



BANK OF FINLAND

MONTHLY BULLETIN

Vol. 30 No. 12

DECEMBER

1956

RECENT DEVELOPMENTS

AUTOMATIC LICENSING

On December 13, the Government instructed the licensing authorities temporarily to reduce automatic licensing. Thus, from December 13 to March 31, 1957, the total of automatically granted licences in the principal Western currencies may not exceed 80 per cent of the average quarterly level of such licensing during the period December 1, 1955, to November 30, 1956. The commodity lists remain unchanged. The Licensing Board is authorised to grant licences in excess of this maximum if the maintenance of production for export so demands, or if the goods to be imported are of a seasonal character.

This Government decision was made necessary partly by the general international conditions, partly by the unfavourable development of the foreign exchange position of the Bank of Finland. In 1954, import licensing in principal Western currencies amounted to 86 000 mill. marks; in 1955 the figure was 125 000 million. During the current year, until the end of November, licensing in these currencies totalled 101 000 mill. marks, of which 44 000 million represented automatic licensing. On the basis of these figures, the total for the whole year can be estimated at some 110 000 mill. marks. Foreign exchange earnings, particularly in

Western currencies, have decreased in comparison with 1955, and about 7 000 mill. marks of the reserve of the principal Western currencies will have been drawn by the end of the year.

Next year, the situation is expected to be further aggravated. Without the change in the licensing system, more foreign exchange would be used in 1957 for freed imports than has been the case this year, because prices are higher and consumption has increased. And even if no such increase were to occur, imports under restriction would have to be reduced to less than 30 000 mill. marks in accordance with the estimates of today. During the period January—November this year, 47 000 mill. marks was used for restricted imports, and even this sum was so small that licences could not be granted for all the imports necessary for undisturbed production.

Considerably more necessities will have to be purchased from Western countries next year, and this will further increase the need for Western currencies. In addition, the free choice of imports is limited by the fulfilment of quotas in trade agreements.

On page 18, The Present State of the Finnish Metal Industry

For these reasons, maintenance of the present volume of automatic licensing would cause immoderate difficulties in that part of the economy the needs of which are satisfied by imports subject to restrictions. On the other hand, if automatic licensing were to have been completely abandoned and full controls had been reintroduced, it would have meant the loss of those advantages which automatic licensing has offered.

EMPLOYMENT

In comparison with last winter a considerable deterioration of the employment situation is expected to occur during the next few months. This will be occasioned, above all, by the difficulties of the wood industries in marketing their products. The unemployment registers were opened in mid-October, that is to say about two weeks earlier than was so last year, and, to date, more people have been registered than was the case one year previously. By the beginning of December, unemployment registers had been opened in 113 localities, whereas last year the corresponding number was no more than 47. This is so despite the policy of arranging so-called „employment work” before open unemployment appears; the persons engaged in work of this kind do not figure in the unemployment registers. By the middle of November, the labour force engaged on work financed out of public funds numbered nearly 24 000, in addition to which there were 4 000 persons actually without work. The corresponding figures for last year were respectively 9 000 and 1 000.

Lumber work, which in winter time exerts a decisive influence on the employment situation, has, however, been so far very brisk. From the beginning of June, when the felling season begins, to the end of October, a quantity of 8.2 million piled cu. m had been cut, which exceeds by 11 per cent the corresponding return for last year. The major portion of this quantity consists of pulpwood and fuel wood; these fellings generally diminish when the snow has come and stocks are filled. As regards employment in the forest industries, prospects for the near future are good in the cellulose and paper mills, but less satisfactory in the wood industry. Owing to weak demand for sawn goods in the foreign market several small saw mills have had to interrupt work altogether and the larger ones have had to restrict their output. For this reason, fellings of logs, which during mid-winter are the most important from the point of view of employment, are expected to be very much diminished. It has been estimated that during January—March the number of forest workers will be 30 000 to 35 000 less than in the corresponding period last year. Although the employment situation is fairly good in the home market industries, it seems probable that, in the early spring, which is the most difficult period, some 70 000—80 000 workers, possibly even more, will be dependent on employment in works financed by public funds. This will mean a considerable drain on the employment grants.

December 15, 1956.

BANK OF FINLAND

Mill. mk

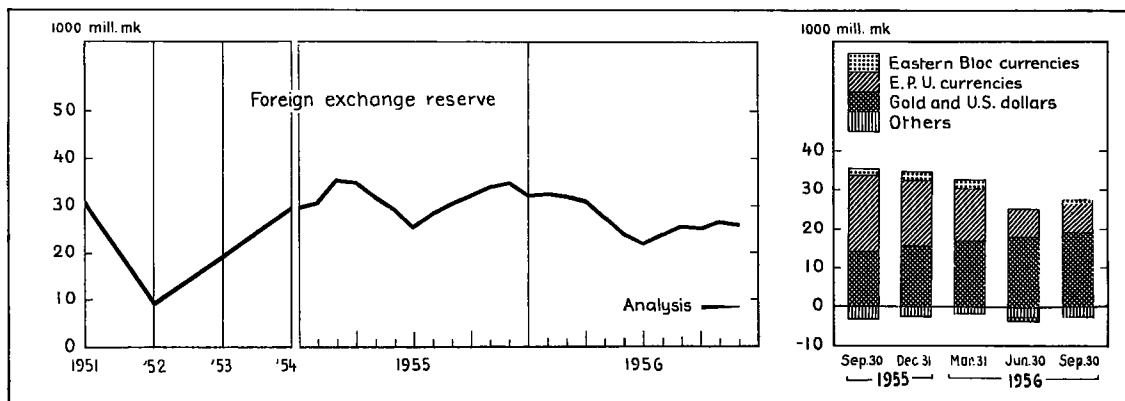
| | 1955 | | 1956 | | | |
|--|---------|---------|---------|---------|---------|---------|
| | Nov. 30 | Dec. 31 | Nov. 8 | Nov. 15 | Nov. 23 | Nov. 30 |
| BALANCE SHEET | | | | | | |
| Assets | | | | | | |
| <i>Ordinary note cover</i> | 41 367 | 38 314 | 34 375 | 34 154 | 33 169 | 32 698 |
| Gold | 7 879 | 7 849 | 7 849 | 7 849 | 7 849 | 7 849 |
| Foreign exchange | 31 020 | 28 089 | 23 503 | 23 282 | 22 297 | 21 827 |
| Foreign bills | 116 | 116 | 116 | 116 | 116 | 116 |
| Foreign bonds | 2 353 | 2 260 | 2 907 | 2 907 | 2 907 | 2 907 |
| <i>Supplementary note cover</i> | 52 070 | 65 576 | 64 684 | 62 369 | 65 615 | 68 083 |
| Inland bills discounted | | | | | | |
| In foreign currency | 8 499 | 8 511 | 9 434 | 9 438 | 9 438 | 9 448 |
| In Finnish currency | 13 563 | 14 437 | 16 317 | 16 435 | 16 186 | 15 958 |
| Rediscounted bills | 10 007 | 22 628 | 21 434 | 18 997 | 22 491 | 25 177 |
| Treasury bond loan | 20 000 | 20 000 | 17 500 | 17 500 | 17 500 | 17 500 |
| <i>Other assets</i> | 13 145 | 11 617 | 14 787 | 14 148 | 14 055 | 13 800 |
| Finnish bonds | 1 999 | 1 915 | 1 987 | 1 987 | 1 988 | 1 989 |
| Cheque accounts | 294 | 490 | 633 | 554 | 614 | 531 |
| Finnish coin | 237 | 195 | 313 | 308 | 335 | 339 |
| Other claims | 10 615 | 9 016 | 11 854 | 11 299 | 11 118 | 10 941 |
| Total | 106 582 | 115 506 | 113 845 | 110 671 | 112 839 | 114 581 |
| Liabilities | | | | | | |
| <i>Notes in circulation</i> | 53 493 | 55 883 | 57 687 | 57 603 | 57 515 | 58 468 |
| <i>Short-term liabilities</i> | 30 640 | 33 309 | 16 725 | 13 547 | 15 547 | 16 462 |
| Foreign exchange accounts | 4 166 | 3 855 | 4 146 | 3 510 | 3 702 | 3 682 |
| Mark accounts of holders abroad | 3 946 | 3 898 | 6 607 | 6 852 | 6 747 | 6 756 |
| Cheque account of the Treasury | 9 627 | 9 816 | 4 592 | 1 462 | 3 415 | 4 091 |
| Cheque accounts of banks | 6 924 | 8 384 | 147 | 548 | 403 | 464 |
| Other cheque accounts | 5 323 | 6 733 | 315 | 295 | 347 | 338 |
| Other short-term liabilities | 654 | 624 | 917 | 881 | 933 | 1 132 |
| <i>Long-term liabilities</i> | 8 876 | 9 013 | 18 436 | 18 244 | 18 392 | 18 291 |
| Foreign | 7 582 | 7 719 | 8 256 | 8 259 | 8 240 | 8 247 |
| Finnish | 1 294 | 1 294 | 10 181 | 9 985 | 10 152 | 10 044 |
| <i>Equalisation accounts</i> | 2 232 | 5 690 | 8 616 | 8 844 | 8 844 | 8 736 |
| <i>Bank's own funds</i> | 11 341 | 11 612 | 12 382 | 12 433 | 12 541 | 12 623 |
| Capital | 10 000 | 10 000 | 10 000 | 10 000 | 10 000 | 10 000 |
| Reserve fund | — | — | 806 | 806 | 806 | 806 |
| Profits undisposed | — | — | 6 | 6 | 6 | 6 |
| Earnings less expenses | 1 341 | 1 612 | 1 570 | 1 621 | 1 729 | 1 811 |
| Total | 106 582 | 115 506 | 113 845 | 110 671 | 112 839 | 114 581 |
| STATEMENT OF NOTE ISSUE | | | | | | |
| Right of note issue | | | | | | |
| Ordinary cover | 41 367 | 38 314 | 34 375 | 34 154 | 33 169 | 32 698 |
| Supplementary cover (Upper limit 58 000 mill. mk) | 50 000 | 58 000 | 58 000 | 58 000 | 58 000 | 58 000 |
| Total | 91 367 | 96 314 | 92 375 | 92 154 | 91 169 | 90 698 |
| Note issue | | | | | | |
| Notes in circulation | 53 493 | 55 883 | 57 687 | 57 603 | 57 515 | 58 468 |
| Short-term liabilities | 30 640 | 33 309 | 16 725 | 13 547 | 15 547 | 16 462 |
| Undrawn on cheque credits | 691 | 494 | 546 | 625 | 560 | 648 |
| Unused right of note issue | 6 544 | 6 627 | 17 418 | 20 379 | 17 547 | 15 120 |
| Total | 91 367 | 96 314 | 92 375 | 92 154 | 91 169 | 90 698 |

Lowest discount rate since April 19, 1956, $6\frac{1}{2}$ per cent

BANK OF FINLAND

Mill. mk

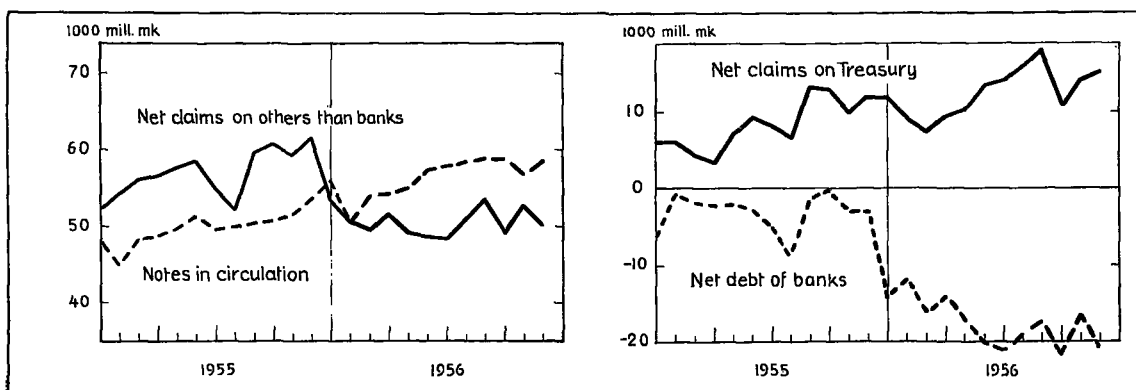
| End of year and month | Gold and foreign accounts | | | | | | Finnish credit institutions | | | |
|-----------------------|---------------------------|--|--------------------------------|----------------------|---------------------------|----------------------------|-----------------------------|-----------------------|--------------------------|---------------------------------|
| | Gold and foreign exchange | Liabilities on foreign exchange accounts | Foreign exchange reserve (1-2) | Other foreign assets | Other foreign liabilities | Net foreign assets (3+4-5) | Redis-counted bills | Liabilities | | Net claims on the banks (7-8-9) |
| | | | | | | | | Cash reserve accounts | Cheque accounts of banks | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1948 | 3 329 | 3 211 | 118 | — | 1 379 | -1 261 | 1 697 | — | 473 | 1 224 |
| 1949 | 5 196 | 6 930 | -1 734 | — | 2 561 | -4 295 | 2 427 | — | 665 | 1 762 |
| 1950 | 10 959 | 8 170 | 2 789 | — | 4 807 | -2 018 | 6 913 | — | 552 | 7 465 |
| 1951 | 34 317 | 3 594 | 30 723 | — | 3 693 | 27 030 | 16 | — | 218 | 234 |
| 1952 | 22 099 | 13 141 | 8 958 | — | 5 524 | 3 434 | 17 217 | — | 2 088 | 15 129 |
| 1953 | 27 898 | 8 737 | 19 161 | 209 | 9 237 | 10 133 | 8 268 | — | 2 157 | 6 111 |
| 1954 | 36 573 | 7 017 | 29 556 | 972 | 10 102 | 20 426 | 8 465 | — | 2 187 | 6 278 |
| 1955 | 35 938 | 3 855 | 32 083 | 2 376 | 11 617 | 22 842 | 22 628 | 6 677 | 1 707 | 14 244 |
| 1955 | | | | | | | | | | |
| June | 33 610 | 7 870 | 25 740 | 2 468 | 10 069 | 18 139 | 9 020 | 2 987 | 817 | 5 216 |
| July | 34 635 | 6 280 | 28 355 | 2 468 | 10 586 | 20 237 | 13 239 | 4 227 | 662 | 8 350 |
| Aug. | 36 148 | 5 818 | 30 330 | 2 468 | 10 300 | 22 498 | 5 335 | 2 808 | 1 138 | 1 389 |
| Sept. | 37 700 | 5 470 | 32 230 | 2 468 | 10 794 | 23 904 | 6 751 | 5 441 | 930 | 380 |
| Oct. | 38 660 | 4 989 | 33 671 | 2 468 | 11 186 | 24 953 | 9 472 | 5 498 | 972 | 3 002 |
| Nov. | 38 899 | 4 166 | 34 733 | 2 468 | 11 528 | 25 673 | 10 007 | 6 176 | 748 | 3 083 |
| Dec. | 35 938 | 3 855 | 32 083 | 2 376 | 11 617 | 22 842 | 22 628 | 6 677 | 1 707 | 14 244 |
| 1956 | | | | | | | | | | |
| Jan. | 36 957 | 4 464 | 32 493 | 2 561 | 12 312 | 22 742 | 19 096 | 6 689 | 486 | 11 921 |
| Feb. | 36 080 | 3 982 | 32 098 | 2 561 | 12 347 | 22 312 | 23 551 | 6 607 | 723 | 16 221 |
| March | 34 309 | 3 296 | 31 013 | 2 561 | 12 405 | 21 169 | 20 086 | 5 983 | 135 | 13 968 |
| April | 31 585 | 3 937 | 27 648 | 2 561 | 12 400 | 17 809 | 24 790 | 7 062 | 530 | 17 198 |
| May | 29 700 | 6 031 | 23 669 | 2 561 | 12 694 | 13 536 | 27 236 | 6 372 | 665 | 20 199 |
| June | 29 339 | 7 547 | 21 792 | 2 561 | 13 386 | 10 967 | 27 283 | 5 621 | 507 | 21 155 |
| July | 29 668 | 6 080 | 23 588 | 2 561 | 13 681 | 12 468 | 26 918 | 7 046 | 812 | 19 060 |
| Aug. | 31 220 | 5 745 | 25 475 | 2 561 | 13 725 | 14 311 | 23 513 | 5 498 | 690 | 17 325 |
| Sept. | 30 613 | 5 475 | 25 138 | 2 561 | 14 355 | 13 344 | 27 223 | 4 671 | 781 | 21 771 |
| Oct. | 30 519 | 3 801 | 26 718 | 3 023 | 14 774 | 14 967 | 20 892 | 3 960 | 447 | 16 485 |
| Nov. | 29 676 | 3 682 | 25 994 | 3 023 | 15 003 | 14 014 | 25 177 | 3 755 | 464 | 20 958 |



BANK OF FINLAND

Mill. mk

| End of year and month | Treasury | | | Trade and industry | | | | | | Notes in circulation |
|-----------------------|-----------------|----------------|----------------------------------|----------------------------------|----------------|----------------------|----------------------------------|-------------------|----------------------------------|----------------------|
| | Bills and bonds | Cheque account | Net claims on the Treasury (1-2) | Inland bills in Finnish currency | Other advances | Total advances (4+5) | Deposits against import licences | Other liabilities | Net claims on the public (6-7-8) | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1948 | 19 230 | 19 | 19 211 | 13 591 | 1 387 | 14 978 | — | 207 | 14 771 | 27 369 |
| 1949 | 22 030 | 80 | 21 950 | 15 351 | 1 965 | 17 316 | — | 625 | 16 691 | 29 606 |
| 1950 | 19 730 | 34 | 19 696 | 13 516 | 5 470 | 18 986 | — | 263 | 18 723 | 34 383 |
| 1951 | 8 685 | — | 8 685 | 11 567 | 6 193 | 17 760 | — | 301 | 17 459 | 44 774 |
| 1952 | 14 738 | — | 14 738 | 14 678 | 12 696 | 27 374 | — | 2 185 | 25 189 | 46 153 |
| 1953 | 21 662 | 7 281 | 14 381 | 13 812 | 15 525 | 29 337 | — | 2 314 | 27 023 | 45 019 |
| 1954 | 21 662 | 15 470 | 6 192 | 11 940 | 14 129 | 26 069 | — | 791 | 25 278 | 47 902 |
| 1955 | 21 660 | 9 816 | 11 844 | 14 437 | 16 357 | 30 794 | 6 578 | 779 | 23 437 | 55 883 |
| 1955 | | | | | | | | | | |
| June | 21 660 | 13 458 | 8 202 | 15 120 | 17 327 | 32 447 | — | 228 | 32 219 | 49 584 |
| July | 21 660 | 15 044 | 6 616 | 14 395 | 17 230 | 31 625 | 739 | 1 549 | 29 337 | 49 903 |
| Aug. | 21 660 | 8 342 | 13 318 | 13 470 | 16 786 | 30 256 | 1 600 | 2 068 | 26 588 | 50 376 |
| Sept. | 21 660 | 8 803 | 12 857 | 13 780 | 17 836 | 31 616 | 2 931 | 1 594 | 27 091 | 50 634 |
| Oct. | 21 660 | 11 854 | 9 806 | 14 339 | 17 832 | 32 171 | 3 922 | 1 180 | 27 069 | 51 433 |
| Nov. | 21 660 | 9 627 | 12 033 | 13 563 | 17 748 | 31 311 | 5 105 | 872 | 25 334 | 53 493 |
| Dec. | 21 660 | 9 816 | 11 844 | 14 437 | 16 357 | 30 794 | 6 578 | 779 | 23 437 | 55 883 |
| 1956 | | | | | | | | | | |
| Jan. | 21 660 | 12 905 | 8 755 | 15 204 | 16 846 | 32 050 | 7 476 | 844 | 23 730 | 50 539 |
| Feb. | 21 660 | 14 292 | 7 368 | 16 626 | 17 134 | 33 760 | 7 929 | 709 | 25 122 | 53 870 |
| March | 20 410 | 11 521 | 8 889 | 18 992 | 17 501 | 36 493 | 8 131 | 997 | 27 365 | 54 252 |
| April | 20 410 | 10 161 | 10 249 | 19 782 | 18 211 | 37 993 | 8 753 | 762 | 28 478 | 54 951 |
| May | 20 410 | 6 940 | 13 470 | 20 588 | 20 005 | 40 593 | 9 289 | 849 | 30 455 | 57 361 |
| June | 20 410 | 6 284 | 14 126 | 19 985 | 22 082 | 42 067 | 9 540 | 670 | 31 857 | 57 911 |
| July | 20 410 | 4 327 | 16 083 | 18 763 | 21 923 | 40 686 | 9 675 | 694 | 30 317 | 58 281 |
| Aug. | 20 410 | 2 292 | 18 118 | 17 025 | 21 530 | 38 555 | 9 289 | 1 127 | 28 139 | 58 927 |
| Sept. | 19 160 | 8 310 | 10 850 | 16 600 | 21 763 | 38 363 | 4 886 | 948 | 32 529 | 58 831 |
| Oct. | 19 160 | 4 906 | 14 254 | 16 517 | 20 138 | 36 655 | 4 326 | 1 235 | 31 094 | 56 795 |
| Nov. | 19 160 | 4 091 | 15 069 | 15 958 | 19 260 | 35 218 | 4 349 | 1 470 | 29 399 | 58 468 |



DEPOSITS BY THE PUBLIC - FOREIGN EXCHANGE RATES

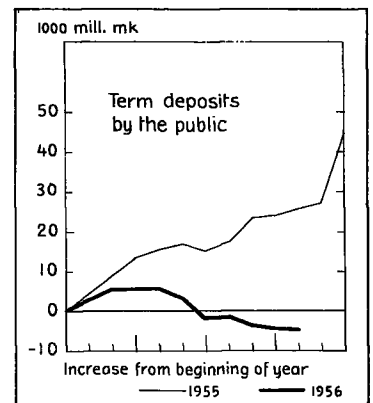
Mill. mk

| End of year and month | Sight deposits | | | Term deposits | | | | | | Total (2+3+9) |
|-----------------------|-----------------------|----------------------------|----------------------|-----------------------|------------------|--|-----------------------------------|--|----------------------------|------------------|
| | Cheque accounts | | Postal giro accounts | Commer- cial banks | Savings banks | Co-op. credit societies & their central bank | Post Office Savings Bank | Savings depart- ments of co-op. stores | All credit institutions | |
| | Commer- cial banks | All credit institutions | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1949 | 23 276 | 26 908 | 8 984 | 31 079 | 35 014 | 16 675 | 12 237 | 4 649 | 99 660 | 135 552 |
| 1950 | 24 460 | 28 248 | 10 537 | 36 579 | 39 366 | 20 175 | 13 892 | 5 356 | 115 373 | 154 158 |
| 1951 | 42 768 | 48 063 | 11 203 | 46 678 | 51 790 | 29 710 | 18 243 | 8 443 | 154 870 | 214 136 |
| 1952 | 28 020 | 33 410 | 10 765 | 59 742 | 65 344 | 37 223 | 23 562 | 10 798 | 196 706 | 240 881 |
| 1953 | 32 112 | 37 907 | 11 048 | 70 455 | 76 709 | 42 537 | 27 074 | 11 951 | 228 762 | 277 717 |
| 1954 | 34 913 | 42 108 | 13 451 | 83 444 | 92 174 | 52 050 | 30 079 | 13 415 | 271 195 | 326 754 |
| 1955 | 36 587 | 44 281 | 11 795 | 97 794 | 108 541 | 61 140 | 33 073 | 15 255 | 315 843 | 371 919 |
| 1955 | | | | | | | | | | |
| April | 36 289 | 43 521 | 9 294 | 88 742 | 96 910 | 55 540 | 30 822 | 14 464 | 286 510 | 339 325 |
| May | 36 037 | 43 279 | 8 462 | 89 001 | 97 668 | 56 135 | 30 671 | 14 585 | 288 094 | 339 835 |
| June | 40 007 | 47 426 | 10 920 | 88 173 | 97 285 | 55 766 | 30 640 | 14 349 | 286 260 | 344 606 |
| July | 34 979 | 42 488 | 8 825 | 88 776 | 98 210 | 56 221 | 30 927 | 14 308 | 288 491 | 339 804 |
| Aug. | 37 788 | 45 175 | 8 797 | 90 961 | 99 791 | 57 621 | 31 715 | 14 406 | 294 543 | 348 515 |
| Sept. | 37 399 | 44 979 | 10 715 | 90 823 | 100 548 | 57 581 | 31 777 | 14 458 | 295 236 | 350 930 |
| Oct. | 37 908 | 45 561 | 9 709 | 91 287 | 101 316 | 57 674 | 31 890 | 14 534 | 296 751 | 352 021 |
| Nov. | 38 521 | 45 887 | 8 718 | 91 516 | 102 211 | 57 927 | 32 074 | 14 608 | 298 384 | 352 989 |
| Dec. | 36 587 | 44 281 | 11 795 | 97 794 | 108 541 | 61 140 | 33 073 | 15 255 | 315 843 | 371 919 |
| 1956* | | | | | | | | | | |
| Jan. | 35 193 | 42 006 | 8 710 | 98 543 | 109 552 | 61 507 | 33 598 | 15 563 | 318 801 | 369 517 |
| Feb. | 32 806 | 39 429 | 9 634 | 98 990 | 110 233 | 62 204 | 34 292 | 15 762 | 321 519 | 370 582 |
| March | 35 545 | 42 643 | 12 629 | 98 745 | 110 080 | 62 567 | 34 002 | 15 805 | 321 237 | 376 509 |
| April | 33 982 | 41 095 | 9 634 | 98 564 | 110 268 | 62 778 | 33 842 | 15 832 | 321 321 | 372 050 |
| May | 33 620 | 40 800 | 9 669 | 97 684 | 109 704 | 62 476 | 33 401 | 15 691 | 318 993 | 369 462 |
| June | 39 536 | 47 256 | 11 068 | 96 287 | 108 087 | 61 561 | 32 983 | 15 409 | 314 364 | 372 688 |
| July | 37 040 | 45 096 | 9 583 | 95 701 | 108 382 | 61 781 | 33 136 | 15 362 | 314 399 | 369 078 |
| Aug. | 34 995 | 43 118 | 7 618 | 94 685 | 107 983 | 61 583 | 33 096 | 15 284 | 312 673 | 363 409 |
| Sept. | 36 666 | 43 786 | 15 675 | 94 176 | 107 675 | 61 160 | 33 209 | 15 253 | 311 511 | 370 972 |
| Oct. | 40 382 | 48 603 | 8 877 | 93 059 | 107 979 | 61 217 | 33 170 | 15 380 | 310 843 | 368 323 |

Selling rates for foreign exchange

November 30, 1956

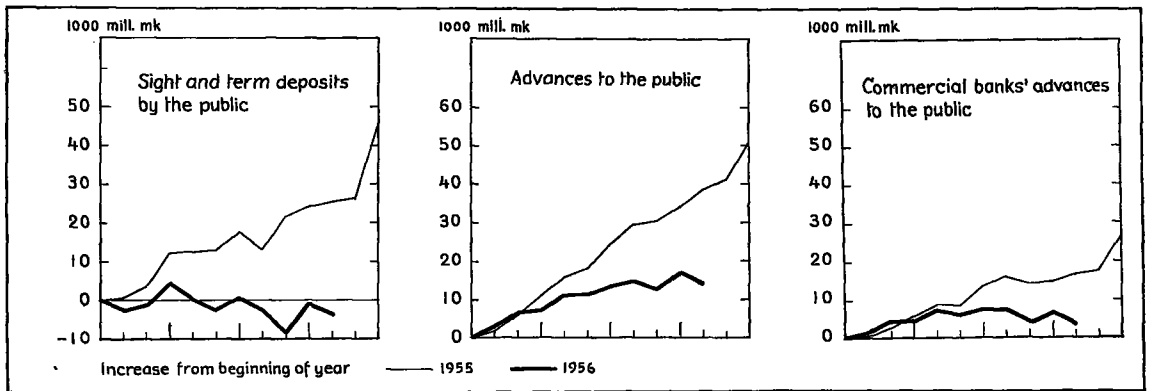
| | | mk | | | mk |
|-----------------|------|--------|-------------------|--------|-------|
| New York | 1 \$ | 231 | Zürich | 1 Fr | 52.71 |
| London | 1 £ | 644.50 | Frankfurt a/M .. | 1 DM | 55.06 |
| Stockholm | 1 Kr | 44.70 | Prague | 1 Kz | 32.08 |
| Copenhagen | 1 Kr | 33.30 | Vienna | 1 Sch | 8.90 |
| Oslo | 1 Kr | 32.30 | Lisbon | 1 Es | 8.04 |
| Paris | 1 Fr | 0.66 | Montreal | 1 \$ | 238 |
| Brussels | 1 Fr | 4.616 | Moscow, clear. .. | 1 Rbl. | 57.75 |
| Amsterdam | 1 G | 60.75 | | | |



ADVANCES TO THE PUBLIC

Mill. mk

| End of year and month | Granted by | | | | | Types of advances | | | Total (1 to 5) (6 to 8) |
|-----------------------|-----------------------|------------------|--------------------------------|--|-------------------|-------------------|---------|-------------------|-------------------------------|
| | Commer- cial banks | Savings banks | Post Office Savings Bank | Co-op. credit societies & their cen- tral bank | Mortgage banks | Loans | Bills | Cheque credits | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1949 | 57 160 | 29 065 | 3 472 | 30 925 | 3 382 | 81 667 | 33 429 | 8 908 | 124 004 |
| 1950 | 67 438 | 35 511 | 4 507 | 35 048 | 3 830 | 97 375 | 37 934 | 11 025 | 146 334 |
| 1951 | 85 578 | 45 554 | 8 508 | 41 849 | 4 425 | 117 358 | 54 645 | 13 911 | 185 914 |
| 1952 | 104 881 | 59 824 | 13 402 | 50 694 | 5 379 | 147 035 | 70 106 | 17 039 | 234 180 |
| 1953 | 105 659 | 70 511 | 18 782 | 56 765 | 9 847 | 177 703 | 67 572 | 16 289 | 261 564 |
| 1954 | 128 955 | 82 447 | 22 123 | 64 697 | 12 773 | 212 306 | 79 200 | 19 489 | 310 995 |
| 1955 | 155 436 | 96 454 | 24 866 | 72 868 | 13 599 | 245 674 | 94 123 | 23 426 | 363 223 |
| 1955 | | | | | | | | | |
| April | 137 728 | 86 211 | 23 183 | 66 675 | 12 945 | 220 561 | 85 841 | 20 340 | 326 742 |
| May | 137 630 | 87 394 | 23 474 | 67 600 | 12 979 | 223 275 | 85 401 | 20 401 | 329 077 |
| June | 142 305 | 88 533 | 23 691 | 67 962 | 13 042 | 226 137 | 87 218 | 22 178 | 335 533 |
| July | 144 995 | 90 087 | 23 817 | 68 461 | 13 170 | 229 737 | 88 513 | 22 280 | 340 530 |
| Aug. | 143 149 | 91 262 | 24 005 | 69 484 | 13 406 | 233 471 | 87 744 | 20 091 | 341 306 |
| Sept. | 143 785 | 93 062 | 24 141 | 70 476 | 13 517 | 236 197 | 87 237 | 21 547 | 344 981 |
| Oct. | 145 683 | 94 363 | 24 518 | 71 050 | 13 648 | 239 583 | 88 291 | 21 388 | 349 262 |
| Nov. | 146 531 | 95 477 | 24 804 | 71 454 | 13 766 | 242 132 | 88 476 | 21 424 | 352 032 |
| Dec. | 155 436 | 96 454 | 24 866 | 72 868 | 13 599 | 245 674 | 94 123 | 23 426 | 363 223 |
| 1956* | | | | | | | | | |
| Jan. | 157 132 | 97 784 | 24 893 | 72 824 | 13 607 | 246 784 | 95 688 | 23 768 | 366 240 |
| Feb. | 159 944 | 98 334 | 24 994 | 73 114 | 13 626 | 248 233 | 96 773 | 25 006 | 370 012 |
| March | 159 981 | 98 710 | 25 374 | 72 720 | 13 562 | 249 322 | 96 593 | 24 432 | 370 347 |
| April | 162 744 | 99 408 | 25 532 | 73 313 | 13 380 | 250 776 | 98 365 | 25 236 | 374 377 |
| May | 161 545 | 99 897 | 25 637 | 74 094 | 13 382 | 251 782 | 98 816 | 23 956 | 374 554 |
| June | 163 175 | 99 764 | 25 791 | 74 598 | 13 411 | 251 894 | 99 537 | 25 309 | 376 740 |
| July | 162 798 | 100 253 | 25 929 | 74 966 | 13 992 | 253 567 | 101 124 | 23 245 | 377 937 |
| Aug. | 159 760 | 100 951 | 26 211 | 74 978 | 14 059 | 255 663 | 98 018 | 22 277 | 375 958 |
| Sept. | 161 927 | 101 902 | 26 345 | 75 559 | 14 446 | 257 649 | 97 181 | 25 348 | 380 179 |
| Oct. | 158 945 | 102 418 | 25 940 | 75 244 | 14 646 | 258 633 | 96 133 | 22 426 | 377 193 |

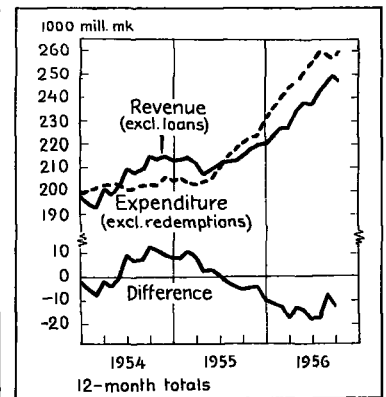


STATE FINANCES

1000 mill. mk

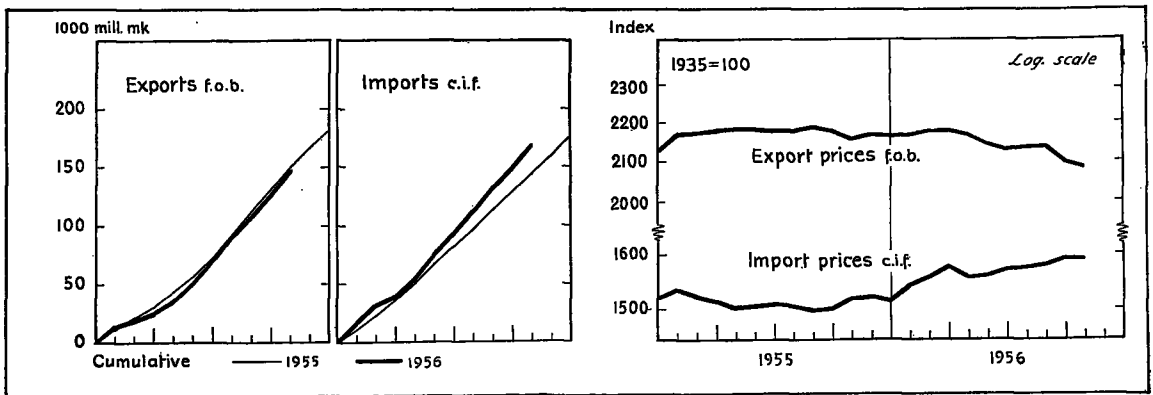
| Revenue | Jan.—Sept. | | Expenditure | Jan.—Sept. | |
|---|------------|---------|---|------------|--------|
| | 1955 | 1956 | | 1955 | 1956 |
| Income and property tax (net) | 34.9 | 40.1 | Interest on State debt | 4.6 | 4.8 |
| Gross receipts | (68.2) | (79.6) | Child allowances | 14.8 | 14.9 |
| Refunds and communal income tax | (-33.3) | (-39.5) | Old age allowances | 1.8 | 1.6 |
| Other direct taxes | 0.6 | 0.6 | Compensations to war-disabled | 4.6 | 5.6 |
| Purchase tax | 33.8 | 42.5 | Transfer of employers' payments for national pensions to National Pen- sions Fund | 3.0 | 3.6 |
| Import duties | 18.3 | 27.8 | Subsidies | 16.4 | 24.1 |
| Revenue from Alcohol Monopoly | 14.6 | 14.8 | Payments by Price Equalisation Fund | 2.0 | 7.4 |
| Excise duty on tobacco | 8.1 | 9.6 | State aid to agriculture | 3.3 | 3.3 |
| Other excise duties | 3.1 | 3.2 | State aid to communal and private schools | 9.8 | 13.7 |
| Stamp duties | 5.9 | 6.8 | Net loss of State enterprises | — | 3.0 |
| Employers' payments for child allow- ances and national pensions | 14.7 | 15.6 | Maintenance of roads | 3.4 | 4.1 |
| Receipts of Price Equalisation Fund | 7.4 | 6.2 | Other current expenditure | 46.2 | 56.0 |
| Other revenue similar to taxes | 2.6 | 2.8 | Current expenditure | 109.9 | 142.1 |
| Total taxes | 144.0 | 170.0 | Real investments | 23.8 | 29.4 |
| Interest and dividends | 2.3 | 2.6 | (of which: unemployment grants) .. | (11.6) | (15.2) |
| Other current revenue | 4.6 | 5.0 | Other capital expenditure | 22.5 | 25.6 |
| Net profit of State enterprises | 0.2 | — | Capital expenditure | 46.3 | 55.0 |
| Current revenue | 151.1 | 177.6 | Total expenditure | 156.2 | 197.1 |
| Capital revenue proper | 3.5 | 3.2 | Redemption of external loans | 1.8 | 1.4 |
| Decrease in inventories | 2.2 | 3.6 | Redemption of internal loans | 3.8 | 4.1 |
| Capital revenue | 5.7 | 6.8 | Redemption of indemnity bonds etc. .. | 2.5 | 0.7 |
| Total revenue | 156.8 | 184.4 | Index premiums | 8.6 | 0.1 |
| External loans | 2.6 | 1.0 | Redemptions | 16.7 | 6.3 |
| Internal loans | 7.3 | 9.9 | | | |
| Loans | 9.9 | 10.9 | | | |
| Bills (increase +) | — | — | | | |
| Deficit (+) or surplus (-) | +6.2 | +8.1 | | | |
| Total | 172.9 | 203.4 | Total | 172.9 | 203.4 |

| Debt | 1953 | 1954 | 1955 | 1956 | | | |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|
| | Dec. | Dec. | Dec. | July | Aug. | Sept. | Oct. |
| External debt | 65.0 | 62.1 | 61.3 | 61.6 | 61.6 | 61.1 | 61.0 |
| Ordinary loans | 31.3 | 36.1 | 43.0 | 47.7 | 48.6 | 48.9 | 49.2 |
| Indemnity bonds etc. .. | 10.2 | 8.8 | 6.8 | 6.8 | 6.8 | 6.9 | 7.0 |
| Bills | 3.4 | 0.5 | — | — | — | — | — |
| Cash debt (net) | 11.3 | 4.3 | 5.9 | 12.5 | 11.9 | 15.2 | 11.3 |
| Internal debt | 56.2 | 49.7 | 55.7 | 67.0 | 67.3 | 71.0 | 67.5 |
| Total debt | 121.2 | 111.8 | 117.0 | 128.6 | 128.9 | 132.1 | 128.5 |
| Total debt, mill. \$ | 524.7 | 484.0 | 506.3 | 556.6 | 558.0 | 571.7 | 556.2 |



FOREIGN TRADE

| Period | Value, mill. mk | | | Imports by main groups, mill. mk | | | | Price indices 1935 = 100 | |
|--------|------------------|------------------|---------------------------------------|----------------------------------|-----------|------------|----------------------|-----------------------------|-----------------------------|
| | Imports c. i. f. | Exports f. o. b. | Surplus of imports (-) or exports (+) | Raw materials | Machinery | Foodstuffs | Other consumer goods | Articles of import c. i. f. | Articles of export f. o. b. |
| 1948 | 66 369 | 56 505 | - 9 864 | 32 245 | 12 641 | 13 198 | 8 285 | 996 | 1 278 |
| 1949 | 66 278 | 65 606 | - 672 | 30 248 | 15 191 | 9 370 | 11 469 | 1 063 | 1 201 |
| 1950 | 89 148 | 81 479 | - 7 669 | 38 214 | 19 218 | 16 786 | 14 930 | 1 366 | 1 420 |
| 1951 | 155 464 | 186 883 | +31 419 | 75 568 | 32 358 | 24 402 | 23 136 | 1 878 | 2 955 |
| 1952 | 182 186 | 156 829 | -25 357 | 75 493 | 49 006 | 32 600 | 25 087 | 1 801 | 2 410 |
| 1953 | 121 860 | 131 555 | + 9 695 | 48 898 | 31 760 | 26 791 | 14 411 | 1 590 | 1 944 |
| 1954 | 152 137 | 156 618 | + 4 481 | 67 103 | 39 412 | 27 082 | 18 540 | 1 550 | 2 074 |
| 1955 | 176 960 | 181 259 | + 4 299 | 76 121 | 46 902 | 30 912 | 23 025 | 1 510 | 2 175 |
| 1955 | | | | | | | | | |
| April | 15 395 | 13 821 | - 1 574 | 5 731 | 4 359 | 2 975 | 2 330 | 1 500 | 2 181 |
| May | 16 525 | 12 683 | - 3 842 | 7 122 | 4 620 | 2 781 | 2 002 | 1 504 | 2 184 |
| June | 15 252 | 16 273 | + 1 021 | 6 861 | 4 147 | 2 262 | 1 982 | 1 507 | 2 178 |
| July | 14 276 | 19 632 | + 5 356 | 6 126 | 4 467 | 2 053 | 1 630 | 1 503 | 2 180 |
| Aug. | 16 759 | 20 242 | + 3 483 | 7 114 | 4 929 | 2 712 | 2 004 | 1 497 | 2 189 |
| Sept. | 14 427 | 18 379 | + 3 952 | 6 251 | 3 944 | 2 342 | 1 890 | 1 498 | 2 180 |
| Oct. | 16 082 | 19 211 | + 3 129 | 7 119 | 4 170 | 2 718 | 2 075 | 1 516 | 2 159 |
| Nov. | 14 972 | 15 431 | + 459 | 6 502 | 3 826 | 2 650 | 1 994 | 1 519 | 2 170 |
| Dec. | 18 417 | 15 606 | - 2 811 | 7 252 | 4 929 | 3 529 | 2 707 | 1 513 | 2 164 |
| 1956* | | | | | | | | | |
| Jan. | 16 079 | 11 881 | - 4 198 | 6 494 | 5 162 | 2 449 | 1 974 | 1 540 | 2 169 |
| Feb. | 14 629 | 7 458 | - 7 171 | 6 012 | 4 611 | 2 159 | 1 847 | 1 557 | 2 178 |
| March | 7 826 | 5 467 | - 2 359 | 2 758 | 3 295 | 1 023 | 750 | 1 575 | 2 180 |
| April | 15 769 | 9 979 | - 5 790 | 6 027 | 4 454 | 2 521 | 2 767 | 1 557 | 2 169 |
| May | 19 739 | 16 159 | - 3 580 | 8 115 | 5 369 | 3 525 | 2 708 | 1 559 | 2 145 |
| June | 18 907 | 19 809 | + 902 | 8 223 | 5 887 | 2 514 | 2 284 | 1 572 | 2 130 |
| July | 18 457 | 19 629 | + 1 172 | 7 356 | 6 568 | 2 166 | 2 368 | 1 575 | 2 131 |
| Aug. | 19 080 | 18 399 | - 681 | 8 134 | 5 625 | 2 875 | 2 446 | 1 577 | 2 132 |
| Sept. | 17 502 | 17 763 | + 261 | 8 344 | 4 865 | 1 838 | 2 455 | 1 587 | 2 093 |
| Oct. | 20 143 | 20 600 | + 457 | 9 084 | 4 918 | 3 518 | 2 623 | 1 587 | 2 084 |



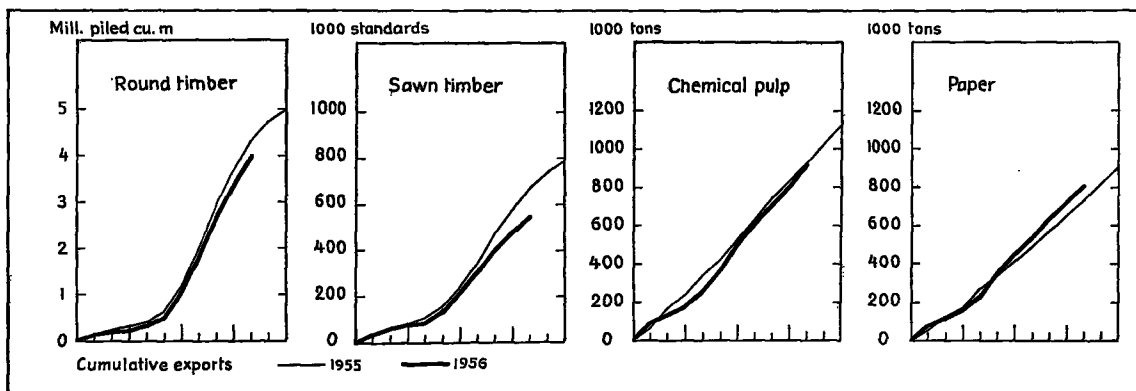
FOREIGN TRADE BY CLASSES OF GOODS

Mill. mk

| Classes of goods | Imports c. i. f. | | | | Exports f. o. b. | | | |
|---|------------------|---------|-----------|---------|------------------|---------|-----------|---------|
| | Whole year | | Jan.—Oct. | | Whole year | | Jan.—Oct. | |
| | 1954 | 1955 | 1955 | 1956 | 1954 | 1955 | 1955 | 1956 |
| Dairy produce, eggs, honey | 40 | 1 988 | 1 415 | 212 | 2 933 | 2 380 | 1 991 | 3 597 |
| Other animal products, live animals .. | 621 | 1 068 | 838 | 734 | 1 036 | 341 | 273 | 111 |
| Vegetables | 76 | 423 | 341 | 177 | 1 | 0 | — | 2 |
| Edible fruit | 3 173 | 3 915 | 3 087 | 3 613 | 29 | 16 | 6 | 9 |
| Coffee, tea, spices | 10 299 | 8 247 | 6 714 | 6 747 | 0 | — | — | 0 |
| Cereals, milling products | 7 079 | 10 570 | 8 284 | 9 488 | 493 | 1 | 1 | 5 |
| Certain seeds and fruit, plants for industrial purposes | 1 205 | 1 565 | 1 292 | 897 | 125 | 110 | 95 | 168 |
| Raw materials for tanning and dyeing | 120 | 108 | 87 | 83 | 3 | 2 | 2 | 0 |
| Animal and vegetable fats | 2 310 | 2 191 | 1 607 | 1 739 | 370 | 118 | 79 | 436 |
| Meat and fish products | 344 | 549 | 424 | 599 | 0 | 0 | 0 | 1 |
| Sugar, sweets | 2 673 | 3 812 | 3 215 | 3 378 | 17 | 20 | 15 | 22 |
| Beverages, vinegars | 820 | 654 | 420 | 639 | 400 | 141 | 48 | 133 |
| Fodder | 1 267 | 2 357 | 2 010 | 2 991 | 21 | — | — | — |
| Tobacco | 1 635 | 1 598 | 1 328 | 1 382 | 0 | 0 | 0 | 0 |
| Minerals, ore | 1 855 | 2 250 | 1 692 | 1 843 | 1 244 | 1 776 | 1 403 | 2 413 |
| Mineral fuel and oils | 18 118 | 22 321 | 17 773 | 21 861 | 25 | 13 | 12 | 14 |
| Chemical and pharmaceutical products | 6 592 | 7 210 | 6 057 | 6 415 | 254 | 332 | 251 | 410 |
| Tanning and dyeing extracts, varnishes | 1 925 | 2 041 | 1 715 | 1 832 | 6 | 3 | 3 | 14 |
| Casein, albumen, glues | 538 | 643 | 537 | 458 | 13 | 0 | 0 | 2 |
| Fertilizers | 3 312 | 3 129 | 2 426 | 2 942 | 0 | 0 | 0 | 0 |
| Hides, skins, leather and furs; manufactures thereof | 1 892 | 2 148 | 1 799 | 2 108 | 477 | 872 | 712 | 835 |
| Rubber and rubber articles | 2 247 | 3 100 | 2 653 | 3 178 | 18 | 23 | 19 | 15 |
| Wood and wood products | 306 | 587 | 483 | 438 | 62 191 | 69 917 | 60 143 | 48 825 |
| Woodpulp | 7 | 31 | 23 | 35 | 29 880 | 36 778 | 30 194 | 31 115 |
| Board, paper, manufactures therefrom | 212 | 238 | 188 | 242 | 32 909 | 40 329 | 32 903 | 36 427 |
| Textile materials, textile goods | 20 077 | 21 209 | 17 436 | 18 919 | 1 726 | 1 996 | 1 598 | 1 654 |
| Footwear | 55 | 57 | 48 | 61 | 101 | 45 | 30 | 26 |
| Articles of stone and of other mineral material, glass | 1 360 | 1 413 | 1 189 | 1 120 | 556 | 642 | 522 | 523 |
| Base metals; manufactures therefrom | 20 828 | 23 561 | 19 768 | 22 005 | 2 317 | 2 768 | 2 081 | 3 392 |
| Machinery, apparatus | 12 579 | 16 211 | 12 848 | 17 443 | 5 559 | 6 452 | 4 918 | 4 655 |
| Electric machinery and apparatus .. | 6 047 | 6 847 | 5 341 | 6 683 | 793 | 743 | 645 | 517 |
| Transport material | 15 761 | 17 706 | 14 820 | 20 548 | 12 066 | 14 589 | 11 565 | 11 101 |
| Instruments, clocks and watches, musical instruments | 1 634 | 2 181 | 1 763 | 2 431 | 94 | 72 | 56 | 100 |
| All others | 5 130 | 5 032 | 3 949 | 4 881 | 961 | 780 | 656 | 603 |
| Total | 152 137 | 176 960 | 143 570 | 168 125 | 156 618 | 181 259 | 150 222 | 147 124 |

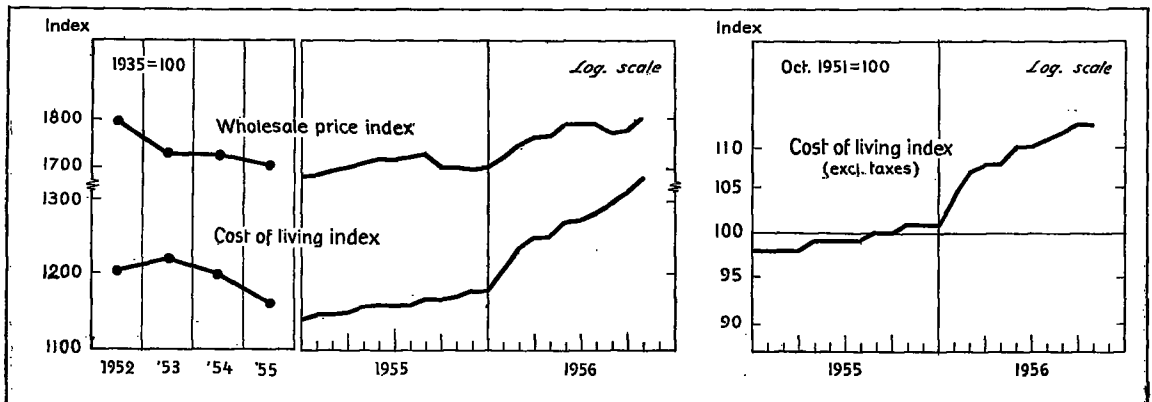
EXPORTS OF SOME IMPORTANT ARTICLES

| Period | Round and hewn timber | Sawn timber | Veneers and plywood | Mechanical pulp | Sulphite pulp | Sulphate pulp | Board | Fibre building board | Newsprint | Paper, all kinds |
|--------|-----------------------|-------------|---------------------|-----------------|---------------|---------------|------------|----------------------|------------|------------------|
| | 1 000 cu. m | 1 000 stds | 1 000 cu. m | 1 000 tons | 1 000 tons | 1 000 tons | 1 000 tons | 1 000 tons | 1 000 tons | 1 000 tons |
| 1948 | 1 996 | 470 | 175 | 97 | 373 | 330 | 81 | 27 | 289 | 416 |
| 1949 | 2 251 | 607 | 208 | 160 | 449 | 311 | 61 | 31 | 348 | 455 |
| 1950 | 3 266 | 683 | 195 | 177 | 513 | 365 | 89 | 50 | 379 | 506 |
| 1951 | 5 305 | 875 | 279 | 210 | 594 | 388 | 97 | 68 | 382 | 605 |
| 1952 | 5 112 | 611 | 222 | 143 | 477 | 245 | 65 | 44 | 392 | 569 |
| 1953 | 2 388 | 688 | 216 | 204 | 464 | 323 | 76 | 45 | 402 | 677 |
| 1954 | 3 620 | 733 | 298 | 193 | 580 | 375 | 101 | 59 | 392 | 751 |
| 1955 | 4 977 | 786 | 321 | 183 | 682 | 447 | 110 | 61 | 470 | 905 |
| 1955 | | | | | | | | | | |
| March | 70 | 17 | 17 | 11 | 43 | 26 | 6 | 3 | 21 | 45 |
| April | 96 | 27 | 40 | 14 | 63 | 41 | 13 | 6 | 50 | 96 |
| May | 226 | 49 | 31 | 15 | 50 | 23 | 10 | 6 | 34 | 74 |
| June | 541 | 80 | 21 | 20 | 60 | 54 | 9 | 5 | 36 | 72 |
| July | 789 | 106 | 24 | 19 | 62 | 43 | 9 | 4 | 41 | 75 |
| Aug. | 967 | 128 | 26 | 19 | 72 | 45 | 9 | 4 | 43 | 82 |
| Sept. | 771 | 101 | 26 | 9 | 53 | 30 | 10 | 5 | 42 | 81 |
| Oct. | 633 | 96 | 27 | 17 | 55 | 37 | 9 | 6 | 48 | 88 |
| Nov. | 418 | 64 | 28 | 16 | 60 | 40 | 9 | 6 | 48 | 88 |
| Dec. | 215 | 51 | 24 | 14 | 60 | 41 | 8 | 5 | 40 | 78 |
| 1956* | | | | | | | | | | |
| Jan. | 139 | 40 | 21 | 14 | 57 | 37 | 9 | 5 | 35 | 69 |
| Feb. | 58 | 24 | 10 | 8 | 28 | 15 | 6 | 2 | 26 | 52 |
| March | 35 | 8 | 8 | 8 | 19 | 16 | 4 | 2 | 24 | 40 |
| April | 101 | 16 | 22 | 12 | 57 | 29 | 11 | 3 | 34 | 67 |
| May | 166 | 45 | 26 | 22 | 68 | 38 | 10 | 6 | 74 | 125 |
| June | 511 | 85 | 23 | 23 | 76 | 64 | 8 | 5 | 49 | 94 |
| July | 803 | 90 | 22 | 21 | 66 | 38 | 8 | 5 | 50 | 89 |
| Aug. | 856 | 91 | 15 | 14 | 55 | 45 | 9 | 2 | 51 | 94 |
| Sept. | 732 | 81 | 18 | 13 | 62 | 42 | 9 | 4 | 46 | 89 |
| Oct. | 581 | 71 | 22 | 23 | 69 | 41 | 10 | 5 | 50 | 92 |



FOREIGN TRADE BY COUNTRIES

| Area and country | Imports c. i. f. | | | | | Exports f. o. b. | | | | |
|--------------------------------|------------------|------|-----------|-------|----------|------------------|------|-----------|-------|----------|
| | Whole year | | Jan.—Oct. | | | Whole year | | Jan.—Oct. | | |
| | 1954 | 1955 | 1955 | 1956* | | 1954 | 1955 | 1955 | 1956* | |
| | % | % | % | % | Mill. mk | % | % | % | % | Mill. mk |
| Sterling area | 19.8 | 20.9 | 21.0 | 21.7 | 36 531 | 25.8 | 27.3 | 28.0 | 25.6 | 37 718 |
| United Kingdom | 18.8 | 20.3 | 20.5 | 20.9 | 35 079 | 22.5 | 24.0 | 24.7 | 21.7 | 31 872 |
| Other OEEC countries .. | 35.3 | 36.4 | 36.1 | 39.3 | 66 064 | 31.7 | 32.4 | 32.6 | 30.8 | 45 279 |
| Belgium-Luxembourg | 3.0 | 3.0 | 3.0 | 3.0 | 5 053 | 2.9 | 3.5 | 3.5 | 4.3 | 6 292 |
| Denmark | 2.4 | 3.6 | 3.7 | 2.7 | 4 559 | 3.4 | 3.0 | 2.9 | 2.5 | 3 691 |
| France | 6.2 | 6.0 | 6.1 | 5.8 | 9 683 | 4.7 | 4.7 | 4.7 | 5.1 | 7 492 |
| Western Germany | 6.7 | 9.0 | 8.9 | 11.9 | 19 961 | 7.4 | 9.1 | 9.2 | 8.7 | 12 824 |
| Italy | 1.2 | 1.1 | 1.0 | 1.3 | 2 227 | 1.4 | 1.2 | 1.0 | 1.2 | 1 803 |
| Netherlands | 6.5 | 3.6 | 3.5 | 4.1 | 6 845 | 4.5 | 4.4 | 4.7 | 3.6 | 5 331 |
| Norway | 1.9 | 2.2 | 2.0 | 1.9 | 3 137 | 1.3 | 1.3 | 1.4 | 0.7 | 1 007 |
| Sweden | 4.6 | 4.9 | 4.9 | 5.4 | 9 069 | 2.7 | 1.9 | 1.8 | 2.0 | 3 009 |
| Switzerland | 1.2 | 1.4 | 1.3 | 1.8 | 2 992 | 0.7 | 0.9 | 1.0 | 0.6 | 814 |
| Turkey | 0.7 | 0.5 | 0.5 | 0.4 | 627 | 1.5 | 1.0 | 0.9 | 0.6 | 832 |
| Eastern Bloc | 28.7 | 27.1 | 27.3 | 24.7 | 41 549 | 27.9 | 25.7 | 25.4 | 27.4 | 40 280 |
| China | 0.4 | 0.5 | 0.5 | 0.2 | 258 | 1.0 | 1.6 | 1.6 | 1.0 | 1 450 |
| Czechoslovakia | 2.7 | 2.7 | 2.9 | 2.4 | 4 055 | 0.7 | 1.0 | 0.8 | 1.2 | 1 821 |
| Eastern Germany | 2.6 | 2.7 | 2.7 | 2.2 | 3 652 | 1.7 | 2.2 | 1.9 | 2.4 | 3 466 |
| Poland | 4.2 | 4.8 | 4.9 | 4.6 | 7 651 | 2.1 | 2.0 | 2.0 | 2.3 | 3 327 |
| Soviet Union | 17.8 | 14.7 | 14.7 | 13.7 | 23 027 | 21.5 | 17.5 | 17.6 | 18.9 | 27 765 |
| U.S. and Canada | 4.7 | 5.4 | 5.1 | 6.4 | 10 738 | 5.9 | 5.8 | 5.6 | 7.0 | 10 333 |
| United States | 4.6 | 5.2 | 4.9 | 6.2 | 10 374 | 5.8 | 5.7 | 5.5 | 7.0 | 10 240 |
| Latin America | 7.8 | 7.5 | 7.5 | 5.7 | 9 501 | 4.8 | 5.5 | 5.4 | 5.7 | 8 449 |
| Argentina | 2.0 | 2.9 | 3.0 | 1.7 | 2 881 | 1.7 | 2.2 | 2.2 | 1.4 | 2 051 |
| Brazil | 5.5 | 4.1 | 4.2 | 3.3 | 5 500 | 2.1 | 2.6 | 2.4 | 3.0 | 4 345 |
| Others | 3.7 | 2.8 | 3.0 | 2.2 | 3 744 | 3.9 | 3.3 | 3.0 | 3.4 | 5 064 |
| Grand total | 100 | 100 | 100 | 100 | 168 125 | 100 | 100 | 100 | 100 | 147 124 |



PRICE INDICES

| Period | Wholesale prices 1935=100 | | | | | | Cost of living 1935=100 | | |
|--------|---------------------------|---------------|-------------------------|----------------------|----------------------|----------------|-------------------------|------|-------|
| | Total index | Finnish goods | | | | Imported goods | Total | Rent | Taxes |
| | | Total | Products of agriculture | Products of forestry | Products of industry | | | | |
| 1938 | 114 | 118 | 117 | 145 | 110 | 104 | 108 | 111 | 90 |
| 1949 | 1 098 | 1 099 | 1 136 | 1 431 | 980 | 1 092 | 871 | 201 | 1 875 |
| 1950 | 1 265 | 1 287 | 1 378 | 1 664 | 1 131 | 1 222 | 992 | 248 | 1 987 |
| 1951 | 1 809 | 1 886 | 1 617 | 3 103 | 1 561 | 1 646 | 1 156 | 360 | 2 270 |
| 1952 | 1 793 | 1 892 | 1 752 | 3 056 | 1 545 | 1 581 | 1 203 | 438 | 2 509 |
| 1953 | 1 727 | 1 840 | 1 730 | 2 857 | 1 532 | 1 486 | 1 219 | 569 | 2 395 |
| 1954 | 1 724 | 1 841 | 1 728 | 2 941 | 1 506 | 1 475 | 1 199 | 703 | 2 051 |
| 1955 | 1 707 | 1 822 | 1 773 | 3 040 | 1 426 | 1 462 | 1 158 | 761 | 1 970 |
| 1956 | | | | | | | | | |
| Feb. | 1 751 | 1 858 | 1 937 | 3 025 | 1 438 | 1 522 | 1 240 | 898 | 1 790 |
| March | 1 760 | 1 869 | 1 976 | 3 026 | 1 444 | 1 529 | 1 249 | 898 | 1 790 |
| April | 1 764 | 1 866 | 1 955 | 3 026 | 1 446 | 1 546 | 1 253 | 898 | 1 790 |
| May | 1 790 | 1 884 | 1 958 | 3 026 | 1 474 | 1 591 | 1 274 | 898 | 1 790 |
| June | 1 789 | 1 884 | 1 928 | 3 042 | 1 479 | 1 586 | 1 277 | 898 | 1 790 |
| July | 1 791 | 1 881 | 1 925 | 3 015 | 1 484 | 1 598 | 1 286 | 898 | 1 790 |
| Aug. | 1 771 | 1 854 | 1 852 | 2 959 | 1 482 | 1 593 | 1 296 | 898 | 1 790 |
| Sept. | 1 774 | 1 856 | 1 887 | 2 914 | 1 490 | 1 599 | 1 311 | 898 | 1 790 |
| Oct. | 1 804 | 1 872 | 1 926 | 2 914 | 1 503 | 1 659 | 1 338 | 938 | 2 234 |

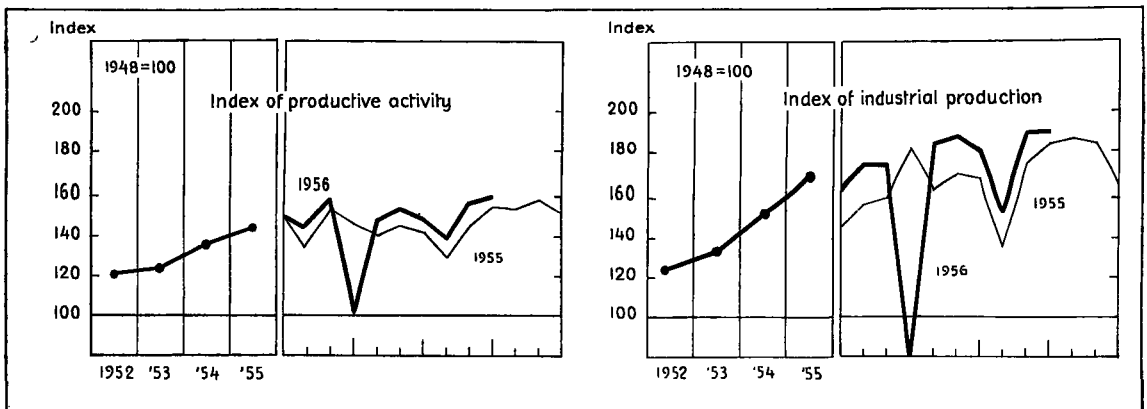
| Period | Cost of living Oct. 1951=100 | | | | | | Building costs 1951=100 | | |
|--------|------------------------------|------------|------|----------------------|----------|--------|-------------------------|-------------------|----------------------------------|
| | Total | Foodstuffs | Rent | Heating and lighting | Clothing | Others | Total | Building material | Workers' average hourly earnings |
| 1952 | 101 | 107 | 105 | 97 | 88 | 102 | 103 | 104 | 103 |
| 1953 | 103 | 109 | 137 | 89 | 85 | 103 | 101 | 101 | 99 |
| 1954 | 103 | 106 | 169 | 82 | 83 | 102 | 101 | 98 | 105 |
| 1955 | 100 | 102 | 183 | 83 | 73 | 101 | 103 | 96 | 113 |
| 1955 | | | | | | | | | |
| Nov. | 101 | 104 | 193 | 87 | 74 | 102 | 105 | 97 | 117 |
| Dec. | 101 | 104 | 193 | 87 | 74 | 102 | 104 | 97 | 114 |
| 1956 | | | | | | | | | |
| Jan. | 104 | 105 | 215 | 92 | 74 | 103 | 104 | 98 | 113 |
| Feb. | 107 | 112 | 215 | 93 | 74 | 104 | 104 | 99 | 109 |
| March | 108 | 113 | 215 | 93 | 74 | 104 | 106 | 99 | 114 |
| April | 108 | 113 | 215 | 94 | 75 | 104 | 107 | 100 | 116 |
| May | 110 | 116 | 215 | 94 | 75 | 105 | 108 | 101 | 118 |
| June | 110 | 116 | 215 | 95 | 75 | 108 | 110 | 103 | 123 |
| July | 111 | 116 | 215 | 95 | 75 | 109 | 111 | 103 | 126 |
| Aug. | 112 | 117 | 215 | 96 | 77 | 110 | 112 | 103 | 129 |
| Sept. | 113 | 119 | 215 | 97 | 78 | 111 | 113 | 103 | 131 |
| Oct. | 113 | 118 | 225 | 97 | 79 | 111 | 114 | 102 | 134 |

PRODUCTION - INTERNAL TRADE - WORK CESSATIONS

| Period | Index of industrial production ¹⁾ 1948 = 100 | | | | | | Commercial timber fellings 1 000 piled cu. m | Milk received by dairies 1 000 tons | Wholesale trade volume index ²⁾ 1954 = 100 | Working-days lost in work cessations Thousands |
|--------|---|----------------------|----------------|-----------------|----------------|---------------|---|--|--|---|
| | Total | Home market industry | | Export industry | | | | | | |
| | | Total | Metal industry | Total | Paper industry | Wood industry | | | | |
| 1949 | 105 | 109 | 106 | 96 | 93 | 101 | 23 010 | 1 021 | 70 | 1 195 |
| 1950 | 113 | 115 | 96 | 107 | 111 | 102 | 25 770 | 1 245 | 81 | 4 644 |
| 1951 | 131 | 133 | 122 | 126 | 130 | 120 | 36 070 | 1 447 | 85 | 324 |
| 1952 | 125 | 133 | 121 | 108 | 112 | 102 | 35 079 | 1 560 | 92 | 54 |
| 1953 | 133 | 140 | 120 | 116 | 121 | 108 | 29 170 | 1 657 | 93 | 64 |
| 1954 | 152 | 158 | 140 | 140 | 151 | 124 | 35 370 | 1 703 | 100 | 116 |
| 1955 | 169 | 175 | 157 | 154 | 173 | 126 | 38 600 | 1 705 | 116 | 345 |
| 1955 | | | | | | | | | | |
| March | 181 | 186 | 172 | 168 | 179 | 154 | 4 254 | 131 | 107 | 251 |
| April | 163 | 172 | 156 | 144 | 153 | 134 | 2 961 | 150 | 119 | 25 |
| May | 169 | 176 | 158 | 153 | 171 | 127 | 7 970 | 166 | 118 | 16 |
| June | 167 | 176 | 156 | 148 | 162 | 129 | 1 014 | 174 | 118 | 10 |
| July | 135 | 127 | 97 | 150 | 169 | 123 | 1 220 | 182 | 107 | 4 |
| Aug. | 174 | 181 | 156 | 158 | 184 | 120 | 1 287 | 156 | 122 | 2 |
| Sept. | 184 | 193 | 167 | 164 | 187 | 129 | 1 589 | 137 | 130 | 12 |
| Oct. | 186 | 193 | 177 | 170 | 196 | 132 | 2 237 | 123 | 128 | 8 |
| Nov. | 184 | 195 | 175 | 160 | 191 | 112 | 3 000 | 121 | 128 | 2 |
| Dec. | 164 | 174 | 163 | 142 | 167 | 105 | 3 540 | 133 | 128 | 2 |
| 1956 | | | | | | | | | | |
| Jan. | 174 | 179 | 169 | 162 | 191 | 119 | 4 275 | 146* | 93 | 6 |
| Feb. | 174 | 181 | 170 | 157 | 189 | 109 | 4 176 | 141* | 102 | 1 |
| March | 80 | 91 | 69 | 57 | 61 | 52 | 3 450 | 149* | 91 | 6 950 |
| April | 184 | 192 | 171 | 166 | 187 | 135 | 2 399 | 180* | 124 | 4 |
| May | 187 | 194 | 166 | 171 | 190 | 143 | 8 083 | 208* | 138 | — |
| June | 180 | 190 | 169 | 159 | 179 | 132 | 1 131 | 215* | 124 | — |
| July | 153 | 145 | 113 | 168 | 196 | 125 | 1 156 | 204* | 119 | 1 |
| Aug. | 190 | 197 | 164 | 174 | 209 | 124 | 1 659 | 185* | 139 | — |
| Sept. | 190 | 198 | 174 | 174 | 207 | 126 | 1 758 | 163 | 132 | 1 |

¹⁾ Figures for 1955 and 1956 revised but not final.

²⁾ Converted from 1948 = 100.

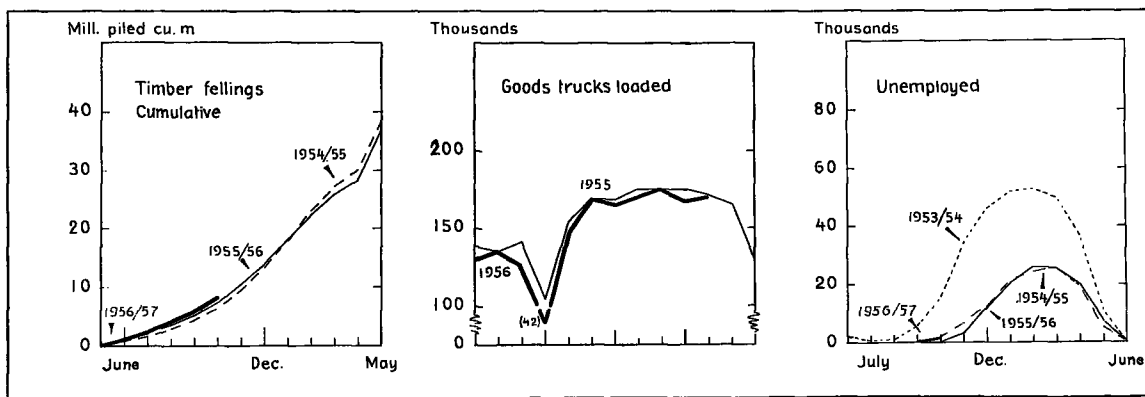


BUILDING - WAGES - EMPLOYMENT - TRANSPORT

| Period | Buildings completed ¹⁾ , mill. cu. m | | | | | Buildings under construction at end of period ¹⁾ mill. cu. m | Wages Oct. 1951 = 100 | | Index of working hours in industry |
|------------|---|-----------------|----------------|------------------------------------|--------------------|---|--------------------------|----------------|------------------------------------|
| | Total | Dwelling houses | Farm buildings | Commercial and industrial premises | Official buildings | | Industrial workers | Forest workers | |
| 1953 | 20.09 | 8.44 | 5.66 | 2.53 | 2.25 | 22.66 | 103.1 | 89.7 | .. |
| 1954 | 22.02 | 9.36 | 5.24 | 3.54 | 2.87 | 22.85 | 105.6 | 93.4 | .. |
| 1955 | 20.25 | 9.47 | 4.29 | 3.12 | 2.29 | 23.75 | 110.4 | 113.3 | .. |
| 1955 | | | | | | | | | |
| Apr.-June | 3.20 | 1.52 | 0.59 | 0.54 | 0.36 | 28.08 | 110.0 | 112.9 | 103.7 |
| July-Sept. | 5.56 | 2.41 | 1.50 | 0.77 | 0.53 | 28.32 | 112.2 | 118.4 | 101.5 |
| Oct.-Dec. | 8.25 | 3.94 | 2.00 | 1.05 | 0.83 | 23.75 | 112.2 | 117.1 | 102.0 |
| 1956 | | | | | | | | | |
| Jan.-Mar. | 3.45* | 1.71* | 0.15* | 1.10* | 0.35* | 23.86* | 112.2 | 117.4 | 104.2 |
| Apr.-June | 3.76* | 1.52* | 0.38* | 1.08* | 0.51* | 25.39* | 126.5 | 120.4 | 104.2 |

| Period | Railways | | Foreign shipping | | | | Unemployed at end of month | | | |
|--------|----------------------------------|------|---|-------|------------------|-------|----------------------------|--------|-------------------|------|
| | Goods trucks loaded Thousands | | Vessels arrived with cargo — 1 000 net reg. tons | | Vessels departed | | Registered | | On relief work, % | |
| | 1955 | 1956 | 1955 | 1956* | 1955 | 1956* | 1955 | 1956 | 1955 | 1956 |
| Jan. | 136 | 136 | 335 | 284 | 316 | 299 | 21 165 | 20 583 | 76.5 | 78.7 |
| Feb. | 142 | 126 | 252 | 154 | 258 | 142 | 24 305 | 25 751 | 86.5 | 84.1 |
| March | 105 | 42 | 226 | 74 | 201 | 53 | 26 053 | 26 047 | 91.1 | 89.1 |
| April | 154 | 147 | 313 | 225 | 307 | 188 | 19 434 | 19 992 | 92.0 | 94.4 |
| May | 169 | 168 | 446 | 419 | 405 | 370 | 5 008 | 7 231 | 92.2 | 98.9 |
| June | 168 | 166 | 440 | 410 | 582 | 551 | — | — | — | — |
| July | 175 | 170 | 413 | 470 | 684 | 679 | — | — | — | — |
| Aug. | 175 | 175 | 412 | 445 | 742 | 701 | — | — | — | — |
| Sept. | 175 | 168 | 384 | 384 | 614 | 609 | — | — | — | — |
| Oct. | 172 | 170 | 361 | 436 | 596 | 568 | 164 | 1 711 | 47.0 | 50.5 |
| Nov. | 165 | | 384 | | 479 | | 3 337 | | 51.9 | |
| Dec. | 131 | | 380 | | 404 | | 12 259 | | 64.2 | |

¹⁾ Quarterly figures incomplete; those given for the previous year are adjusted so as to be comparable with the figures for the latest corresponding quarters.



EXPLANATIONS RELATING TO THE STATISTICAL SECTION

BANK OF FINLAND

Page 3. The items of the statement of the Bank of Finland are described in Monthly Bulletin No. 10, 1955, p. 25.

Page 4. *Other foreign assets* = Foreign bills + Foreign bonds. *Other foreign liabilities* = Mark accounts of holders abroad + Long-term foreign liabilities. *Cash reserve accounts* consist of deposits made by the banks and tied by special conditions. Included in Long-term Finnish liabilities.

Page 5. *Treasury bills and bonds*: up to August 1953, bills, and thereafter Treasury bond loan + Treasury bill covering certain IMF and IBRD accounts (included in Other claims). *Trade and industry, other advances* = Inland bills in foreign currency + Cheque accounts (assets) + Other claims excl. Treasury's IMF and IBRD bill. *Deposits against import licences* = importers' obligatory deposits of 10 % of the value of the goods for which they have received import licences (from April 4, up to June 1, 20 % for goods for which licensing is not automatic). Included in Long-term Finnish liabilities. *Other liabilities* = Other short-term liabilities + Other cheque accounts. — *Diagrams*. Left: *Net claims on others than banks* = Net foreign assets + Net claims on the Treasury + Net claims on the public + Finnish bonds + Finnish coin — (Long-term Finnish liabilities — Cash reserve accounts — Deposits against import licences) — Equalisation accounts. Right: *Net debt of banks* = net claims on banks, plotted as negative figures in order that their dependence on Net claims on others than banks might be more clearly evident.

DEPOSITS BY THE PUBLIC —
ADVANCES TO THE PUBLIC

Commercial bank and mortgage bank figures obtained from the official bank statistics, savings bank figures from the Central Statistical Office, other figures from the respective credit institutions or their central banks.

Page 6. *Cheque accounts in all credit institutions* relates to commercial banks, savings banks, co-operative credit societies, and mortgage banks. *Term deposits in all credit institutions* includes a small amount of deposits in mortgage banks.

STATE FINANCES

Page 8. Official monthly figures adjusted by the Bank of Finland Institute for Economic Research. *Revenue and expenditure*: All extra-budgetary funds are included, and figures are reported on a payment basis. — Annual figures will be published in separate articles. *Debt*: Index-tied bond loans are given at their nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to the Post Office Savings Bank minus cash holdings of State departments. The change in this item = surplus (deficit) in the table on revenue and expenditure. *Diagram*. The 12-month totals are plotted to the last month of the respective periods.

SYMBOLS USED

* Preliminary o Less than half the final digit shown
.. Not available — Nil

A line drawn across a column between two consecutive figures indicates that the figures above and below the line are not strictly comparable.

Beginning May 1956 figures have been rounded to the nearest final digit. For this reason there may be an appar-

FOREIGN TRADE

Pages 9—12. Figures supplied by the Board of Customs, except for the price indices (p. 9), which are calculated by the Central Statistical Office. Foreign trade by countries (p. 12): imports by countries of purchase, exports by countries of sale.

PRICE INDICES

Page 13. *Wholesale price index* and *Building cost index* calculated by the Central Statistical Office. *Cost of living indices* calculated by the Ministry for Social Affairs. The series based on Oct. 1951 does not include direct taxes.

PRODUCTION — INTERNAL TRADE —
WORK CESSATIONS

Page 14. *Index of industrial production* calculated by the Central Statistical Office. It is based on net values of industrial production at constant prices. Unadjusted for seasonal variations. Weights: Home market industry 69.5, of which metal industry 28.2, export industry 30.5, of which paper industry 18.0 and wood industry 12.5; total industry 100.0. *Commercial timber fellings* calculated by the Ministry of Communications and Public Works. *Milk received by dairies* calculated by the Board of Agriculture. Figures cover about 50—60 % of the total milk production. The share of the dairies having grown over the last few years, this series does not correctly reflect the development of total milk production during a prolonged period. *Wholesale trade, volume index*, calculated by the Ministry of Finance. Based on sales statistics compiled by the daily Uusi Suomi, covering about 50 % of all internal wholesale trade. Price fluctuations have been eliminated by means of the wholesale price index so revised that the combined weight of wood and paper products has been reduced from 17.6 to 3.2. *Working days lost in work cessations* calculated by the Ministry for Social Affairs. *Diagram*. Left: *Index of productive activity* calculated by the periodical Mercator. It comprises all sectors of the economy. Annual averages are revised according to national income figures.

BUILDING — WAGES — EMPLOYMENT — TRANSPORT

Page 15. *Building* figures supplied by the Central Statistical Office. *Wages of industrial workers* (average hourly earnings) calculated by the Ministry for Social Affairs. Its base period changed to correspond with October 1951 by calculating a weighted average of the last two quarters of the year. *Wages of forest workers* (average daily earnings) monthly figures supplied by the Ministry for Social Affairs, changed to quarterly index. Base calculated to correspond with Oct. 1951 by taking average from August to December 1951. *Index of working hours in industry* calculated by the Ministry for Social Affairs. The index is based on the number of working hours during the corresponding quarter of the previous year. *Railway* figures supplied by the Board of Railways. *Shipping* figures supplied by the Shipping Board. *Unemployment* figures supplied by the Ministry of Communications and Public Works.

ent slight discrepancy between the total and the sum of the constituent items.

More detailed statistical information about Finland is obtained from the Finnish Official Statistics: Statistical Yearbook of Finland, Bulletin of Statistics (monthly), Foreign Trade (yearly and monthly), Bank Statistics concerning commercial banks and mortgage institutions (yearly and monthly).

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

From 1154 to 1809 Finland formed a part of the kingdom of Sweden. It then became an autonomous Grand Duchy connected with Russia until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted 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, elected for a period of 6 years. The president for the current period, March 1, 1956, to March 1, 1962, is Urho Kaleva Kekkonen.

The Diet, comprising 200 members, is elected by universal suffrage. The number of seats of the different parties in the Diet elected in 1954 are as follows: Social Democrats 54, Agrarians 53, People's Democrats 43, Conservatives 24, Swedish Party 13, Finnish People's Party 13.

LAND

THE AREA is 337 009 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total area 9.4 % are inland waters. On an average 13.9 % of the land in the South of Finland is cultivated (1950), 1.9 % in the North and 8.0 % of the land as a whole. Of the land area 21.8 mill. ha (53.9 mill. acres), or 71.6 %, are covered by forests.

OWNERSHIP OF LAND (1950): The total land area was distributed among different classes of owners approximately as follows: private 56.9 %, State 35.0 %, joint stock companies etc. 6.4 %, communes 1.7 %.

POPULATION

NUMBER OF INHABITANTS (1955): 4.3 millions. Sweden (1954) 7.2, Switzerland (1954) 5.0, Denmark (1954) 4.4 and Norway (1954) 3.4 millions.

DENSITY OF POPULATION (1955): In South Finland 23.7, in North Finland 3.8 and in the whole country an average of 13.9 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1955): 65.8 % of the population inhabit the rural areas, 34.2 % the towns and market towns. The largest towns are (1956): Helsinki (Helsingfors), the capital, 412 200 inhabitants, Turku (Åbo) 112 800, Tampere (Tammerfors) 114 200.

OCCUPATION (1950): Agriculture and forestry 42 %, industry 29 %, commerce 7 %, transport and communication 6 %, services 9 %, other economic activities 1 %, economically inactive persons 6 %.

LANGUAGE (1950): Finnish speaking 91.1 %, Swedish speaking 8.6 %, others 0.3 %.

EDUCATION (1955): Practically all persons over 15 years of age are literate. There are three universities (the oldest founded in 1640) and 12 colleges of university standard.

INCREASE OF POPULATION (1954): Births 21.5 ‰, deaths 9.1 ‰, increase 12.1 ‰. Deaths in France (1954) 12.0 ‰ and in Great Britain (1954) 11.4 ‰.

TRADE AND COMMUNICATIONS

NATIONAL INCOME (1955, in thousand million marks): Gross national income at market price 985. Net national product at factor cost, by industrial origin: agriculture 89 (12 %), forestry and fishing 96 (13 %), manufacturing 250 (33 %), construction 69 (9 %), transport and communications 55 (7 %), commerce, banking and insurance 93 (12 %), public activities 72 (9 %), other services 45 (6 %), total 770. Volume index 143 (1948 = 100).

FOREST RESOURCES (1951—1953): The growing stock comprised 1 491 million of solid cu. m incl. bark (52 660 million cu. ft), of which pine 43.7 % and spruce 35.7 %, the rest 20.6 % being leaf-trees, chiefly birch. Of the growing stock, 10 900 million cu. ft, 58.0 % of them pine, was up to the standard required for logs. The annual growth is 46 million solid cu. m green wood excl. bark (1 620 mill. cu. ft). The total removal in 1954 calculated according to the use of wood was 45 million cu. m (1 589 million cu. ft).

AGRICULTURE (1950): Cultivated land 2.4 million hectares of which holdings of less than 5 ha amount to 18 %, 5 to 15 ha 45 %, 15 to 50 ha 32 % and more than 50 ha 5 %. Number of holdings 287 000, of which 130 000 are of more than 5 ha. Index of agricultural production 101 for 1955 (1938 = 100). Measure of self-sufficiency in the crop year 1954/55: bread cereals 48 %, fertilizers 49 %, dairy products 102 %, meat 104 %, fodder 92 %.

INDUSTRY (1954): Gross value of industrial production 580 000 mill. marks, number of workers 288 000, administrative employees 46 000, motive power (1953) 1.9 mill. HP. Index of industrial production 200 for 1954 (1938 = 100).

RAILWAYS (1955): Length 5 046 km, of which 4 859 km are State and 187 km private railways. The gauge of State railways 1 524 m.

MERCHANT FLEET (Sept. 1, 1956): Steamers 293 (414 000 gross reg. tons), motor vessels 169 (309 000 gross reg. tons), sailing vessels with auxiliary engines 116 (12 000 gross reg. tons). Total 578 (735 000 gross reg. tons).

MOTOR VEHICLES (1955): Passenger cars 85 400, lorries and delivery vans 50 200, buses 4 300, others 1 700. Total 141 600.

FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. Since 1931, the redemption of bank notes in gold has been suspended. The currency unit is the mark (Finnish markka). Its official par value is 230 marks per one U.S. dollar. Finland has been a member of the International Monetary Fund since 1948.

MUNICIPAL FINANCES. In the finance accounts for 1954 expenditure amounted to 111 000 mill. marks. Total revenue was 111 000 million, of which income from taxation 56 000 million. The municipal income tax (non-progressive) averaged 11.08 % of the ratepayers' taxable income.

THE CENTRAL BANK. The Bank of Finland functions under the guarantee and supervision of the Diet. Its Board of Management is appointed by the President of the Republic; the Bank Supervisors, nine in number, are elected by the Diet. The Bank has a head office in Helsinki and 12 branch offices in other towns.

OTHER CREDIT INSTITUTIONS (1955). There are three big and three small commercial banks with in all 520 offices, 421 savings banks, 594 co-operative credit societies and their central bank, six mortgage societies, and the Post Office Savings Bank. The savings departments of the co-operative stores accept deposits from the public.

RATES OF INTEREST. (April 19, 1956). Bank of Finland: discount rates 6 ½—8 %. Other credit institutions: term deposits 5 ¼ % and sight deposits 1—1 ½ %; lending rate 8 % in general.

THE PRESENT STATE OF THE FINNISH METAL INDUSTRY

BY

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Since the First World War the Finnish metal industry ¹⁾ has grown continuously. On an average, the gross value of its production has been doubled in about ten years. This is not to be considered as an accidental phenomenon, but is connected with the general advance and the special character of this branch of industry. There has been a marked tendency towards transition from a community predominantly agricultural to one which is predominantly industrial, and the consequent great industrialisation, the mechanisation of farming, forestry and domestic economy, the improvement of communications, amongst other factors, all call for more and more machinery and metal equipment. As the metal industry has become more varied and brought its output to a higher stage of manufacture, for instance in producing larger units, this has again tended to expand the basic and subsidiary industries, and the total combined effect is evidenced in the above-mentioned exponential growth of production.

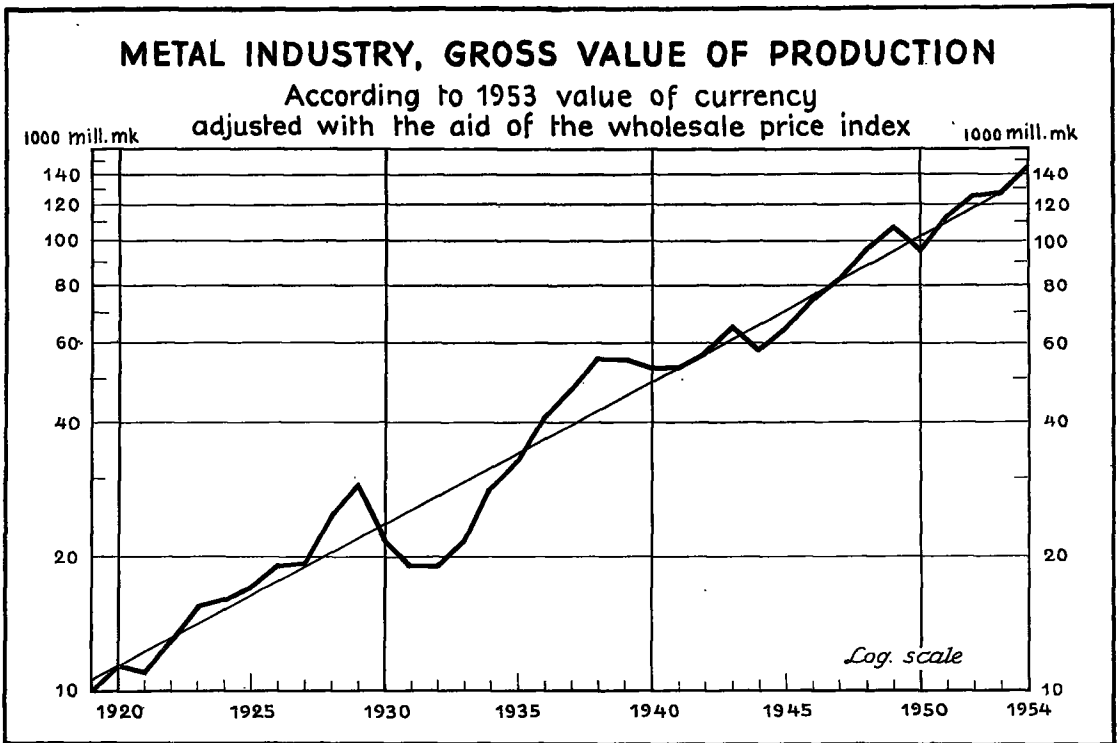
THE INFLUENCE OF THE WAR INDEMNITY

Deliveries on account of the war indemnity exerted an appreciable influence on the structure of the metal industry, of which the most evident examples are the great expansion of heavy industry and the

increased capacity of shipyards and foundries. There was a prevailing opinion in many quarters that, in returning to the stage of civil production, this branch of industry would not be able to maintain its former employment, but that it would have to curtail its activity. According to the data at present available, however, it can be asserted that the course of development has rather proceeded in the contrary direction. Since 1952, the manpower employed has slightly increased. This is, perhaps, partly explained by the fact that the average rate of growth in the metal industry, even during the war indemnity period, did not exceed the pre-war rate. There were reductions in some spheres and extensions in others, but as a whole the metal industry did not abandon its former lines.

During the time of the war indemnity deliveries, however, two internal processes began which are still in progress and the results of which are only now beginning to be felt clearly. The first of these is the growth of constructive activity. This work has opened the road to the manufacture of new products and to the improvement of old ones. This has been most important as regards exports, in which some attainments can be recorded, based on the industry's own developments. The proportion of manufac-

¹⁾ Mining, metallurgy, metal working, engineering incl. shipbuilding.



ture on licence has fallen off at the same time. The other process is that of the general advance in technology. It has been possible to start the manufacture of much that was formerly considered to be impossible, and in general it has been possible to raise the stages of manufacture. Combined with constructive work and the extension of heavy industry, this is for example visible, in the possibility of establishing complete plants, with all the necessary equipment.

PRODUCTION AND EXPORTS OF METAL INDUSTRY

| Year | Gross value of production | | Exports ¹⁾ | |
|------------|---------------------------|----------------------------------|-----------------------|--------------------|
| | 1 000 mill.mk | % of total industrial production | 1 000 mill.mk | % of total exports |
| 1938 | 3.6 | 17 | 0.4 | 4 |
| 1946 | 29.6 | 26 | 0.6 ²⁾ | 3 |
| 1949 | 67.9 | 26 | 2.8 ²⁾ | 4 |
| 1952 | 130.9 | 26 | 11.0 ²⁾ | 7 |
| 1953 | 127.4 | 25 | 21.0 | 16 |
| 1954 | 144.6 | 25 | 21.8 | 14 |
| 1955 | 160* | 25* | 26.4 | 14 |

¹⁾ Incl. concentrates.

²⁾ Excl. war reparations.

The Finnish metal industry of to-day is characterised by greater variety and productive capacity than was the case formerly. It is able to supply larger products than before, and has expanded in the direction of both precision mechanics and electro-technical work. All this is reflected in its importance as a provider of employment. During recent years, the number of workers has risen to a total of some 85 000, which is about one-third of the number of industrial workers in the country. The gross value of production has also achieved a larger share of the total output of industry than was so prior to the war, and at present amounts to approximately one-quarter of it. If the exports of this branch of industry are also taken into account, it may be said that its position is very different from that obtaining before the Second World War.

THE BASIC INDUSTRIES

The great increase which has taken place in the output of the basic industries can be regarded as one of the most important features of the development of the metal industry in recent years. In mining, the opening of many new mines has greatly in-

creased the output, in spite of the closing of some old ones. The quantity of ore obtained exceeds 2.0 million tons, whereas before the war the corresponding amount was 0.4 million tons only. Within the next few years, the position may be expected to improve still further in this respect.

MINING OUTPUT

| Year | Ore, mill. tons | Electro-copper, tons | Gold, kg | Silver, kg | Zinc concentrate, tons | Lead concentrate, tons | Iron concentrate, tons | Titanium concentrate, tons |
|------|--------------------|----------------------|----------|------------|------------------------|------------------------|------------------------|----------------------------|
| 1939 | 0.45 | — | — | — | 1 560 | 80 | — | — |
| 1950 | 0.77 | 13 600 | 255 | 3 600 | 4 500 | 266 | — | — |
| 1951 | 1.05 | 17 900 | 554 | 4 900 | 6 400 | 392 | — | — |
| 1952 | 1.20 | 18 300 | 614 | 4 700 | 2 800 | 423 | — | — |
| 1953 | 1.40 | 19 800 | 606 | 7 300 | 6 600 | 389 | 16 700 | 3 100 |
| 1954 | 1.70 | 21 400 | 528 | 7 400 | 9 200 | 478 | 134 000 | 51 000 |
| 1955 | 1.86 | 22 300 | 586 | 7 000 | 40 700 | 1 353 | 184 000 | 85 000 |
| 1956 | 2.00 ¹⁾ | | | | | | | |

The most important metal is copper; the annual production of electro-copper is at present in excess of 22 000 tons. The yield of zinc ore increased considerably last year, for, while the output of zinc concentrate during the period 1950—1954 averaged 6 000 tons per annum, it rose last year to over 40 000 tons, the zinc content being many times in excess of consumption. Zinc, titanium and iron concentrates are exported for extraction of the metal. The extraction of vanadium, on the other hand, has made a good start in Finland and the annual output of vanadium pentoxide is estimated at 600 tons.

IRON AND STEEL OUTPUT

| Year | Pig-iron, tons | Steel, tons | Rolled products, tons |
|------|----------------|-------------|-----------------------|
| 1938 | 26 000 | 76 500 | 97 000 |
| 1946 | 76 300 | 90 000 | 73 300 |
| 1949 | 97 900 | 113 600 | 89 900 |
| 1950 | 63 400 | 99 400 | 77 400 |
| 1951 | 101 500 | 130 500 | 127 000 |
| 1952 | 107 700 | 150 700 | 134 800 |
| 1953 | 79 800 | 147 900 | 119 400 |
| 1954 | 74 600 | 177 100 | 150 400 |
| 1955 | 114 800 | 186 800 | 177 700 |

The output of pig-iron, which is still based principally on foreign ore, attained

in 1955 its highest figure to date, that is about 115 000 tons. The output of steel, which amounted to about 77 000 tons in 1938 and to 90 000 tons in 1946, increased last year to about 187 000 tons, and has thus been doubled during the course of ten years. The output of the rolling mills has also greatly increased: while it amounted to 97 000 tons in 1938 and 73 300 tons in 1946, it totalled 178 000 tons in 1955. Although there has been a big advance in this respect, about 60 per cent of the required steel still has to be imported. As regards reinforcing steel, for instance, Finland is practically self-supporting, whereas sheets are not rolled at all. In this connection, however, great changes are to be expected, for at the moment a large iron and steel works, and a rolling mill, are being planned, with an initial output, possibly in 1960, of about 120 000 tons of pig-iron and about 100 000 tons of sheet-steel rolled from it annually; but later this figure may be increased to 250 000 tons. The iron ore deposits that are being investigated would then be made use of. As in Finland the present annual demand for steel is close on 500 000

¹⁾ Estimate.

tons, the significance of the new mill is obvious.

Statistics provide the following figures for the activity of the metal industry (excl. mining) according to the categories of manufactures in 1955.

| | Work- people % | Gross value of production % |
|---|----------------------|-----------------------------------|
| Basic metal industries (excl. mining) | 8 | 22 |
| Manufacture of transport equipment | 31 | 25 |
| Manufacture of electrical machinery, apparatus, appliances and supplies | 13 | 13 |
| Manufacture of other machinery | 30 | 25 |
| Manufacture of other metal products | 18 | 15 |
| Total | 100 | 100 |

THE MARKETING OF PRODUCTS

The principal task of the Finnish metal industry is that of satisfying the demands of the home market. In this respect, great progress has been made in recent years. Mention need be made only of the manufacture of various household appliances which did not make a real beginning until the present decade. This category includes amongst others industry manufacturing agricultural machinery, and the radio industry, which have greatly developed lately. Similarly, the extensive electrification of rural districts has called for considerable activity in the electro-technical industry. In general, after completion of reparations, it has been possible to supply everyday civil requirements better than was the case previously.

Heavy industry and shipbuilding, which expanded in consequence of the war indemnity deliveries, are, in order to maintain their higher level, in need of exports to replace them. Steps in this direction were taken at an early date. A good start was

provided by the five-year trade agreements with the Soviet Union, but the foundations have since been appreciably broadened in scope. From the modest beginning, the exports of products of the metal industry have increased to 14—15 per cent of the total exports, and with the exception of the dealings in forestry products have reached a larger proportion than any other branch of trade.

The principal articles of export have been vessels (14 300 million marks in 1955), various types of machinery (6 500 million), iron, copper and other metals (2 200 million) and electrical apparatus and cables (700 million). Exports of papermaking machines have been particularly noteworthy, for, of the total of 40 machines ordered or made since the war, 28 have been for export. Icebreakers have also proved to be an important item. In this connection, it is a particularly remarkable feature that the „tailor-made” articles referred to have been able to meet competition in different parts of the world.

As regards the orientation of exports, it should be stated that, as a result of the trade agreements referred to, it was at first mainly towards the Soviet Union. However, the share of other countries, especially those of the West, is growing considerably. While in 1953 it was about 17 per cent of total exports of metal industry products, it represented about 25 per cent in 1955 and may possibly be in excess of 30 per cent this year.

The exports of the metal industry possess a special importance, in addition to their role in maintaining employment, in that they afford a possibility of reducing the dependence of the economy on the forestry industry.

ITEMS

Trade agreements. Finland has recently concluded trade agreements with the following countries.

Belgium, on October 17. The period of validity of the quota lists contained in the existing trade agreement with Belgium was extended by three months with effect from October 1, 1956.

Switzerland, on November 3. Period: October 1, 1956, to December 31, 1957. This is the second supplement to the 1955 trade agreement. Products of the wood and paper industries form the bulk of Finland's quota-bound exports. The quota list of Finnish imports, which in the main comprises yarns, textiles, products of the chemical industries, and fruit, totals 6.9 mill. francs; the reduction, in comparison with the previous agreement, is due to automatic licensing in Finland.

Sweden, on November 20. Period: 1957. No quota list was considered necessary for exports from Finland. Of Finnish imports, the quota-bound portion is some 9 mill. crowns, that is to say about the same size as last year.

USSR, on November 28. Period: 1957. The agreement is based on the five-year pact for 1956—1960. Finnish exports were fixed at 616.8 mill. roubles, and imports at 498.9 mill. roubles. The quantities scheduled in the five-year pact for 1957 were thus exceeded by 21.8 mill. roubles in the case of exports and by 63.9 mill. roubles in the case of imports. The excess of exports from Finland will be covered partly by payments in foreign currency by the USSR, partly by

means of third countries within the Eastern Bloc.

Of the Finnish exports, 53 per cent will consist of metal industry products, 44 per cent of forest industry products and 3 per cent of other commodities. The principal articles of export are to be vessels, machinery for power stations and the wood and paper industries, hoisting and transport equipment, sawn goods, roundwood, chemical pulp, and paper products.

Finnish imports will include grain and concentrated fodder, naphtha products, coal and coke, products of iron works and rolling mills, foodstuffs, spinning materials and products, motor cars and industrial machinery and artificial fertilisers.

*

Local elections. Local government elections were held on October 7th and 8th. Some 62 per cent of persons entitled to vote cast their votes (71 per cent in 1953). The votes were divided between the parties as follows.

| | 1956 | 1953 |
|----------------------------------|---------------------|---------|
| Agrarians | } 855 000 = | 52.4 % |
| Conservatives | | |
| Finnish People's party | | |
| Swedish party | | |
| Social Democrats | | |
| People's Democrats | 355 000 = 21.7 % | 23.5 % |
| Total | 1 634 000 = 100.0 % | 100.0 % |

Minor amendments to these figures may still occur.

*

The trend of population from 1956 to 1971. The Central Statistical Office has

made a projection of the trend of population for the next fifteen years. It has been based on the changes of population during the years 1951—1954, and upon the death rates derived from the statistics of mortality for 1951—1953. According to this, it is estimated that the population will increase from 4.26 million at the beginning of 1956 to 4.50 million in 1961, to 4.73 million in 1966 and to 4.98 million in 1971. The increase from 1951 to 1971 is 23.7 per cent. When compared with the forecast for 15 European countries, published by the OEEC, the growth of population in Finland would thus be one of the largest. The working age population in Finland will considerably increase during the 1960's. At the beginning of 1956, the

number of men of working age represented 61.9 per cent of all males; for 1966 and 1971 the corresponding proportion has been estimated at 64.7 per cent.

*

The publications of the Bank of Finland.

In Series B of the Publications issued by the Bank of Finland Institute for Economic Research the following new work has appeared:

18. Heikki Valvanne, *Budjettierotus budjettipolitiikan makrotaloudellisessa teoriassa* (Budget Balance in the Macroeconomic Theory of Budgetary Policy). Helsinki 1956, 194 p. List of symbols used together with a summary in English.

BANK OF FINLAND

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Governor

KLAUS WARIS,
Deputy Governor

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