailings				Year and Quarter
	Number of vessels		Net reg. tons		Number of vessels		Net reg. tons		
	Total	of which Finnish	Total	of which with Cargo	Total	of which Finnish	Total	of which with Cargo	
1939	6 985	3 357	4 747 276	2 842 904	7 038	3 889	4 816 568	4 347 828	1939
1940	2 589	1 524	1 612 988	1 100 547	2 537	1 489	1 567 524	1 196 362	1940
1941	2 360	1 342	1 810 137	1 371 501	2 325	1 306	1 777 174	1 318 942	1941
1942	2 058	1 127	1 940 018	1 575 187	2 097	1 159	1 972 717	1 272 029	1942
1943	2 586	1 421	2 060 082	1 540 712	2 623	1 455	2 068 203	1 480 299	1943
1944	1 659	1 053	1 272 138	937 883	1 639	1 038	1 268 918	979 070	1944
1945	1 376*	781*	942 595*	384 487*	1 405*	810*	965 370*	815 267*	1945
1945									1945
Jan.—March	155*	88*	114 582*	67 956*	129*	55*	94 700*	45 978*	Jan.—March
April—June	213*	107*	133 443*	70 455*	240*	148*	141 666*	102 540*	April—June
July—Sept.	446*	261*	299 499*	90 929*	476*	304*	294 737*	265 960*	July—Sept.
Oct.—Dec.	562*	325*	395 071*	155 147*	560*	303*	434 267*	400 789*	Oct.—Dec.

Figures supplied by the Statistical Office of the Shipping Board.

33. — STATE RAILWAYS.

Month	Weight of Goods Transported				Axle-kilometres of Goods trucks		Revenue (less Re-imbursments)				Regular Expenditure				Month
	1 000 Tons				Mill. km		Mill. mk				Mill. mk				
	1942	1943	1944	1945	1942—44	1945	1942	1943	1944	1945	1942	1943	1944	1945	
Jan.	478	728	714	752*	.	53	72	118	136	189*	105	131	178	197	Jan.
Febr.	577	703	673	703*	.	49	79	116	134	162*	133	165	209	230	Febr.
March	684	1 006	807	886*	.	55	94	158	169	203*	155	167	209	218	March
April	724	1 197	1 091	947*	.	67	105	230	284	224*	133	174	209	237	April
May	742	1 397	1 354	988*	.	70	112	291	274	230*	132	180	224	367	May
June	1 032	955	580	1 046*	.	67	163	188	158	279*	141	170	213	314	June
July	1 270	1 210	1 428	996*	.	66	220	251	411	294*	126	161	242	284	July
Aug.	1 645	1 111	1 150	1 079*	.	68	339	249	236	377*	127	162	210	376	Aug.
Sept.	1 180	1 207	666	971*	.	63	190	249	282	331*	146	164	211	548	Sept.
Oct.	1 154	1 390	2 139	986*	.	65	226	315	290	347*	139	171	202	488	Oct.
Nov.	1 235	1 204	671	1 036*	.	65	224	240	210	333*	139	223	213	538	Nov.
Dec.	2 484	1 863	878	1 212*	.	61	523	454	470	492*	205	213	368	696	Dec.
Total	13 205	13 971	12 151	11 602*	.	749	2 347 ¹⁾	3 070	3 054	3 467 ¹⁾	1 681 ¹⁾	2 174	2 688	4 493	Total

According to Monthly Statistics of the Finnish State Railways.

¹⁾ Including a certain group of incomes, the monthly distribution of which is not known.

* Preliminary figures subject to minor alterations.

84. — WHOLESALE PRICE INDEX. 1935-100.

Month	Index for goods in Finnish wholesale trade																		Month
	Total index								Finnish goods								Imported goods		
									Total		Products of agriculture		Products of forestry		Products of industry				
	1939	1940	1941	1942	1943	1944	1945	1944	1945	1944	1945	19	4	1945	1944	1945	1944	1945	
Jan.	113	142	177	218	263	293	322	283	303	256	267	350	370	270	292	315	371	Jan.	
Febr.	113	146	187	221	263	295	326	283	306	257	269	350	370	271	297	320	378	Febr.	
March	113	150	189	228	264	303	331	291	311	262	272	360	376	278	302	329	386	March	
April	113	153	193	233	268	304	343	293	323	263	273	368	405	279	313	330	391	April	
May	114	157	193	237	272	304	348	293	330	260	274	368	424	279	317	330	394	May	
June	115	162	194	240	274	304	383	292	374	259	392	367	438	279	348	331	398	June	
July	116	164	199	244	275	306	421	293	421	259	435	367	520	279	385	337	405	July	
Aug.	117	165	203	253	282	308	489	296	499	259	489	367	661	284	450	338	436	Aug.	
Sept.	122	166	204	259	284	309	515	296	531	260	497	368	733	285	475	338	446	Sept.	
Oct.	129	170	206	260	286	309	577	296	578	256	604	368	746	285	514	339	562	Oct.	
Nov.	134	174	209	261	290	310	596	297	599	260	631	369	746	285	541	341	573	Nov.	
Dec.	137	176	209	261	291	314	607	299	609	264	639	370	746	287	555	351	582	Dec.	
Whole year	120	161	197	243	276	305	438	293	432	260	420	364	545	280	399	333	443	Whole year	

Calculated by the Central Statistical Office. For details concerning the calculation of the index see article in this Bulletin No. 4, 1939.

85. — COST OF LIVING INDEX. 1935-100.

Month	Total index								Foodstuffs		Rent		Fuel and light		Clothing		Taxes		Month
	1939	1940	1941	1942	1943	1944	1945	1944	1945	1944	1945	1944	1945	1944	1945	1944	1945		
Jan.	109	121	145	168	200	216	222	214	215	136	136	376	381	269	294	181	182	Jan.	
Febr.	109	123	150	169	201	217	222	214	216	136	136	375	383	273	292	181	182	Febr.	
March	109	126	151	173	202	217	223	214	216	136	136	376	384	276	293	181	182	March	
April	109	130	152	176	202	218	225	214	216	136	144	376	399	278	294	181	182	April	
May	108	130	151	178	203	218	228	214	216	136	144	375	424	279	305	181	182	May	
June	108	128	152	179	203	218	264	214	288	136	144	375	453	279	309	181	182	June	
July	109	133	155	180	204	219	306	214	331	136	144	378	488	281	330	183	317	July	
Aug.	109	134	159	193	207	219	341	213	384	136	144	379	534	285	348	183	317	Aug.	
Sept.	112	135	159	195	213	220	354	213	386	136	144	379	768	285	369	183	317	Sept.	
Oct.	115	139	160	195	214	221	422	214	503	136	144	381	828	288	388	183	402	Oct.	
Nov.	117	140	163	196	214	221	434	213	517	136	144	381	834	292	405	183	402	Nov.	
Dec.	117	142	164	197	215	221	440	214	518	136	144	381	842	291	435	183	402	Dec.	
Whole year	110	131	155	183	207	219	307	214	334	136	142	378	560	281	339	182	271	Whole year	

Calculated by the Research Office of the Ministry for Social Affairs according to monthly reports from 32 different centres. For details concerning the calculation of the cost of living index see article in this Bulletin No. 6, 1937.

86. — BANK OF FINLAND BUILDING COST INDEX. 1935-100.

Year	Total index					Index of the contractor					Index of overhead costs					Year
	I	II	III	IV	Aver.	I	II	III	IV	Aver.	I	II	III	IV	Aver.	
1936	.	.	.	.	106	.	.	.	.	106	.	.	.	.	105	1936
1937	.	.	.	.	120	.	.	.	.	120	.	.	.	.	115	1937
1938	.	.	.	.	127	.	.	.	.	127	.	.	.	.	121	1938
1939	129	130	134	141	134	130	130	134	141	134	124	124	128	134	128	1939
1940	151	157	165	172	161	152	158	165	173	162	141	147	154	157	150	1940
1941	180	189	195	199	191	181	191	196	201	192	164	173	178	182	174	1941
1942	212	226	231	243	228	213	227	233	245	230	193	206	204	215	205	1942
1943	244	252	259	264	255	246	254	261	266	257	216	223	230	233	226	1943
1944	267	271	272	283	273	269	273	274	286	276	236	240	241	245	241	1944
1945	299	396	503	529	432	302	399	508	534	436	259	342	435	458	374	1945

Quarterly indices and yearly averages of them.

CERTAIN PARTICULARS ABOUT FINLAND.

1. FORM OF GOVERNMENT.

Finland formed a part of the kingdom of Sweden from 1154 to 1809; from 1809 it was an autonomous Grand Duchy connected with Russia up to December 6, 1917, when Finland declared its independence, which was acknowledged by all the Powers including Soviet Russia. It became a republic in 1919. The legislative power of the country is vested in the Diet and the President. The highest executive power is held by the President chosen for a period of 6 years. The present President Juho Kusti Paasikivi is elected for the term March 11, 1946, to March 1st, 1952.

The Diet, composed of 200 members, is elected by universal suffrage. The proportions of the different parties in the Diet elected in 1945 are as follows:

	Number
Social-Democratic party	50
Democratic League	49
Agrarian party	48
Unionist party	29
Swedish party	14
Progressive party	9
Swedish Left	1

2. LAND.

THE AREA is 337 113 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 310 000 sq. km). Of the total area 9.4 % are inland waters. On an average 13.5 % of the land in the South of Finland is cultivated, 1.6 % in the North, 7.5 % of the whole land. Of the land area 21.7 mill. ha (53.5 mill. acres) or 70.9 % are covered by forests.

3. POPULATION.

NUMBER OF INHABITANTS (1944): 3.9 millions (of whom 0.2 million emigrants). Sweden (1944) 6.6, Switzerland (1942) 4.3, Denmark (1944) 4.0 and Norway (1941) 3.0 millions.

DENSITY OF POPULATION (1944): In South Finland 22.4, in North Finland 3.2 and in the whole country an average of 12.9 inhabitants to the square kilometre.

DISTRIBUTION (1944): 76.3 % of the population inhabit the country, 23.7 % the towns and urban districts. The largest towns are (1944): Helsinki (Helsingfors), the capital, 331 192 inhabitants, Tampere (Tammerfors) 85 168, Turku (Åbo) 78 492.

OCCUPATION (1940): agriculture 51.5 %, industry and manual labour 21.0 %, commerce 5.1 %, transport 4.6 %, other occupations 17.8 %.

LANGUAGE (1940): Finnish speaking 90.0 %, Swedish speaking 9.6 %, others 0.4 %.

RELIGION (1943): Lutheran 96.0 %, Greek-Orthodox 1.8 %, others 2.2 %.

EDUCATION (1945): Practically all persons over 15 years of age are literate. There are three universities (the oldest founded in 1640) and 7 colleges of university standard.

INCREASE OF POPULATION (1944): Births 20.2 ‰, deaths 17.3 ‰, of whom civil mortality 12.9 ‰ and deaths in war 4.4 ‰ (deaths in France in 1943 16.4 ‰ and in England in 1943 12.1 ‰), natural increase 2.9 ‰.

4. TRADE AND COMMUNICATIONS.

FOREST RESOURCES (1945): The growing stock of the forests is 1 370 million cub. m (48 379 million cub. feet). The stock of standing timber measuring 6 in. at a height of 18 ft. amounts to 1 031 million trees. Of this number pine is represented by 63.6 %, spruce by 30.1 %, the conifers thus constituting 93.7 % or 966 million trees; leaf-trees, mostly birch,

6.3 % or 65 million trees. The annual increment is 40.8 million cub. m (1 441 million cub. ft.). The annual fellings in 1944/45 were 23 million m³ (985 million cub. ft.).

AGRICULTURE (1945): Cultivated land 2.3 million hectares, divided as follows: area under cultivation under 10 hectares 33.1 %, 10—50 ha 54.4 %, 50—100 ha 7.2 %, over 100 ha 5.3 %. Cultivated land is divided between the different kinds of crops as follows: 56.2 % hay, 13.2 % oats, 6.2 % rye, 6.1 % wheat, 5.9 % barley, 3.0 % potatoes, 9.4 % other. The number of dairies in 1944 amounted to 512.

OWNERSHIP OF LAND (1941): The land area is distributed among different classes of owners approximately as follows: private 49.2 %, State 41.6 %, Joint Stock Companies etc. 7.1 %, communities 2.1 %.

INDUSTRY (1943): Number of industrial concerns 4 590, workpeople 186 946, gross value of products of industry 38 477 million marks.

LENGTH OF RAILWAYS (1944): 4 469 km, of which 4 219 km State railways and 250 km private. The gauge is in general 1.524 m.

MERCHANT FLEET (1945): Steamships 309 (231 751 gross reg. tons), motor vessels 32 (6 585 gross reg. tons), sailing ships with auxiliary engine 119 (11 564 gross reg. tons), other sailing ships 18 (11 023 gross reg. tons). Total 478 (260 923 gross reg. tons).

5. FINANCE AND BANKING.

CURRENCY. Since 1860 Finland has its own monetary system. From 1877 up to 1914 the currency maintained its stable gold value, and after the disturbances caused by the war a gold standard was again introduced from January 1st, 1926. The unit of currency is the mark (Finnish 'markka' = 100 penniä). According to the monetary law of December 21, 1925, a gold coin of 100 marks' value shall contain 3 ¹⁵/₁₆ grams of fine gold. Since October 12, 1931, the redemption of bank notes in gold is, however, suspended.

STATE FINANCES. According to the finance accounts for 1944 the State revenue was 37 499.3 million marks of which 21 639.6 million marks were current revenue, and State expenditure 43 903.5 million marks, of which 37 526.4 million marks were current expenditure. The principal sources of revenue were as follows: direct taxes 8 770.4, indirect taxes 2 582.3, sales tax 4 019.4, interest and dividends, etc. 2 790.6, State property and undertakings (net) 1 068.9, and capital revenue 15 859.8. For Public Debt see table 20 in this issue.

MUNICIPAL FINANCES. According to the finance accounts for 1942 expenditure amounted to 3 985.5 million marks. Income from taxation was 1 723.2 million marks, taxed income 22 159.3 million marks. The municipal income tax (non-progressive) averaged 7.8 % of the ratepayers' income.

THE BANK OF ISSUE. The Bank of Finland (founded in 1811) is a State Bank. Its head office is in Helsinki (Helsingfors) with branches in Turku (Åbo), Pori (Björneborg), Vaasa (Vasa), Oulu (Uleåborg), Knopio, Joensuu, Mikkeli (S:t Michel), Tampere (Tammerfors), Hämeenlinna (Tavastehus), Jyväskylä, Kotka and Lahti (Lahtis).

THE COMMERCIAL BANKS (1945): Number 7, possess 454 offices, where all kinds of banking business is transacted. There is one banking establishment per 8 095 inhabitants.

The largest banks are: Kansallis-Osake-Pankki, Oy. Pohjois- maiden Yhdyspankki — Ab. Nordiska Föreningsbanken and Helsingin Osakepankki — Helsingfors Aktiebank, all with head offices in the capital.

OTHER BANKS (1945): Mortgage banks 5, Savings banks 470, Co-operative Credit Societies 927 and a Central Bank for the latter.

THE BANK OF FINLAND IN 1939—1945.

BY

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The outbreak of the World War at the end of August, 1939, upset the international commercial and payment relations of all countries, affecting the value of their currencies and the position of their central banks, but especially did the voluntary or compulsory participation of a country in the war cause financial difficulties, which left their mark on the position of its currency and of its central bank.

Such was the case with the Bank of Finland when Finland became involved in war on the last day of November, 1939. In order to obtain the necessary funds for the defence of the country the Bank's right of note issue and lending possibilities had to be extended so that even Treasury bills could serve as cover for the note issue. Such a change in the regulations for the Bank of Finland was confirmed by a Law of December 13, 1939. As the Bank had not previously granted any credit to the Treasury, and it being considered that the change was not in conformity with a sound central bank policy, this law was called a temporary one. Hopes were namely nourished that it would be possible to revert to the former principles ere long. This statute, necessitated by the war situation, had of course a very decisive influence on the development of the central bank during the succeeding years.

CREDITS.

In normal times the credit granting of the Bank of Finland is confined on the one hand to the assistance of the Commercial Banks, in so far as the strain on the

money market necessitates such an action, and on the other hand to satisfying the demand for credit of a very limited range of customers.

When Finland was involved in war the granting of credits to the Treasury became of an ever-increasing importance in the activity of the central bank, especially as the credit demand of business, on the money tension caused by the outbreak of the war relaxing, was on the whole slight.

The development of the credit granting is illustrated by the following table, which gives the position on December 31 of each year.

	[Bill credit to the Treasury	Other credits	Total credits ¹
1938	—	1,177.1	1,177.1
1939	600.0	2,325.1	2,925.1
1940	3,900.01)	1,495.9	5,395.9
1941	10,700.0	1,579.2	12,279.2
1942	14,560.0	1,403.2	15,963.2
1943	15,950.0	1,363.6	17,313.6
1944	17,750.0	2,225.6	19,975.6
1945	18,600.0	3,797.4	22,397.4

By means of a suitable financial policy — by increasing the income from taxes, by taking loans from the free market and by utilizing compulsory loans — endeavours were made all the time, but especially since 1942, to decrease the Treasury's need of borrowings from the central bank and thereby to prevent the threatening inflation. Treasury borrowings became slower, as is perceivable from the above figures, but they could not be quite avoided. As late as in 1945, when, hostilities being concluded, it was hoped that State finances would become easier, the central bank was nevertheless obliged to grant credit to the

1) The Treasury had besides exceeded its current account by 1,539.6 mill. marks, its actual borrowings from the central bank thus being correspondingly greater.

Treasury for, owing to the war reparations, etc., expenses greatly exceeded estimates, as the income could not be increased in a corresponding degree.

The borrowings of business commenced to increase at the end of 1944, and this tendency strengthened in 1945, when trade revived as the work of reconstruction began and the war reparation industry was extended. The advance in wages and costs of course also increased the credit demand of business undertakings.

The overwhelming part of the credits granted by the Bank of Finland consisted of bill credits, the most suitable form of credit granting for a central bank. Mortgage loans and cash credits were granted as well but their aggregate amount represents only a small part of the total credit granted by the Bank, in 1945 only one-half per cent thereof.

The money market having on the whole remained easy during the war, which was of course due to the financing by means of notes, rediscounting did not appear during this period with a few exceptions. In the autumn of 1939 the money market tightened greatly, so that the rediscounting amounted to 314.9 mill. marks at the turn of the year. The rediscounted bills were redeemed in the beginning of the following year. In June, 1941, when Finland became involved in war once more, a slight rediscounting took place again. It reappeared in December, 1944, when there were signs of a tightening on the money market. The past year also gave some instances thereof. However, special circumstances, to be referred to later on, caused signs of abundance on the money market at the end of the year.

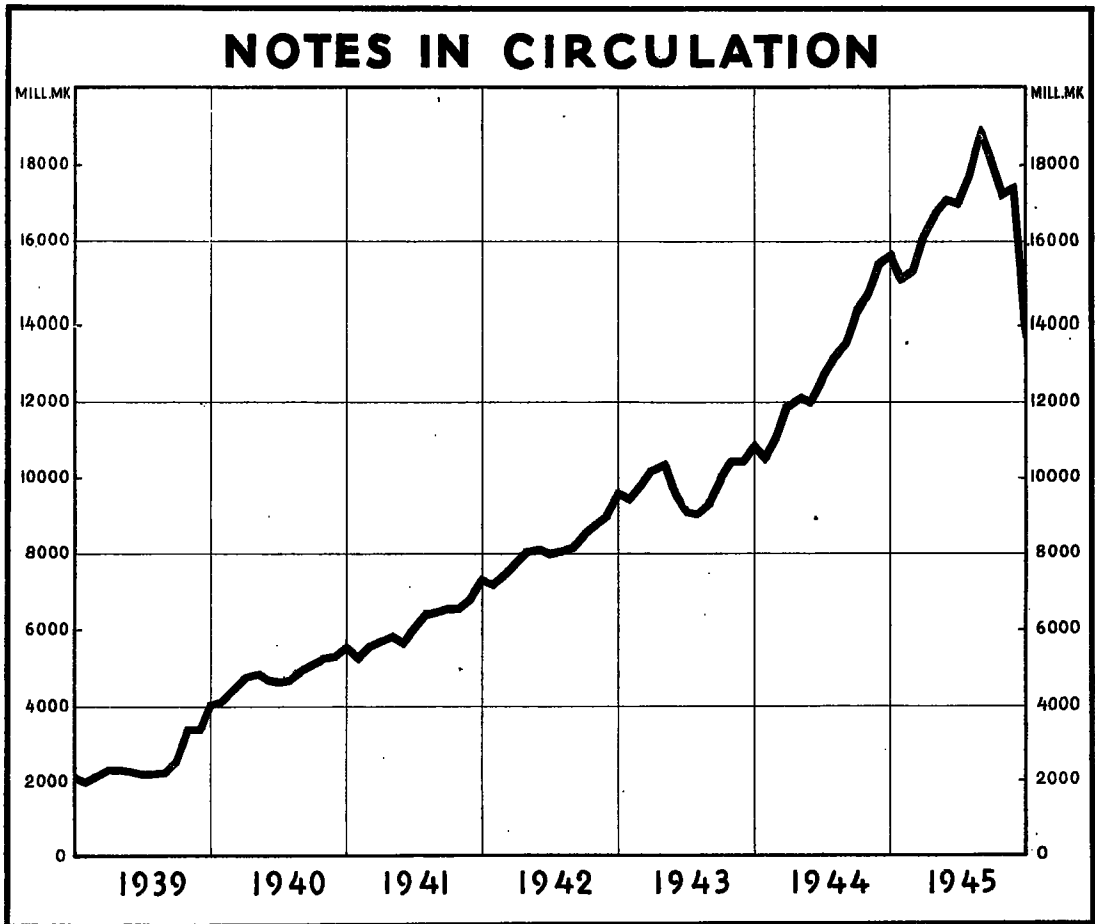
NOTE CIRCULATION.

Owing to the war the Government was obliged to distribute purchasing power among comprehensive circles. Taxes and loans aimed at absorbing the excessive purchasing power, but, as it was impossible in this manner to encounter those citizens and business enterprises that had accumulated most purchasing power, the notes in circulation gradually increased. This development is illustrated by the chart on the opposite page and by the following figures:

	31/12 Mill. mk	Increase (+) or decrease (—) Mill. mk
1938	2,085.9	+ 34.1
1939	4,038.7	+ 1,952.8
1940	5,551.0	+ 1,512.3
1941	7,316.9	+ 1,765.9
1942	9,617.3	+ 2,300.4
1943	10,824.9	+ 1,207.6
1944	15,656.7	+ 4,831.8
1945	13,597.7	— 2,059.0

At the end of 1945 the note circulation was by 11,511.8 mill. marks greater than that at the end of the last peace year having increased by nearly 6 1/2 times. When judging this increase it should be considered that the circulation of notes slowed down considerably during the war and that no change had had time to occur in this respect.

From the attached chart a better conception is obtained of the fluctuations of the note circulation. Among other things it shows that, disregarding the short-term seasonal oscillations, the circulation had a regular growth until August, 1945. There are, however, two exceptions to this, caused by quite different reasons. In the spring and early summer of 1940 the note circulation diminished, mostly because, the war being concluded, better times were expected. In the autumn it once more began to grow as State expenditure continued to be heavy and the State finances could not be balanced. In the spring of 1943 another period commenced when notes returned to the banks. The reason for this was the Government scheme — then in preparation — to carry out some kind of a note reform in connection with which a compulsory loan would be collected. When this scheme was relinquished at the end of the summer, by which time the amount of notes had diminished by more than one milliard marks, the notes streamed back into circulation and soon surpassed the earlier peak. In September, 1945, the note circulation commenced to diminish for similar reasons and, when the public became aware that the scheme would be carried out at the turn of the year, considerable sums flowed to the accounts of the credit institutions from their hiding-places and repositories. Within four months the circulation decreased by more than 5 milliard marks.



— The exchange of notes is described in another connection and need not be touched upon here.

BALANCE SHEET.

Many other changes have occurred in the position of the Bank of Finland during the past years, but they cannot be presented here owing to lack of space. The greater part of them appear in the following table, in which the balance sheets for the last two years and that of the last peace year are given side by side.

Of the more important items of the assets the following may be mentioned in addition to what has been said above about the granting of credit. At the outbreak of the World War the demand for foreign currencies increased enormously so that the currency reserve of the Bank of Fin-

land quickly decreased and would have been completely consumed had not many balances abroad become frozen and thus not available for payment until 1945. In order to satisfy the demand for foreign currencies the greater part of the gold reserve was sold abroad in 1940 and 1941. The gold and currency reserves were booked at pre-war values until December, 1945, in spite of the decrease in the domestic purchasing power of the mark, but foreign exchange rates having been increased in 1945 the booking values of the gold and currency reserves were altered prior to closing the books. That is the reason why these items are booked at much higher figures in the 1945 balance sheet than in the preceding year.

Attention should also be paid to the rather considerable balance of the foreign

<i>Assets</i>	1938 Dec. 31 Mill. mk	1944 Dec. 31 Mill. mk	1945 Dec. 31 Mill. mk
Cover for note issue:			
Gold reserve	1,128.5	171.5	386.7
Foreign correspondents	2,273.4	350.7	1,283.1
Foreign bills	97.3	24.9	72.0
Foreign bank notes and coupons	1.4	3.8	9.6
Inland bills	989.3	19,905.9	22,282.3
Other assets:			
Foreign clearing accounts	—	2,365.5	—
Inland bills ¹⁾	52.9	—	—
Loans on security ...	62.8	19.0	37.7
Advances on cash credit	72.1	50.7	77.4
Bonds in Finnish currency	305.7	408.1	336.1
Bonds in foreign currency	162.0	227.1	273.2
Bank premises and furniture	12.0	32.0	32.0
Sundry assets	168.0	383.2	435.3
Total	5,325.4	23,942.4	25,225.4

<i>Liabilities</i>	1938 Dec. 31 Mill. mk	1944 Dec. 31 Mill. mk	1945 Dec. 31 Mill. mk
Payable on demand:			
Notes in circulation ..	2,085.9	15,656.7	13,597.7
Bank-post-bills	24.9	42.7	87.5
Balance of current accounts due to the Treasury	243.7	221.9	149.4
Balance of current accounts due to others	849.8	721.5	2,684.5
Foreign correspondents	29.5	3,432.0	141.4
Foreign clearing accounts	50.0	—	2,802.7
Sundry accounts	259.9	309.4	1,079.0
Other liabilities:			
Capital	1,250.0	1,250.0	1,250.0
Reserve fund	415.2	1,000.5	1,154.0
Value of bank premises and furniture	12.0	32.0	32.0
Sundry accounts	—	1,053.6	2,010.4
Profit and Loss Account	104.5	222.1	236.8
Total	5,325.4	23,942.4	25,225.4

clearing accounts at the end of 1944, though these accounts mostly showed a noticeable debt during the war. In the beginning of 1945 a special debt, formed by the interchange of goods with Germany, was transferred from the foreign correspondents account to the clearing accounts. Owing to this the clearing accounts, as is to be observed from the balance sheet, once more appear among the liabilities, while the debt to correspondents diminished to a fraction of its former size. It is to be noted that the debt appearing in the clearing accounts is not actually a debt of the central bank but a debt of the national

1) Not included in the Right of Issue.

economy of Finland, originating from the difference between imports and exports, though entered in the books of the Bank of Finland.

As a summary it can be established that the Bank of Finland had 2,292.6 mill. marks more balances than debts at the end of 1938, while in 1945 the debts, on the contrary, exceeded balances due by 1,379.4 mill. marks.

As regards the other liabilities the very considerable increase of the note circulation has been already touched upon. The large sum of the current accounts due to others than the Treasury on December 31, 1945, was a quite temporary phenomenon in the main caused by the exchange of notes. On December 23 this account totalled 888.1 mill. marks and in January, 1946, it again reverted to its former level.

The Bank of Finland's own funds also increased during the war as the net profit was normal and even increased, and as fully half of the profit was transferred to the reserve fund in conformity with the regulations of the Bank. The other half was turned over to the Treasury.

THE RIGHT OF NOTE ISSUE.

The following table shows the sums of the right of note issue and those of the used and unused right on the last day of each year.

	1938 Dec. 31 Mill. mk	1944 Dec. 31 Mill. mk	1945 Dec. 31 Mill. mk
<i>Right to issue notes</i>			
Gold reserve and foreign correspondents	3,401.9	522.2	1,669.8
According to the Law of Dec. 13, 1939 ...	—	19,934.6	22,363.9
Additional right of issue	1,800.0	1,800.0	1,800.0
Total right to issue notes	5,201.9	22,256.8	25,833.7
<i>Used amount of issue</i>			
Notes in circulation ..	2,085.9	15,656.7	13,597.7
Other liabilities payable on demand	1,457.8	4,727.5	6,944.5
Undrawn amount of advances on cash credit	82.5	195.8	273.9
Total used amount	3,626.2	20,580.0	20,816.1
Note reserve	1,575.7	1,676.8	5,017.6
Total	5,201.9	22,256.8	25,833.7

It may be further mentioned that the unused right to issue notes, or the note

reserve, was the following at the end of each year:

	Mill. mk
1938	1,575.7
1939	2,023.1
1940	1,234.9
1941	2,929.7
1942	2,884.1
1943	2,709.7
1944	1,676.8
1945	5,017.6

The strong increase of the note reserve registered at the end of 1945 was mostly due to the fact that the booking values of the foreign currencies and of the gold reserves had then been increased.

PROFIT AND LOSS ACCOUNT.

The following table illustrates the structure of the Profit and Loss Account for 1944 and 1945 compared to that of 1938:

<i>Credit</i>	1938 Mill. mk	1944 Mill. mk	1945 Mill. mk
Interest on home credits ..	59.8	187.8	290.5
Interest on current accounts abroad	16.3	0.0	4.9
Interest on bonds	39.2	44.3	46.2
Interest on shares		9.5	5.3
Agio	3.2	0.6	2.6
Commission	8.3	30.3	20.0
Total	126.8	272.5	369.5
 <i>Debit</i>			
Salaries	9.6	25.6	39.6
Pensions	0.9	1.8	1.7
Fees to the Bank Supervisors and their expenses	0.2	0.3	0.3
Cost of manufacturing bank notes	4.1	9.2	22.5
Sundry expenses	2.4	7.9	13.1
Written off building costs	4.6	2.0	54.5
Depreciation of furniture ..	0.4	3.6	1.0
Total	22.2	50.4	132.7
Net profit	104.6	222.1	236.8
Total	126.8	272.5	369.5

The income of the Bank increased very considerably owing to the expansion of the credit granting. During the whole of the

war the discount rate has remained unaltered at 4 per cent, to which it had been reduced in December, 1934. However, Treasury bills were discounted at a considerably lower rate, at 1½ per cent during the last few years. Income from the foreign balances of the Bank rapidly decreased as the currency reserve diminished and as, connections being severed, certain payments were impossible. In 1945 this income increased again, principally because the interests due that had not been paid during the preceding years were then collected. The large amount of commissions during the war years was partly caused by the clearing accounts and partly by the documentary credit activity that had increased manifoldly since pre-war days.

Expenditure also increased, partly in consequence of the rise in wages and prices and partly because the extended activity of the central bank — primarily the management of the clearing accounts and of the documentary credit business as well as the control of currencies — demanded a continual increase of the Bank's staff.

The net profit was satisfactory although the uncertainty of the war years necessitated considerable annual reserves. The development of the net profit is perceivable from the following figures:

	Mill. mk
1938	104.6
1939	102.5
1940	202.6
1941	212.4
1942	231.0
1943	232.2
1944	222.1
1945	236.8

When judging these figures, as well as in general the information given above, it should be borne in mind that the value of the mark has deteriorated during the war years. The swelling of the figures is thus in the main the other side of this phenomenon.

THE PRESENT ECONOMIC POSITION IN FINLAND.

BY

K. O. ALHO, PH. D.

Great changes have occurred in the economic situation of Finland, owing to the long war and its consequences. The present article will deal principally with the changes in the productive activity of Finland, caused by the events of the last few years.

ECONOMIC CONSEQUENCES OF THE TERRITORIAL LOSSES.

Of the economic obligations stipulated by the Armistice Treaty of September 19, 1944, the losses of territory and the war reparations were the heaviest and the most significant in regard to their effect. The major part of Carelia, and the Salla area and Petsamo were then once more separated from the territory of Finland. Further, the so-called Porkkala area was handed over to the Soviet Union on a 50-year lease. The total area of these regions was about 43,700 sq. km or liberally 12 per cent of the whole former area of Finland. A population of nearly half a million lived in these areas prior to the war.

It is obvious that such large losses of territory meant a great weakening of the national economy of Finland, who was in consequence confronted with many difficult problems. Of the lost territories Carelia was the most important from the economic point of view. Carelia's ceded area amounted to about 32,800 sq. km or 10.4 per cent of the whole area of the country, and prior to the war of 1939—40 it had about 460,000 inhabitants, which was approximately 12 per cent of the population of Finland. Before the war the inhabitants of Carelia, an enterprising and persevering people rich in initiative, had raised the economic life of the province to a very high level. The cultivated area of Carelia, which was 11.5 per cent of the whole cultivated area of the country, produced

about 100 million kilos of cereals before the war, that is about 12 per cent of the whole cereal crop of the country, 160 million kilos of potatoes or 14 per cent, 570 million kilos of hay or 14 per cent and 90 million kilos of oats or 11 per cent of the whole crop. Cattle-breeding was also on an advanced level, the milk production amounting to about 9 per cent and that of meat to about 12 per cent of the total production of the country.

Prior to the war the industry of Carelia showed a powerful progress. In 1938 the ceded territory had 430 different industrial undertakings employing more than 20,000 workers, or close on 10 per cent of all the industrial workers of the country, and the value of their annual production was about 10 per cent of the total value of the industrial production. From the point of view of the economy of Carelia the most important industry was the wood-working industry, which was based upon the extensive and well-tended forests and the plentiful supply of water-power. The lost sulphate cellulose mills represented 26.4 per cent, the sulphite cellulose mills 24.5 per cent, the plywood factories 14.3 per cent, the sawmills and planing works 12.7 per cent, the mechanical pulp and cardboard mills 11.5 per cent, and the paper mills 5.4 per cent of the corresponding production of the whole country. Thus, a very considerable share of Finland's export goods were obtained from these mills, many of which were modern establishments of a high standard. Specially heavy was the loss of the Carelian water-power, for the watercourse of the Vuoksi, to which belonged more than half of the entire built up water-power of the country, gave electric power not only to Carelia but also to extensive outside districts. The traffic conditions of East Finland suffered greatly

through the severance of the Saimaa Canal, as thereby an area of approximately 62,000 sq. km lost its direct communication with the sea, and through the cession of several important ports.

When compared to Carelia the other ceded areas were less significant, but also their cession meant a considerable loss to the national economy of Finland. The Petsamo area was very extensive, about 3 per cent of the whole country, but it was sparsely populated and unsuitable for agriculture. The economic importance of Petsamo was chiefly to be found in the ice-free port of Liinahamari, the remunerative fishing and the Kolosjoki Nickel mine. The Porkkala area was quite small, about 380 sq. km, but it was one of the most prosperous productive centres where agriculture, cattle-breeding and especially horticulture had attained a high standard. It may be added that the loss of this area hampered the traffic in South Finland by severing the important railroad between Helsinki and Turku.

The losses of territory have thus considerably weakened the economic situation of Finland. They have also brought about other direct burdens affecting the national economy and the State finances. Most important is the placing of the evacuated population, nearly half a million persons, in productive work and the compensation of the property lost through the cession of territory. The absolute majority of the evacuees are farmers for whom new possibilities of livelihood must be arranged in the remaining territory of Finland by ceding to them soil for new farms in accordance with the Ground Acquisition Law passed by the Diet in 1945. The settlement of the agricultural evacuees will demand more than 50,000 new cultivation and dwelling farms, for which it is estimated that 1,240,000 hectares of ground are needed. Of this amount 170,000 hectares consist of old cultivated ground that the other landowners have to cede to the evacuees. Besides, cultivation and colonization farms will be given to ex-soldiers and war invalids among others. Colonization will consequently cause great changes in the ownership of land. What influence it will have on agricultural production is impossible to say until the task has been

accomplished. It may, however, cause a decrease in production, e.g. because on the diminished farms it will be impossible to use quite effectively the capital invested in existing buildings and machinery. In connection with the colonization, endeavours will be made to increase the cultivated area by means of an extensive clearing of land. In most cases dwellings and offices have also to be built for the new farms. This means that a considerable proportion of the country's scanty stocks of building materials must be reserved for this building activity, that also binds plenty of labour for many years to come. The compensation of the damages suffered by the evacuated population, estimated at several tens of milliard marks, will be paid on the basis of the Second Compensation Law passed in 1945. The funds necessary for these compensations will be procured by means of a Capital Levy, to be paid during five years. This will greatly increase the burden of taxation, which the war has already made exceedingly heavy.

WAR REPARATIONS.

The war reparations will occupy a central position in Finland's economy while they are being paid and for a long time afterwards. A detailed account of the reparations is given elsewhere in this issue. Only the consequences of them on the economic life of the country will be alluded to here. The reparations are entirely based on payment in kind. According to a special agreement only one-third of the goods to be delivered are forestry products, which have always been Finland's principal articles of export, even to such an extent that prior to the war they formed more than 80 per cent of the total exports. The greater part, or more than 60 per cent of the war reparation goods, are products of the metal and engineering industry. Before the war products of this trade only comprised 4 per cent of the exports. Finland must thus considerably extend her metal and engineering industry in order to be able to supply a sufficient quantity of reparation goods of this kind. This in turn requires great investments of capital, which Finland cannot really afford for the present, and it is uncertain if any

benefit will be derived from them after the war reparations have been met. As Finland lacks to a great extent the raw materials and requisites as well as the semi-manufactures needed by the metal industry, these will have to be imported.

Until 1952, when the war reparation deliveries end, a large part of the Finnish industrial production is bound up in them. This seriously interferes with the work of reconstruction and with economic progress, greatly straining the entire national economy of Finland. It has been calculated that the war reparations and the other economic burdens contained in the armistice agreement amount to approximately 10—12 per cent of the present national income of Finland.

AGRICULTURE.

The difficulties caused by the territorial losses and the war reparations are all the harder to overcome because Finland still suffers in many ways from other consequences of the war. The productive capacity has decreased considerably in many spheres and the possibilities of working have diminished. This has led to a lack even of necessities, perceptible in many ways, and is perhaps most clearly felt in the production of foodstuffs. The productive capacity of agriculture has decreased for several reasons. First of all the cultivated area has diminished principally owing to the cessions of territory. Thus, the cultivated area of cereals, which was 485,800 hectares in 1939, was only 438,750 hectares in 1945 or 47,050 hectares less than before the war. Secondly, the condition of the fields has greatly weakened during the war years, i. a. because of the shortage of labour and means of haulage, but especially owing to the lack of artificial fertilizers. For this reason the crop per hectare has been reduced considerably. In 1936—39 the average annual crop per hectare amounted to about 1,450 food units, but during the last few years it has only been about 1,015 units. Owing to the reduction of the cultivated area and the decrease of the crops per hectare, the total annual yield of the cultivated fields has dropped from 3,760 million food units in 1936—39 to 2,540 million units in 1940—44.

The productive capacity of the cultivated fields has thus decreased during the war, approximately to the level of the early 1920's. The population of Finland is, however, nowadays about half a million more than in 1920. In spite of the fact that the consumption of cereals has been limited by means of rationing, the domestic production does not suffice to meet the present demand. Last year the domestic production of cereals was 499,560 tons and imports of cereals and grain products 219,589 tons, which makes 719,149 tons in all. The corresponding figures for 1938 were 849,641 and 128,365 tons or 978,006 tons in all. The rations of cereals are insufficient, but the possibilities of increasing the domestic production are estimated as being very slight this year so that larger rations cannot be given unless imports of cereals are increased.

Cattle-farming has also deteriorated considerably from the level prevailing before the war, principally through the reduction in the number of cattle and the poor feeding. In 1945 the milk production was estimated at 1,650 million kilos while in 1936—38 its annual average was 2,600 million kilos. During the same period the production of pork has decreased from 55 million to 48 million kilos and that of beef from 52 million to 43 million kilos annually. While prior to the war considerable quantities of cattle products could be exported, it has been necessary to import them during the past years. In spite of this consumers have received considerably smaller rations of fats and meat than normally.

There also being a shortage of other foodstuffs, owing to the decrease in the domestic production and because of import difficulties, the rations now distributed satisfy only about two-thirds of the normal need of calories.

INDUSTRY.

The present difficulties of the Finnish industry are caused not only by the territorial losses and the war reparation deliveries, but also by the scarcity of raw materials and fuel. Except in North Finland, the damage caused to the industrial establishments during the war was rela-

tively slight when compared to conditions in many other countries. The industry has had difficulties in the transition from war-time to peace-time production, but these have been solved more quickly than expected, partly because of the production for war reparations. The loss of labour caused by the war has indeed been felt, but no serious shortage of labour has, on the whole, occurred in industry, except in the textile industry, which lost a considerable amount of labour during the war, primarily to the metal industry but also to the sawmills. The common post-war phenomenon, the reduction in working efficiency, has, on the other hand, made itself also felt in industry. This has been partly caused by the fact that, owing to a shortage of skilled labour, it has been necessary in some branches to employ unskilled labour.

The productive capacity of the wood-working industry, the most important industry of this country, decreased, as has been stated above, by about 15—20 per cent owing to the territorial losses. The great difficulties to get raw materials and fuel have so far made it impossible to utilize fully the capacity of the remaining industry. Of the present small output of the woodworking industry a considerable part is besides required for domestic consumption and for the deliveries stipulated by the armistice agreement, so that ordinary exports are much less than before the war.

The activity of the sawmill industry was hampered to such an extent by the shortage of raw materials and labour as well as by transport difficulties, that production amounted only to about 550,000 standards in 1945, while in 1938 it had been slightly more than one milliard standards. The major part of the sawn goods had to be reserved for war reparations and restitution of goods to the Soviet Union as well as for the very much reduced domestic consumption, so that only about 100,000 standards remained for exports. Seeing that the lumber work has made good progress this winter, it is likely that this year's output of the sawmill industry will slightly exceed that of last year. Apparently exports will be increased, too.

In 1945 the production of the plywood industry amounted to approximately 90,000 cub. m or nearly half of the 1938 quantity, 183,000 cub. m. Of last year's production about half went to the Soviet Union as war reparations and restitution, only some 30,000 cub. m being left for free exports. Last year's comparatively weak result was primarily caused by the scarcity of glues, but as the supply of them is more plentiful this year, production may slightly exceed that of last year.

Owing to the severe shortage of raw materials, fuel and various requisites, the cellulose industry was working only at 33 per cent of the total capacity in 1945. The quantity produced was 492,000 tons, the production of sulphite cellulose being 292,000 and that of sulphate cellulose 200,000 tons. In 1938 the cellulose production amounted to 1,472,000 tons in all. Last year the cellulose industry showed obvious signs of progress, which will most likely continue this year.

In 1945 the production of mechanical pulp was still weaker than that of cellulose, partly owing to the shortage of timber and partly because of the scarcity of water-power caused by the dry autumn. The whole of last year's output of dry pulp was reserved for war reparations while of the wet pulp some was exported. The size of this year's production depends foremost on the development of the power situation. Last year the output of the cardboard industry amounted to about 95,000 tons or two-thirds of the normal quantity. About one-third of the production was used for the war reparations. As the raw material situation will obviously improve this year, a gradual increase may be expected in production as well as in exports.

The paper industry has had to overcome the same difficulties as the woodworking industry in general. Stocks of raw materials and requisites have been small for a long time already. Last year the output of the paper mills was 280,000 tons, which equalled exactly half of the 1938 production of 560,000 tons. Nearly 200,000 tons of last year's production were used for home consumption and war reparation and restitution deliveries while about 80,000 tons remained for free exports. The

prospects of the paper industry for this year depend upon the supply not only of raw materials but also of coal and water-power. In this respect the situation seems slightly brighter at present than some months ago, so that a gradual increase of the production and exports of this branch may be expected.

The most important condition for a rise in the production and exports of the wood-working industry is an improvement in the raw material and fuel situation. For many reasons fellings were less than normal during the war, and industry has consumed its stocks of raw materials. Part of these have been used as fuel. Even during the felling season of 1944/45 lumber work did not come up to the expectations, only about 75 per cent being felled of the 43 million sq. m aimed at. The aim of the 1945/46 felling season has been put considerably higher or at 52 million sq. m. As already mentioned the lumber work has progressed rather well this winter. This will greatly alleviate the fuel situation and improve the supply of raw materials for the wood-working industry. A difficult problem still to be solved is the transport of the timber. The shortage of coal and coke has also hampered the activity of the wood-working industry, both directly and indirectly. Prior to the war more than 2 million tons of coal and coke were imported annually, but during 1940—44 on an average only 1 million tons annually and in 1945 about 112,000 tons only. There being an insufficiency of coal and coke it has been necessary to use more wood than before for heating and fuel purposes. Because of this the woodworking industry has had to be contented with less raw materials than it would have otherwise obtained. It has been estimated that during the winter of 1947/48 the woodworking industry of Finland will be able to utilize its capacity to the extent that the forest assets of the country allow. In all probability its production will then attain a nearly pre-war level. Although the woodworking industry has suffered considerable losses it has also made some progress since 1939. Plants have been extended and some new ones established, besides which the production has been led to new branches representing a higher standard of refining. Of these

the industry producing prefabricated houses and wooden constructions in general, the wallboard industry, and the refining of paper and board should be mentioned.

The same difficulties and factors that limit the woodworking industry can be seen in other branches of industry as well. These have, however, made progress during the last few years, intensifying and extending the productive capacity and in certain cases even opening new ground for Finnish industry.

Special attention should be drawn to the advance in the metal industry, occurring thanks to the extensions caused by the war and the war reparations. The extension of the metal industry may be illustrated by the fact that the number of its workers has increased from 41,400 in 1936—38 to 66,300 workers in 1945. The most noticeable extensions have occurred in the ship-building and foundry lines, but also the production of agricultural machinery and the fine mechanical engineering have been much enlarged during the last few years. The great rise in the production of copper should be noted. It should further be mentioned that the supply of raw materials of the metal industry has recently increased through the discovery of certain new ore deposits and their refining.

New branches of production, especially in the foodstuff and textile industries, have originated in the war conditions and some of them will probably remain permanent. In the textile industry a new, significant line of production has been formed by the rayon industry.

Finally, when considering the future development of industry there is reason to allude to the new power stations that have been completed during the last few years, or are under construction or have been planned in different parts of the country, mostly in the watercourses of the Oulu and Kokemäki Rivers. By their aid it may become possible to replace after some years the losses caused to the Finnish power economy through the cessions of territory.

TRANSPORT.

An increase of the supplies as well as a livelier productive activity and a general economic recovery will depend to a great

extent upon how the present transport difficulties can be overcome. Finland has lost a considerable part of her means of transport. Prior to the war 861 vessels belonged to the merchant fleet of altogether 669,400 gross reg. tons. Through sinkings, shipwrecks, embargoes and war reparations the tonnage has decreased so much that it at present comprises 474 vessels of altogether 260,199 gross reg. tons. The number of ships has decreased by 45 per cent and the tonnage by more than 60 per cent. Of the rolling stock of the railways 20 per cent less than before is in use, and a considerable part is continually transporting reparation and restitution goods outside the boundaries of the country. The condition of the railway stock having besides become much weaker, and there also being a shortage of fuel, traffic has been restricted. The motor vehicles in use have diminished even more than the railway stock. Because of this the maintenance of the country's foreign and internal traffic encounters very great difficulties nowadays.

FOREIGN TRADE.

Foreign trade has been hindered from getting into full swing by the losses of merchant ships. Also for other reasons, such as the continuation of the war against Germany and Japan, the small foreign currency reserve of Finland, etc., trade transactions with foreign countries were insignificant for a long time after the armistice. But as new commercial treaties have been entered into with different countries, foreign trade has begun to revive and expand. In 1945 imports amounted to 6,821.0 million and exports to 12,290.0 million marks. Of exports only 5,227.7 million consisted of free exports while the rest, or 7,062.3 million marks, comprised war reparation goods with no compensation. If only free exports are considered, last year's trade balance shows a surplus of imports of 1,593.3 million marks. Compared to the trade balances of the war years, with their great import surpluses, this result certainly indicates an im-

provement though not yet a recovery in trade relations. Both imports and exports were in quantity only a trifling part of the pre-war amounts.

Owing to the geographical position of Finland and the oneness of the domestic raw materials, her peace-time foreign trade used to be comparatively livelier than that of many other countries. Thus, the value of exports corresponded to about one-third of the national income in the years preceding the war. For this reason the national economy of Finland is closely dependent upon her foreign trade. Finland has not always had enough goods to pay for necessary imports, but in such cases foreign credits have been available and enabled her to develop her productive machinery. Exports have thereby increased again and the foreign debt has been repaid in a comparatively short time.

At the present stage the need of foreign goods is greater than usual. As the productive machinery is, however, incapable of producing goods for free exports so far, they cannot even pay for imports of absolute necessities. Thus, foreign credits must once more be resorted to, and as a matter of fact credit has been already obtained from some countries. The need of foreign credits will continue for some time to come, but it is within the range of possibilities that after a few years Finland will have increased her export trade to such an extent that it will suffice to procure for her the necessary foreign currency for the payment of imports and gradually even for the paying off of the foreign debt.

The foregoing survey, although dealing with the productive sphere only, will have shown that the national economy of Finland is working in extremely difficult circumstances. In addition there are numerous other problems to be solved. But in spite of the economic position in Finland being still critical, there is reason to trust, that she will, with sufficiently strong foreign support and by preserving the internal labour peace, be able to overcome the difficulties.

ITEMS.

Exchange of bank notes. By a law of December 28, 1945, and consequent Government decisions, an exchange of notes and an accompanying stamping of securities was carried out at the beginning of the current year. This was performed for several reasons. In the first place it was known that cash and securities were held out of the reach of taxation. They were now forced into daylight and are expected to give the State incomes in the shape of taxes and penalty taxes and of compulsory loans. Another reason for taking the measure in question was the wish to put a check on the inflationary influence of idle money and the hope of stabilizing the value of the mark. There was still reason to believe that the German troops had taken with them large sums of money when retreating from the country, sums that may have been used in undesirable ways.

The measure was carried out in the following manner.

Bank notes of the denomination 5,000, 1,000 and 500 marks lost half their nominal value as legal tender on January 1st, 1946. The notes were to be cut in half, and the right half of the notes was to be surrendered to the State by February 16 as a compulsory loan of half the original value of the note, the loan to be repaid at 2 per cent in 1949. The left halves were legal tender at half the nominal value of the notes until February 16. They could be exchanged for new notes at the banks till the end of February.

Also all notes of a lower denomination were exchanged for notes of a new type by March 16, 1946, the old type notes losing their value as legal tender on February 28. The oldest notes then in current use were of the 1922 type, all older types having become obsolete on June 30, 1945.

In this connection securities were to be stamped by March 16. This applied to domestic company shares, including certain

provisional certificates of such companies and certain claims on them, and bonds of the denomination of at least 25,000 marks, excluding State bonds. Securities that were not stamped in due course lost their validity and will be taken over by the State.

In order to check the ownership of bank balances all kinds of such balances must be declared to the fiscal authorities before they may be drawn on. The declaration must be made before the end of 1955, the deposit being otherwise taken over by the State. The obligation does not apply to balances of less than 25,000 marks, unless the account has been opened on September 1st, 1945, or later, in which case the limit is 10,000 marks.

Compulsory loans of the right half of the notes were received to an amount of 3,138 million marks. Of the right halves in circulation an amount of 144 million marks has not been presented to the Bank of Finland. Of the discarded left halves 83 million marks have not been exchanged for new notes and similarly old type notes of smaller denomination have not been exchanged to an amount of 285 millions. The figures will change slightly, but approximately the exchange of notes brought a total gain of 513 million marks to the State.

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New foreign credits. According to an agreement of February 1st, 1946, the Export-Import Bank of Washington has established a credit of 35 million dollars in favour of the Finnish State to assist Finland in financing the acquisition of United States products and services, and refunding a previous credit extended to the Finnish-American Trading Corporation in 1939. Advances may be made against the credit up to June 30, 1948. They are evidenced by promissory notes payable on March 15, 1951, at a rate of interest of 2½ per cent. At maturity, the notes may

be exchanged for new promissory notes for a like principal amount, which will mature in thirty equal semi-annual instalments. The instalments will bear a yearly interest, the first ten at the rate of 2½ per cent, the next ten at 3 per cent, and the last ten at 3½ per cent. The new notes will be negotiable general obligations, prepayable as to principal on any interest payment date.

Earlier, on December 12, 1945, the Export-Import Bank had established another credit to finance Finnish purchases of United States cotton. For this purpose an amount of 5 million dollars was made available to the Bank of Finland. Local purchasers of cotton will proceed in the customary manner to negotiate the purchase of cotton from any United States seller. Buying contracts must be entered into within six months from the date of the agreement in order to be eligible for financing under the credit. Drafts will be issued that are payable 15 months after sight and bear interest at the rate of 2½ per cent per annum. The payment of principal and interest of the drafts is guaranteed by the Finnish Government.

The United States Government has made a credit of 10 million dollars available to the Finnish State through the intermediary of the Office of the Foreign Liquidation Commissioner. The loan is intended for the purchase of surplus property of the United States Army. It bears interest at a rate of 2¾ per cent running from July 1st, 1946, the first payment of interest falling due on July 1st, 1947. The period of redemption is 30 years and the first redemption is to take place on July 1st, 1952. Interest and amortization may be reduced by the amount of dollars exchanged by the American Legation in Finland for its expenses in this country, in case this is desired by the United States Government.

At the end of February negotiations were concluded between the Finnish and Swedish Governments about the exchange of goods between the two countries concerned. During the period February 1st, 1946, to January 31, 1947, Swedish goods will be sold to Finland for 28 million crowns, chiefly products of iron and steel and other base metals, and machinery. As

far as circumstances allow, Finland will deliver chiefly wooden goods and pottery, besides which Finnish factories will do spinning and weaving on the account of Sweden. The Finnish deliveries are estimated at 31 million crowns.

In this connection Swedish State credits have been made available to Finland to an amount of 30 million crowns for purchases in Sweden in 1946 and 1947; 20 million crowns at the most to be available before February 1st, 1947. The agreement has been made on condition that all previous Swedish State credits to Finland are settled.

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War reparations of Finland. The armistice of September 19, 1944, between Finland and the Soviet Union laid heavy war reparations on Finland. They amount to 300 million dollars to be paid in goods, the value of which is determined according to the world market prices in 1938. The general increase in prices since that year has partly been considered later on, the prices of machinery and implements and ships having been raised by 15 per cent and those of finished goods by 10 per cent. The period of payment was originally fixed at six years but has later on been changed to eight years. Of the goods included 33.3 per cent consisted of products of the wood-working industry, 4.7 per cent of old ships and 20.0 per cent of new ones. Cable products formed 8.3 per cent of all the payments, and machines and implements 33.7 per cent.

The payments are to be of equal value each year, although the shares of the different goods vary. Proportionally much of wooden goods are to be delivered during the first years and all the old ships in 1944/45, while the share of the other goods increases later on, as the necessary enlargement of industry has been completed.

Property that was removed from Russian to Finnish territory during the war has to be restituted within the first two years after the armistice. This delivery has chiefly to be performed in products of the woodworking industry. Up to July, 1945, goods were delivered at a calculated value of 2,600 million marks, while the remaining amount was fixed at 22 million

marks; the value of these goods to be determined in the same way as that of the war reparations.

To this should be added the value of the property in Finland that was owned by Germans or their allies and that has to be delivered to the Soviet Union according to the decision of the Potsdam Conference. The value of this property has not been fixed as yet.

Besides, certain internal costs have to be noted in this connection.

It is not possible to calculate the exact amount of the war reparations in present day values. Some important circumstances are not yet established and the size of the burden depends on the level of the prices on the world market during the next few years. There is, however, a calculation of the approximate total costs during the first two years of payment. These figures are presented below, the relation between the mark and the dollar being the present rate of exchange.

	Mill. dollars	Mill. mk
War reparations	106	14,416
Restitution of goods ...	60.5	8,230
Allied Control Commission	4.5	600
Internal supervision of deliveries	0.5	60
Approximate total	171.5	23,306

This means an average annual amount of about 86 million dollars at to-day's purchasing power. Since about 100 million dollars were paid in the first year — before the lengthening of the period of payment from six to eight years — the actual amount to be paid in 1945/46 will be about 70 million dollars. This has been calculated to correspond to 15 per cent of the roughly estimated national income of Finland.

The deliveries of the year 1944/45 were facilitated by their including products of the chief exporting industry of the country, the woodworking industry, and finished products, such as old ships. Later deliveries demand new large capital investments and imports of machinery from abroad as well as raw materials, which have to be imported up to 25 per cent of the value of the finished goods.

State taxation. State taxation has been much increased in order to finance the heavy costs of war as far as possible. Old taxes have been raised and new ones levied, both direct and indirect taxes. The consequent increase in the State revenue from taxation is revealed by the following indices, all of which are influenced by the general rise in the level of incomes. It should be noted that costs of living had risen by 101 per cent from 1938/39 to 1944.

	Direct taxes	Indirect taxes	Mixed taxes	Total taxes
1938	100	100	100	100
1939	95	93	99	94
1940	150	81	80	100
1941	487	165	90	251
1942	661	273	103	371
1943	847	292	115	437
1944	859	281	138	435

Particularly the yield of the direct taxes shows an advance from the pre-war level; they increased in six years to 8-9 times their previous amount. This was brought about by several means.

The tax on income and property forms the most important contribution to the State. The income tax was increased by 20 per cent in 1940 and 1941 and by 50 per cent in 1942 and 1943, the corresponding additions for the property tax being 50 and 100 per cent. Finally, the whole system of the income and property tax was changed in 1943, but even the new tax was immediately increased above the nominal scale. Besides, special taxes have been levied annually since 1942 on incomes as well as on property.

A Capital Levy was imposed in 1940 and collected up to 1945, when it was followed by a second Capital Levy. The proceeds are in both cases to be used for compensating those who have lost their property in the ceded territories.

Certain minor alterations have been enacted in other direct taxes as well.

The intensified taxation refers also to indirect taxes. The financially most significant change was the introduction of a sales tax, which has been collected from 1941 onwards. Excises have varied in the last few years, increases having occurred and new articles having been taxed, while previously taxed articles have disappeared from the market.

The changes in taxation have displaced the proportion between the different taxes. The proceeds of the most important kinds for 1938 and 1944 are:

	1938 Mill. mk	1944 Mill. mk
Direct taxes	1,019.7	8,763.2
Import duty	1,827.0	664.1
Sales tax	—	4,016.7
Other indirect taxes	476.9	1,791.9
Mixed taxes	264.4	364.8
Total	3,588.0	15,600.7

In this manner direct taxes were fiscally much more significant in 1944 (56.2 per cent of all taxes as against 28.4 in 1939); before the war the stress lay on indirect taxation. Taxes do not include the profits of the State owned alcohol monopoly, one of the most important sources of income of the State.

There has been a sharp rise in State expenditure during the last few years. In order to avoid inflation a serious endeavour was made to stretch taxation as far as possible, but in spite of an utmost pressure on the paying ability of the taxpayer and intensified collection of the assessed amounts expenditure advanced far beyond the revenue. This development is depicted by the following figures:

	Expenditure Mill. mk	Revenue Mill. mk	Thereof taxes Mill. mk
1938	4,958.8	4,780.6	3,588.0
1939	6,705.5	4,487.9	3,375.4
1940	17,528.6	4,943.1	3,604.5
1941	20,910.5	10,744.1	9,016.2
1942	25,160.1	17,144.6	13,308.8
1943	30,965.8	21,270.6	15,667.7
1944	40,169.5	21,494.6	15,600.7

The relation between these data is more clearly perceptible in the following percentages:

	Revenue in per cent of expenditure	Taxes in per cent of expenditure
1938	96.4	72.4
1939	66.9	50.3
1940	28.2	20.6
1941	51.4	43.1
1942	68.1	52.9
1943	68.7	50.6
1944	53.5	38.8

The outbreak of war disturbed the sound position of the State finances. Particularly in 1940 the proportion of taxes to expenditure grew unfavourable, dropping to 20.6 per cent. Neither did other revenue

suffice to cover the rest. In the following years the intensified taxation somewhat corrected the disproportion, taxes being 52.9 per cent of expenditure in 1942. In 1944 they were again more inadequate, as the last phase of the war and the arrangements after the armistice demanded more means than expected. It might be mentioned that the money market supplied a considerable part of the lacking means. By the Commercial Banks the amount of discounted Treasury bills was 4,265 million marks at the end of 1944. At that date the Treasury bills discounted by the Bank of Finland amounted to 17,750 millions after a slow increase all through the war.

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Balance of payments during the war.

In the 1930's Finland had a constant surplus of exports, which allowed her to pay her foreign debt. During the seven years 1932—1938 the decrease amounted to 9.8 milliard marks, whereby the debt was reduced to a bare 380 millions, increasing again slightly to 420 millions by the end of 1939.

In 1940 there was a change in the development. The war cut off the access to former import and export markets. Necessary goods had to be bought elsewhere at less favourable prices, exports on the other hand not reaching the same compass. Besides, the prices of exported goods increased less than those of imports. Consequently there was a great surplus of imports in the war years. In 1940—1944 imports totalled 53,420 million marks. This amount includes 675 million marks' worth of gifts from abroad not included in official trade figures. The figures refer to civil imports, no implements of war being included. During the same period exports totalled only about half as much, or 28,510 million marks.

Also in the exceptional conditions prevailing during the war foreign trade dominated the Finnish balance of payments. There were nevertheless certain other items of importance, too. Valuable gifts in goods and money were received from abroad, about 2,520 million marks in all. Another incidental income came from the sale of gold in order to obtain foreign currency. This income was 1,030 million marks. Of

the ordinary items of income freights should be mentioned for in spite of the limited shipping they gave a net income of 4,225 million marks. The largest single item of expenditure was that of interests, 655 million marks in all, a proportionally small amount considering the debt incurred. However, part of the debt, the clearing debt, carried no interest at all, and part of it interest at a very low rate, while part of the amount due could not be transmitted as connections to the lender were broken off; in later years certain interests might not be taken out of the country.

The figures presented above are brought together in the following table, which shows the Finnish balance of payments for 1940—1944:

	Mill. mk	Mill. mk
Imports	— 53,420	
Exports	+ 28,510	
Balance of trade	— 24,910	— 24,910
Interests		— 655
Gifts	+ 2,520	
Sale of gold	+ 1,030	
Freights	+ 4,225	
Other items.....	+ 55	+ 7,830
	<hr/>	<hr/>
Total balance		— 17,735

The balance of payments ended in a surplus of known expenditure over known incomes to an amount of 17,735 million marks for the five years under review.

*

Capital movement during the war. For covering the deficit of the balance of payments for 1940—1944 certain short-term foreign balances were available, chiefly foreign currency reserves of the Bank of Finland and the Commercial Banks as well as foreign claims of export firms. In December, 1939, these balances amounted to 2,820 million marks, but some of them were in countries, where they got frozen during the war. Some balances arose in the meantime, but they were partly clearing ones and as such tied to certain payments. Thus, the net decrease of the foreign balances was only 940 million marks in 1940—1944.

New foreign borrowing proved to be necessary. Short-term credits were received from different sources. The State had no short-term obligations when the war

started, but by the end of 1944 it had Swedish bills amounting to 1,270 million marks. The debt had slowly grown out of purchases of merchandise, increasing month by month. The Finnish debt on clearing accounts moved up and down, showing a total net increase of 2,300 million marks during the whole period; also this liability being directly caused by imports of goods. As some other short-term items increased as well, the total floating debt increased by 3,830 million marks being 4,640 million marks at the end of 1944.

Consolidated foreign loans were granted for the same amount, or 3,700 million marks, part of which consisted of medium-term loans that have already been renewed. Of the loans 2,370 millions were granted by Sweden, the amount being entirely used for financing imports, chiefly from Sweden but to some extent from Denmark. In December, 1939, the United States Government put a large amount of credits at the disposal of the Finnish Government, but they were not utilized until in 1940, and further in 1941 and 1944. The outstanding amount was 1,180 million marks by the end of 1944.

On the other hand, foreign loans had to be redeemed, although this could not be effected regularly while the war went on. No payments could be transmitted to the United States in the latter part of 1943 nor in 1944, and on some American loans there was a moratorium. Payments to England were interrupted already in December, 1941. With Sweden lively connections have been going on all the time, but considering the weak currency position of Finland an agreement was made according to which payments on loans may not, so far, be transferred to Sweden. Amortization and repurchases of Finnish bonds in foreign currency amounted to 480 million marks during the whole period.

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Foreign debt at the end of 1944. After all the changes during the war the net amount of the visible foreign indebtedness of Finland amounted to 8,410 million marks having been only 420 millions at the beginning of the period under review. The debt was composed as follows:

	31/12 1939 Mill. mk	31/12 1944 Mill. mk
Short-term debt	— 810	— 4,640
Short-term claims	2,820	1,880
Net short-term position..	2,010	— 2,760
Funded debt	— 2,430	— 5,650
Net indebtedness	— 420	— 8,410

The most important items of the short-term debt were the debt to a number of clearing countries and the credit for bills of the State. The short-term claims again were liabilities on clearing accounts with some countries and frozen currency reserves. The main part of the funded debt consists of Finnish bonds in foreign currency, in so far as they are not owned by Finns, but some medium term loans are included as well. Of the total foreign net indebtedness 6,040 million marks referred to the credits of the State.

Since 1944 the inflation has called forth higher rates of exchange, causing a rise in the foreign debt as reckoned in Finnish marks. According to the present rates of exchange the net indebtedness was about 21,500 million marks at the end of 1944. To this should be added the war reparations and the value of the goods to be restituted to the Soviet. According to the present exchange rates the total foreign net indebtedness was close on 70,000 million marks in December 1944, the beginning of the period of reconstruction after the war.

The publications of the Bank of Finland.

The Monthly Bulletin of the Bank of Finland has not been issued since the beginning of the war, but other publications of the Bank have appeared.

A historical record of the development of the Bank of Finland during 1912—1936 was published in 1940. This period, the fifth quarter-century of the Bank's business, had proved very eventful and varied, and it was thought adviceable to prepare a description of it. The work was done by the head of the Statistical Department of the Bank, Dr. A. E. Tudeer, and it was a continuation of an earlier work published in 1914 on the first centenary of the Bank. The new book was published in Finnish, Swedish and English. The English edition will be distributed as soon as mail condi-

tions get fully settled. (The Bank of Finland 1912—1936, Helsinki 1940, VIII + 371 p. and appendices.)

The Year Book of the Bank of Finland has been issued regularly every year in Finnish and Swedish, giving a review of the economic position in Finland and of the business of the Bank of Finland. The English edition, which used to include also a short description of the business of the Commercial Banks, has not been issued for 1943 and 1944. The edition for 1945 is therefore going to contain a survey in brief of these two years.

Two new series of publications were started by the Bank in 1942. They are published in Finnish under the common heading of „Suomen Pankin taloustieteellisen tutkimuslaitoksen julkaisuja” (Publications issued by the Institute for Economic Research of the Bank of Finland), and in Swedish correspondingly headed „Publikationer utgivna av Finlands Banks institut för ekonomisk forskning”. Series A is called „Taloudellisia Selvityksiä” in Finnish and „Ekonomiska Utredningar” in Swedish, and it comprises surveys on various economic matters. One or two editions have been published annually. The items on war reparations, state taxation, balance of payments, capital movement and foreign debt included in this Bulletin are based on articles in the latest publication of this series. Series B includes works of research of a greater compass. The following studies have been published up till now:

1. *Valter Lindberg*, Suomen kansantulo 1926—1938 (National Income of Finland in 1926—1938). Helsinki 1943, 185 p., summary in German.
2. *Matti Leppo*, Der private und der öffentliche Anteil am Volkseinkommen. Helsinki 1943, 104 p.
3. *T. Junnila*, Omaisuusvero vakautetun tulon lisäverotuksen toteuttajana (The Property Tax as a Supplementary Tax on Funded Income). Helsinki 1945, 183 p., summary in English.
4. *Mikko Tamminen*, Suomen kaupunkien asuntotuotannon vaihtelut ja niiden syyt itsenäisyyden aikana (The Fluctuations in Residential Building and their Causes in the Towns of Finland

during the Time of Independence). Helsinki 1945, 281 p. and an appendix, summary in English.

5. *T. Junnila — G. Modeen*, Fyysillisten henkilöiden verorasitus Suomessa vuosina 1938 ja 1945 (Taxation of Physical Persons in Finland in 1938 and 1944). Helsinki 1945, 82 p.

A book on the outstanding Finnish Bond Loans was published in Finnish and Swedish in 1945. It presents a list of all the loans

outstanding on December 31, 1944, and detailed descriptions of the conditions of each loan, such as rate of interest, redemption, right of conversions, lender, purpose of the loan, and other particulars. (1945 Suomen obligatiokirja — 1945 Obligationsbok för Finland, Helsinki 1945, 89 p.)

The above publications are edited by the Institute for Economic Research of the Bank of Finland, which has been formed by uniting the Statistical and the Business Cycle Departments of the Bank.

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is sent free of charge to anyone wishing to receive it. Finnish booksellers are, however, allowed to sell it at a price of 10 marks per copy. Should extracts from the Bulletin be printed, the source should be stated. Correspondence with regard to the Bulletin should be addressed to the Bank of Finland Institute for Economic Research.

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