



BANK OF FINLAND

MONTHLY BULLETIN

Vol. 38 No. 9

SEPTEMBER

1964

RECENT DEVELOPMENTS

HOUSEBUILDING

During the course of 1962 and 1963, the volume of housebuilding grew more slowly than total production. In 1962, it had a growth rate of 1.4 per cent, and last year 2.9 per cent, against growth rates of 2.7 and 3.6 per cent respectively for total production. Despite an obvious retardation of increase in residential building, the demand for dwellings was the factor which maintained the growth of housebuilding as a whole. The volume of residential building rose by 13.6 per cent in 1962, and by only 3.3 per cent in 1963, whereas other housebuilding fell by 11.0 per cent in 1962, and grew by 0.8 per cent in 1963.

Information available for the first quarter of the current year points to a continuation of this development. Building permits for dwelling houses were issued to a volume (in terms of cubic metres) which was 9 per cent less than one year earlier, whereas for industrial construction there was an 18 per cent increase, and for commercial construction a 36 per cent increase in permits issued on those for the first quarter of 1963. In total, the permits issued during the first quarter of 1964 topped those one year earlier

by 14 per cent. However, the informative value of these comparisons is to some extent weakened by the figures for the first quarter of 1963 having been affected by building workers' strikes.

In part, the decline in dwelling construction may be ascribable to the revised legislation on tax relief for dwelling production, as the present act is less favourable to builders than was the previous one. Another reason is probably the stringency which has prevailed on the money market, as the demand for dwellings seems to be unabated. Moreover, the increase in industrial and commercial building is probably the result of expectations of rising economic activity.

During the first four months of this year, the housebuilding sector has employed 2 per cent more labour than one year before, although there has been a falling-off in the number of vacancies in relation to applicants for work. During January—May, the output of bricks and concrete steel was somewhat above that for the first five

*On page 18, Public Finance
in 1963*

months of last year, but at the same time there was a slight reduction in the output of window glass and cement. Nevertheless, the increase in labour engaged in this sector, and the simultaneous, comparatively rapid rise in its productivity, give promise that housebuilding during the current year will slightly exceed that in 1963.

INTERNAL TRADE

The rise in production which has occurred this year has so far not influenced internal trade. During the first six months, there was slow development of both wholesale and retail trade. The growth rate of seasonally-adjusted wholesale trade rose throughout 1963, although considerably less in volume than in value. The average value of this trade was $5\frac{1}{2}$ per cent higher in 1963 than in 1962, while the corresponding advance in volume was $2\frac{1}{2}$ per cent. During the first half of 1964, seasonally-adjusted wholesale trade varied greatly, the general tendency being a slight rise in the value of sales, and comparative stability in volume. For January—May, the value of wholesale trade exceeded the corresponding figure for 1963 by $4\frac{1}{2}$ per cent, while its volume fell short of the 1963 figure by $\frac{1}{2}$ per cent. Value figures available for June indicate a rise in the growth rate, and a $7\frac{1}{2}$ per cent increase on the value for June 1963, which probably points to an increase in volume as well.

Retail trade, which reflects the development of private consumption, has also grown rather hesitantly, although there has been an increase in purchasing power. The general wage increases put into effect early in the year, together with the favourable course of agricultural production and fellings, have considerably raised disposable incomes, despite heavier taxation. However, prices have been raised substantially, which has restricted the increase in real purchasing power. In 1963, seasonally-adjusted retail

trade was still rising, but since the beginning of the current year the growth rate of its value has remained unchanged, and there has even been a falling-off in its volume. The sales tax revision effected on January 1, 1964, changed the relative prices unfavourably as regards non-durables in particular; this brought December sales to exceptional heights, and left January sales exceptionally low. In January, the volume of retail sales was 22 per cent lower than one year before. This shift between months may give a rather too dismal picture of the result for the current year. Although during the whole of 1963 the value of retail trade was $6\frac{1}{2}$ per cent and its volume 2 per cent higher than in 1962, in January—May 1964 the value was 5 per cent higher and the volume $4\frac{1}{2}$ per cent less than one year before. For February—May, the corresponding changes were 7 per cent increase in value and $2\frac{1}{2}$ per cent decrease in volume. The value figures available for June indicate no rise in the growth rate. Taken against June 1963 there was an increase of nearly 10 per cent, but this probably involves no rise in volume.

If we consider the value of retail trade by categories of goods, it is found that sales of hardware, electrical appliances and sports equipment, all of which consist mainly of durable goods, fell off by $4\frac{1}{2}$ per cent during the first half of the current year, in comparison with the corresponding period of last year. Sales of textiles, clothing and leather articles were 2 per cent, and of food and tobacco 7 per cent higher than during January—June 1963. The turnover of general stores increased by 6 per cent, that of department stores by $6\frac{1}{2}$ per cent, of liquor shops by $10\frac{1}{2}$ per cent, and of pharmacies by 16 per cent in comparison with January—June 1963.

August 20, 1964

BANK OF FINLAND

Mill. mk

	1963		1964			
	Dec. 31	July 31	July 31	Aug. 8	Aug. 15	Aug. 22
BALANCE SHEET						
Assets						
<i>Ordinary note cover</i>	817.8	706.0	954.1	954.8	967.4	960.3
Gold	134.5	135.4	144.9	144.9	144.9	144.9
Foreign exchange	617.7	505.7	745.0	746.0	759.1	751.4
Foreign bills	26.2	29.8	24.2	23.9	23.4	24.0
Foreign bonds	39.4	35.1	40.0	40.0	40.0	40.0
<i>Supplementary note cover</i>	451.2	502.2	439.0	439.5	432.3	464.3
Inland bills discounted						
In foreign currency	68.7	75.8	62.2	60.4	60.4	60.4
In Finnish currency	57.2	45.5	19.0	18.5	18.0	18.0
Rediscounted bills	325.3	380.9	357.8	360.6	353.9	385.9
<i>Other assets</i>	138.8	132.0	109.1	101.3	97.4	100.6
Finnish bonds	89.5	84.4	34.6	26.9	22.6	29.8
Cheque accounts	1.7	3.1	2.2	2.6	2.6	2.4
Finnish coin	3.6	5.9	6.6	6.5	6.9	7.2
Other claims	44.0	38.6	65.7	65.3	65.2	61.2
Total	1 407.8	1 340.2	1 502.2	1 495.6	1 497.1	1 525.2
Liabilities						
<i>Notes in circulation</i>	943.7	834.5	918.1	914.4	910.4	932.5
<i>Liabilities payable on demand</i>	59.2	91.9	80.9	61.3	71.6	88.6
Foreign exchange accounts	18.2	18.2	18.9	19.8	19.9	17.7
Mark accounts of holders abroad	33.6	31.8	28.4	28.3	28.0	28.0
Cheque accounts						
Treasury	0.2	11.8	1.0	1.6	0.6	5.2
Post Office Savings Bank	3.0	22.9	23.0	1.9	10.3	27.2
Private banks	1.3	4.0	4.1	6.3	3.1	7.8
Other	0.4	0.7	1.3	2.6	6.0	0.8
Other sight liabilities	2.5	2.5	4.2	0.8	3.4	1.9
<i>Term liabilities</i>	68.0	74.2	61.8	59.7	59.7	59.7
Foreign	66.9	73.1	60.7	58.6	58.6	58.6
Finnish	1.1	1.1	1.1	1.1	1.1	1.1
<i>Equalization accounts</i>	141.0	152.0	242.0	260.3	255.1	243.7
<i>Bank's own funds</i>	195.9	187.6	199.4	199.9	200.3	200.7
Capital	100.0	100.0	100.0	100.0	100.0	100.0
Reserve fund	73.6	73.6	84.8	84.8	84.8	84.8
Profits undisposed	—	—	—	—	—	—
Earnings less expenses	22.3	14.0	14.6	15.1	15.5	15.9
Total	1 407.8	1 340.2	1 502.2	1 495.6	1 497.1	1 525.2
STATEMENT OF NOTE ISSUE						
Right of note issue						
<i>Ordinary cover</i>	817.8	706.0	954.1	954.8	967.4	960.3
<i>Supplementary cover</i> (Upper limit 500 mill. mk)	451.2	500.0	439.0	439.5	432.3	464.3
Total	1 269.0	1 206.0	1 393.1	1 394.3	1 399.7	1 424.6
Note issue						
<i>Notes in circulation</i>	943.7	834.5	918.1	914.4	910.4	932.5
<i>Liabilities payable on demand</i>	59.2	91.9	80.9	61.3	71.6	88.6
<i>Undrawn on cheque credits</i>	5.8	4.8	5.3	4.9	4.9	5.2
<i>Unused right of note issue</i>	260.3	274.8	388.8	413.7	412.8	398.3
Total	1 269.0	1 206.0	1 393.1	1 394.3	1 399.7	1 424.6

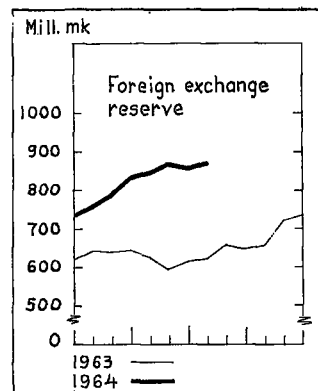
Rediscount rate since April 28, 1962, 7 per cent.

BANK OF FINLAND

Mill. mk

End of year and month	Gold and foreign accounts						Treasury			
	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)	Bills and bonds	Other claims, net	Liabilities, Cheque account	Net claims on the Treasury (7+8-9)
	1	2	3	4	5	6	7	8	9	10
1956	294.1	46.0	248.1	112.7	153.4	207.4	191.6	- 23.1	105.5	63.0
1957	384.3	45.7	338.6	176.5	201.9	313.2	160.2	- 39.7	51.4	69.1
1958	575.6	21.8	553.8	126.2	160.1	519.9	90.3	- 51.6	71.5	- 32.8
1959	730.7	21.2	709.5	92.5	158.4	643.6	103.3	37.6	64.2	76.7
1960	686.0	40.6	645.4	67.0	142.7	569.7	37.5	32.4	61.9	8.0
1961	691.5	13.4	678.1	87.5	128.4	637.2	27.7	5.9	1.1	32.5
1962	637.7	17.1	620.6	67.7	114.9	573.4	-	28.9	5.5	23.4
1963	752.2	18.2	734.0	65.6	100.5	699.1	-	18.9	0.2	18.7
1963										
June	632.7	17.4	615.3	65.7	103.3	577.7	-	28.9	0.6	28.3
July	641.1	18.2	622.9	64.9	104.9	582.9	-	28.9	11.8	17.1
Aug.	677.7	18.4	659.3	62.7	103.6	618.4	-	28.9	47.0	- 18.1
Sept.	667.5	19.4	648.1	63.9	102.5	609.5	-	28.9	0.1	28.8
Oct.	675.2	18.6	656.6	62.3	100.8	618.1	-	18.9	0.5	18.4
Nov.	741.1	18.3	722.8	59.8	103.3	679.3	-	18.9	0.8	18.1
Dec.	752.2	18.2	734.0	65.6	100.5	699.1	-	18.9	0.2	18.7
1964										
Jan.	780.6	20.2	760.4	65.7	97.1	729.0	-	18.9	0.1	18.8
Feb.	807.6	21.0	786.6	59.8	94.5	751.9	-	18.9	0.1	18.8
March	852.5	18.4	834.1	63.6	93.4	804.3	-	18.9	5.3	13.6
April	864.9	17.6	847.3	68.1	91.2	824.2	-	18.9	12.3	6.6
May	885.5	17.5	868.0	68.0	90.7	845.3	-	18.9	0.0	18.9
June	875.9	17.0	858.9	64.7	88.6	835.0	-	18.9	4.6	14.3
July	889.9	18.9	871.0	64.2	89.1	846.1	-	18.9	1.0	17.9

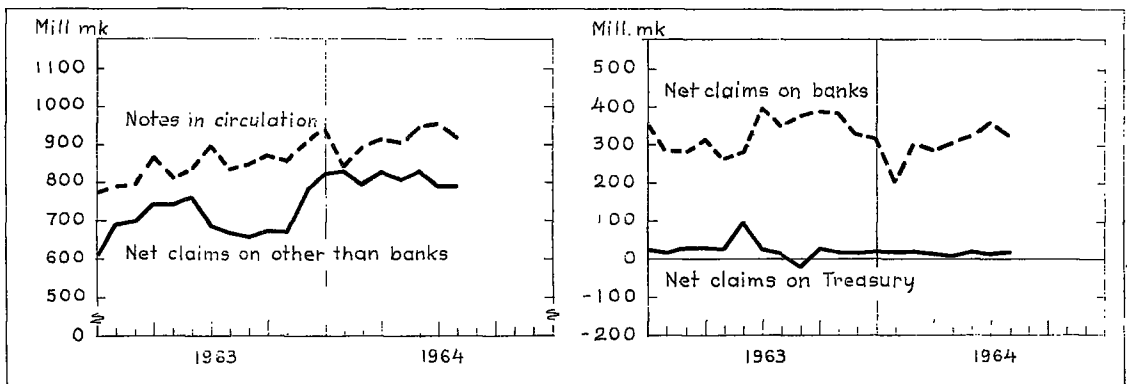
Category of currency	Foreign exchange reserve (col. 3 above) Mill. mk				
	1962		1963		1964
	Dec. 31	Dec. 31	May 30	June 30	July 31
Gold	135	135	145	145	145
Convertible	330	478	613	586	591
Eastern Bloc	101	66	59	81	89
Other	55	55	51	47	46
Total	621	734	868	859	871



BANK OF FINLAND

Mill. mk

End of year and month	Finnish credit institutions					Other				Notes in circulation
	Redis-counted bills	Liabilities, Cheque accounts			Net claims on the banks (1-2-3-4)	Inland bills in Finnish currency	Other advances	Liabilities	Net claims on the rest of economy (6+7-8)	
		Private banks	Post Office Savings Bank	Mortgage Bank of Finland Oy						
1	2	3	4	5	6	7	8	9	10	
1956	336.7	11.7	—	2.8	322.2	149.2	105.5	52.1	202.6	607.4
1957	249.1	24.1	—	-0.4	225.4	129.1	144.2	5.6	267.7	606.4
1958	187.1	14.7	—	20.8	151.6	88.2	143.0	5.3	225.9	650.8
1959	47.2	38.6	—	2.5	6.1	38.9	105.0	3.9	140.0	694.4
1960	205.1	16.8	—	1.6	186.7	72.3	109.5	3.5	178.3	727.4
1961	294.6	44.7 ¹⁾	4.4 ¹⁾	12.5	233.0	70.8	107.3	2.9	175.2	837.1
1962	401.2	- 4.0	53.3	0.8	351.1	33.5	99.6	4.1	129.0	774.4
1963	325.3	1.3	3.0	1.2	319.8	57.2	94.4	1.7	149.9	943.7
1963										
May	416.1	5.1	12.0	1.6	397.4	51.5	88.2	3.0	136.7	897.1
July	380.9	4.0	22.9	1.9	352.1	45.5	87.5	1.3	131.7	834.5
Aug.	406.5	6.3	21.6	2.5	376.1	31.8	84.8	1.1	115.5	847.8
Sept.	405.4	-15.3	29.8	2.8	388.1	21.5	87.1	2.0	106.6	869.2
Oct.	422.8	0.2	38.9	2.7	381.0	30.1	85.0	0.8	114.3	859.9
Nov.	334.9	- 3.9	8.3	1.7	328.8	31.9	97.9	2.4	127.4	904.8
Dec.	325.3	1.3	3.0	1.2	319.8	57.2	94.4	1.7	149.9	943.7
1964										
Jan.	241.2	8.7	27.4	2.1	203.0	52.1	89.4	1.1	140.4	835.0
Feb.	329.0	7.0	18.1	2.4	301.5	28.9	98.3	1.0	126.2	893.4
March	316.0	-13.2	38.2	2.2	288.8	23.3	111.3	0.7	133.9	911.2
April	349.0	0.7	41.8	1.7	304.8	20.9	113.2	0.6	133.5	905.5
May	329.5	5.2	0.2	1.7	322.4	20.4	119.7	1.3	138.8	945.4
June	403.2	2.7	34.6	2.9	363.0	19.1	104.3	2.5	120.9	954.9
July	357.8	4.1	23.0	3.7	327.0	19.0	110.1	1.8	127.3	918.1

¹⁾ Including cash reserve accounts.

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 cen- tral 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
1953	321.1	379.1	98.9	704.6	767.1	425.4	270.7	119.5	2 287.6	2 765.6
1954	349.1	421.1	132.2	834.4	921.7	520.5	300.8	134.2	2 712.0	3 265.3
1955	365.9	442.8	118.5	977.9	1 085.4	611.4	330.7	152.6	3 158.4	3 719.7
1956	386.1	459.6	138.4	968.1	1 124.0	635.3	341.6	160.1	3 229.5	3 827.5
1957	377.1	461.4	139.3	1 032.2	1 178.6	671.1	339.6	168.2	3 390.1	3 990.8
1958	395.7	495.8	167.7	1 222.6	1 312.6	742.7	381.7	191.9	3 851.8	4 515.3
1959	557.5	678.1	140.9	1 505.5	1 525.5	860.3	431.2	219.1	4 541.9	5 360.9
1960	550.8	680.7	135.9	1 813.6	1 798.6	1 052.5	485.2	254.3	5 404.5	6 221.1
1961	577.9	720.8	143.8	2 105.9	2 079.6	1 241.0	558.2	285.3	6 270.3	7 134.9
1962	649.0	800.8	168.5	2 270.4	2 210.8	1 325.5	606.6	293.2	6 706.7	7 676.0
1963	715.3	876.0	250.3	2 441.0	2 336.6	1 448.0	648.5	310.7	7 185.0	8 311.3
1963										
June	668.3	811.9	184.6	2 314.1	2 221.2	1 350.8	615.1	297.5	6 798.9	7 795.4
July	685.5	824.4	166.4	2 288.2	2 211.0	1 346.1	616.2	295.5	6 757.1	7 747.9
Aug.	661.1	811.0	152.0	2 286.4	2 230.3	1 355.2	620.3	295.3	6 787.8	7 750.8
Sept.	668.7	831.0	199.3	2 301.6	2 237.8	1 363.5	621.8	300.5	6 825.4	7 855.7
Oct.	678.8	838.8	181.5	2 307.7	2 242.9	1 369.7	623.7	304.5	6 848.6	7 868.9
Nov.	696.4	860.6	209.6	2 322.2	2 265.8	1 388.0	624.6	308.3	6 909.1	7 979.3
Dec.	715.3	876.0	250.3	2 441.0	2 336.6	1 448.0	648.5	310.7	7 185.0	8 311.3
1964*										
Jan.	707.3	844.6	229.1	2 452.5	2 361.4	1 447.8	655.4	311.9	7 249.2	8 322.9
Feb.	620.8	754.1	244.0	2 485.9	2 388.2	1 505.7	664.8	316.3	7 361.1	8 359.2
March	615.3	755.9	292.6	2 521.6	2 404.5	1 533.2	666.0	318.8	7 444.3	8 492.8
April	641.5	777.7	220.5	2 541.5	2 416.7	1 551.7	661.7	319.6	7 491.3	8 489.5
May	645.2	797.4	256.6	2 577.8	2 444.7	1 576.5	660.0	318.0	7 577.1	8 631.1
June	640.0	789.1	260.7	2 569.4	2 418.0	1 551.4	659.2	314.3	7 512.4	8 562.2
July	671.3	833.6	224.9	2 579.9	2 430.4	1 557.6	660.0	313.1	7 541.0	8 599.5

End of month	Index-tied deposits		High-interest deposits
	100 % clause ¹⁾	50 % clause, tax-free	
1963*			
Dec.	52.1	229.4	669.9
1964*			
Jan.	67.7	234.6	718.0
Feb.	116.3	255.1	740.1
March	142.9	262.6	752.5
April	170.9	259.9	767.5
May	556.2	159.4	675.5
June	674.0	146.2	650.5
July	745.5	134.0	639.2

¹⁾ Tax-free since May 1, 1964.

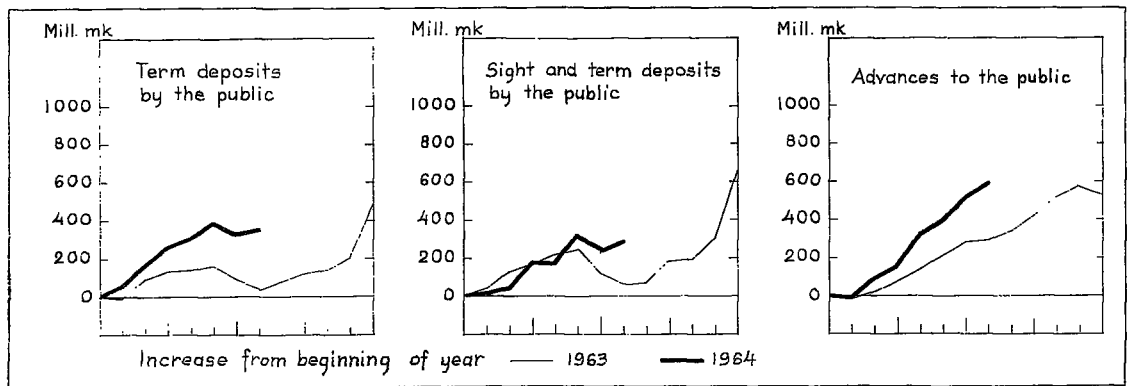
Selling rates for foreign exchange				
Aug. 20, 1964				
		mk	mk	
New York ...	1 \$	3.224	Zurich 100 Fr	74.64
Montreal	1 \$	2.990	Paris 100 FF	65.80
London	1 £	8.985	Rome 100 Lit	0.5160
Stockholm ...	100 Kr	62.78	Vienna 100 S	12.50
Oslo	100 Kr	45.05	Lisbon 100 Esc	11.21
Copenhagen ..	100 Kr	46.56	Reykjavik 100 Kr	7.50
Frankfurt o.M.	100 DM	81.12	Madrid 100 Pta	5.42
Amsterdam ...	100 Fl	89.25	Prague, clear... 100 Kč	44.58
Brussels	100 Fr	6.480	Moscow, clear. ¹⁾ 1 Rbl	3.5667
			Clearing dollars ²⁾ 1 Cl \$	3.21

¹⁾ Bucharest, Peking.²⁾ Ankara, Athens, Berlin, Bogota, Budapest, Sofia, Warsaw.

ADVANCES TO THE PUBLIC – MONEY SUPPLY

Mill. mk

End of year and month	Granted by					Types of advances		Total (1 to 5) (6 and 7)	Money Supply
	Commer- cial banks	Savings banks	Post Office Savings Bank	Co-op. credit societies & their central bank	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1953	1 056.6	705.1	187.8	567.7	98.5	2 452.8	162.9	2 615.7	921.2
1954	1 289.6	824.5	221.2	647.0	127.7	2 915.1	194.9	3 110.0	995.6
1955	1 554.4	964.5	248.7	728.7	136.0	3 398.0	234.3	3 632.3	1 043.0
1956	1 626.6	1 028.3	262.3	767.6	146.9	3 578.0	253.7	3 831.7	1 160.0
1957	1 603.8	1 066.4	260.5	780.6	157.2	3 630.0	238.5	3 868.5	1 170.7
1958	1 745.4	1 154.8	290.3	835.1	219.3	4 011.5	233.4	4 244.9	1 302.3
1959	2 096.9	1 327.2	331.4	967.3	325.8	4 772.7	275.9	5 048.6	1 448.4
1960	2 604.6	1 549.3	395.0	1 176.0	452.2	5 861.9	315.2	6 177.1	1 494.6
1961	3 048.0	1 817.6	436.8	1 462.7	515.2	6 928.2	352.1	7 280.3	1 646.1
1962	3 299.9	2 018.5	508.7	1 600.6	614.7	7 680.8	361.6	8 042.4	1 722.5
1963	3 472.5	2 134.5	544.0	1 757.7	664.3	8 226.2	346.8	8 573.0	1 987.5
1963									
June	3 409.5	2 063.8	552.7	1 655.4	637.7	7 921.1	398.0	8 319.1	1 803.5
July	3 400.4	2 076.2	551.7	1 662.8	641.0	7 962.4	369.7	8 332.1	1 747.1
Aug.	3 418.2	2 091.2	550.1	1 681.4	641.7	8 006.6	376.0	8 382.6	1 740.3
Sept.	3 437.9	2 111.7	550.2	1 710.9	647.5	8 087.2	371.0	8 458.2	1 827.7
Oct.	3 469.7	2 133.4	573.8	1 727.2	654.1	8 171.6	386.6	8 558.2	1 804.9
Nov.	3 481.7	2 144.3	577.0	1 746.4	659.2	8 235.2	373.4	8 608.6	1 892.9
Dec.	3 472.5	2 134.5	544.0	1 757.7	664.3	8 226.2	346.8	8 573.0	1 987.5
1964*									
Jan.	3 446.1	2 139.6	547.1	1 763.6	672.7	8 201.5	367.6	8 569.1	1 827.1
Feb.	3 509.5	2 148.7	554.2	1 769.8	683.9	8 266.6	399.5	8 666.1	1 798.3
March	3 547.4	2 150.3	559.5	1 783.0	687.5	8 329.6	398.1	8 727.7	1 850.0
April	3 635.3	2 170.0	563.1	1 806.8	706.6	8 473.4	408.4	8 881.8	1 826.5
May	3 628.6	2 190.4	570.0	1 827.9	751.1	8 599.4	368.6	8 968.0	1 914.4
June	3 689.8	2 200.9	575.3	1 859.8	768.2	8 688.9	405.1	9 094.0	1 901.6
July	3 706.0	2 219.7	583.0	1 876.1	777.1	8 771.9	390.0	9 161.9	1 889.6

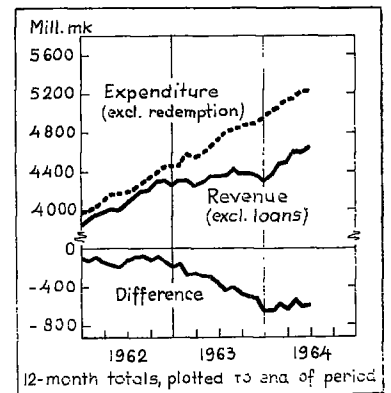


STATE FINANCES

Mill. mk

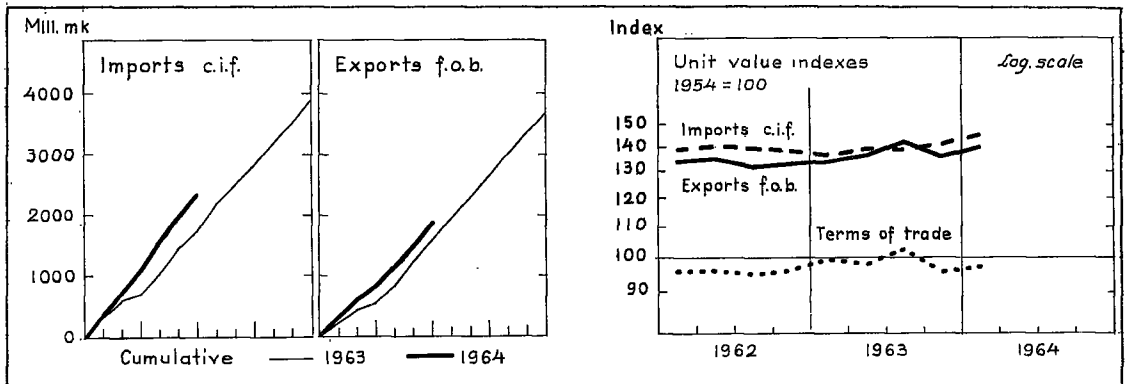
Revenue	Jan. - June		Expenditure	Jan. - June	
	1963	1964		1963	1964
Income and property tax (net)	543	715	Interest on State debt	45	71
Gross receipts	(1 286)	(1 533)	Child allowances	148	153
Refunds and communal income tax	(- 743)	(- 818)	The State's share in national pensions	98	113
Other direct taxes	6	9	Compensations to war-disabled	58	60
Sales tax	452	459	Subsidies	275	246
Import duties	235	242	Net payments on price equalization by extra-budgetary funds	7	—
Revenue from Alcohol Monopoly	171	163	State aid to agriculture	25	25
Excise duty on tobacco	123	140	State aid to communal and private schools	180	215
Excise duty on liquid fuel	75	88	Net loss of State enterprises	53	38
Other excise duties	39	44	Maintenance of roads	56	57
Tax on automobiles and motor cycles	53	84	Other current expenditure	789	886
Stamp duties	107	128	Current expenditure	1 734	1 864
Employers' payments for child allow- ances	147	168	Real investments	459	560
Net receipts of price equalization by extra-budgetary funds	—	3	Other capital expenditure	193	247
Other revenue similar to taxes	35	41	Capital expenditure	652	807
Total taxes	1 986	2 284	Total expenditure	2 386	2 671
Interest and dividends	47	39	Redemption of external loans	15	22
Other current revenue	60	72	Redemption of internal loans	108	122
Current revenue	2 093	2 395	Redemption of indemnity bonds etc.	5	3
Capital revenue proper	57	58	Index premiums	7	10
Decrease in inventories	29	65	Redemptions	135	157
Capital revenue	86	123	Total	2 521	2 828
Total revenue	2 179	2 518			
External loans	80	127			
Internal loans	205	173			
Loans	285	300			
Short-term credit (increase + ..	-27	+30			
Deficit (+) or surplus (-)	+84	-20			
Total	2 521	2 828			

Debt	1961	1962	1963	1964		
	Dec.	Dec.	Dec.	May	June	July*
External debt ...	791	803	963	1 064	1 073	1 129
Ordinary loans	757	936	1 109	1 160	1 161	1 184
Indemnity bonds etc.	26	18	11	9	9	8
Short-term credit ..	24	61	160	192	190	..
Cash debt (net) ...	-98	-125	78	117	67	..
Internal debt	709	890	1 358	1 478	1 427	..
Total debt	1 500	1 693	2 321	2 542	2 500	..
Total debt, mill. \$	465.9	525.4	720.8	788.9	775.3	..



FOREIGN TRADE

Period	Value mill. mk			Unit value indexes 1954 = 100						
	Imports c. i. f.	Exports f. o. b.	Surplus of imports (-) or exports (+)	Articles of export f. o. b.					Articles of import c. i. f.	Terms of Trade
				Total	Round and hewn timber	Wood industry products	Paper industry products	Metal, en- gineering industry products		
1955	1 769.6	1 812.6	+ 43.0	106	110	105	105	115	100	106
1956	2 035.6	1 779.9	-255.7	106	110	104	109	106	105	101
1957	2 279.3	2 123.9	-155.4	116	118	113	119	120	122	95
1958	2 333.0	2 479.3	+146.3	138	139	133	139	153	140	99
1959	2 673.0	2 673.2	+ 0.2	130	120	121	131	152	133	98
1960	3 403.0	3 164.7	-238.3	133	123	131	132	147	136	98
1961	3 690.2	3 374.0	-316.2	135	145	134	134	140	137	99
1962	3 928.7	3 533.1	-395.6	134	146	132	128	150	139	96
1963*	3 866.9	3 678.0	-188.9	137	145	142	129	147	139	99
Jan.- June										
1962	1 983.4	1 581.2	-402.2							
1963*	1 793.0	1 566.7	-226.3							
1964*	2 356.3	1 853.8	-502.5							
1963*										
Oct.	371.3	377.7	+ 6.4	136	144	147	130	130	141	96
Nov.	331.4	331.4	- 0.0							
Dec.	368.6	339.3	- 29.3							
1964*										
Jan.	363.5	281.3	- 82.2	140	148	152	131	133	144	97
Feb.	350.1	299.9	- 50.2							
March	369.0	231.4	-137.6							
April	449.4	339.5	-109.9	144	164	148	132	158	144	100
May	410.5	335.3	- 75.2							
June	413.8	366.4	- 47.4							

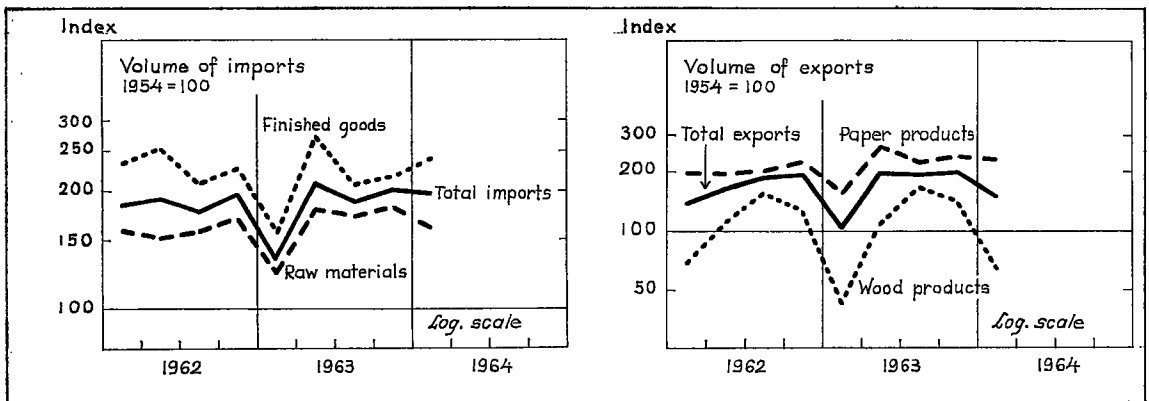


March 1963 figures are affected by strikes.

FOREIGN TRADE BY MAIN GROUPS

Mill. mk

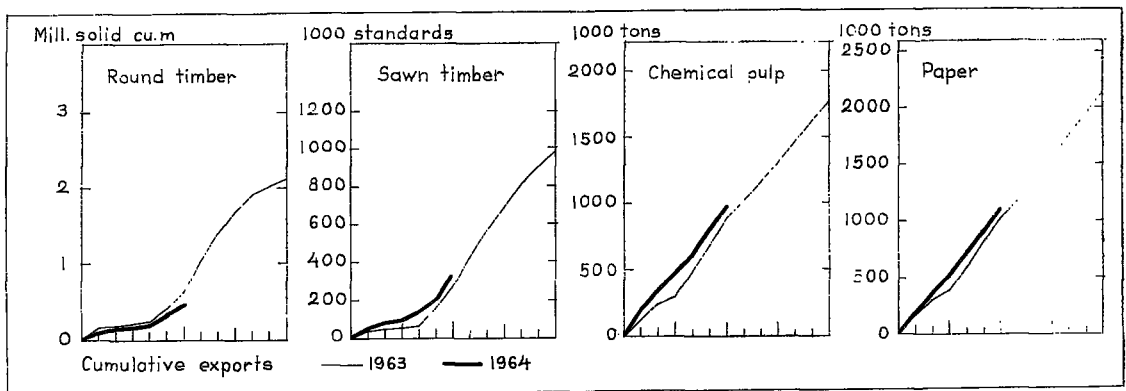
Period	Imports, c.i.f.				Exports, f.o.b.					
	Raw materials and producer goods	Fuels and lubricants	Finished goods		Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods
			Investment goods	Consumer goods						
1954	864.2	173.4	288.0	195.8	51.5	135.8	497.3	616.6	209.9	55.1
1955	949.2	215.4	342.2	262.8	38.8	199.1	513.2	757.9	248.0	55.6
1956	1 042.8	274.6	433.6	284.6	62.1	172.4	404.9	817.8	251.2	71.5
1957	1 174.3	402.4	413.5	289.1	101.7	171.0	482.9	976.4	304.3	87.6
1958	1 195.0	326.6	488.0	323.4	106.5	193.5	578.2	1 151.7	340.3	109.1
1959	1 338.2	281.2	675.4	378.2	148.6	162.9	636.6	1 170.0	441.5	113.6
1960	1 662.6	330.5	933.4	476.5	160.3	205.6	840.8	1 337.2	473.6	147.2
1961	1 711.2	329.9	1 034.4	614.7	153.5	295.8	840.8	1 539.1	386.3	158.5
1962	1 762.6	371.2	1 144.9	650.0	144.5	189.5	770.3	1 588.8	662.6	177.4
1963*	1 827.5	373.3	1 004.3	661.8	164.8	112.8	811.8	1 752.2	613.8	222.6
Jan.-June										
1962	868.5	162.3	621.9	330.7	78.9	62.1	295.8	774.9	294.9	74.6
1963*	837.0	148.0	479.5	328.5	73.5	31.8	261.3	825.8	285.4	88.9
1964*	991.0	246.5	699.8	419.0	118.4	29.4	335.4	964.5	282.7	123.4
1963*										
Aug.	152.4	17.3	71.6	49.1	14.4	18.3	99.2	156.6	36.0	18.9
Sept.	154.2	48.2	78.4	49.2	10.9	16.3	92.7	156.0	59.3	24.6
Oct.	184.2	45.3	82.0	59.8	15.9	11.9	91.7	173.0	60.3	24.9
Nov.	160.4	33.2	77.2	60.6	11.2	7.8	83.3	153.4	52.0	23.7
Dec.	167.7	33.8	105.9	61.2	24.5	5.8	80.9	147.4	58.5	22.2
1964*										
Jan.	172.2	42.3	91.1	57.9	14.0	4.3	50.3	169.3	25.6	17.8
Feb.	155.6	37.2	100.1	57.2	23.8	5.5	44.6	148.1	60.4	17.5
March	149.6	48.7	107.9	62.8	12.1	1.8	26.4	145.3	28.9	16.9
April	162.4	34.7	148.4	103.9	27.9	2.3	49.5	165.1	75.6	19.1
May	168.5	51.0	125.6	65.4	23.1	7.1	67.5	173.7	37.2	26.7
June	182.7	32.6	126.7	71.8	17.5	8.4	97.1	163.0	55.0	25.4



March 1963 figures are affected by strikes.

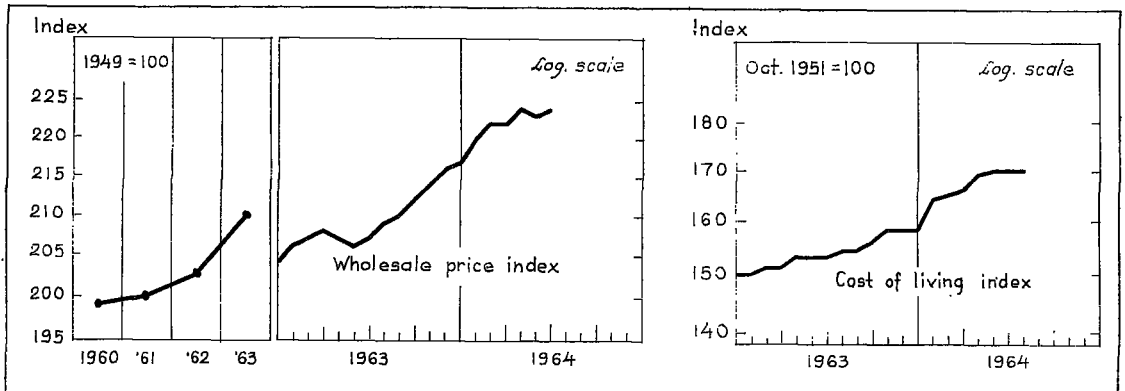
EXPORTS OF SOME IMPORTANT ARTICLES

Period	Round timber	Sawn timber	Veneers and plywood	Mechanical pulp	Sulphite pulp	Sulphate pulp	Board	Fibre building board	Newsprint	Paper, all kinds
	1 000 solid 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
1954	3 620	733	298	193	580	375	101	59	392	751
1955	4 977	786	321	183	682	447	110	61	470	905
1956	4 424	648	230	186	679	452	106	49	537	997
1957	4 063	719	260	165	697	474	134	60	551	1 108
1958	3 861	762	239	143	725	476	145	83	585	1 147
1959	3 812	950	296	139	770	549	142	110	576	1 244
1960	4 756	1 137	358	176	919	500	150	128	691	1 460
1961	5 955	1 106	329	160	872	569	154	146	846	1 806
1962	3 681	1 010	357	150	828	731	153	152	870	1 980
1963*	2 108	977	384	173	861	893	171	161	882	2 126
Jan.- June										
1962	1 229	341	182	73	419	336	72	78	438	948
1963*	604	259	194	85	427	438	86	80	397	1 022
1964*	456	330	217	91	488	483	86	87	451	1 095
1963*										
Aug.	346	143	30	11	68	84	15	10	80	191
Sept.	302	123	34	13	77	79	16	14	83	189
Oct.	224	117	40	18	74	90	18	16	94	215
Nov.	120	102	33	16	75	73	14	17	84	187
Dec.	83	77	32	13	72	63	12	14	74	184
1964*										
Jan.	86	47	37	17	97	104	14	16	75	179
Feb.	64	35	41	15	75	66	13	15	68	174
March	15	15	27	11	66	68	14	13	65	168
April	26	42	38	15	81	64	16	16	79	197
May	122	69	43	13	82	97	14	15	81	195
June	143	122	31	20	87	84	15	12	83	182



FOREIGN TRADE BY COUNTRIES

Area and country	Imports, c. i. f.					Exports, f. o. b.				
	Whole year		Jan. — June			Whole year		Jan. — June		
	1962	1963*	1963*	1964*		1962	1963*	1963*	1964*	
	%	%	%	%	Mill. mk	%	%	%	%	Mill. mk
Sterling area	15.7	15.8	16.4	15.1	356.5	22.2	23.6	22.1	25.5	472.3
United Kingdom	15.2	15.3	15.7	14.7	345.7	20.2	21.5	19.9	22.5	417.0
Other OECD countries										
in Europe	55.6	53.0	53.5	51.4	1 211.6	43.0	43.9	43.3	44.5	825.9
Austria	0.7	0.7	0.8	0.7	15.9	0.3	0.3	0.4	0.3	5.1
Belgium-Luxembourg	2.4	2.2	2.3	1.8	42.3	3.4	3.3	2.9	3.2	59.8
Denmark	3.1	3.3	3.4	3.0	70.0	3.7	3.5	3.2	3.4	63.3
France	5.2	4.3	4.5	5.0	117.0	4.5	5.0	5.2	5.5	101.2
Western Germany	20.2	18.0	18.4	17.1	404.0	11.9	12.0	12.4	11.2	207.6
Italy	2.1	2.0	2.2	1.9	44.2	2.8	3.2	3.4	3.2	59.1
Netherlands	4.4	4.7	4.8	3.6	85.6	6.1	6.3	5.5	6.2	114.5
Norway	1.5	1.6	1.6	1.7	39.0	1.2	0.8	0.7	0.8	15.7
Portugal	0.2	0.2	0.2	0.2	5.5	0.1	0.1	0.1	0.1	2.4
Spain	0.4	0.4	0.4	0.6	14.1	0.7	0.9	0.8	0.8	15.4
Sweden	12.1	11.9	11.4	12.5	295.5	5.7	5.7	5.9	7.2	133.6
Switzerland	2.6	2.9	2.8	2.7	64.9	0.6	0.7	0.6	0.7	13.5
Eastern Bloc	19.2	21.7	20.1	22.8	537.5	22.5	20.8	22.9	17.9	332.7
China	0.2	0.2	0.2	0.5	11.7	0.4	0.5	0.6	0.5	8.8
Czechoslovakia	1.0	0.7	0.9	0.7	16.5	0.9	0.9	0.9	0.6	10.4
Eastern Germany	1.4	1.1	1.1	1.0	23.9	1.1	1.0	1.2	1.0	19.1
Poland	2.2	2.0	1.4	1.7	40.2	1.7	1.7	1.7	2.1	40.0
Soviet Union	13.7	16.9	15.9	18.0	425.0	17.8	16.0	17.7	12.1	224.4
U.S. and Canada	5.6	5.3	5.4	5.6	131.7	5.5	5.4	6.0	6.8	125.8
United States	5.1	4.9	5.0	5.3	124.9	5.4	5.2	5.8	6.6	122.2
Latin America	2.7	2.9	2.8	3.3	77.6	3.4	2.7	2.5	2.2	40.5
Argentina	0.4	0.5	0.9	0.5	12.4	0.8	0.6	0.6	0.7	13.5
Brazil	1.5	1.6	1.2	1.7	39.3	1.5	0.7	0.8	0.5	10.0
Others	1.2	1.3	1.8	1.8	41.4	3.4	3.6	3.2	3.1	56.6
Grand total	100.0	100.0	100.0	100.0	2 356.3	100.0	100.0	100.0	100.0	1 853.8
of which										
EFTA countries	35.4	35.9	36.0	35.5	836.5	31.9	32.6	30.9	35.1	650.6
EEC countries	34.7	31.5	32.5	29.4	693.2	29.4	30.6	30.1	29.2	542.2



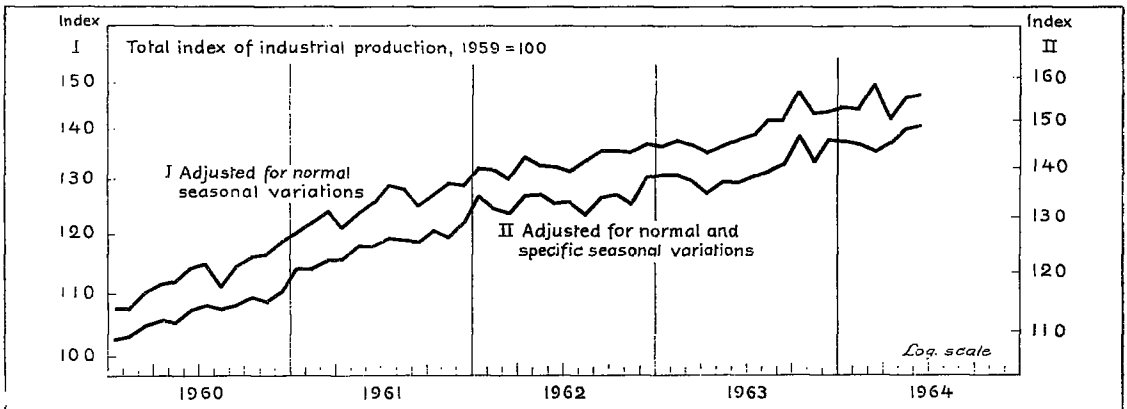
PRICE INDEXES

Period	Wholesale prices 1949 = 100									Building costs 1951 = 100		
	Total index	Origin		Purpose			Stage of processing			Total	Building material	Workers' average hourly earnings
		Domes- tic goods	Im- ported goods	Pro- ducer goods	Mach- inery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply processed goods	More elab- orately processed goods			
1961	200	202	194	209	195	190	213	202	191	128	114	148
1962	203	205	196	209	203	197	217	200	198	132	114	156
1963	210	212	201	214	211	205	226	203	205	140	118	171
1963												
July	209	211	201	213	209	204	223	202	206	140	118	171
Aug.	210	212	202	213	212	206	226	202	206	141	118	175
Sept.	212	215	202	216	212	208	226	206	209	141	118	175
Oct.	214	217	203	216	214	211	230	205	210	143	118	180
Nov.	216	219	205	220	214	211	233	207	212	143	119	180
Dec.	217	220	205	222	214	212	236	209	212	145	123	182
1964												
Jan.	220	224	204	219	211	222	240	209	214	142	117	179
Feb.	222	226	207	222	210	226	243	213	216	144	118	180
March	222	226	208	223	211	224	242	214	216	146	118	186
April	224	228	209	224	211	227	246	215	217	148	119	188
May	223	226	209	225	211	223	241	217	216	150	119	194
June	224	228	211	227	211	224	246	217	216	150	120	195
July	..	..	..	..	..	..	..	..	..	150	120	194

Period	Cost of living Oct. 1951 = 100						Consumer prices Oct.—Dec. 1957 = 100					
	Total	Food- stuffs	Rent	Heating and lighting	Clothing	Other	Total	Food- stuffs	Rent	Heating and lighting	Clothing	Other
1961	141	150	310	100	87	137	110	110	115	97	109	111
1962	147	156	327	103	90	143	115	115	121	100	112	117
1963	154	164	346	108	93	151	121	120	128	105	115	123
1963												
July	154	163	343	108	92	151	120	120	127	105	115	123
Aug.	154	163	343	109	93	152	121	120	127	105	115	124
Sept.	156	167	343	109	93	154	122	123	127	105	115	125
Oct.	158	168	356	109	94	155	124	124	132	106	116	126
Nov.	158	169	356	109	94	155	124	124	132	106	117	126
Dec.	158	169	356	109	94	155	124	124	132	106	117	127
1964												
Jan.	164	175	361	113	104	159	129	129	134	110	129	129
Feb.	165	177	361	113	105	160	130	130	134	110	130	130
March	167	180	361	114	106	162	131	132	134	110	132	132
April	169	182	361	114	106	163	132	134	134	111	132	133
May	170	185	361	114	106	164	133	136	134	111	132	134
June	170	185	361	114	107	165	134	136	134	110	132	135
July	170	185	361	114	107	165	134	136	134	110	132	135

PRODUCTION - INTERNAL TRADE

Period	Index of industrial production 1959 = 100									Commercial timber fellings 1 000 piled cu. m	Wholesale trade volume index 1954 = 100
	Total	Invest- ment goods	Other producer goods	Consumer goods	Special indexes of manufacturing				Total, adjusted for normal seasonal variations		
					Wood industry	Paper industry	Metal industry	Other			
1961	125	132	127	120	122	136	131	119	125	49 004	150
1962	133	151	133	127	114	141	144	126	133	47 264	160
1963*	139	136	142	135	117	154	141	134	140	47 784	160
1962 Nov.	145	164	147	136	110	152	156	140	135	2 966	171
Dec.	123	139	127	111	101	131	134	112	137	3 604	175
1963* Jan.	144	159	144	137	113	151	162	130	137	4 245	130
Feb.	135	132	137	130	113	147	141	126	138	4 995	138
March	139	139	141	136	123	150	146	130	137	5 409	144
April	136	133	137	133	126	140	139	132	135	4 036	160
May	147	149	147	146	131	158	152	142	137	10 095	180
June	130	128	128	134	109	126	134	131	138	1 941	162
July	106	83	114	96	112	146	83	100	139	1 299	150
Aug.	143	137	142	147	108	157	137	146	142	1 936	170
Sept.	148	146	151	141	111	169	151	141	142	2 192	164
Oct.	162	160	167	152	132	182	166	156	148	3 189	178
Nov.	151	145	157	141	110	169	152	146	143	3 915	161
Dec.	133	127	139	123	118	148	132	124	144	4 534	181
1964* Jan.	148	146	154	137	117	163	153	137	145	5 553	119
Feb.	147	144	152	138	127	162	152	137	144	6 031	145
March	146	139	152	136	121	162	147	137	149	6 500	152
April	157	150	161	152	150	169	158	152	142	5 469	169
May	144	133	149	137	127	164	139	137	146	11 353	162
June	143	141	146	139	137	142	145	141	147	1 863	165

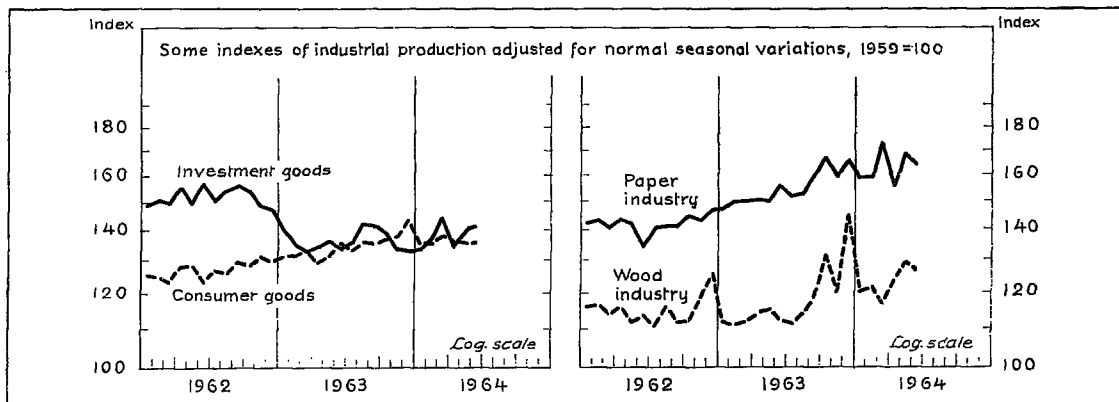


March 1963 figures are affected by strikes. Seasonally adjusted series are corrected for estimated strike effects.

BUILDING - WAGES - TRANSPORT - EMPLOYMENT

Period	Buildings completed, mill. cu. m					Buildings under construction at end of period mill. cu. m	Index of salary and wage earners' earnings 1957 = 100			
	Total	Dwelling houses	Farm buildings	Commercial and industrial premises	Official buildings		All salary and wage earners	Wage earners in		
								Agriculture	Forestry	Manufacturing
1962	23.18	10.61	2.15	7.11	2.31	25.53	132	120	128	134
1963*	24.77	12.57	2.21	6.60	2.43	25.16	145	136	144	143
1963*										
Jan. - Mar.	4.34	2.51	0.21	1.16	0.34	25.15	138	130	143	137
Apr. - June	4.71	2.36	0.28	1.41	0.49	26.57	145	137	143	145
July - Sept.	6.87	2.63	0.72	2.05	1.10	27.86	148	137	141	145
Oct. - Dec.	8.85	5.07	1.00	1.98	0.50	25.16	149	138	150	146
1964*										
Jan. - Mar.	4.41	2.30	0.23	1.36	0.40	24.48	158	148	162	156
Apr. - June	..	..	..	..	..	..	163	153	163	160

Period	Railways		Foreign shipping				Labour input		Unemployment	
	Goods trucks loaded Thousands		Vessels arrived with cargo		Vessels departed 1 000 net reg. tons		1 000 man-months		% of total labour force	
	1963	1964	1963	1964*	1963	1964*	1963*	1964*	1963*	1964*
Jan.	132	125	485	576	458	527	1 830	1 854	2.3	2.7
Feb.	125	124	293	538	281	451	..	1 851	2.3	2.3
March	13	122	293	535	171	389	1 819	1 839	2.1	1.8
April	145	138	510	588	438	487	1 841	1 882	1.6	1.5
May	156	125	751	755	688	709	1 905	1 920	0.8	1.1
June	128	128	830	995	870	963	1 895	1 913	0.8	1.2
July	133	128	977	1 165	1 134	1 253	1 737		1.0	
Aug.	139		919		1 033		1 851		1.0	
Sept.	139		745		842		1 922		1.1	
Oct.	148		697		752		1 910		1.3	
Nov.	132		661		658		1 895		1.6	
Dec.	110		657		614		1 871		2.0	



EXPLANATIONS RELATING TO THE STATISTICAL SECTION

PRE-1963 VALUES ARE GIVEN IN THE NEW MONETARY UNIT, ONE NEW MARK BEING EQUIVALENT TO ONE HUNDRED OF THE OLD MARKS.

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 + Prepayments for exports. *Other foreign liabilities* = Mark accounts of holders abroad + Foreign term liabilities. *Treasury bills and bonds*: Including Treasury bond loan + Treasury bill covering certain IMF and IBRD accounts (included in Other claims). *Other claims, net* = Advances for stand-by stocks — Finnish term liabilities.

Page 5. *Other advances* = Inland bills in foreign currency + Cheque accounts (assets) + Other claims excl. Treasury's IMF and IBRD bill, Prepayments for exports and Advances for stand-by stocks. *Liabilities* = Other sight liabilities + Other cheque accounts + Deposits against import licences (in 1956) — Account of the Mortgage Bank of Finland Oy. — *Diagrams*. Left: *Net claims on other than banks* = Net foreign assets + Net claims on the Treasury + Net claims on the rest of economy + Finnish bonds + Finnish coin — Equalization accounts = Notes in circulation + Bank's own funds — Net claims on the banks.

DEPOSITS BY THE PUBLIC — ADVANCES TO THE PUBLIC — MONEY SUPPLY

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. *Indexed deposits and high-interest deposits* are included in term deposits.

Page 7. *Money supply* = Finnish notes and coins in circulation — Finnish notes and coins held by the banks + Cheque accounts of the public + Postal giro accounts of the public.

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 (net) of State departments. In principle, the change in this item = surplus (deficit) in the table on revenue and expenditure. The small divergence is due to the fact that the adjustment of the monthly figures is not as accurate as that of the annual (December) figures.

FOREIGN TRADE

Pages 9—12. Figures supplied by the Board of Customs. *The unit value indexes* (p. 9): The indexes are calculated first according to the Laspeyres formula but at the end of each year adjustments are made according to the Fisher formula, and the level of the quarterly indexes is corrected so that their arithmetic mean equals the annual index. Thus the series above and below the line are not fully comparable. Seasonal variations are not eliminated. Terms of trade: the ratio of export indexes to import indexes. *Foreign trade by countries* (p. 12): imports by countries of purchase, exports by countries of sale.

PRICE INDEXES

Page 13. *Wholesale price index* and *Building cost index* calculated by the Central Statistical Office. *Cost of living index* and *Consumer price index* calculated by the Ministry for Social Affairs.

PRODUCTION — INTERNAL TRADE

Page 14. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The weight of each group represents the ratio of its value added to the total value added of industrial production in the base year. The seasonally adjusted series is calculated by the Bank of Finland Institute for Economic Research on the basis of the index of industrial production per working day; for the method of calculation of series adjusted for normal and specific seasonal variations see Bulletin No. 8, 1961, p. 18. Other seasonally adjusted series are calculated according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: investment goods weight 14.3, other producer goods weight 57.0 and consumer goods weight 28.7. Special manufacturing indexes: wood industry ISIC no. 25, weight 6.6, paper industry no. 27, weight 13.1, metal industry nos. 34—38, weight 23.5, and other manufactures nos. 20—24, 26, 28—33, 39, weight 44.0. *Commercial timber fellings* calculated by the Ministry of Communications and Public Works. *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 revised wholesale price index.

BUILDING — WAGES — EMPLOYMENT — TRANSPORT

Page 15. *Building* figures supplied by the Central Statistical Office. *Index of salary and wage earners' earnings* calculated by the Central Statistical Office. Beginning 1957, the weights employed are determined according to the structure of total earnings in 1957; for 1954—1956, the weights are in accordance with earnings in 1951. *Railway* figures supplied by the Board of Railways. *Shipping* figures supplied by the Shipping Board. *Labour input and unemployment* figures supplied by the Labour Research Bureau of the Ministry of Communications and Public Works, both based on the labour force sample survey. Labour input represents the estimated average number of days worked. (See article in No. 10, 1960 of this Bulletin

SYMBOLS USED

* Preliminary o Less than half the final digit shown . Logically impossible .. 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.

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 Parliament 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, 1962, to March 1, 1968, is Urho Kekkonen.

Parliament, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1962 are as follows: Agrarians 53, People's Democrats 47, Social Democrats 38, Conservatives 32, Swedish Party 14, Finnish People's Party 13, Social Democratic League 2 and Liberal League 1.

LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4 %. On an average 15.8 % of the land in the South of Finland is cultivated (1960), 2.3 % in the North and 9.2 % of the land as a whole. Of the land area 21.8 mill. ha (53.9 mill. acres), or 71.3 %, are covered by forests.

OWNERSHIP OF LAND (1960): The total land area was distributed among different classes of owners approximately as follows: private 60.9 %, State 31.8 %, joint stock companies etc. 5.6 %, communes and parishes 1.7 %.

POPULATION

NUMBER OF INHABITANTS (1962): 4.5 million. Sweden 7.6, Switzerland 5.7, Denmark 4.7 and Norway 3.6 million.

DENSITY OF POPULATION (1962): In South Finland 25.2, in North Finland 4.2 and in the whole country an average of 14.8 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1962): 60 % of the population inhabit the rural areas, 40 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 476 400 inhabitants, Tampere (Tammerfors) 133 300, Turku (Åbo) 130 800.

OCCUPATIONS (1960): Agriculture and forestry 32 %, industry and construction 31 %, commerce 9 %, transport and communications 7 %, services 11 %, economically inactive persons 11 %.

LANGUAGE (1960): Finnish speaking 92.4 %, Swedish speaking 7.4 %, others 0.2 %.

EDUCATION (1962): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640), 6 colleges of university standard, and 2 teachers' training colleges, besides teacher-training departments in two of the universities.

INCREASE OF POPULATION (1962): births 18.1 ‰, deaths 9.5 ‰, increase 8.0 ‰. Deaths in France 11.5 ‰ and Great Britain 11.9 ‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1962, in million marks) Gross domestic product at market prices 17 070 (excl. repairs and maintenance). Net domestic product at factor cost, by industrial origin: agriculture 1 421 (10 %), forestry and fishing 1 376 (10 %), manufacturing 4 257 (31 %), construction 1 393 (10 %), transport and communications 1 064 (8 %), commerce, banking and insurance 1 771 (13 %), general government 1 635 (12 %), other services 838 (6 %), total 13 755. Index of real domestic product 127 (1957 = 100).

FOREST RESOURCES (1951—1953): The growing stock comprised 1 493 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 exel. 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 (1960): Cultivated land 2.6 million hectares of which holdings of less than 5 ha amount to 17 %, 5 to 15 ha 48 %, 15 to 50 ha 30 % and more than 50 ha 5 %. Number of holdings 388 000, of which 184 000 are of more than 5 ha. Index of agricultural production 121 for 1962 (1954 = 100). Measure of self-sufficiency in bread cereals 89 % in the crop year 1961/62.

INDUSTRY (1962): Gross value of industrial production 14 500 mill. marks, number of workers 352 000, salaried employees 71 100, motive power (1962) 5.0 mill. HP. Index of industrial production 133 for 1962 (1959 = 100).

RAILWAYS (Jan. 1, 1964): Length 5 427 km, of which 5 353 km are State and 74 km private railways. The gauge of State railways 1,524 m.

MERCHANT FLEET (July 31, 1964): Steamers 165 (277 048 gross reg. tons), motor vessels 362 (660 269 gross reg. tons), sailing vessels with auxiliary engines 40 (4 870 gross reg. tons). Total 567 (942 187 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1963): Private cars 294 400, lorries and delivery vans 78 800, buses 6 800, others 13 900. Total 393 900.

SCHEDULED AIR TRAFFIC OF FINNISH COMPANIES (1963): Kilometres flown 112.6 million, passengers carried 696 000, passenger kilometres 312.6 million, and ton kilometres of freight and mail 5.0 million.

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. In 1931, Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). On Jan. 1, 1963, the value of the mark was raised to one hundred times its former value. The official par value of the new unit is 3.20 marks to the U.S. dollar. Finland has been a member of the International Monetary Fund since 1948.

MUNICIPAL FINANCES. In the finance accounts for 1961 expenditure amounted to 2 188 mill. marks. Total revenue was 2 221 million, of which income from taxation 1 089 million. The municipal income tax (non-progressive) averaged 11.92 % of the ratepayers' taxable income.

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

OTHER CREDIT INSTITUTIONS (Dec. 31, 1963). There are two big and four small commercial banks with in all 682 offices, 383 savings banks, 504 cooperative credit societies and their central bank, six mortgage societies, and POSB. The savings departments of the cooperative stores accept deposits from the public. The National Pensions Institution and sixty-five private insurance companies also grant credits.

RATES OF INTEREST (May 1, 1964). Bank of Finland discount rates 6—7 ½ %. Other credit institutions: term deposits 4 ½ %, 12 months' deposits 6 %, 100 per cent index-tied deposits 2 ½ %, 50 per cent index-tied deposits 4 %; highest lending rate 8 %.

PUBLIC FINANCE IN 1963

BY

HENRI J. VARTAINEN, Pol. Lic.

FELLOW OF THE BANK OF FINLAND INSTITUTE FOR ECONOMIC RESEARCH

With the aim of reversing the trend towards deterioration in State finances that had set in from 1961, the budget for 1963 was formulated on tight lines. Though there was an inevitable rise in consumption and transfer expenditure, investment allotments were reduced by one fifth from the level budgeted in 1962. The balancing item of the budget, new borrowing, could be entered at a safe 371 million marks, against the record entry of 770 million marks one year earlier. In fact it proved that this latter figure was 414 million marks at the end of the year. The actual need of new borrowing often amounts to less than the figure budgeted.

It soon became evident that the pressure on expenditure had been underestimated in shaping the budget. The conclusion of wage and salary negotiations, conducted in an atmosphere of partial strikes, called for a wage bill considerably in excess of the budgeted amount. The first supplementary budget was entirely concerned with wage and salary increases. Investment expenditure was also on the rise, as the need for the maintenance of employment was rising simultaneously with production costs. Thus the second supplementary budget of the spring mainly related to additions to employment grants for public works and construction. The revenue cover of both supplements was left in abeyance, as discussions of new income sources were still in progress.

By the end of the first quarter, the revenue (excluding loans) was 2 per cent, and the expenditure (excluding redemptions) 8 per cent above the corresponding levels for 1962. The deficit was 30 million marks, one third more than a year before, even though net borrowing, partly from abroad, had grown by 56 million marks. The strikes in March contributed to this result.

The cash position of the Treasury continued strained from month to month. The estimates made in the spring led to the conclusion that new sources of revenue or cuts in expenditure would have to be found for about 300 million marks to maintain the balance. Measures suggested included a compulsory bond loan based on assessed income, to be levied on the public. The loan would carry a 50 per cent index clause and an interest rate of 6 per cent, it would be repaid in 1967—68, and its estimated yield was 100 million marks. Postal and railway tariffs, liquor prices and the excise duty on tobacco were to be raised, and cuts effected in certain stocks and grants. It was also originally intended that the sales tax reform — calculated to increase the yield — would come into force in July, but parliamentary opposition postponed this reform until 1964. Decisions on these measures were passed in June, except for the compulsory bond loan, on which agreement was not reached in Parliament. It was only in 1964 that it

finally emerged in the form of a surtax on personal income. Its character of a loan is retained in the provision that the surtax (with appropriate bonus) will be deductible from the 1967 and 1968 tax liability. — However, the Treasury assured itself of its proceeds pending the discussion; in July and November it issued so-called tax payment certificates for 100 million marks on rather favourable terms; both issues were sold at once.

By the end of the first six months, the accounts showed a deficit of 57 million marks, against a surplus of 29 million marks the year before. Revenue was now 5 per cent and expenditure 12 per cent in excess of the corresponding 1962 level. Long-term domestic borrowing amounted to 205 million marks, the same as that by June 1962. Foreign loans had been drawn to the extent of 80 million marks, against only 12 million the year before. Initially, the short-term debt had amounted to 61 million marks, but by the end of June it was reduced to 34 million.

Two more supplementary budgets were issued in the latter half-year. The most significant items included 30 million marks as low-interest loans to shipowners placing orders for new (principally small-scale) tonnage with domestic shipyards. This allotment was to be covered by credits from the Bank of Finland, P. O. Savings Bank and the National Pensions Institution. Other grants related to subsidies, the maintenance of employment, the augmentation of wages and salaries, and the start of construction work on the Saimaa Canal.

The stabilization measures referred to above removed the imminent threat to the liquidity of the Treasury, although they gave no cause for relaxation. The new wage-level bill fell due in July; public works were expanding towards the end of the year; funds

set aside for subsidies were being exhausted, as butter production was growing, and the unit price support had been raised in March. All this called for more borrowing, and in addition to domestic loans the State was able to negotiate two foreign loans of up to 50 million marks in November. The State further obtained the postponement of monthly payments to the communes representing their share of income tax collections; at the end of the year these deferred payments totalled 20 million marks.

By the end of the third quarter, the cash deficit had risen to 168 million marks. In comparison with the first three quarters of 1962, the growth in ordinary revenue had fallen to 4 per cent, while that of expenditure was maintained at 12 per cent. The growth rate of revenue fell further towards the end of the year; large income tax refunds in November and December made the yield in these months wholly negative. In general, for almost every month of the year, the ratio of revenue to expenditure was more unfavourable than in the corresponding month of 1962. By November, the deficit had mounted to 212 million marks, and it grew by another 100 million in December.

The basic source of fiscal headache for 1963, and for the two preceding years, seems to lie in the development of revenue and of expenditure not being moulded in the same pattern. Most increments to expenditure, however they may come about, are usually there to stay, and eventually to expand. The corresponding cover in revenue is often procured either by a short-lived swelling of tax yields in boom periods, or by temporary rate increases. The establishment of a scheme for budget equalization reserves (see Bulletin No. 2, 1964) — a proposal to this effect is now under consideration in Parliament — will be a step towards improving the position of the Treasury in the long run.

Table 1. STATE REVENUE AND EXPENDITURE
(Adjusted figures)

Revenue	1962		1963		Expenditure	1962		1963	
	Mill.mk					Mill.mk			
Income and Property tax (net)	896		833		Interest on State debt	68		87	
Gross receipts	(2 542)		(2 761)		Child allowances	287		295	
Refunds and Municipal income tax	(-1 646)		(-1 928)		The State's share in national pensions	192		207	
Other direct taxes	19		21		Transfer of employers' payments for national pensions to National Pensions Institution	117		—	
Sales tax	1 062		1 021		Compensation to war-disabled	114		118	
Import duties	458		465		Subsidies	401		612	
Revenue from Alcohol Monopoly	313		363		State aid to agriculture ...	78		67	
Excise duty on tobacco ...	228		274		State aid to communal and private schools	338		378	
Excise duty on sweetstuffs ..	22		23		Military expenditure	239		312	
Excise duty on beer	12		12		Maintenance of roads	138		139	
Excise duty on liquid fuel ..	162		179		Pensions of State employees	115		130	
Tax on automobiles and motor cycles	67		86		Other current expenditure ..	1 149		1 329	
Other excise duties	26		45		Current Expenditure	3 236		3 674	
Stamp duties	200		206		Investments in State enterprises, forests and landed property	286		306	
Employers' payments for child allowances (incl. national pensions in 1962)	388		315		Purchases of machinery and apparatus	74		70	
Net receipts of price equalisation by extra-budgetary funds	7		11		House building	162		201	
Other revenue similar to taxes	56		59		Roads, bridges and hydro-undertakings	293		326	
Total taxes	3 916		3 913		Real investments	815		903	
Interest and dividends	98		93		Loans granted	270		286	
Net profit of State enterprises	3		10		Purchases of shares	44		40	
Other current revenue	128		154		Finland's quota in IDA (plus UN bonds in 1962)	7		2	
Current Revenue	4 145		4 170		Increase in stand-by stocks and in inventories of extra-budgetary funds (net)	64		21	
Provision for depreciation by State enterprises	38		43		Capital Expenditure	1 200		1 252	
Sales of State property	7		5		Total Expenditure	4 436		4 926	
Repayments of loans	70		78		Redemption of external loans	35		38	
Capital Revenue	115		126		Redemption of internal loans	188		178	
Total Revenue	4 260		4 296		Redemption of Indemnity Bonds etc.	8		7	
External loans	47		198		Index premiums	7		9	
Internal loans	367		352		Redemption	238		232	
Loans	414		550		Surplus	0		—	
Deficit	—		312		Total	4 674		5 158	
Total	4 674		5 158						

FINANCE ACCOUNTS

The final figures for State revenue and expenditure are given in Table 1, some percentage changes on the previous year being recorded in Table 2.

Contrary to the year before, when equality in accounts was achieved by resorting to heavy borrowing, the result for 1963 was a deficit of 312 million marks, even though borrowed funds exceeded the 1962 figure by

Table 2. CHANGES IN STATE REVENUE AND EXPENDITURE

	Revenue		Expenditure	
	Change on previous year, per cent		Change on previous year, per cent	
	1962	1963	1962	1963
Income and Property tax	+ 21	— 7	Child allowances	+ 16 + 3
Sales tax	+ 6	— 4	National pensions	+ 17 + 8
Import duties	— 2	+ 2	Subsidies	+ 6 + 53
Alcohol Monopoly	+ 9	+ 16	Aid to schools	+ 15 + 12
Stamp duties	+ 9	+ 3	Military expenditure	+ 23 + 31
Excise duties	+ 20	+ 18	Maintenance of roads	+ 20 + 1
Current Revenue	+ 10	+ 1	Current Expenditure	+ 14 + 14
			Real investments	+ 5 + 11
Capital Revenue	+ 17	+ 10	Capital Expenditure	+ 10 + 4
Total Revenue (excl. loans)	+ 10	+ 1	Total Expenditure (excl. redemption)	+ 13 + 11

136 millions. In fact the excess was even larger, as the proceeds of tax payment bond loans, because of their short-term nature, are here not included in internal loans but in the cash debt.

The worse result for 1963 is wholly attributable to the discrepancy between growth rates of current revenue and expenditure. The level of the former was practically the same as in 1962, while current expenditure increased by 14 per cent, or by as much as the year before. The increase in total expenditure amounted to 11 per cent, equivalent to a rise of 6 per cent in real terms.

First of all, a technical change should be noted that — beginning from 1963 — employers' payments for national pensions are no longer channelled through the State budget; inclusion of these funds would raise the growth rates on both sides by about 3 percentage points. The standstill in revenue is further explained by a corporate surtax having been levied in 1962 but not in 1963, with a consequent reduction in yield. Another reduction was noted in the yield from the sales tax, accounted for by two reasons: the slowing down of growth in consumer imports and the expectations of the sales tax reform in 1964 (see Bulletin No. 1, 1964). As numerous categories of goods were tax-exempt under the old legisla-

tion, whereas the new act was to have a general coverage but a lower rate, the purchases of exempted goods were relatively precipitated, and postponed for others.

Increases were noted in other tax yields, although significant only in those that had their rates raised. The net profit of State undertakings had fallen to almost nil in 1962, following a record level of 60—70 million in the boom years 1960—61; now it again climbed to a safe 10 million marks. The State Railways deficit increased, notwithstanding higher tariffs, but the surpluses from forestry and postal communications were rising.

The growth in expenditure concentrated on current account. Wage and salary disbursement grew by about 15 per cent, and transfer expenditure by over 17 per cent. The large rise in subsidies was partly because of the once-for-all compensation payments — 107 million marks — to farmers for the poor crops in 1962, their payments being deferred to 1963.

On the capital account, the growth in real investments was slightly accelerated from 1962. In the main, this can be traced back to the deterioration in employment prospects, particularly towards the end of the year; during the last quarter, the labour force in State public works was 10 per cent higher

than one year earlier. — The sharpest increase was recorded in construction work, while purchases of equipment declined somewhat. Investment in the railways amounted to 227 million (220 in 1962). The use of funds specifically earmarked for unemployment relief amounted to 236 (155) million marks. The difference does not reflect the rise in unemployment, as unit costs were also higher, and as budgeting procedure — whether to enter investment costs under their proper headings or under the relief entries — can vary from year to year.

The grants of loans increased by 6 per cent; the main grants included 85 (69) million spent on Arava housing loans, and 49 (64) million in loans from the Settlement Fund. "Employment loans" were made for 8 million marks only. Their importance has lately been declining, as nowadays the creation of new jobs is one of the principal criteria in all loans granted by the State.

New loans amounted to 550 million marks, against 414 million the year before. The following setup illustrates their distribution by source. The proceeds of the tax payment certificates (99 million marks at the end of the year, included in Table 1 in short-term debt, and consequently in the figure for the deficit) have been added to the 1963 totals.

	1962	1963
	Mill.mk	
Bank of Finland	31	35
Post Office Savings Bank	66	80
Other banks	102	—
National Pensions Institution ..	29	10
Insurance companies	9	20
Public & other sources	130	207
Domestic borrowing	367	352
Foreign creditors	47	198
Total	414	550
Tax payment certificates	—	99
Total borrowing	414	649

On this occasion, commercial banks did not participate, as no satisfactory agreement on borrowing terms was reached. The banks

(other than the Bank of Finland) thus accounted for only 80 (168) million marks, or 18 (46) per cent of the domestic borrowing. Their role is further reduced if we deduct simultaneous redemptions, which were 25 (20) million to the Bank of Finland, 88 (142) to other banks, and 65 (39) to other domestic creditors. Net borrowing from the Bank of Finland thus amounted to 10 (11) million marks only, and that from other banks turned into net redemptions of 8 million marks (net loans of 26 million in 1962). On the other hand, the net amount of loans from the non-bank sector stood at 271 (129) million marks. Domestic net borrowing was thus entirely concentrated on the latter.

The effects of fiscal policy in 1963 must be viewed against this background. The expenditure (excluding redemptions) exceeded the revenue (excluding loans) by 630 million marks, against 176 million only in 1962. The expansionary effects of this deficit spending were, however, mitigated by the fact that a large part of the gap was financed by loans raised from the public; these tied down purchasing power and checked the rise in general liquidity.

Table 3. SHORT-TERM FINANCING
(Adjusted figures)

	1962	1963
	Mill.mk	
Private funds (incr. —)	— 1	+ 1
Net debt to Bank of Finland (decr. +)	+ 19	— 8
Short-term debt to Post Office Savings Bank (decr. +)	+ 7	— 188
Other short-term debt (decr. +)	— 37	— 99
Cash holdings (incr. +)	+ 12	— 18
Surplus (+), Deficit (—)	+ 0	— 312

Table 3 provides an analysis of the short-term financing, a breakdown of the deficit or surplus. It is seen that more than one half of the deficit was financed by increasing the short-term debt to the P.O. Savings Bank.

New foreign loans acquired during the year included a ten-year sinking-fund bond loan of up to 40 million marks (\$12.5m.) floated on the New York stock market, another loan of 32 million (\$10m.), likewise from the U. S., a gold credit from Switzerland for 18 million marks, plus drawings against the Soviet Union commodity credit.

ITEMS

New five-year trade agreement with the USSR. On August 14, a basic agreement concerning the exchange of goods and payments between Finland and the Soviet Union during 1966—1970 was signed in Moscow. This is the fourth five-year pact between these countries. It involves an increase by a full 20 per cent in the value of trade in comparison with the current agreement for 1961—1965, and a wider selection of goods.

Among Finnish exports, the largest increase relates to machines and equipment, and ships. The value of exports of machinery and equipment for the pulp and paper industries and the mechanical wood-working industry will rise from the 90 million roubles of the present five-year agreement to 145 million roubles. The number of ships will rise from 122 to 138; these will include three 22 000 H. P. icebreakers, three cable-laying ships, 22 motor cargo vessels of 12 000 dwt. or more, 40 timber transport vessels, and 35 tankers of 4 000 dwt. or more. Of the forestry products, round timber and sawn goods were excluded from the new export list, but the value of exports of this sector will rise nevertheless, and cover more goods of a higher stage of processing. Exports of various kinds of paper will grow by some 20 000 tons. Exports of kraftpaper sacks will rise in particular, a number of 50—70 million being listed for 1966, and

70—100 million for 1970. Similarly, Finland will deliver furniture at considerably higher values than before, to the extent of 2—3 million roubles annually. For agricultural products, deliveries are listed amounting to 5 million roubles annually, plus a 10 million rouble quota for barter transactions. Among new articles of export, mention is due of woven fabrics and other textiles, electronic appliances and apparatuses, and pedigree livestock. A total of 200 000 tons of pig-iron will be exported during 1966—1967, and 500 tons annually of vanadium pentoxide.

In Finland's import list, machinery, fuels and some raw materials are the most important items. Metal-working machine tools will be imported to values increasing year by year, the figure for 1970 being 1.3 million roubles. Equipment for power plants will rise from 1 million in 1966 to 2.6 million roubles in 1970. Similarly, the number of passenger cars will rise annually, up to 9 000—10 000 in 1970. Imports of liquid and solid fuel, particularly coke, will be considerably higher than during the current agreement period. Annual imports of coke will be 650 000—700 000 tons. The annual imports of saw logs will be 450 000 cu. m, of pulp wood 250 000 cu. m, and of other coniferous timber 100 000 cu. m, which means a total of 4 million cu. m solid measure during the whole period.

It is emphasized in the agreement that both parties will each year endeavour to expand and broaden the exchange of goods over and above the listed quotas, possibly by multilateral arrangements with third countries.

The prices of goods to be delivered under contracts based on the agreement will be determined in roubles on the basis of world market prices. Payments will be made through a clearing account with the credit limit fixed at 18 million roubles.

Frontier trade between Finland and Leningrad will be agreed upon separately; this trade is effected on a barter basis.

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Investment inquiry. In May 1964, the Bank of Finland Institute for Economic Research conducted an investigation into the fixed investment of Finnish industry, as represented by manufacturing, mining, electricity production and gas and water works. These inquiries were first started in 1962, and have been conducted twice a year (cf. Items in No. 12, 1963, and No. 3, 1964). Questionnaires have been sent to nearly 700 undertakings, chosen by sampling. The labour force of the firms returning complete questionnaires has represented 92—96 per cent of the total labour force of the sample ma-

terial. The next inquiry will be made in October 1964.

The table below gives figures relating to the fixed investment of manufacturing and total industry in 1962 and 1963. A comparison between the results of the two inquiries shows the extent to which the provisional estimates agree with the final figures.

In the October inquiry, it seems that the undertakings on the average underestimated the value of their actual investments in 1963. Thus, in October, the investment decrease in 1963 in marks was estimated at 20 per cent in manufacturing, and 14 per cent in total industry, while the corresponding decrease according to the final figures of the May inquiry was lower, or 15 and 10 per cent.

The falling tendency in construction investment seems to have touched bottom in 1962; these investments rose again in 1963, as estimated in marks. Conversely, the downward course of investment in machinery and equipment still prevailed, and even strengthened last year. As to the tendency in different categories of industry, the investment decrease in the wood and paper industry was more than 20 per cent in 1963, whereas the corresponding decrease in other manufacturing groups, on the average, remained below 10 per cent. In one category

	Inquiry of October 1963			Inquiry of May 1964	
	1962 Mill. mk	1963 Mill. mk	Change on 1962 %	1963 Mill. mk	Change on 1962 %
<i>Manufacturing</i>					
Building	235	237	+ 1	251	+ 7
Other construction	56	56	0	67	+ 18
Machinery, equipment	796	568	- 29	604	- 24
Other	27	33	+ 18	22	- 19
Total	1 114	894	- 20	944	- 15
<i>Total industry</i>					
Building	262	261	- 0	278	+ 6
Other construction	140	134	- 5	141	+ 0
Machinery, equipment	889	710	- 20	738	- 17
Other	27	33	+ 18	22	- 19
Total	1 318	1 138	- 14	1 179	- 10

(electrical production, gas and water works), principal explanation why the decrease in not included in manufacturing, the value total industrial investments was less than of investments in 1963 rose by some 20 per the corresponding fall in manufacturing cent on the year before; this serves as the alone.

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