



# BANK OF FINLAND

## MONTHLY BULLETIN

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JANUARY

1965

### RECENT DEVELOPMENTS

#### COMMENTS ON THE CLOSING OF THE 1964 ACCOUNTS OF THE BANK OF FINLAND

During 1964 the cyclical upswing gathered strength and the total volume of production increased by about 5 per cent in comparison with 1963. A markedly large rise in the wage and price levels, however, had a seriously dis-equilibrating effect on the economy. The cost of living index rose by nearly 10 per cent and the wholesale price index by more than 8 per cent. This was primarily caused by factors other than excessive purchasing power or overemployment; consequently the central bank lacked sufficiently effective means of counteracting this development. In reply to a "cost push" caused by the substantial increase in the wage level the Bank of Finland tried to restrict the supply of credit in order to limit the pressure on prices. The banking system was also urged to give, parallel with a general restraint in its credit policy, a preference to such projects of their customers which aimed at a reduction of costs and would help to maintain the competitiveness of industry.

Despite these measures the negative effects of inflation began to appear. The profitability of industry fell in all those sectors exposed to competition. This in turn inevitably weakened the employment situation.

The increasing disequilibrium of the economy was very clearly reflected in the deficit in the balance of payments on current account, which is estimated to have increased from 65 million marks in 1963 to over 400 million marks in 1964. This deterioration of the external balance would have had a marked effect on the liquidity of the banks and consequently their ability to grant credit would have gradually declined, had not exceptionally large amounts of foreign long-term loans been obtained last year. However, it is highly improbable that the inflow of foreign capital will continue at this rate in the future. In order that economic development will not be retarded by this, it is necessary that the deficit in the balance of trade be reduced. In this respect, too, price and wage stability is a prerequisite for success and should therefore be the first aim of any economic policy.

According to statistics compiled by the Bank of Finland, the country obtained foreign long-term loans totalling 767 million marks last year. When the redemption of earlier loans is taken into account the net increase was 518 million. At the end of the

*On page 18, The Structure of Finnish  
Internal Trade*

year Finland's long-term foreign indebtedness totalled 2 287 million marks, or almost 30 per cent more than a year before. This inflow of capital was of a sufficient magnitude to cover the deficit on current account and to increase the country's short-term foreign assets. The Balance Sheet figures indicate that the gold and foreign exchange assets of the Bank of Finland increased by 221 million marks, and as the corresponding liabilities increased by 66 million, the Bank's net foreign reserves amounted to 889 million marks at the end of the year, an increase of 155 million. All of the increase in foreign assets took place in holdings of gold and convertible currencies, whereas the increase in liabilities was the result of a deficit which, partly due to conscious policy of the authorities, had developed on the bilateral clearing accounts, particularly those with Finland's Eastern trading partners. Thus, at the end of the year the Bank's total holdings of gold and convertible exchange slightly exceeded the net reserve.

This development in the foreign exchange situation eased the liquidity position of the banks. In addition the term deposits of the public increased up to the end of November about three times as much as they did during the corresponding period of 1963. This is

obviously ascribable first and foremost to the fact that the 100 per cent index-tied deposits, as well as interest and index compensation on them, were made wholly tax-free. On the other hand lending also expanded in all banks more than in 1963. The rediscounting of several banks almost reached the ceilings set for them. The Bank of Finland's portfolio of rediscounted bills grew by 123 million marks, but if the cheque account balances of banks and their bond transactions with the Bank of Finland are taken into consideration, the weakening of their position towards the Bank did not amount to more than 63 million marks.

The Treasury redeemed its credit for stand-by stocks according to schedule, so that only 10 million marks of that credit now remains. The claims of the Post Office Savings Bank on the Bank of Finland also grew. Notes in circulation increased by about 6 per cent during the year and amounted to 1 003 million at the end of the year.

The Bank made a profit of 26.3 million marks, against 22.3 million for 1963. In accordance with the Bank Regulations half of the profits will be transferred to the reserve fund, while the disposal of the other half will be decided by Parliament.

*January 5, 1965*

## BANK OF FINLAND

Mill. mk

	1963	1964	1964			
	Dec. 31	Dec. 31	Nov. 30	Dec. 8	Dec. 15	Dec. 23
<b>BALANCE SHEET</b>						
<b>Assets</b>						
<i>Ordinary note cover</i> .....	817.8	1 049.7	990.6	1 027.1	1 050.3	1 037.0
Gold .....	134.5	189.6	142.7	142.7	167.1	189.6
Foreign exchange .....	617.7	783.8	770.3	806.9	805.5	769.7
Foreign bills .....	26.2	29.7	31.0	30.9	31.1	31.1
Foreign bonds .....	39.4	46.6	46.6	46.6	46.6	46.6
<i>Supplementary note cover</i> .....	451.2	570.7	507.7	508.8	532.3	577.5
Inland bills discounted						
In foreign currency .....	68.7	55.2	57.9	55.2	55.2	55.2
In Finnish currency .....	57.2	67.1	55.6	54.6	55.2	78.5
Rediscounted bills .....	325.3	448.4	394.2	399.0	421.9	443.8
<i>Other assets</i> .....	138.8	97.4	111.6	80.5	82.2	109.5
Finnish bonds .....	89.5	35.8	36.5	15.4	19.5	38.5
Cheque accounts .....	1.7	2.5	10.1	4.6	3.0	11.9
Finnish coin .....	3.6	3.8	5.0	4.7	4.5	3.6
Other claims .....	44.0	55.3	60.0	55.8	55.2	55.5
<b>Total</b>	<b>1 407.8</b>	<b>1 717.8</b>	<b>1 609.9</b>	<b>1 616.4</b>	<b>1 664.8</b>	<b>1 724.0</b>
<b>Liabilities</b>						
<i>Notes in circulation</i> .....	943.7	1 002.7	989.9	1 007.5	1 022.0	1 064.4
<i>Liabilities payable on demand</i> .....	59.2	186.8	83.1	90.7	119.0	157.9
Foreign exchange accounts .....	18.2	84.7	40.1	46.8	59.5	63.0
Mark accounts of holders abroad .....	33.6	28.5	28.8	29.2	28.8	28.6
Cheque accounts						
Treasury .....	0.2	5.4	4.7	0.9	5.0	14.7
Post Office Savings Bank .....	3.0	49.6	5.4	11.6	17.1	49.8
Private banks .....	1.3	16.4	—	—	6.3	—
Other .....	0.4	0.7	0.6	0.4	0.4	0.4
Other sight liabilities .....	2.5	1.5	3.5	1.8	1.9	1.4
<i>Term liabilities</i> .....	68.0	55.4	58.0	55.4	55.4	55.4
Foreign .....	66.9	54.3	56.9	54.3	54.3	54.3
Finnish .....	1.1	1.1	1.1	1.1	1.1	1.1
<i>Equalization accounts</i> .....	141.0	261.8	270.1	253.6	258.4	235.7
<i>Bank's own funds</i> .....	195.9	211.1	208.8	209.2	210.0	210.6
Capital .....	100.0	100.0	100.0	100.0	100.0	100.0
Reserve fund .....	73.6	84.8	84.8	84.8	84.8	84.8
Profits undisposed .....	—	—	—	—	—	—
Earnings less expenses .....	22.3	26.3	24.0	24.4	25.2	25.8
<b>Total</b>	<b>1 407.8</b>	<b>1 717.8</b>	<b>1 609.9</b>	<b>1 616.4</b>	<b>1 664.8</b>	<b>1 724.0</b>
<b>STATEMENT OF NOTE ISSUE</b>						
<b>Right of note issue</b>						
<i>Ordinary cover</i> .....	817.8	1 049.7	990.6	1 027.1	1 050.3	1 037.0
<i>Supplementary cover</i> (Upper limit 500 mill. mk) .....	451.2	500.0	500.0	500.0	500.0	500.0
<b>Total</b>	<b>1 269.0</b>	<b>1 549.7</b>	<b>1 490.6</b>	<b>1 527.1</b>	<b>1 550.3</b>	<b>1 537.0</b>
<b>Note issue</b>						
<i>Notes in circulation</i> .....	943.7	1 002.7	989.9	1 007.5	1 022.0	1 064.4
<i>Liabilities payable on demand</i> .....	59.2	186.8	83.1	90.7	119.0	157.9
<i>Undrawn on cheque credits</i> .....	5.8	5.0	4.2	4.9	4.5	5.3
<i>Unused right of note issue</i> .....	260.3	355.2	413.4	424.0	404.8	309.4
<b>Total</b>	<b>1 269.0</b>	<b>1 549.7</b>	<b>1 490.6</b>	<b>1 527.1</b>	<b>1 550.3</b>	<b>1 537.0</b>

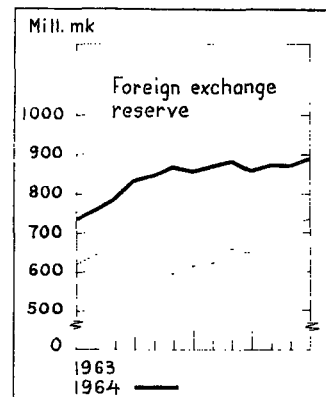
Rediscount rate since April 28, 1962, 7 per cent.

## 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
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
1964	973.4	84.7	888.7	76.3	82.8	882.2	—	8.9	5.4	3.5
1963										
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
Aug.	901.0	19.0	882.0	64.3	86.3	860.0	—	18.9	3.3	15.6
Sept.	879.1	19.2	859.9	66.9	85.5	841.3	—	18.9	4.3	14.6
Oct.	894.4	20.8	873.6	71.8	82.8	862.6	—	18.9	7.7	11.2
Nov.	913.0	40.1	872.9	77.6	85.7	864.8	—	8.9	4.7	4.2
Dec.	973.4	84.7	888.7	76.3	82.8	882.2	—	8.9	5.4	3.5

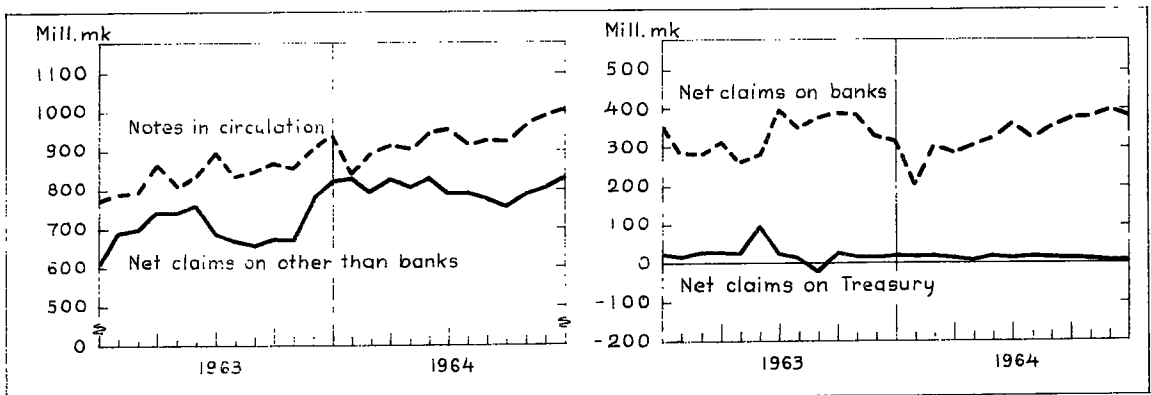
Category of currency	Foreign exchange reserve (col. 3 above) Mill. mk				
	1962		1963		1964
	Dec. 31	Dec. 31	Oct. 31	Nov. 30	Dec. 31
Gold .....	135	135	143	143	190
Convertible .....	330	478	667	687	708
Other .....	156	121	64	43	—9
<b>Total</b>	<b>621</b>	<b>734</b>	<b>874</b>	<b>873</b>	<b>889</b>



## 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
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 <sup>1)</sup>	4.4 <sup>1)</sup>	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
1964	448.4	16.4	49.6	0.6	381.8	67.1	103.0	1.6	168.5	1 002.7
1963										
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
Aug.	389.7	3.7	30.8	1.6	353.6	17.9	104.7	1.3	121.3	928.2
Sept.	388.2	-1.6	14.2	1.3	374.3	24.3	103.9	3.4	124.8	927.3
Oct.	407.7	-7.1	33.5	0.9	380.4	41.6	105.8	0.9	146.5	964.0
Nov.	394.2	-6.8	5.4	1.0	394.6	55.6	111.2	3.1	163.7	989.9
Dec.	448.4	16.4	49.6	0.6	381.8	67.1	103.0	1.6	168.5	1 002.7

<sup>1)</sup> 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	Commercial banks	Savings banks	Co-op. credit societies & their central bank	Post Office Savings Bank	Savings departments of co-op. stores	All credit institutions	
	Commercial 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										
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
Aug.	665.6	837.3	229.0	2 592.6	2 447.7	1 569.0	663.9	312.2	7 585.4	8 651.7
Sept.	667.5	826.8	281.0	2 610.9	2 469.8	1 583.8	667.8	316.1	7 648.5	8 756.3
Oct.	643.6	791.4	256.2	2 630.2	2 483.0	1 591.5	673.1	320.5	7 698.5	8 746.1
Nov.	668.8	833.3	284.8	2 662.7	2 515.4	1 621.2	676.7	323.4	7 800.0	8 918.1

End of month	Index-tied deposits		High-interest deposits
	100 % clause <sup>1)</sup>	50 % clause, tax-free	
1963 Dec.	52.1	229.2	668.2
1964*			
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
Aug.	817.6	129.0	628.7
Sept.	916.6	120.5	621.4
Oct.	987.1	119.2	603.7
Nov.	1 072.9	119.6	593.9

<sup>1)</sup> Tax-free since May 1, 1964.

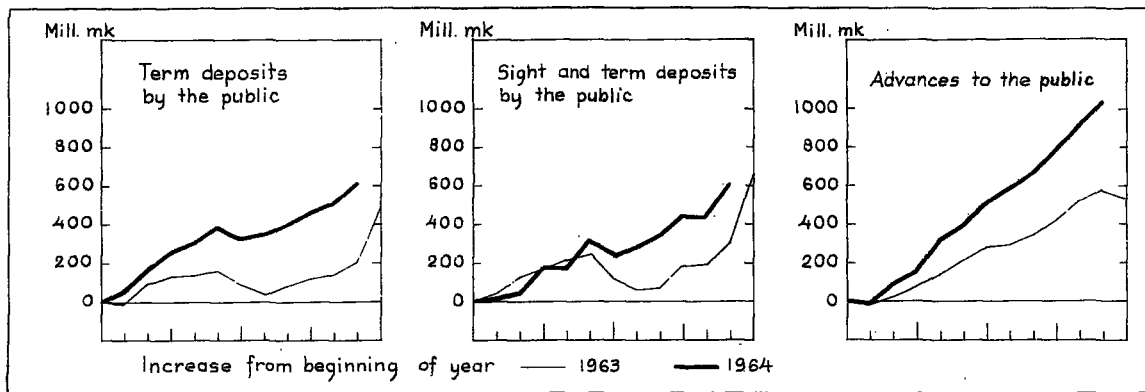
Selling rates for foreign exchange				
Dec. 31, 1964				
		mk	mk	
New York ...	1 \$	3.218	Zurich ... 100 Fr	74.58
Montreal ...	1 \$	2.998	Paris ... 100 FF	65.65
London ...	1 £	8.975	Rome ... 100 Lit	0.5147
Stockholm ...	100 Kr	62.60	Vienna ... 100 S	12.46
Oslo ...	100 Kr	44.98	Lisbon ... 100 Esc	11.20
Copenhagen ..	100 Kr	46.50	Reykjavik ... 100 Kr	7.50
Frankfurt o.M.	100 DM	80.98	Madrid ... 100 Pta	5.42
Amsterdam ...	100 Fl	89.54	Prague, clear... 100 Kč	44.58
Brussels ...	100 Fr	6.485	Moscow, clear. <sup>2)</sup> 1 Rbl	3.5667
			Clearing dollars <sup>3)</sup> 1 Cl \$	3.21

<sup>2)</sup> Bucharest, Peking.<sup>3)</sup> 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	1 986.5
1963									
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	1 986.5
1964*									
Jan.	3 446.1	2 139.6	547.1	1 763.6	672.7	8 201.5	367.6	8 569.1	1 826.8
Feb.	3 509.5	2 148.7	554.2	1 769.8	683.9	8 266.6	399.5	8 666.1	1 798.0
March	3 547.4	2 150.3	559.5	1 783.0	687.5	8 329.6	398.1	8 727.7	1 849.7
April	3 635.3	2 170.0	563.1	1 806.8	706.6	8 473.4	408.4	8 881.8	1 826.2
May	3 628.6	2 190.4	570.0	1 827.9	751.1	8 599.4	368.6	8 968.0	1 914.1
June	3 689.8	2 200.9	575.3	1 859.8	768.2	8 688.9	405.1	9 094.0	1 901.4
July	3 706.0	2 219.7	583.0	1 876.1	777.1	8 771.9	390.0	9 161.9	1 889.4
Aug.	3 720.7	2 239.4	592.4	1 903.8	782.4	8 845.8	392.9	9 238.7	1 903.2
Sept.	3 761.2	2 268.8	601.3	1 949.4	787.2	8 967.3	400.6	9 367.9	1 946.3
Oct.	3 791.0	2 296.0	611.6	1 983.7	810.2	9 067.4	425.1	9 492.5	1 933.0
Nov.	3 819.3	2 322.2	607.8	2 028.0	824.7	9 203.3	398.7	9 602.0	2 012.0

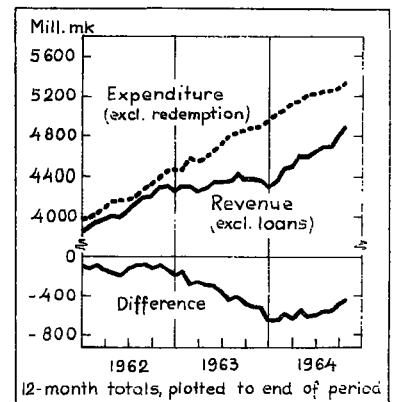


## STATE FINANCES

Mill. mk

Revenue	Jan. - Oct.		Expenditure	Jan. - Oct.	
	1963	1964		1963	1964
Income and property tax (net) .....	932	1 262	Interest on State debt .....	73	105
Gross receipts .....	(2 158)	(2 633)	Child allowances .....	223	228
Refunds and communal income tax .....	(-1 226)	(-1 371)	The State's share in national pensions .....	169	191
Other direct taxes .....	15	19	Compensations to war-disabled .....	103	111
Sales tax .....	817	813	Subsidies .....	520	487
Import duties .....	393	401	Net payments on price equalization by extra-budgetary funds .....	7	13
Revenue from Alcohol Monopoly ...	287	321	State aid to agriculture .....	54	54
Excise duty on tobacco .....	229	241	State aid to communal and private schools .....	305	365
Excise duty on liquid fuel .....	147	171	Net loss of State enterprises .....	13	22
Other excise duties .....	66	79	Maintenance of roads .....	111	114
Tax on automobiles and motor cycles	80	123	Other current expenditure .....	1 331	1 540
Stamp duties .....	181	209	<b>Current expenditure</b> .....	2 909	3 230
Employers' payments for child allow- ances .....	252	290	Real investments .....	783	861
Net receipts of price equalization by extra-budgetary funds .....	—	—	Other capital expenditure .....	388	384
Other revenue similar to taxes .....	50	57	<b>Capital expenditure</b> .....	1 171	1 245
<b>Total taxes</b> .....	3 449	3 986	<b>Total expenditure</b> .....	4 080	4 475
Interest and dividends .....	64	69	Redemption of external loans .....	30	37
Other current revenue .....	116	140	Redemption of internal loans .....	170	167
<b>Current revenue</b> .....	3 629	4 195	Redemption of indemnity bonds etc.	7	4
Capital revenue proper .....	92	105	Index premiums .....	8	12
Decrease in inventories .....	44	72	<b>Redemptions</b> .....	215	220
<b>Capital revenue</b> .....	136	177	<b>Total</b> .....	4 295	4 695
<b>Total revenue</b> .....	3 765	4 372			
External loans .....	131	181			
Internal loans .....	288	229			
<b>Loans</b> .....	419	410			
Short-term credit (increase +) ..	+41	+44			
Deficit (+) or surplus (-) .....	+70	-131			
<b>Total</b> .....	4 295	4 695			

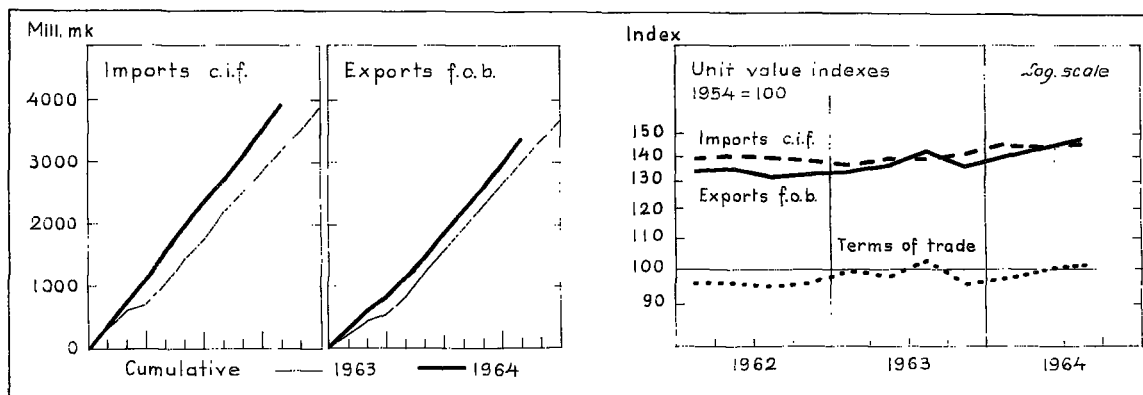
Debt	1961	1962	1963	1964		
	Dec.	Dec.	Dec.	Sept.	Oct.	Nov.*
<b>External debt</b> ...	791	803	963	1 125	1 122	1 109
Ordinary loans ....	757	936	1 109	1 166	1 171	1 158
Indemnity bonds etc.	26	18	11	8	8	7
Short-term credit ..	24	61	160	192	204	271
Cash debt (net) ...	-98	-125	78	59	-44	..
<b>Internal debt</b> ....	709	890	1 358	1 425	1 339	..
<b>Total debt</b> .....	1 500	1 693	2 321	2 550	2 461	..
<b>Total debt, mill. \$</b>	465.9	525.4	720.8	791.4	765.1	..





# 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. -Oct.										
1962	3 274.5	2 890.5	-384.0							
1963*	3 166.8	3 007.3	-159.5							
1964*	3 938.5	3 380.9	-557.6							
1964*										
Jan.	363.5	281.3	- 82.2	140	148	152	131	133	144	97
Feb.	350.1	299.9	- 50.2							
March	368.3	231.4	-136.9							
April	449.3	339.5	-109.8							
May	399.2	335.3	- 63.9	144	164	148	132	158	144	100
June	413.2	366.4	- 46.8							
July	363.6	368.6	+ 5.0							
Aug.	390.2	349.3	- 40.9							
Sept.	422.3	408.4	- 13.9	147	161	155	134	164	146	101
Oct.	418.8	400.8	- 18.0							

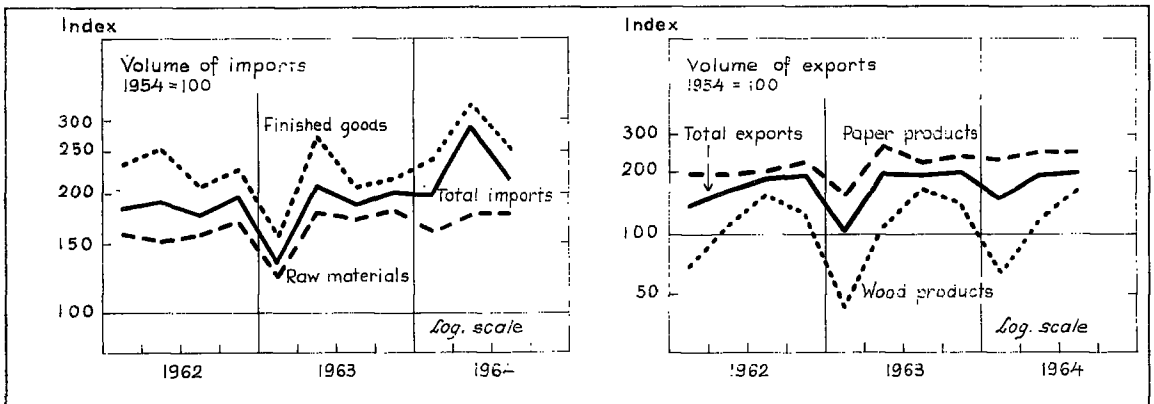


March 1963 figures are affected by strikes.

FOREIGN TRADE BY MAIN GROUPS

Mill. mk

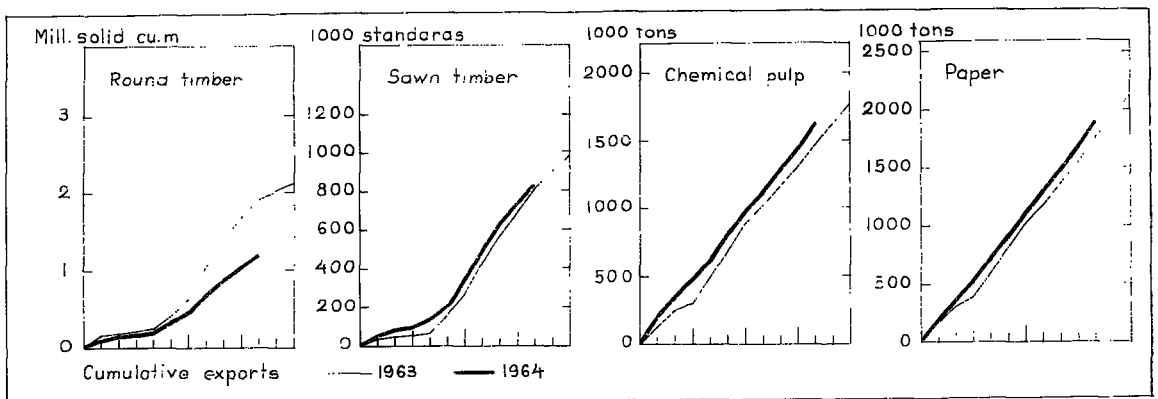
Period	Imports, c.i.f.				Exports, f.o.b.					
	Raw materials and producer goods	Fuels and lubricants	Finished goods		Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods
			Investment goods	Consumer goods						
1954	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.-Oct. 1962	1 465.2	292.0	981.6	535.7	123.1	172.1	636.1	1 307.9	510.3	141.0
1963	1 499.2	306.3	821.3	540.0	129.1	99.2	647.6	1 451.3	503.3	176.8
1964*	1 704.2	406.1	1 168.6	659.6	190.2	78.2	734.4	1 666.1	487.4	224.6
1963 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	48.0	107.9	62.8	12.1	1.8	26.4	145.3	28.9	16.9
April	162.3	34.6	148.5	103.9	27.9	2.3	49.5	165.1	75.6	19.1
May	167.8	51.0	114.9	65.5	23.1	7.1	67.5	173.7	37.2	26.7
June	182.7	32.1	126.7	71.7	17.5	8.4	97.1	163.0	55.0	25.4
July	164.7	32.1	114.7	52.1	18.1	13.3	116.9	156.6	40.9	22.8
Aug.	182.4	48.0	109.6	50.2	19.9	14.9	95.7	166.8	28.1	23.9
Sept.	187.8	44.4	123.4	66.7	17.2	11.6	97.4	186.1	68.2	27.9
Oct.	179.1	36.4	131.7	71.6	16.6	9.0	89.0	192.1	67.5	26.6



March 1963 figures are affected by strikes.

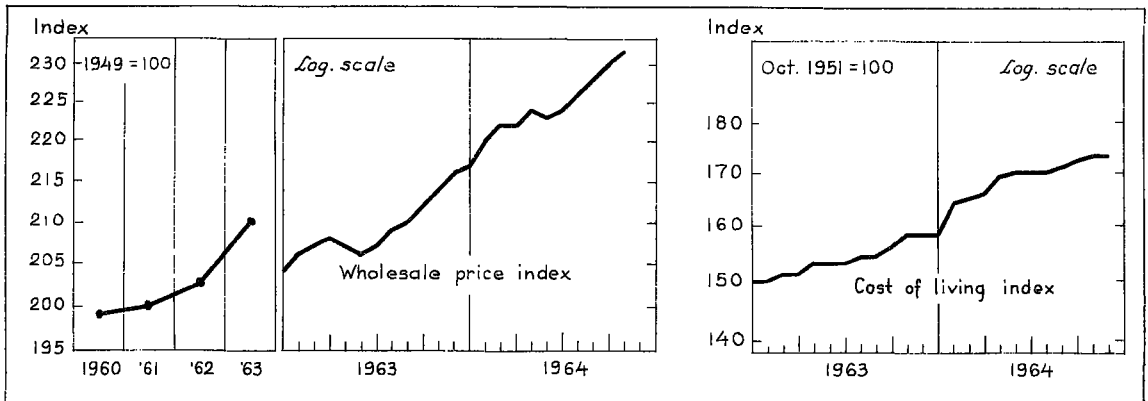
EXPORTS OF SOME IMPORTANT ARTICLES

Period	Round timber 1 000 solid cu. m	Sawn timber 1 000 stds	Veneers and plywood 1 000 cu. m	Mechanical pulp 1 000 tons	Sulphite pulp 1 000 tons	Sulphate pulp 1 000 tons	Board 1 000 tons	Fibre building board 1 000 tons	Newsprint 1 000 tons	Paper, all kinds 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.-Oct. 1962	3 376	839	289	124	690	587	128	126	711	1 613
1963	1 905	798	319	144	714	757	145	130	724	1 755
1964*	1 185	824	355	145	815	813	146	135	799	1 898
1963 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
July	218	156	31	11	69	67	13	10	76	195
Aug.	202	125	27	12	90	75	15	10	76	188
Sept.	169	116	39	14	82	91	15	13	96	201
Oct.	140	97	41	17	86	97	17	15	100	219



## FOREIGN TRADE BY COUNTRIES

Area and country	Imports, c.i.f.					Exports, f.o.b.				
	Whole year		Jan. — Oct.			Whole year		Jan. — Oct.		
	1962	1963	1963	1964*		1962	1963	1963	1964*	
	%	%	%	%	Mill. mk	%	%	%	%	Mill. mk
<b>Sterling area</b> .....	15.7	15.8	16.0	15.3	604.5	22.2	23.6	23.8	25.7	868.2
United Kingdom .....	15.2	15.3	15.4	14.8	585.4	20.2	21.5	21.7	23.4	790.1
<b>Other OECD countries   in Europe</b> .....	55.6	53.0	53.4	52.3	2 058.8	43.0	43.9	44.1	45.6	1 542.8
Austria .....	0.7	0.7	0.7	0.7	27.4	0.3	0.3	0.3	0.4	12.7
Belgium-Luxembourg .....	2.4	2.2	2.3	2.0	77.4	3.4	3.3	3.3	3.4	115.9
Denmark .....	3.1	3.3	3.4	3.0	116.9	3.7	3.5	3.6	3.7	126.7
France .....	5.2	4.3	4.4	5.5	217.9	4.5	5.0	5.1	6.0	202.6
Western Germany .....	20.2	18.0	18.3	17.3	682.4	11.9	12.0	12.1	11.4	383.7
Italy .....	2.1	2.0	2.0	1.9	73.1	2.8	3.2	3.2	2.9	98.2
Netherlands .....	4.4	4.7	4.6	3.7	149.1	6.1	6.3	6.3	6.8	229.3
Norway .....	1.5	1.6	1.7	1.5	60.6	1.2	0.8	0.8	0.9	29.0
Portugal .....	0.2	0.2	0.2	0.2	9.7	0.1	0.1	0.1	0.1	4.2
Spain .....	0.4	0.4	0.3	0.5	19.6	0.7	0.9	0.7	0.8	28.7
Sweden .....	12.1	11.9	11.9	12.5	492.4	5.7	5.7	5.8	6.4	217.1
Switzerland .....	2.6	2.9	2.9	2.7	108.2	0.6	0.7	0.6	0.8	27.9
<b>Eastern Bloc</b> .....	19.2	21.7	21.1	22.5	886.8	22.5	20.8	21.0	17.1	578.0
China .....	0.2	0.2	0.2	0.5	18.2	0.4	0.5	0.4	0.5	15.8
Czechoslovakia .....	1.0	0.7	0.8	0.7	27.5	0.9	0.9	1.0	0.5	15.5
Eastern Germany .....	1.4	1.1	1.1	1.0	40.2	1.1	1.0	1.0	1.0	33.7
Poland .....	2.2	2.0	1.9	1.9	74.8	1.7	1.7	1.6	1.8	62.3
Soviet Union .....	13.7	16.9	16.4	17.6	694.1	17.8	16.0	16.3	11.8	398.9
<b>U.S. and Canada</b> .....	5.6	5.3	5.2	5.1	201.2	5.5	5.4	5.4	6.1	205.7
United States .....	5.1	4.9	4.7	4.9	192.4	5.4	5.2	5.3	5.9	199.6
<b>Latin America</b> .....	2.7	2.9	2.9	3.2	124.1	3.4	2.7	2.6	2.7	90.9
Argentina .....	0.4	0.5	0.6	0.4	15.6	0.8	0.6	0.5	0.7	25.3
Brazil .....	1.5	1.6	1.5	1.7	65.2	1.5	0.7	0.8	0.5	16.1
<b>Others</b> .....	1.2	1.3	1.4	1.6	63.1	3.4	3.6	3.1	2.8	95.3
Grand total	100.0	100.0	100.0	100.0	3 938.5	100.0	100.0	100.0	100.0	3 380.9
of which										
EFTA countries .....	35.4	35.9	36.2	35.6	1 400.6	31.9	32.7	33.0	35.7	1 207.7
EEC countries .....	34.7	31.5	31.6	30.5	1 199.9	29.4	30.1	30.0	30.5	1 029.7



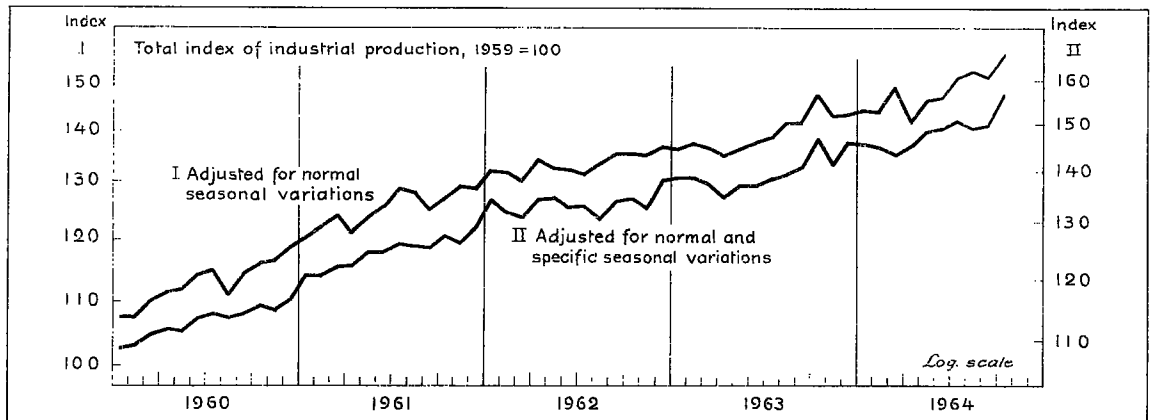
## PRICE INDEXES

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												
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	226	230	210	227	212	227	252	215	216	150	120	194
Aug.	228	232	211	229	216	228	255	217	218	152	121	197
Sept.	230	235	213	233	217	230	256	222	220	152	121	198
Oct.	232	237	212	236	217	230	260	223	221	153	122	200
Nov.	232	238	212	237	217	230	260	225	221	153	123	198

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												
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
Aug.	171	185	361	114	107	166	134	136	134	110	133	135
Sept.	172	188	361	114	108	167	135	138	134	111	134	136
Oct.	173	187	372	114	108	167	135	137	138	111	134	136
Nov.	173	188	372	114	108	167	136	138	138	111	134	136

## 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	169
1963*											
Feb.	135	132	137	130	113	147	141	126	138	4 995	142
March	139	139	141	136	123	150	146	130	137	5 409	156
April	136	133	137	133	126	140	139	132	135	4 036	171
May	147	149	147	146	131	158	152	142	137	10 095	191
June	130	128	128	134	109	126	134	131	138	1 941	167
July	106	83	114	96	112	146	83	100	139	1 299	153
Aug.	143	137	142	147	108	157	137	146	142	1 936	183
Sept.	148	146	151	141	111	169	151	141	142	2 192	176
Oct.	162	160	167	152	132	182	166	156	148	3 189	181
Nov.	151	145	157	141	110	169	152	146	143	3 915	173
Dec.	133	127	139	123	118	148	132	124	144	4 534	201
1964*											
Jan.	148	146	154	137	117	163	153	137	145	5 552	114
Feb.	147	144	152	138	127	162	152	137	144	6 031	143
March	146	139	152	136	121	162	147	137	149	6 500	142
April	157	150	161	152	150	169	158	152	142	5 469	161
May	144	133	149	137	127	164	139	137	146	9 985	154
June	143	141	146	139	137	142	145	141	147	1 863	150
July	116	77	128	102	118	168	85	107	152	1 327	145
Aug.	150	134	154	149	100	173	140	153	153	1 846	170
Sept.	162	157	168	152	121	182	167	155	152	2 335	173
Oct.	167	154	176	153	125	190	165	160	157	2 926	..

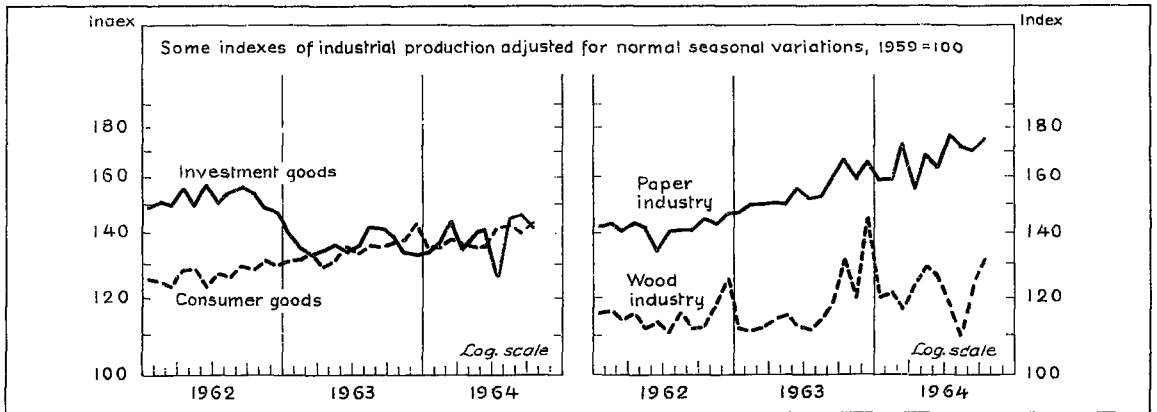


March 1963 figures are affected by strikes. Seasonally adjusted series are corrected for estimated strike effects.

**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	25.50	138	130	143	137
Apr. - June	4.71	2.36	0.28	1.41	0.49	28.73	145	137	143	145
July - Sept.	6.87	2.63	0.72	2.05	1.10	28.58	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	25.39	158	148	162	156
Apr. - June	4.93	1.83	0.31	1.91	0.66	29.45	163	153	163	160
July - Sept.	6.57	2.47	0.85	1.74	1.05	30.68	..	..	..	..

Period	Railways		Foreign shipping				Labour input		Unemployment	
	Goods trucks* loaded Thousands		Vessels arrived with cargo - 1 000 net reg. tons*		Vessels departed		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	1 906	0.8	1.2
July	133	128	977	1 165	1 134	1 253	1 737	1 772	1.0	1.1
Aug.	139	132	919	1 072	1 033	1 111	1 851	1 862	1.0	1.0
Sept.	139	138	745	861	842	873	1 922	1 924	1.1	1.0
Oct.	148	140	697	842	752	760	1 910	1 927	1.3	1.3
Nov.	132	135	661	909	658	683	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-ried 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 (1963): 4.6 million. Sweden 7.6, Switzerland 5.8, Denmark 4.7 and Norway 3.7 million.

DENSITY OF POPULATION (1963): In South Finland 25.4, in North Finland 4.2 and in the whole country an average of 14.9 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1963): 58 % of the population inhabit the rural areas, 42 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 488 300 inhabitants, Tampere (Tammerfors) 136 200, Turku (Åbo) 135 000.

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 (1963): 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 (1963): births 18.1 ‰, deaths 9.2 ‰, increase 8.6 ‰. Deaths in France 11.7 ‰, and Great Britain 12.2 ‰.

### TRADE AND TRANSPORT

NATIONAL INCOME (1963, in million marks) Gross domestic product at market prices 18 667 (excl. repairs and maintenance). Net domestic product at factor cost, by industrial origin: agriculture 1 592 (10 %), forestry and fishing 1 462 (10 %), manufacturing 4 683 (31 %), construction 1 540 (10 %), transport and communications 1 178 (8 %), commerce, banking and insurance 2 017 (13 %), general government 1 900 (12 %), other services 907 (6 %), total 15 279. Index of real domestic product 133 (1957 = 100).

FOREST RESOURCES (1960—1963): The growing stock comprised 1 410 million of solid cu. m incl. bark (49 797 million

cu. ft), of which pine 43 % and spruce 38 %, the rest 19 % being leaf-trees, chiefly birch. Of the growing stock 13 300 million cu. ft, 56 % of them pine, was up to the standard required for logs. The annual growth is 43 million solid cu. m green wood excl. bark (1 519 mill. cu. ft). The total removal in 1963 calculated according to the use of wood was 51 million cu. m excl. bark (1 815 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 127 for 1963 (1954 = 100). Measure of self-sufficiency in bread cereals 69 % in the crop year 1963/64.

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, 1965): Length 5 463 km, of which 5 389 km are State and 74 km private railways. The gauge of State railways 1,524 m.

MERCHANT FLEET (Dec. 31, 1964): Steamers 157 (267 686 gross reg. tons), motor vessels 370 (690 033 gross reg. tons), sailing vessels with auxiliary engines 38 (4 847 gross reg. tons). Total 565 (962 566 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 12.6 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 1962 expenditure amounted to 2 504 mill. marks. Total revenue was 2 481 million, of which income from taxation 1 217 million. The municipal income tax (non-progressive) averaged 11.83 % 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, 1964). There are two big and four small commercial banks with in all 722 offices, 378 savings banks, 493 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 1/4 %. Other credit institutions: term deposits 4 1/4 %, 12 months' deposits 6 %, 100 per cent index-tied deposits 2 1/2 %, 50 per cent index-tied deposits 4 %; highest lending rate 8 %.

# THE STRUCTURE OF FINNISH INTERNAL TRADE

BY

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DIRECTOR OF THE FINNISH WHOLESALERS' ASSOCIATION

As the stream of products offered on the market continues to grow and competition between manufacturers steps up, the importance of various kinds of distribution and marketing work has increased. By this we mean the various stages that have to be passed through after goods have been produced and before they reach the consumer, as well as the numerous measures taken to arouse consumer interest in the goods and to increase the demand for them. Some of this work is done by the actual producer of the goods. Most work connected with distribution and marketing, however, is handled by professionals who have in fact specialised in this kind of work i.e. wholesalers and retailers and their supporting agents, advertising agencies and firms handling goods transportation.

## TRADE AS AN EMPLOYER AND A SOURCE OF THE NATIONAL PRODUCT

We can throw some light on the position held by wholesaling and retailing in Finland's economy with figures showing their importance as employers and sources of the national product. According to the 1960 census a total of 209 200 people were employed in wholesaling and retailing. This was 47 per cent more than in 1950. Out of this figure, wholesaling employed 56 700 people, an increase of 94 per cent in ten years. Retailing, on the other hand, employed 152 500 people, 35 per cent more than

in 1950. A total of 10.3 per cent of the country's working population were engaged in trade. Wholesaling and retailing provided a living for 347 000 people, counting the workers' dependants, i.e. 7.8 per cent of the country's total population. Women made up a good 64 per cent of the labour force employed in trade, whereas the share of working women in the total working population was 39 per cent. The importance of trade as an employer of young people is very considerable.

In 1963 10.5 per cent of the total net national product arose from wholesaling and retailing activities. Between 1954 and 1963 the volume of production grew by 76 per cent in wholesaling and by 56 per cent in retailing. The increase in the total net national product for the same period was 45 per cent.

It is most certain that the importance of trade both as an employer and as a factor in the country's increasing economic production will still be increasing at the end of the present decade, as the amount of goods handled through trade channels grows. Apart from the fact that trade is of marked importance as an employer and as a direct instrument for increasing production, the constantly developing and increasing services it offers have a considerable and immediate effect on the successful development of other fields of the business world, especially industry.

## COMPETITIVE GROUPS IN FINNISH INTERNAL TRADE

The structure of Finnish internal trade differs greatly from the trade structure of other Western countries. It is significant for trading in consumer goods, in particular, to be split up into large competitive groups that dominate the market in Finland. Distinct and noteworthy competitive groups formed in Finland very early, fundamentally because integrated forms of trading had won themselves an indisputable position on the Finnish market. Most of Finland's industrial and agricultural products reach the consumer via these competitive groups and most finished goods are also imported through wholesalers belonging to them.

These competitive groups in Finnish internal trade are: 1) An "independent" group of wholesalers and the retailers who are their customers. The central organisation of the wholesalers making up this group is Suomen Tukkukauppiainden Liitto (Finnish Wholesalers' Association), usually referred to as the STL group. In 1963 the wholesale sales of this group amounted to 2 724 million marks; 2) Independent wholesalers and importers of technical products, who have grouped themselves around the Teknillisen Tuonnin Keskusliitto (Federation for Technical Imports). This group's sales in 1963 were 2 530 million marks; 3) Kesko Oy (Wholesale Company Ltd. of Finnish Retailers), which is owned by its retailers. Kesko's sales in the same year amounted to 1 208 million marks; 4) and 5) Two competitive consumers' co-operative groups, both of which consist of local and district co-operative movements grouped around their central wholesalers. The sales of these two central wholesalers for 1963 were: Suomen Osuuskauppojen Keskuskunta — SOK — (Finnish Co-operative Wholesale Society), 962 million marks, and Osuustukkukauppa — OTK — (Co-operative Wholesale Society), 808 mil-

lion marks. In 1963 the total sales of the wholesalers making up these five competitive groups thus reached 8 232 million marks. As a point of comparison, the total value of wholesale sales in Finland in 1963, as estimated by the Central Statistical Office, (not counting the State Granary and the State Purchasing Centre) was 10 722 million marks, and the value of retail sales (not counting the sales of the State-owned Alcohol Monopoly) 7 320 million marks.

When considering these competitive trading groups, a distinction is often drawn between the technical importers and wholesalers and the other four, which then represent primarily consumer goods trading. The "independent" wholesalers' share of the joint wholesale sales of the "Big Four of internal trade" comes to almost half. The other three groups represent integrated trading in which there are close proprietary links between industry, wholesaling and retailing.

### INDEPENDENT TRADE GROUPS

The independent wholesale group is the largest and the oldest of the competitive groups in internal trade, though it did not assume the character of competitive group until relatively late. Within the group, competition between its own independent units has long been established and the members of the group still compete energetically between themselves, though the spearhead of competition is now being aimed primarily at other consumer trade groupings. The central organisation of the STL group, whose sub-sections and member organisations now include a total of 390 wholesale firms, was founded in 1920. The sales of its members besides covering practically the whole range of products offered by the consumer goods trade, also include producer's goods e.g. for the building industry and for agriculture.

Another characteristic of the consumer goods trade in Finland is the fact that each

competitive group includes one or even several central companies, whose special job it is to handle centralised purchasing and to promote the development of their retailer customers' business and competitive potential. Should the trade groups manufacture industrial products themselves, this, too, is handled mainly by the central companies. The central company of the groceries and produce trade in the STL group is Tukkukauppojen Oy — TUKO — which was founded in 1924. The central companies of the hardware trade in the group are Rautakauppojen Oy and Rautakonttori Oy.

The wholesale grocers in the STL group supplied goods to about 20 000 customers in 1962. 10 288 of these were retail grocers, about 6 500—7 000 of them making the bulk of their purchases from one of the wholesalers in the group. The customers of the textiles wholesalers in this group are about 4 500 retailers of fabrics and clothing articles and a large number of clothing manufacturers. The hardware wholesalers supply goods mainly to the building industry and to general stores in country areas, in addition to which they own their own ironmongery and household-ware retail outlets. The STL group also covers 14 other branches in consumer goods, and in these the respective wholesalers handle the bulk of the trade.

Importers and wholesalers of investment goods have formed their own grouping. The main branches represented by Teknillisen Tuonnin Keskusliitto are machines, raw materials for industry, fuels, cars, office machines, tubes and pipes. There are about 250 members in this central organisation.

#### INTEGRATED TRADING GROUPS

The other three competitive groups have been formed by a group of retailers founding their own wholesale companies to handle purchases and supplies. The latter have then,

as the result of growth and amalgamation, developed into the huge central companies that they are today. These central companies have in turn started up their own industries. Sales of goods bearing their own trade mark play a very important role in their competitive drives. As competition has increased, responsibility for the development and management of each trading group's business has gradually passed to the central company, which has accordingly gained in importance. The competitive groups have thus formed themselves into influential central managements. The development of their marketing operations depends on the initiative and schemes of the central company. The central companies have for their part managed to produce purposeful and long-sighted plans to go with their marketing and development policies and have in their execution tried to put to good use the various advantages offered by centralised management and large-scale enterprise.

The largest of these three groups is Kesko with its shareholder retailers. The clear distinction that can be drawn between the Kesko shop and the retailer who is the customer of an independent wholesaler has only made itself felt in the last few years, as both competitive groups and Kesko in particular have started to concentrate on sales to their main customers to a far greater extent than before. Kesko assumed its present form in 1940, when four retailer owned purchasing centres, the oldest of which was founded in 1906, combined to produce one central company. In 1963 Kesko had 11 588 regular customers, 4 970 of which were "K-shops" in foodstuffs, textiles and hardware. Kesko has expanded now to deal also in fuels, and is building up a nationwide distribution chain for liquid fuels.

1904, when the Suomen Osuuskauppojen Keskuskunta (SOK) started operations, can

be regarded as the actual birth of the elder of the two consumers' co-operative groups. In 1918, when the co-operative movement split into two for political and ideological reasons, another group of co-operatives, calling themselves progressives, founded their own central company — the *Osuustukku-kauppa* (OTK). In 1963 there were 356 member co-operatives in the "non-party" co-operative movement grouped around SOK, and these in their turn had a total of 5 865 retail sales outlets. The co-operatives in this competitive group use two other co-operative wholesalers as their central companies in addition to SOK. These are *Keskusosuusliike Hankkija* — sales 424 million marks — and *Centrallaget Labor* — sales 52 million marks —, both of which also make direct sales e.g. to agricultural producers. In the same year there were 106 member co-operatives belonging to OTK and these had 4 658 retail sales outlets. Both competitive co-operative groups have built up a chain of department stores in the country's population centres over recent years.

#### TRENDS IN TRADE DEVELOPMENT

All the competitive groups in the consumer goods trade are characterised by the fact that they are all devoting more attention than before to developing their marketing networks and stepping up their sales promotion activities. A lot of attention has been given to retailing, in particular. Among all the competitive groups there seems to be a greater awareness that competition is most acute at the stage in the distribution chain when goods pass from the retailer to their eventual consumer. The central companies' and wholesalers' efforts to increase retailing begins in the form of active participation in the development of new sales establishments by securing business sites on which efficient and modern shop premises are built. Each of the competitive groups

finances this building work and the interior decoration and equipping. Similarly, they are all trying to renovate and modernise old retail shops. Shopkeepers are helped with comprehensive advisory services and with courses and training programmes aimed at increasing the professional know-how of their staff.

In their sales promotion work the competitive groups have formed among the retailers chains of shops different from those of their competitors. The public's attention to the goods and services offered is attracted by advertising in the press and on television and also both inside and outside the shops themselves. The oldest of these retail chains is the *K* (*Kesko*) chain. Both co-operative groupings have likewise formed their own competitive chains, the SOK co-operative stores and the *E* shops set up by the co-operatives which buy from OTK. In independent trading, on the other hand, voluntary chains have been established by groupings of wholesalers and retailers to handle trade development and promotion work in the same way as the integrated competitive groups. The voluntary chains now operating in Finland are the *A & O* and *SPAR* groups.

The work thus carried out by these competitive trade groups aimed at improving their own competitiveness has meant that changes in the structure of trade have also been speeded up. The significance of earlier boundaries between lines of business is decreasing. The units of operation are growing, and when sites are chosen it is from places which are the most suitable from the point of view of traffic and the consumer. Financing the large investments required for these building developments is one of the factors that trade development depends upon. In the last few years the capital requirements of both the wholesale and the retail trades have considerably exceeded the funds available. Net investments in the wholesale

and retail trade in 1963 amounted to 243 million marks. Although the total of trade investments over the preceding years had, indeed, been increasing considerably faster than that of investments in the whole national economy, nevertheless in 1963 they only equalled 6 per cent of net investments in business generally in 1963.

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## ITEMS

**Supplementary budget for 1964.** The third supplementary budget for 1964 was passed by Parliament in December. Thus, supplementary budgeting has in 1964 reached 811 million marks, bringing total expenditure up to 5 988 million, revenue falling short of this level by 146 million marks.

	1965 Budget proposal	1964 Ordinary and suppl. budgets	1963 Finance report
<b>Revenue:</b>			
Current .....	5 347	5 078	3 994
Capital .....	157	174	169
Loans .....	676	590	458
Total	6 180	5 842	4 621
<b>Expenditure:</b>			
Current .....	4 058	3 845	3 231
Capital .....	1 709	1 893	1 420
Redemption ..	413	250	223
Total	6 180	5 988	4 874

The third budget adds 223 million to expenditure. The main increases on the expenditure side are represented by 80 million marks for employment, 47 million in State grants for education and 13 million in State grants to hospitals. Some 30 million are appropriated for interest and redemption of State loans. Many of the increases are occasioned by the general rise in the wage and cost levels; for the same reason another total of 32 million marks for various items is also necessitated.

Some 3 million marks are added to the 13 million which have been granted up to now for the Finnish contingent of the UN forces in Cyprus. Further, 10 million are appropriated for raising the share capital of State-owned Kemijoki Oy company.

Revenue amounts to 110 million marks.

Some 17 million are marked up in current revenue, while 93 million are entered as new capital revenue, the main item being 81 million marks in new State loans.

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

*The USSR.* The agreement specifying Finland's trade with the USSR during 1965 was signed on December 18, 1964. This agreement has been entered into within the framework of the five-year pact covering the period 1961—1965. In 1965 trade will increase by 15 per cent and Finnish exports by one third in comparison with the previous year.

The products of the metal industry are dominant amongst Finnish exports: one ice-breaker, 5 motor cargo vessels, 8 timber transport vessels, 5 tankers and 4 motor vessels will be exported. Moreover, one paper machine, additional to the items listed in the five-year agreement, will be delivered in 1965. There are two new items, pig iron and asbestos, in the category of raw materials and accessories. In 1965 Finland will deliver 237 100 tons woodworking industry products (240 100 tons in 1964). Exports of furniture will increase from 2 million roubles in 1964 to about 3 million in 1965. The most marked increase occurs in the exports of agricultural products which will rise from the 1964 figure of 2 to 17—20 million roubles. In 1965 exports of textiles will increase from 500 000 roubles in 1964

to 1.5 million roubles. Printing of advertising literature is a new item among exports.

There will be an increase in the machinery and equipment imported from the USSR. E.g. 1 000 passenger cars more than last year will be imported. Imports of trucks and tractors will also increase. There is also an increase in imports of oil products, which form 40 per cent of total Finnish imports from the USSR. In 1965 1 300 000 m<sup>3</sup> of timber will be imported (1 185 000 m<sup>3</sup> in 1964). Imports of fodder will rise from 30 000 tons in 1964 to 85 000 tons in 1965. 20 000 tons of maize, a new item, will be imported.

*Colombia.* The term of validity of the trade agreement signed on November 29, 1957 has been extended for the year 1965.

*The Democratic Republic of Germany.* On December 7, 1964, an agreement was signed for 1965. According to the indicative lists Finland will export products of the metal, woodworking, paper and cellulose industries and also agricultural products. Finland's import list includes machinery, ships, chemicals, consumer goods and products of the mining and quarrying industries.

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**Finland borrows \$15 000 000 from the U.S.A.** On November 25, 1964, the Republic of Finland made a bond issue of \$15 000 000 for public subscription in the United States through the principal intermediaries of Harriman Ripley & Co., Kuhn, Loeb & Co., Lazard Frères & Co., and Smith, Barney & Co. This marks the third offer of Republic of Finland bonds in the United States since 1934. The first offer of \$12 500 000 of ten-year bonds was made in March 1963 and the second of \$15 000 000 of twelve-year bonds in May 1964.

The loan is current for a period of 15

years, and bears interest at the rate of 6 per cent; it is issued at a rate of 97 ½ per cent. The bonds are dated December 1, 1964, and will be redeemed by semi-annual sinking fund payments of \$625 000, commencing June 1968, together with a like payment on December 1, 1979, or with effect from December 1, 1974, at the option of the Republic, upon at least 30 days' notice. — The interest on and the principal of the bonds will be payable in U.S. currency.

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**External loan of £1 450 000.** The Rautaruukki Oy ironworks company has issued a bond loan of £1 450 000. The loan has been underwritten by Lazard Brothers & Co., Limited, J. Henry Schroder Wagg & Co., Limited and Hambros Bank Limited. This is the second Finnish loan to be floated in London capital market since 1923. The first issue, also by Rautaruukki Oy, was made in June 1964.

The bonds carry interest as from October 12, 1964, at a rate of 6 ½ per cent per annum. The price of issue is 95 per cent. The loan will be redeemed by annual sinking fund payments during the period September 30, 1973—September 30, 1981. The loan is guaranteed as regards both principal and interest by the Republic of Finland.

The loan will be used primarily to finance part of the local costs in Finland related to the erection and installation of a steel rolling mill and tonnage oxygen plant being supplied from the United Kingdom.

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**Domestic bond loans.** The Government has made the following bond issues.

The first loan comprises 15 million marks 8 ¼ per cent bonds. The bonds are dated January 2, 1965 and will mature in four years. The loan is issued at par.



The second loan comprises 25 million marks 7 per cent bonds. The bonds are dated January 2, 1965 and will mature in 10 years. The loan is tied to the cost of living index to the extent of 50 per cent. It is issued at par.

The third will be purchased by insurance companies in 1965. It amounts in total to 40 million marks, and was issued in two groups. Group I (17.5 million) will run for 16 years, group II (22.5 million) for 25 years. The bonds are dated January 2, 1965 and they bear interest at the rate of 7 per cent, payable semi-annually. This loan is also tied to the cost of living index to the extent of 50 per cent. Group I was issued at a price of 95.18, and group II at a price of 93.82.

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**Local elections.** Local government elections were held on October 4th and 5th, 1964.

The number of persons entitled to vote was 2 715 307 (2 635 653 in 1960). Of enfranchised persons 79.4 per cent cast their votes (75.0 per cent in 1960). The following table shows the division of votes in 1960 and 1964.

	1960		1964	
	Number	Per cent	Number	Per cent
Non-socialists	1 044 325	53.2	1 074 786	50.1
Socialists	481 107	24.5	594 226	27.7
People's Democrats	431 881	22.0	470 550	22.0
Independents	6 046	0.3	5 016	0.2
<b>Total</b>	<b>1 963 359</b>	<b>100.0</b>	<b>2 144 578</b>	<b>100.0</b>

All the figures given here are supplied by the Central Statistical Office.

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**Finland's population.** According to the preliminary census data, the population of Finland on January 1, 1965 was 4 580 200, the increase being 35 700 persons.

