



BANK OF FINLAND

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1963

RECENT DEVELOPMENTS

INDUSTRIAL PRODUCTION

Since the halt in the growth rate of industrial production in the last quarter of 1962, the preliminary volume index of industrial production, adjusted for seasonal and strike variations, remained during January—August 1963 at the level of the fourth quarter of last year. In the early autumn, after a retardation during the summer months, industrial production advanced very rapidly, as is indicated by the seasonally adjusted figure 140 (1959 = 100) in September, which had stood at 135—137 in the summer months. Possibly this rapid expansion is only temporary in nature, as some factors, especially weakening housebuilding activity, tend to diminish the demand for industrial products. During January—September, manufacturing production was 3 per cent above the figure for the corresponding period one year earlier, but seasonally adjusted no more than 2.5 per cent above the 1962 average (see diagram and table on page 14).

Recent development in the volume of the main groups has been considerably divergent (see diagram on page 15). The fall in the output of the wood industry, which began

as early as mid-1960, and was occasioned by the decline in foreign demand, has temporarily levelled out. In the first nine months, the seasonally adjusted volume index of wood industry production exceeded the 1962 average figure by 2 per cent. The steadiness in 1963 can probably be ascribed to lively housebuilding, although this is turning into a decline during the second half of the current year. As the domestic consumption of wood industry products will probably fall and the exports of these products are diminishing or remaining at the same level as before, a drop in the output of this industry is expected.

The production growth rate in the paper industry slowed down considerably in 1962, and has displayed the same trend in the current year. The September figures indicate a more rapid growth, which is expected to continue for some months. During January—September this year, the production volume of the paper industry was 8 per cent above the corresponding 1962 figure. For

*On page 18, Transport in Finland,
1950—1962*

1960—1961, the annual increase was about 15 per cent. The seasonally adjusted volume index of the paper industry for the first nine months of 1963 is 7 per cent above the 1962 average. The capacity of the paper and pulp industry has been employed to an extent of less than 85 per cent.

At the beginning of 1962, the growth in the investment goods industry began to slacken, and during the early months of 1963 production dropped sharply, a result of the decrease in domestic investments in machinery and equipment, and declining exports. Since the fall in December—February, development in the production of investment goods has steadied. In January—September this year, the volume of investment goods was on an average 8 per cent below the corresponding figure one year previously, although the level of production was 3 per cent higher than in the same period in 1961. In January—September this year, the seasonally adjusted volume index of investment goods exceeded the lowest level of July 1958 by 52 per cent, which indicated the rapid increase in production during the period of expansion which had come to an end.

During 1963, the drop in fixed investments and in the production of investment goods has been more marked in Finland than in other Western European countries. As a measure of anticyclical policy, the Bank of Finland decided this autumn to provide special credit facilities to the extent of 90 million marks for financing domestic deliveries of metal working industry. The Bank

of Finland agreed to buy from the commercial banks discounted commercial bills with a maximum currency period of 5 years which have received prior approval by the Bank of Finland and which are used for financing domestic deliveries of metal working industry.

During 1963, the growth in production of consumer goods has been more rapid than that of the other main groups, apart from the paper industry. In January—September this year, the seasonally adjusted volume of consumer goods production only slightly exceeded the level of the turn of the year, but rose above the 1962 average by 3 per cent. The increase in the production of consumer goods taken against the lowest level of 1958 was 46 per cent. The volumes of subordinate groups of the consumer goods vary. The halt in the growth of the textile industry in 1962 has become a decline this year, partly because of increased foreign competition with the fall in EFTA-duties. The volume of food, beverage and tobacco manufacture is rising, although its growth rate has begun to slacken.

The production of raw materials for the home market developed favourably until the fourth quarter of 1962, but since then growth has come to a halt. Its development will be depressively affected by the expected diminution of housebuilding at the end of the current year, a decrease reflected particularly in the manufacture of non-metallic mineral products, and also in the metal and wood industries.

November 20, 1963.

With effect from the January 1963 issue of this Bulletin, all values are given in the new monetary unit, one new mark being equivalent to one hundred of the old marks

BANK OF FINLAND

Mill. mk.

	1962		1963			
	Dec. 31	Oct. 31	Oct. 31	Nov. 8	Nov. 15	Nov. 23
BALANCE SHEET						
Assets						
<i>Ordinary note cover</i>	705.4	772.9	737.5	762.0	756.3	772.1
Gold	135.2	135.2	134.5	134.5	134.5	134.5
Foreign exchange	502.5	575.3	540.7	565.4	561.0	577.6
Foreign bills	17.7	18.8	29.5	29.3	28.0	27.7
Foreign bonds	50.0	43.6	32.8	32.8	32.8	32.3
<i>Supplementary note cover</i>	516.5	610.8	525.3	502.8	478.3	480.4
Inland bills discounted						
In foreign currency	81.8	85.2	72.4	72.3	71.3	71.3
In Finnish currency	33.5	20.9	30.1	30.1	30.9	30.6
Rediscounted bills	401.2	504.7	422.8	400.4	376.1	378.5
<i>Other assets</i>	88.0	71.3	105.8	118.6	120.4	130.8
Finnish bonds	34.7	33.6	68.8	82.3	83.8	78.4
Cheque accounts	3.6	4.3	3.2	2.8	3.0	3.8
Finnish coin	5.5	10.3	4.4	4.5	4.5	4.5
Other claims	44.2	23.1	29.4	29.0	29.1	44.1
Total	1 309.9	1 455.0	1 368.6	1 383.4	1 355.0	1 383.3
Liabilities						
<i>Notes in circulation</i>	774.4	794.2	859.9	882.5	866.2	873.3
<i>Short-term liabilities</i>	112.6	226.0	92.9	89.5	75.5	99.3
Foreign exchange accounts	17.1	16.7	18.6	19.5	19.7	19.5
Mark accounts of holders abroad	35.8	33.6	31.2	33.3	33.8	33.7
Cheque account of the Treasury	5.5	82.6	0.5	2.6	5.4	26.6
Cheque accounts of banks	49.3	86.9	39.1	30.1	12.5	15.8
Other cheque accounts	0.8	0.8	0.6	1.0	1.3	0.7
Other short-term liabilities	4.1	5.4	2.9	3.0	2.8	3.0
<i>Long-term liabilities</i>	80.2	137.8	70.7	70.7	70.7	70.7
Foreign	79.1	81.6	69.6	69.6	69.6	69.6
Finnish	1.1	56.2	1.1	1.1	1.1	1.1
<i>Equalization accounts</i>	157.5	117.5	153.9	148.9	150.4	147.3
<i>Bank's own funds</i>	185.2	179.5	191.2	191.8	192.2	192.7
Capital	100.0	100.0	100.0	100.0	100.0	100.0
Reserve fund	62.0	62.0	73.6	73.6	73.6	73.6
Profits undisposed	—	—	—	—	—	—
Earnings less expenses	23.2	17.5	17.6	18.2	18.6	19.1
Total	1 309.9	1 455.0	1 368.6	1 383.4	1 355.0	1 383.3
STATEMENT OF NOTE ISSUE						
Right of note issue						
<i>Ordinary cover</i>	705.4	772.9	737.5	762.0	756.3	772.1
<i>Supplementary cover</i> (Upper limit 500 mill. mk)	500.0	500.0	500.0	500.0	478.3	480.4
Total	1 205.4	1 272.9	1 237.5	1 262.0	1 234.6	1 252.5
Note issue						
<i>Notes in circulation</i>	774.4	794.2	859.9	882.5	866.2	873.3
<i>Short-term liabilities</i>	112.6	226.0	92.9	89.5	75.5	99.3
<i>Undrawn on cheque credits</i>	4.3	4.0	4.8	5.1	4.9	4.1
<i>Unused right of note issue</i>	314.1	248.7	279.9	284.9	288.0	275.8
Total	1 205.4	1 272.9	1 237.5	1 262.0	1 234.6	1 252.5

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

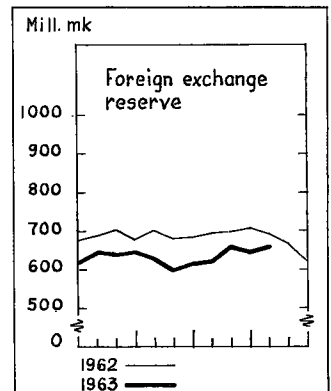
BANK OF FINLAND

Mill. mk

End of year and month	Gold and foreign accounts						Finnish credit institutions			
	Gold and foreign exchange	Liabilities on foreign exchange accounts	Foreign exchange reserve (1—2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4—5)	Rediscounted bills	Liabilities		Net claims on the banks (7—8—9)
								Cheque accounts of banks	Account of the Mortgage Bank of Finland Oy	
	1	2	3	4	5	6	7	8	9	10
1955	359.4	38.6	320.8	94.3	116.2	298.9	226.3	83.8 ¹⁾	—	142.5
1956	294.1	46.0	248.1	112.7	153.4	207.4	336.7	11.7	2.8	322.2
1957	384.3	45.7	338.6	176.5	201.9	313.2	249.1	24.1	—0.4	225.4
1958	575.6	21.8	553.8	126.2	160.1	519.9	187.1	14.7	20.8	151.6
1959	730.7	21.2	709.5	92.5	158.4	643.6	47.2	38.6	2.5	6.1
1960	686.0	40.6	645.4	67.0	142.7	569.7	205.1	16.8	1.6	186.7
1961	691.5	13.4	678.1	87.5	128.4	637.2	294.6	49.1 ²⁾	12.5	233.0
1962	637.7	17.1	620.6	67.7	114.9	573.4	401.2	49.3	0.8	351.1
1962										
Sept.	722.4	15.2	707.2	62.6	117.3	652.5	475.7	142.6 ²⁾	5.8	327.3
Oct.	710.5	16.7	693.8	62.4	115.1	641.1	504.7	141.8 ²⁾	5.1	357.8
Nov.	685.7	16.3	669.4	64.5	117.0	616.9	438.0	82.6	4.2	351.2
Dec.	637.7	17.1	620.6	67.7	114.9	573.4	401.2	49.3	0.8	351.1
1963										
Jan.	659.8	16.2	643.6	67.4	111.0	600.0	428.7	139.4	2.4	286.9
Feb.	656.2	16.5	639.7	70.5	108.8	601.4	326.2	41.7	1.6	282.9
March	660.3	16.2	644.1	74.6	108.7	610.0	322.5	6.3	1.0	315.2
April	646.8	17.6	629.2	76.0	106.6	598.6	305.9	40.4	1.5	264.0
May	616.4	18.1	598.3	80.4	106.5	572.2	336.9	52.6	2.9	281.4
June	632.7	17.4	615.3	65.7	103.3	577.7	416.1	17.1	1.6	397.4
July	641.1	18.2	622.9	64.9	104.9	582.9	380.9	26.9	1.9	352.1
Aug.	677.7	18.4	659.3	62.7	103.6	618.4	406.5	27.9	2.5	376.1
Sept.	667.5	19.4	648.1	63.9	102.5	609.5	405.4	14.5	2.8	388.1
Oct.	675.2	18.6	656.6	62.3	100.8	618.1	422.8	39.1	2.7	381.0

¹⁾ Including cash reserve accounts 66.8. ²⁾ Including cash reserve accounts.

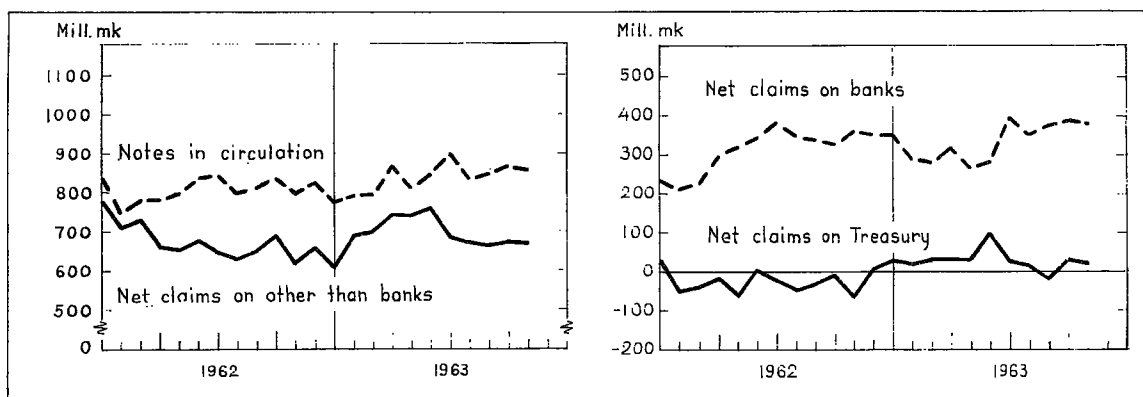
Category of currency	Foreign exchange reserve (col. 3 above) Mill. mk				
	1961	1962	1963		
	Dec. 31	Dec. 31	Aug. 31	Sept. 30	Oct. 31
Gold	104	135	135	134	135
Convertible	403	330	349	361	381
Eastern Bloc	92	101	121	99	88
Other	79	55	54	54	53
Total	678	621	659	648	657



BANK OF FINLAND

Mill. mk

End of year and month	Treasury					Trade and industry				Notes in circulation
	Bills and bonds	Advances for stand-by stocks	Liabilities		Net claims on the Treasury (1+2-3-4)	Inland bills in Finnish currency	Other advances	Liabilities	Net claims on the public (6+7-8)	
			Cheque account	Long-term						
	1	2	3	4	5	6	7	8	9	10
1955	216.6	—	98.2	12.9	105.5	144.4	93.1	73.6	163.9	558.8
1956	191.6	—	105.5	23.1	63.0	149.2	105.5	52.1	202.6	607.4
1957	160.2	—	51.4	39.7	69.1	129.1	144.2	5.6	267.7	606.4
1958	90.3	43.4	71.5	95.0	— 32.8	88.2	143.0	5.3	225.9	650.8
1959	103.3	67.9	64.2	30.3	76.7	38.9	105.0	3.9	140.0	694.4
1960	37.5	35.8	61.9	3.4	8.0	72.3	109.5	3.5	178.3	727.4
1961	27.7	7.0	1.1	1.1	32.5	70.8	107.3	2.9	175.2	837.1
1962	—	30.0	5.5	1.1	23.4	33.5	99.6	4.1	129.0	774.4
1962										
Sept.	—	15.5	25.6	1.1	— 11.2	25.7	98.7	1.8	122.6	834.1
Oct.	—	16.3	82.6	1.1	— 67.4	20.9	96.3	1.1	116.1	794.2
Nov.	—	19.6	14.0	1.1	4.5	31.7	93.6	2.5	122.8	825.3
Dec.	—	30.0	5.5	1.1	23.4	33.5	99.6	4.1	129.0	774.4
1963										
Jan.	—	30.0	9.6	1.1	19.3	30.9	96.8	1.7	126.0	787.5
Feb.	—	30.0	0.1	1.1	28.8	31.0	103.8	0.9	133.9	794.4
March	—	30.0	0.0	1.1	28.9	32.6	106.6	1.3	137.9	866.7
April	—	30.0	1.2	1.1	27.7	47.8	105.8	1.0	152.6	811.0
May	70.0	30.0	0.0	1.1	98.9	52.1	104.8	1.6	155.3	846.5
June	—	30.0	0.6	1.1	28.3	51.5	88.2	3.0	136.7	897.1
July	—	30.0	11.8	1.1	17.1	45.5	87.5	1.3	131.7	834.5
Aug.	—	30.0	47.0	1.1	— 18.1	31.8	84.8	1.1	115.5	847.8
Sept.	—	30.0	0.1	1.1	28.8	21.5	87.1	2.0	106.6	869.2
Oct.	—	20.0	0.5	1.1	18.4	30.1	85.0	0.8	114.3	859.9



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 ¹⁾	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
1952	280.2	334.1	102.8	597.4	653.4	372.2	235.6	108.0	1 967.1	2 404.0
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	265.3	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
1962										
Sept.	581.9	727.6	151.5	2 163.8	2 137.7	1 292.3	585.7	284.9	6 464.7	7 343.8
Oct.	568.5	707.9	142.2	2 151.9	2 129.3	1 283.0	586.2	285.6	6 436.2	7 286.3
Nov.	610.5	757.4	165.9	2 151.3	2 138.3	1 288.4	587.8	287.2	6 453.1	7 376.4
Dec.	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*										
Jan.	663.0	805.8	211.6	2 252.2	2 214.8	1 325.9	613.3	296.4	6 702.9	7 720.3
Feb.	645.9	783.5	222.0	2 291.2	2 232.1	1 349.3	621.9	300.6	6 795.4	7 800.9
March	645.8	802.8	206.7	2 304.5	2 240.8	1 363.3	622.6	302.0	6 833.4	7 842.9
April	692.7	838.2	202.5	2 312.6	2 238.5	1 366.3	620.6	302.1	6 840.4	7 881.1
May	707.1	862.8	191.0	2 327.0	2 244.7	1 373.8	617.4	300.1	6 863.3	7 917.1
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	285.8	6 747.5	7 738.3
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

*) New series.

End of month	Indexed deposits	High-interest deposits	Tax-concession accounts
1962*			
Dec.	67.5	531.7	107.2
1963*			
March	157.3	494.5	90.7
April	185.9	474.0	89.2
May	201.9	489.9	88.4
June	222.1	542.2	87.4
July	232.1	562.6	86.0
Aug.	236.1	577.6	85.2
Sept.	248.4	600.6	83.0
Nov.	254.8	622.4	80.0

Selling rates for foreign exchange				
Nov. 14, 1963				
		mk	mk	
New York ...	1 \$	3.223	Zurich 100 Fr	74.66
Montreal	1 \$	2.991	Paris 100 FF	65.80
London	1 £	9.015	Rome 100 Lit	0.5180
Stockholm ...	100 Kr	62.10	Vienna 100 S	12.47
Oslo	100 Kr	45.05	Lisbon 100 Esc	11.25
Copenhagen ..	100 Kr	46.65	Reykjavik 100 Kr	7.49
Frankfurt o.M.	100 DM	81.09	Madrid 100 Pta	5.42
Amsterdam ...	100 Fl	89.47	Prague, clear... 100 Kč	44.58
Brussels	100 Fr	6.465	Moscow, clear. ¹⁾ 1 Rbl	3.5667
			Clearing dollars ²⁾ 1 Cl \$	3.21

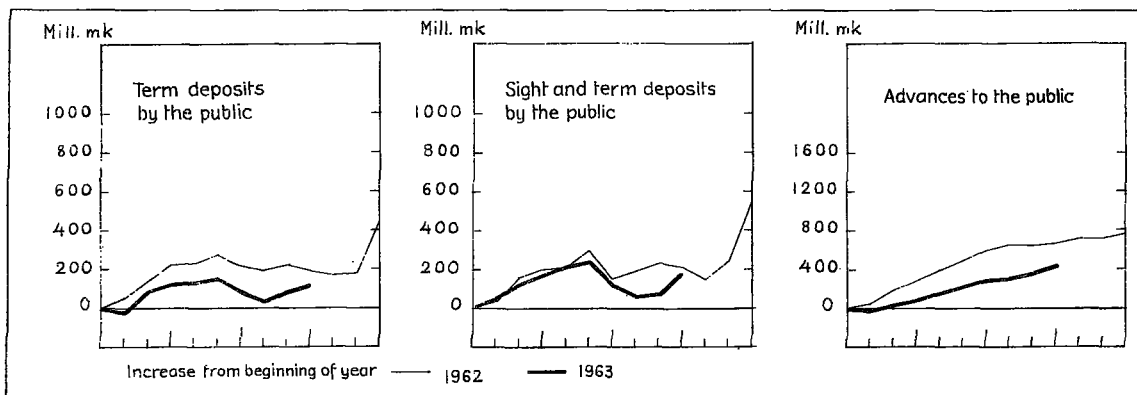
*) Bucharest, Peking.

*) 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
	Commercial 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
1952	1 048.8	598.2	134.0	506.9	53.8	2 171.3	170.4	2 341.7	874.8
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
1962									
Sept.	3 264.9	1 979.4	497.6	1 593.3	604.5	7 565.7	374.0	7 939.7	1 637.8
Oct.	3 270.6	1 995.7	519.7	1 597.5	609.4	7 601.6	391.3	7 992.9	1 646.9
Nov.	3 245.2	2 019.5	518.2	1 592.5	618.6	7 637.0	357.0	7 994.0	1 575.9
Dec.	3 299.9	2 018.5	508.7	1 600.6	614.7	7 680.8	361.6	8 042.4	1 681.5
									1 722.5
1963*									
Jan.	3 275.4	2 025.5	519.7	1 589.8	616.5	7 660.3	366.6	8 026.9	1 733.0
Feb.	3 266.9	2 033.9	538.3	1 606.4	615.2	7 661.6	399.1	8 060.7	1 704.9
March	3 299.5	2 034.0	556.3	1 603.5	622.1	7 726.2	389.2	8 115.4	1 798.2
April	3 343.3	2 044.4	550.9	1 617.6	626.8	7 799.9	383.1	8 183.0	1 774.5
May	3 367.7	2 058.9	551.3	1 634.7	635.1	7 885.2	362.5	8 247.7	1 810.4
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	1 710.8	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	..

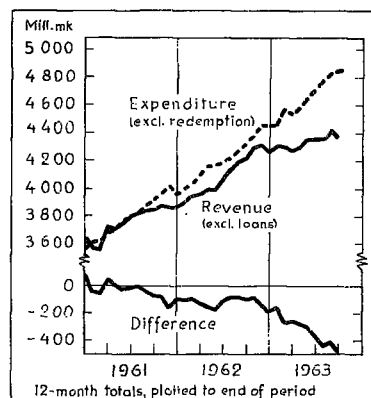


STATE FINANCES

Mill. mk

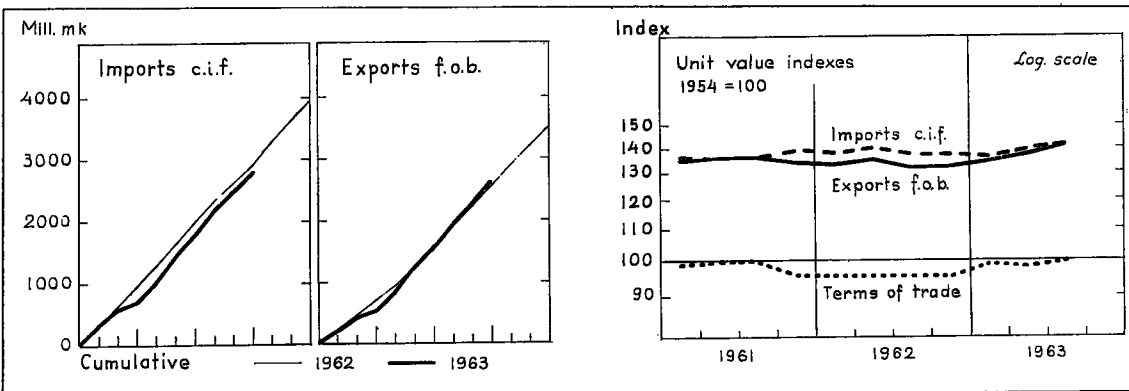
Revenue	Jan. - Sept.		Expenditure	Jan. - Sept.	
	1962	1963		1962	1963
Income and property tax (net)	748	789	Interest on State debt	56	69
Gross receipts	(1 758)	(1 896)	Child allowances	213	221
Refunds and communal income tax	(-1 010)	(-1 107)	The State's share in national pensions	143	151
Other direct taxes	11	11	Compensations to war-disabled	85	88
Purchase tax	760	718	Transfer of employers' payments for national pensions to the National Pensions Institution	73	—
Import duties	322	353	Subsidies	284	464
Revenue from Alcohol Monopoly	234	257	Net payments on price equalization by extra-budgetary funds	—	5
Excise duty on tobacco	168	209	State aid to agriculture	47	46
Excise duty on liquid fuel	119	129	State aid to communal and private schools	250	279
Other excise duties	43	59	Net loss of State enterprises	0	21
Tax on automobiles and motor cycles	45	76	Maintenance of roads	95	99
Stamp duties	151	158	Other current expenditure	1 035	1 190
Employers' payments for child allowances (1962 incl. national pensions)	274	227	Current expenditure	2 281	2 633
Net receipts of price equalization by extra-budgetary funds	7	—	Real investments	593	708
Other revenue similar to taxes	45	46	Other capital expenditure	408	338
Total taxes	2 927	3 032	Capital expenditure	1 001	1 046
Interest and dividends	58	61	Total expenditure	3 282	3 679
Other current revenue	116	103	Redemption of external loans	25	26
Current revenue	3 101	3 196	Redemption of internal loans	150	155
Capital revenue proper	73	83	Redemption of indemnity bonds etc.	6	6
Decrease in inventories	33	45	Index premiums	6	8
Capital revenue	106	128	Redemptions	187	195
Total revenue	3 207	3 324	Total	3 469	3 874
External loans	22	124			
Internal loans	262	258			
Loans	284	382			
Short-term credit (increase +) ..	+26	+23			
Deficit (+) or surplus (—)	—48	+145			
Total	3 469	3 874			

Debt	1960	1961	1962	1963		
	Dec.	Dec.	Dec.	Aug.	Sept.	Oct.*
External debt ...	744	791	803	904	903	908
Ordinary loans	744	757	936	1 055	1 039	1 054
Indemnity bonds etc.	44	26	18	13	12	12
Short-term credit ..	30	24	61	79	74	83
Cash debt (net) ..	—144	—98	—125	—95	25	..
Internal debt	674	709	890	1 052	1 150	..
Total debt	1 418	1 500	1 693	1 956	2 053	..
Total debt, mill. \$	442.3	465.9	525.4	606.7	636.9	..



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		
1953	1 218.6	1 315.6	+ 97.0	98	111	95	91	109	106	92
1954	1 521.4	1 566.2	+ 44.8	100	100	100	100	100	100	100
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
Jan.-Sept.										
1961	2 693.2	2 389.1	-304.1							
1962	2 901.3	2 540.8	-360.5							
1963*	2 795.4	2 616.4	-179.0							
1963*										
Jan.	323.6	234.1	- 89.5	134	147	137	125	141	136	99
Feb.	262.6	205.4	- 57.2							
March	101.8	96.6	- 5.2							
April	326.6	286.9	- 39.7	137	144	142	126	149	139	99
May	411.9	388.8	- 23.1							
June	366.6	341.8	- 24.8							
July	382.0	359.6	- 22.4	141	137	146	128	174	141	100
Aug.	290.4	343.4	+ 53.0							
Sept.	329.9	359.8	+ 29.9							

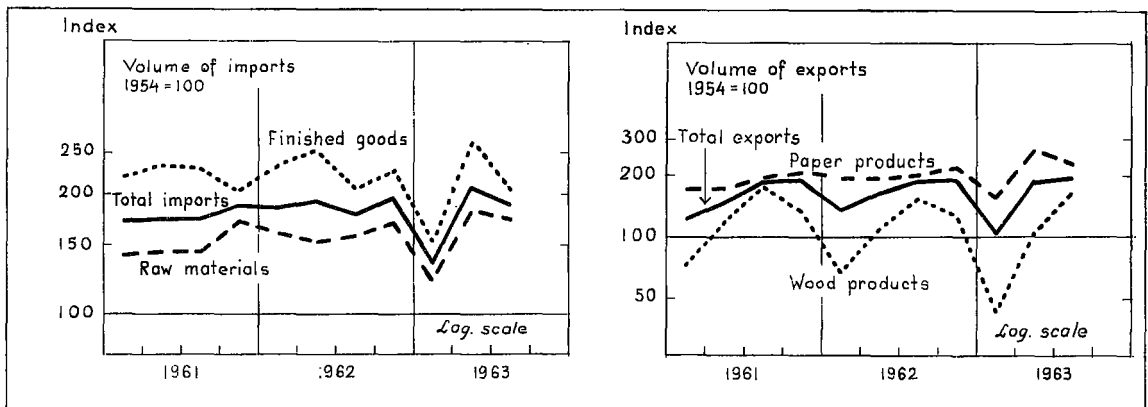


March 1963 figures are affected by strikes.

FOREIGN TRADE BY MAIN GROUPS

Mill. mk

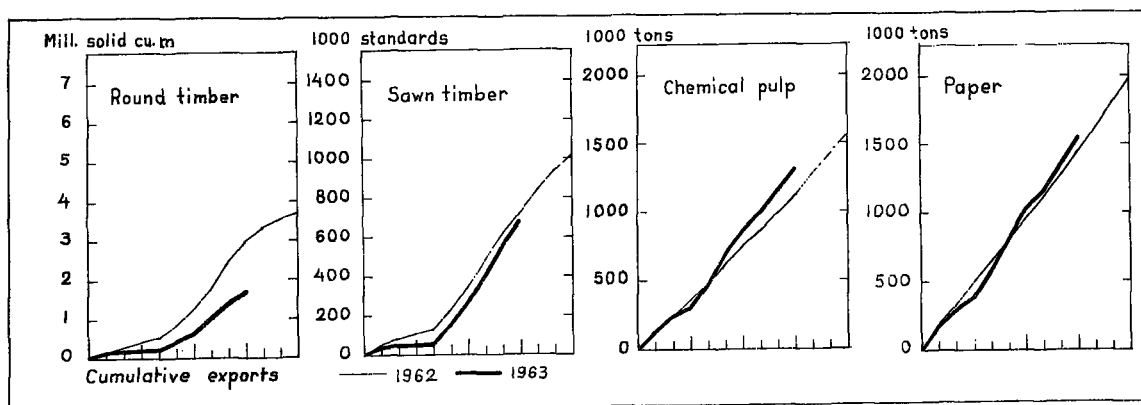
Period	Imports, c. i. f.				Exports, f. o. b.					
	Raw materials and accessories	Fuels and lubricants	Finished goods		Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods
			Producer goods	Consumer goods						
1953	651.5	158.8	240.3	168.0	47.2	102.5	436.7	479.3	209.4	40.5
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
Jan.-Sept.										
1961	1 221.7	226.8	791.9	452.8	110.2	230.7	616.4	1 118.6	202.7	110.5
1962	1 296.5	253.2	882.3	469.3	115.2	152.7	553.3	1 162.8	435.1	121.7
1963*	1 315.1	261.0	739.1	480.2	113.2	87.3	555.9	1 278.4	429.8	151.8
1962										
Oct.	168.8	38.8	99.4	66.3	7.8	19.5	82.8	145.1	75.2	19.4
Nov.	160.3	40.3	85.5	58.6	6.4	10.9	75.4	138.9	48.3	19.4
Dec.	137.0	38.9	72.9	55.7	15.0	6.5	58.9	142.0	104.1	16.9
1963*										
Jan.	175.5	27.0	69.5	51.6	17.8	7.4	39.5	120.5	36.9	12.0
Feb.	119.6	24.7	68.7	49.6	9.9	2.1	21.4	121.3	39.6	11.1
March	42.5	11.5	24.1	23.7	5.3	1.6	10.8	62.9	10.2	5.8
April	145.2	27.2	91.8	62.4	10.9	2.3	31.4	174.6	50.0	17.7
May	194.6	26.5	116.6	74.2	14.8	8.2	75.8	197.2	73.9	18.9
June	159.6	31.1	108.7	67.2	14.8	10.2	82.4	149.4	61.6	23.4
July	171.5	47.5	109.8	53.2	14.4	20.9	102.7	139.9	62.3	19.4
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	78.3	49.2	10.9	16.3	92.7	156.0	59.3	24.6



March 1963 figures are affected by strikes.

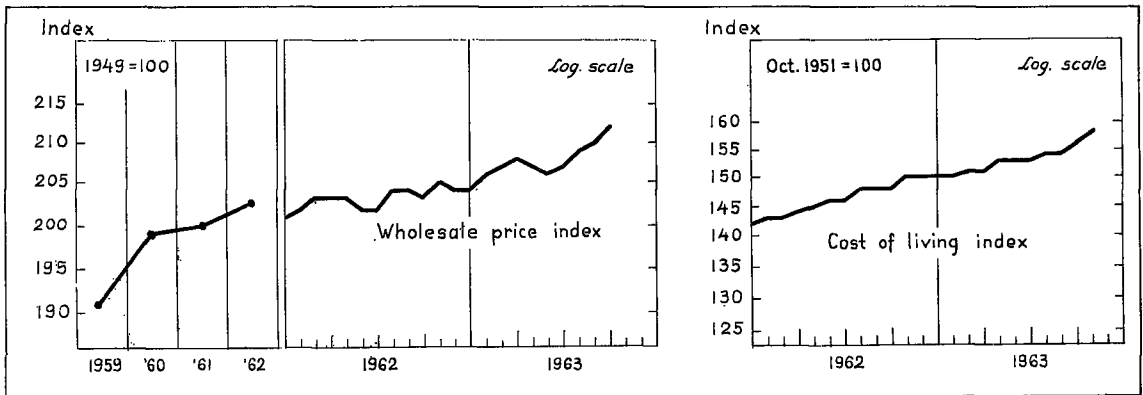
EXPORTS OF SOME IMPORTANT ARTICLES

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
1953	2 388	688	216	204	464	323	76	45	402	677
1954	3 620	733	298	193	580	375	101	59	392	751
1955	4 977	786	321	183	682	447	110	61	470	905
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
Jan.-Sept.										
1961	4 627	809	237	121	640	395	113	106	608	1 313
1962	3 014	725	255	111	614	513	114	113	640	1 437
1963*	1 681	681	279	126	640	667	127	114	630	1 540
1962										
Oct.	362	114	34	13	76	79	14	13	71	176
Nov.	194	98	36	12	68	62	13	16	77	185
Dec.	111	73	32	14	70	77	12	10	82	182
1963*										
Jan.	160	37	32	13	57	68	13	13	64	169
Feb.	27	7	30	10	60	55	11	9	54	132
March	23	3	18	9	32	29	8	6	30	80
April	29	12	41	16	87	87	23	16	79	192
May	164	89	42	21	103	109	20	21	102	229
June	201	111	31	17	88	90	11	15	68	220
July	429	156	21	16	68	66	10	10	70	138
Aug.	346	143	30	11	68	84	15	10	80	191
Sept.	302	123	34	13	77	79	16	14	83	189



FOREIGN TRADE BY COUNTRIES

Area and country	Imports, c. i. f.					Exports, f. o. b.				
	Whole year		Jan.-Sept.			Whole year		Jan.-Sept.		
	1961	1962	1962	1963*		1961	1962	1962	1963*	
	%	%	%	%	Mill. mk	%	%	%	%	Mill. mk
Sterling area	15.7	15.7	15.8	16.2	453.4	24.5	22.2	22.8	23.8	621.6
United Kingdom	15.3	15.2	15.3	15.6	436.3	22.2	20.3	20.8	21.7	566.5
Other OECD countries										
in Europe	55.2	55.7	56.4	53.5	1 494.9	46.4	42.9	43.2	44.3	1 158.8
Austria	0.7	0.7	0.8	0.8	21.3	0.4	0.3	0.3	0.3	9.0
Belgium-Luxembourg	2.6	2.4	2.4	2.3	64.2	3.8	3.4	3.4	3.2	84.6
Denmark	3.2	3.2	3.0	3.5	96.6	3.5	3.7	3.8	3.6	93.3
France	5.0	5.2	5.5	4.5	125.4	5.2	4.5	4.5	5.0	131.9
Western Germany	21.2	20.4	20.9	18.4	513.7	12.9	11.9	12.0	12.3	322.6
Italy	1.9	2.1	2.2	2.0	57.0	2.7	2.7	2.7	3.3	86.7
Netherlands	4.0	4.4	4.2	4.6	129.0	6.3	6.1	6.1	6.1	160.5
Norway	1.4	1.4	1.5	1.5	42.1	1.9	1.2	1.3	0.8	21.3
Portugal	0.1	0.2	0.2	0.2	6.2	0.1	0.1	0.1	0.1	2.5
Spain	0.5	0.4	0.4	0.3	9.6	0.5	0.7	0.6	0.8	19.7
Sweden	11.4	12.1	12.2	11.9	331.3	5.7	5.7	5.9	5.9	153.3
Switzerland	2.4	2.5	2.5	2.8	79.0	1.0	0.6	0.6	0.7	17.0
Eastern Bloc	19.4	19.2	18.0	20.7	579.4	18.0	22.5	21.2	20.9	547.4
China	0.1	0.2	0.2	0.2	5.8	0.6	0.5	0.4	0.4	10.6
Czechoslovakia	1.0	1.0	1.2	0.8	22.9	1.1	0.9	1.0	1.0	26.5
Eastern Germany	1.5	1.4	1.4	1.2	32.3	1.3	1.1	1.1	1.1	28.6
Poland	2.4	2.2	2.0	1.8	49.3	2.1	1.7	1.9	1.7	43.5
Soviet Union	13.6	13.7	12.5	16.1	450.9	12.1	17.8	16.3	16.0	419.4
U.S. and Canada	6.0	5.6	5.8	5.4	149.6	4.5	5.5	5.7	5.4	140.7
United States	5.6	5.1	5.3	4.9	135.1	4.4	5.4	5.5	5.3	137.4
Latin America	2.7	2.7	2.8	2.8	78.1	3.9	3.4	3.7	2.5	65.3
Argentina	0.4	0.4	0.6	0.7	18.1	1.3	0.7	0.8	0.5	13.6
Brazil	1.6	1.5	1.4	1.3	37.3	1.5	1.5	1.7	0.7	18.9
Others	1.0	1.1	1.2	1.4	40.0	2.7	3.5	3.4	3.1	82.6
Grand total	100.0	100.0	100.0	100.0	2 795.4	100.0	100.0	100.0	100.0	2 616.4
of which										
EFTA countries	34.5	35.2	35.5	36.2	1 012.8	34.7	31.9	32.7	33.0	862.8
EBC countries	34.7	34.5	35.2	32.1	897.4	30.9	28.7	28.8	30.8	805.7



March 1963 figures are affected by strikes.

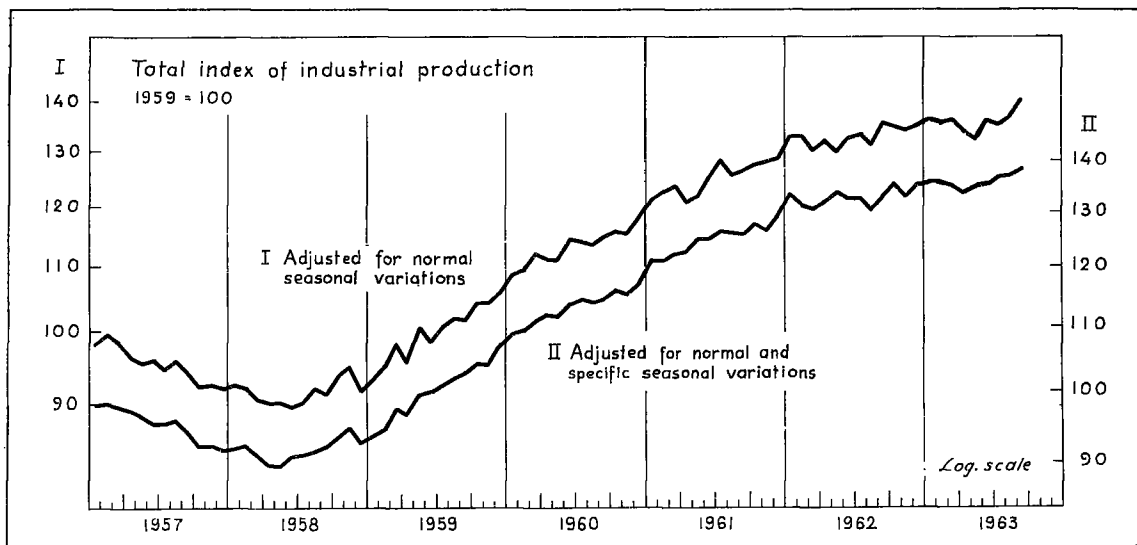
PRICE INDEXES

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	Machin- ery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply processed goods	More elab- orately processed goods			
1960	199	199	196	208	187	189	211	203	188	122	114	135
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
1962												
Oct.	205	206	198	208	205	200	218	199	200	135	115	160
Nov.	204	206	199	208	207	199	216	199	201	136	116	160
Dec.	204	206	199	209	207	198	217	199	201	135	117	158
1963												
Jan.	206	208	199	209	208	200	220	200	201	135	117	158
Feb.	207	209	199	210	208	201	223	200	201	135	117	158
March	208	210	199	211	208	204	227	200	201	138	117	165
April	207	209	200	211	209	203	225	200	202	138	117	165
May	206	208	200	211	209	200	221	200	202	140	117	172
June	207	209	202	212	209	201	222	202	202	140	117	173
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.	..	..	..	..	..	..	..	..	..	143	118	180

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
1960	138	147	298	98	86	136	108	108	110	95	107	111
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
1962												
Oct.	150	158	342	104	91	146	117	116	127	101	113	119
Nov.	150	159	342	105	92	147	118	117	127	101	114	120
Dec.	150	159	342	105	92	147	118	117	127	102	114	120
1963												
Jan.	150	158	342	105	92	148	118	116	127	102	114	120
Feb.	151	159	342	106	92	148	118	117	127	103	114	120
March	151	160	342	107	92	148	119	118	127	104	114	121
April	153	163	343	107	92	148	120	120	127	104	114	121
May	153	163	343	108	92	149	120	120	127	105	115	121
June	153	164	343	108	92	149	120	121	127	105	115	121
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

PRODUCTION - INTERNAL TRADE

Period	Index of industrial production 1959 = 100									Commer- cial 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			
1960	113	118	115	109	126	117	117	110	113	44 593	136
1961	125	132	127	120	122	136	131	119	125	49 004	150
1962*	132	144	133	128	114	143	143	126	132	47 264	160
1962*											
March	144	161	144	137	139	157	160	133	130	5 509	158
April	127	137	127	126	117	132	138	122	132	5 193	157
May	141	153	138	142	124	149	152	137	130	10 445	179
June	122	139	119	123	116	110	139	121	133	1 763	155
July	99	84	106	89	107	134	84	90	133	1 200	145
Aug.	136	142	134	139	110	145	139	136	131	2 151	172
Sept.	138	149	138	134	101	151	148	133	136	1 984	170
Oct.	150	167	150	144	112	160	166	144	135	2 552	177
Nov.	144	155	146	136	110	154	155	140	134	2 966	171
Dec.	122	132	126	111	101	152	133	112	135	3 604	175
1963*											
Jan.	141	155	142	135	115	153	157	129	137	4 245	132
Feb.	133	129	135	128	115	149	137	124	136	4 995	142
March	137	135	139	134	125	153	141	128	136	5 409	156
April	134	129	136	131	128	143	135	130	134	4 036	171
May	145	145	146	144	133	161	147	141	132	10 095	191
June	127	124	126	132	110	129	130	130	136	1 941	167
July	105	81	113	96	114	149	81	99	135	1 299	153
Aug.	141	133	140	145	110	160	133	145	136	1 936	183
Sept.	146	142	149	140	113	172	147	140	140	2 192	176



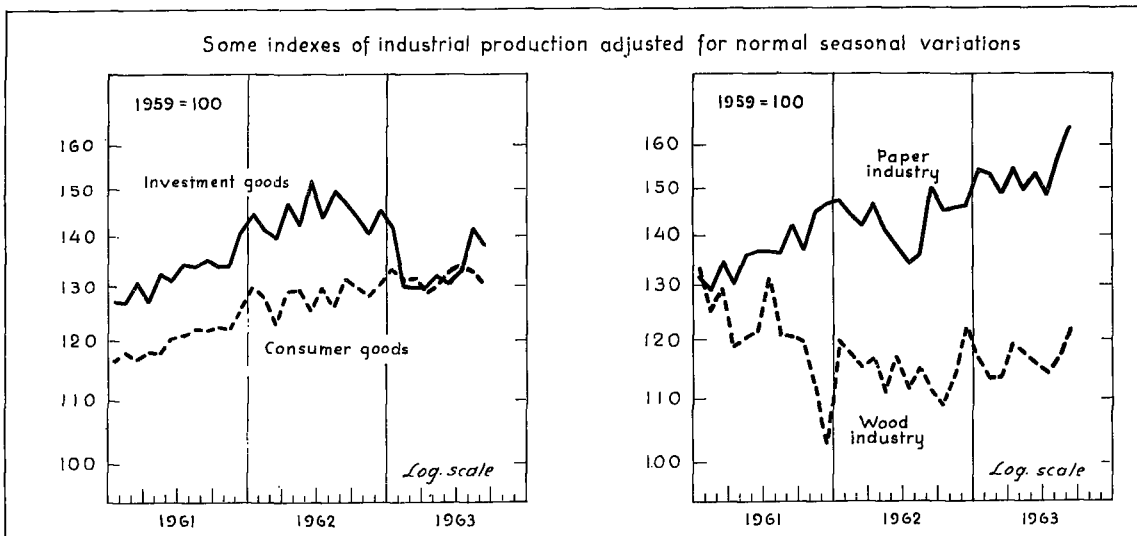
March 1963 figures are affected by strikes. Seasonally adjusted series are corrected for estimated strike effects.

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
1961	24.97	10.28	2.31	8.70	2.63	22.09	125	117	119	126
1962*	22.73	10.49	2.13	6.89	2.24	25.53	132	120	128	134
1962*										
Apr. - June	4.20	1.67	0.26	1.62	0.46	25.87	133	119	135	134
July - Sept.	6.26	2.32	0.66	2.08	0.82	26.81	133	120	130	134
Oct. - Dec.	8.01	4.32	0.91	1.87	0.60	25.53	135	123	130	135
1963*										
Jan. - Mar.	4.34	2.51	0.21	1.16	0.34	25.15	137	130	128	137
Apr. - June	4.71	2.36	0.28	1.41	0.49	26.57	144	136	149	146

Period	Railways		Foreign shipping				Labour input		Unemployment	
	Goods trucks loaded Thousands		Vessels arrived with cargo — 1 000 net reg. tons		Vessels departed 1 000 net reg. tons		1 000 man-months		% of total labour force	
	1962	1963	1962	1963*	1962	1963*	1962*	1963*	1962*	1963*
Jan.	136	132	509	485	476	458	1 829	1 830	1.9	2.3
Feb.	125	125	398	293	367	281	1 828	..	1.7	2.3
March	146	13	433	293	403	171	1 822	1 819	1.6	2.1
April	135	145	459	510	402	438	1 847	1 841	1.2	1.6
May	146	156	636	751	642	688	1 900	1 905	0.7	0.8
June	134	128	746	830	865	870	1 896	1 895	0.7	0.8
July	135	133	972	977	1 080	1 134	1 790	1 737	0.8	1.0
Aug.	147	139	858	919	1 057	1 033	1 876	1 851	0.8	1.0
Sept.	143	139	700	745	752	842	1 925	1 922	0.7	1.1
Oct.	152	148	682	697	699	752	1 917		0.9	
Nov.	140		672		627		1 892		1.5	
Dec.	114		579		568		1 873		2.1	

Some indexes of industrial production adjusted for normal seasonal variations



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 + Long-term foreign liabilities.

Page 5. *Treasury bills and bonds*: Including Treasury bond loan + Treasury bill covering certain IMF and IBRD accounts (included in *Other claims*). *Trade and industry, Other advances* = Inland bills in foreign currency + Cheque accounts (assets) + Other claims excl. Treasury's IMF and IBRD bill, Prepayments for exports and Advances for stand-by stocks. *Liabilities* = Other short-term liabilities + Other cheque accounts + Deposits against import licences (in 1955—56) — 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 public + Finnish bonds + Finnish coin — Equalisation 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, high-interest deposits and tax-concession accounts* 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 see Bulletin No. 8, 1961, p. 18. 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 (1961): 4.5 million. Sweden 7.5, Switzerland 5.5, Denmark 4.6 and Norway 3.6 million.

DENSITY OF POPULATION (1961): In South Finland 25.0, in North Finland 4.1 and in the whole country an average of 14.7 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1961): 61 % of the population inhabit the rural areas, 39 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 464 400 inhabitants, Tampere (Tammerfors) 130 400, Turku (Åbo) 127 500.

OCCUPATIONS (1960): Agriculture and forestry 32 %, industry and construction 30 %, 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 (1961): births 18.4 ‰, deaths 9.1 ‰, increase 9.3 ‰. Deaths in France 10.9 ‰ and Great Britain 12.0 ‰.

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 excl. bark (1 620 mill. cu. ft). The total removal in 1954 calculated according to the use of wood was 45 million cu. m (1 589 million cu. ft.)

AGRICULTURE (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 110 for 1960 (1954 = 100). Measure of self-sufficiency in the crop year 1960/61: bread cereals 86 %, animal products 123 %.

INDUSTRY (1961): Gross value of industrial production 13 706 mill. marks, number of workers 345 000, salaried employees 67 000, motive power (1961) 3.9 mill. HP. Index of industrial production 155 for 1961 (1954 = 100).

RAILWAYS (Jan. 1, 1963): Length 5 419 km, of which 5 345 km are State and 74 km private railways. The gauge of State railways 1,524 m.

MERCHANT FLEET (Oct. 31, 1963): Steamers 180 (296 275 gross reg. tons), motor vessels 333 (627 498 gross reg. tons), sailing vessels with auxiliary engines 53 (5 639 gross reg. tons). Total 566 (929 412 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1962): Private cars 252 000, lorries and delivery vans 77 800, buses 6 500, others 13 600. Total 349 900.

SCHEDULED AIR TRAFFIC OF FINNISH COMPANIES (1962): Kilometres flown 12 million, passengers carried 652 000, passenger kilometres 287 million, and ton kilometres of freight and mail 4.9 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, 1962). There are two big and three small commercial banks with in all 661 offices, 386 savings banks, 515 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 (June 1, 1963). 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 3 %, 50 per cent index-tied deposits 3 ½ %; highest lending rate 8 %.

TRANSPORT IN FINLAND, 1950—1962¹⁾

BY

AARNO SOIVIO, Mag. Pol.

CHIEF ACTUARY OF THE CENTRAL STATISTICAL OFFICE

Most of the international transport of Finland, the result of foreign trade, and of passenger transport between Finland and foreign countries, is effected by conveyance over water. To characterize domestic transport, it may be mentioned that according to the 1950 census 54 per cent of the 4 million population resided in southern Finland, 36 per cent in central Finland, and 10 per cent in northern Finland.²⁾ In 1960 the percentages for a population of 4.5 million were 56, 33, and 11, respectively. In 1950, the population of towns and urban districts comprised 32 per cent of the total, in 1960 their share was 38 per cent. Table 1 illustrates the distribution of the whole popula-

tion by fields of productive activity, and by regions, in 1950 and 1960. For comparison, the last row gives the distribution of net domestic product by the corresponding fields.

A clear difference is observable between the structure of production in southern Finland and that of other regions. In 1960, southern Finland accounted for about 75 per cent of the gross value of industrial production. Examination of the trends indicates that as far as population and production are concerned the share of manufacturing industries and construction has remained rather stationary, whereas the share of service industries is marked by a vigorous increase.

TABLE 1. DISTRIBUTION OF POPULATION AND NET DOMESTIC PRODUCT
BY FIELDS OF PRODUCTIVE ACTIVITY, PER CENT

	1950					Total	1960			
	Agriculture and forestry	Manufacturing, power, construction	Services	Others	Others		Agriculture and forestry	Manufacturing, power, construction	Services	Others
Southern Finland	29.6	36.0	26.3	8.1	100	20.7	36.7	30.4	12.2	
Central Finland	56.6	20.8	16.4	6.2	100	46.5	22.8	20.5	10.2	
Northern Finland	53.0	22.0	19.4	5.6	100	42.0	25.9	24.3	7.8	
Total population	41.6	29.2	22.1	7.1	100	31.7	30.9	26.4	11.0	
Net domestic product ...	24.8	40.9	34.3	—	100	21.6	40.7	37.7	—	

¹⁾ The Bank of Finland Monthly Bulletin, No 6, 1959, contains an article on transport written by P. Grönlund. To retain comparability with this, the composition of the tables presented there has been adopted as much as possible; nevertheless, some loss of comparability between the figures has occurred following revisions of the series involved during the intervening period. It should also be emphasized that the extensive checking and revision of the national income accounts series currently in progress may bring changes, particularly as regards the data based on the national accounts, presented toward the end of this article.

²⁾ The division of the country into southern Finland, central Finland, and northern Finland follows the division into statistical regions with southern Finland comprising Uusimaa, Varsinais-Suomi, Ahvenanmaa, Satakunta, south-Häme, Tammermaa, and south-east Finland, with central Finland comprising central Finland, south and north Savo, north Karelia, and south and central Ostrobothnia, and with northern Finland comprising north Ostrobothnia, Kainuu, and Lapland.

Climatic factors play an important rôle in the determination of Finland's transport, and especially as concerns its distribution among various forms. Freezing of the ports during severe winters is often found to conduce to a substantial increase in land transport, as large quantities of goods have to be moved by land from the regions surrounding the northern parts of the Gulf of Bothnia to the harbours of southern Finland not blocked by ice. In part, this type of land transport is encouraged by the freight discounts offered by the State Railways during severe winters.

The volume of transport is greatly dependent upon the length of roads, tracks, and waterways in operating condition. Their respective lengths are presented in Table 2.

TABLE 2. LENGTH OF TRANSPORT ROUTES

	1950	1955	1960	1962
		1 000 metres		
Railways	7 270	7 642	8 108	8 466
Tramways	57	61	57	56
Public roads ¹⁾	62 000	65 601	70 109	67 189
Floating channels ..	40 000	40 000	40 000	40 000

¹⁾ The shortening of the road network from 1960 to 1962 is due to the changes in legal classification between public and private roads.

At the end of 1962, their total length amounted to 115 711 kilometres, or 343 metres per square kilometre, comprising 25 metres of railway track, 200 metres of public roads, and 118 metres of floating channels.

Table 3 reveals that for transport equipment since 1950, the greatest increases relate to motor vehicle stock, particularly motor vehicles for passenger transport. A substantial increase has occurred in the stock of passenger cars, even from 1960 on, largely a result of the liberalization of imports. In spite of this, the density of motor-car traffic is still not high. There are about 5 cars in Finland for each road kilometre, compared with 15 in Sweden. The railway rolling stock has remained practically stationary throughout these years, although it has gained in effi-

TABLE 3. MEANS OF TRANSPORT

	1950	1955	1960	1962
Railways, rolling stock		Number		
Steam locomotives	852	819	668	645
Motor-driven locomotives	5	18	123	156
Railcars	23	41	25	23
Railbuses	—	41	167	189
Passenger coaches	1 591	1 499	1 326	1 316
Goods-wagons	27 662	25 750	25 680	26 551
Tramways, rolling stock				
Motor-driven cars	253	288	245	245
Trailers	289	190	160	156
Motor vehicles				
Passenger cars ...	26 814	85 448	183 409	263 033
Buses	3 305	4 338	5 778	6 503
Lorries	26 512	38 259	45 839	45 248
Delivery vans	3 299	11 852	19 751	32 504
Other motor vehicles	1 326	1 679	2 115	2 600
Total	61 256	141 576	256 892	349 888
Motor cycles	9 759	57 239	103 463	108 597
Acoplanes	57	96	116	135
Merchant fleet				
Steamers	376	316	216	192
Motor vessels	123	162	217	287
Sailing vessels with auxiliary engines .	153	117	88	78
Total	652	595	521	557
Lighters	1 200	1 012	646	476
Merchant fleet		Gross reg. tons		
Steamers	457 643	435 728	313 552	297 548
Motor vessels	90 103	304 853	477 981	574 733
Sailing vessels with auxiliary engines .	20 095	11 608	9 183	7 866
Total	567 841	752 189	800 716	880 147
Lighters	105 856	87 215	56 829	45 947

ciency. This is also true of the merchant fleet: it has diminished in numbers, but increased in carrying capacity. Of the 135 aeroplanes mentioned in the table, 23 belonged to air transport companies, 10 to charter flight companies, and 34 were owned by other holders of commercial flight permits.

It should be remarked that the railways are owned by the State, the tramways by communes, and other forms of transport mainly by the private sector.

In this article, the performance volume of transport is measured in ton-kilometres and

passenger-kilometres. Table 4 presents these figures for various forms of transport. As far as goods transport is concerned, trucks are principally employed for short-distance haulage. Thus it is estimated that the average haulage distance of trucks amounts to no more than 10 per cent of the average haulage distance of railway transport.

Table 4 examines purely domestic transport; the omission of international transport is seen to occasion a substantial reduction in the figures for waterway transport. Income from maritime commerce accounts for about 95 per cent of international transport. In 1962 exports from Finland by maritime routes amounted to 8 974 thousand tons, at the same time as 9 303 thousand tons were imported, and the passenger traffic between Finland and foreign countries amounted to 2 250 thousand departures and 2 249 thousand arrivals.

TABLE 4. PERFORMANCE OF DOMESTIC TRANSPORT

	1950	1955	1960	1962*
Mill. ton-km				
Goods traffic				
Railways	3 461	4 500	4 873	4 917
Lorries	1 155	2 600	4 200	4 800
Water transport .	2 600	2 200	2 000	2 000
Mill. passenger-km				
Passenger traffic				
Railways	2 189	2 261	2 343	2 357
Tramways	265	244	221	234
Buses	2 200	3 355	4 259	4 500
Motor cars	980	2 150	3 700	5 300
Motor cycles	80	310	650	800
Ships	36	38	40	40
Aeroplanes	11	61	98	114

One observes again that motor vehicle transport has expanded greatly by comparison with other forms of transport. As regards goods traffic, in 1950 the services of motor vehicle transport amounted to only one third of rail services, whereas the current figures are about equal. Further, in 1950 passenger traffic by motor vehicles was twice as great as that provided by railroads; by now the ratio has risen to 4.5.

Table 5 reveals a noticeable long-run in-

crease in the significance of transport in the economy. The decline in the share of transport observable from 1960 to 1962 may be attributable mainly to two factors; firstly the decline may be the result of cyclical developments, and secondly there has been a shift of transport in favour of the so-called "private" (non-professional) sector which is not included in the transport sector by the national income estimates.

The distribution among its various forms of the value added in transport, given in the lower part of Table 5, confirms what has been said above in respect of the substantial growth of motor vehicle traffic. A great increase has been displayed by air transport services, even though their share continues to be relatively small.

TABLE 5. NET DOMESTIC PRODUCT AND THE SHARE OF TRANSPORT THEREIN

	1950	1955	1960	1962*
Net domestic product,				
mill. mk	4 153	7 699	11 515	13 755
of which transport,				
per cent ¹	5.7	6.0	6.4	6.3
mill. mk	235	463	736	861
of which, per cent				
Railways	35	30	26	26
Tramways	2	2	2	2
Motor transport	20	30	40	41
Shipping	25	20	13	13
Air transport	0	1	2	2
Activity in services related to transport	18	17	17	16

The data presented in Table 6 puts on record the significance of the transport industry in capital formation. These figures for capital formation do not, however, include investments of the public sector in public roads, floating channels, airports, and harbours. The share of employees in transport has evidenced a slow rise, although it has clearly remained below the share of transport output in the net domestic product. Against this, the share of wages is greater, indicating that the labour force employed in the transport industry earns a higher average income than that earned in the economy as a whole.

TABLE 6. THE SHARE OF TRANSPORT (INDUSTRIES) IN FIXED CAPITAL FORMATION, IN THE NATIONAL WAGES BILL, AND IN THE NUMBER OF EMPLOYEES

	1950		1955		1960		1962*	
	Total economy mill. mk	Of which transport per cent	Total economy mill. mk	Of which transport per cent	Total economy mill. mk	Of which transport per cent	Total economy mill. mk	Of which transport per cent
Depreciation, repairs and maintenance	535	19.3	1 199	16.2	2 217	13.6	2 697	12.5
Gross domestic fixed capital formation ...	1 543	10.9	3 115	9.5	5 405	12.2	6 510	10.7
Wages bill	2 304	6.9	4 240	6.8	6 523	6.5	7 934	6.2
Number of wage earners (in thousands)	1 056	5.0	1 232	5.2	1 337	5.3	1 415	5.1

Table 7 relates to the seasonal variation, quarter by quarter, exhibited by the various branches of transport services. The figures given are in respect of the period 1948—1960, except for passenger transport, for which they refer to 1954—1960.

TABLE 7. SEASONAL VARIATION OF TRANSPORT SERVICES AND DOMESTIC PRODUCTION, BY QUARTERS (ANNUAL AVERAGE = 100)

	I	II	III	IV
Goods transport	88	99	107	106
Passenger transport ..	94	100	112	94
Total transport	90	99	107	104
Net domestic product .	104	96	99	101

The volume of transport services falls to a relatively low level during the first quarter

of the year, largely by reason of the decline in sea transport during the winter months.

In 1962, the value of transport services rose to about 1 725 million marks; of these, 29 per cent were provided for consumption, that is, for households, 55 per cent for domestic companies and the public sector, and 16 per cent abroad.

If there are added to the above transport service figures, the estimates of similar services rendered by private persons and by companies, and of the estimates of log floating, it is found that the share of transport services in the domestic product thus computed rose to 7.6 per cent in 1960 as compared with 6.4 per cent in Table 5.

ITEMS

Renewed Cabinet. On August 30, Mr Karjalainen's cabinet, formed on April 13, 1962, tendered its resignation after three of the ministers representing the SAK trade union federation had opposed a decision supported by a majority of the cabinet to raise agricultural prices. The three SAK ministers were released from their posts, but the President asked Mr Karjalainen himself and eleven of his ministers to stay in office. After negotiations lasting several weeks, three new ministers were appointed on November 1. They are Mr Olavi Mattila (Independ.), Second Minister for Foreign Affairs in charge of foreign trade policy questions, Mr Mauno Jussila (Agr.), Second Minister of Finance and Mr Olavi Lahtela (Agr.), Second Minister of Communications and Public Works.

*

Investment inquiry. In September 1962 and May 1963, the Bank of Finland Institute for Economic Research made investigations into the fixed investment of Finnish industry,

as represented by manufacturing, mining, electricity production, and gas and water works. The studies were based on voluntary co-operation by the firms concerned. Questionnaires were sent to some 600 undertakings, chosen by sampling. In both investigations, the labour force of the firms returning completed questionnaires represented about 95 per cent of the total labour force of the sample material.

The following table gives figures concerning the fixed investment of manufacturing and total industry in 1961 and 1962 (cf. Item in No. 2, 1963). A comparison between the results of the two inquiries shows the extent to which the provisional estimates agree with the final figures.

In September 1962, the manufacturing firms estimated that their fixed investments would during that year fall short of the 1961 figures by 15 per cent. For total industry, the corresponding decrease was 11 per cent. Nevertheless, the results of the May inquiry indicated that the actual reductions on 1961 were less, amounting to

	Inquiry of September 1962			Inquiry of May 1963	
	1961 Mill. mk	1962 Mill. mk	Change on 1961 %	1962 Mill. mk	Change on 1961 %
<i>Manufacturing</i>					
Building	264	233	- 12	236	- 11
Other construction	43	24	- 46	26	- 40
Machinery, equipment	778	671	- 14	753	- 3
Total	1 085	928	- 15	1 015	- 7
<i>Total industry</i>					
Building	287	266	- 7	258	- 10
Other construction	99	91	- 7	121	+ 22
Machinery, equipment	881	766	- 13	839	- 5
Other	27	30	+ 11	28	+ 4
Total	1 294	1 153	- 11	1 246	- 4

only 7 and 4 per cent respectively. In total industry, the greatest change in comparison with the September estimate relates to the category of machinery and equipment, where realized investment exceeded the estimate by 10 per cent, and also to "other construction", where the excess was 31 per cent. Against this, the estimate for building investments was far more accurate, realized investment being only 3 per cent below the provisional estimate. In total, realized investment exceeded the estimated amount by 8 per cent.

*

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

The People's Republic of China. On October 28, 1963, an agreement was signed for 1964. Trade is fixed by quotas, and Finnish exports and imports will each amount to about 10 million roubles. Finland will export products of the metal, shipbuilding and machinery industries, chemical pulp, paper, rayon staple fibre, copper, mechanical wood pulp, paper and cardboard products, plywood etc. Finland's import list includes soya, rice, wood oil, tin, textiles, fruit etc.

Colombia. On September 24, 1963, the term of validity of the trade agreement signed on November 29, 1957, was extended for the

year 1964. Finland will export paper industry products, vehicles, machinery and equipment, and copper, and will import coffee.

*

New bond loans. On October 25, the Government decided on the issue of the following two bond loans.

The second tax payment bond loan. The loan amounts to 40 million marks. Bonds are dated November 6, 1963, and bear interest at 9 per cent. The bonds can be used for the payment of government, municipal, and church taxes, and will be redeemable for one year starting April 1, 1965. Interest will be payable on tax settlement or redemption. The loan will be on sale to the public. It is issued at par.

The fourth loan at 8 per cent from banking institutions. It amounts to 30 million marks. The bonds are dated November 1, 1963, and will mature in five years. The loan is issued at par.

Authorization for issue of a private bond loan has been given to the *Osuustukkukauppa* (Co-operative Wholesale Association) for 2 million marks. The bonds will be dated December 31, 1963, and will run for 25 years. The rate of interest is 7 per cent. The capital of the loan is tied to the cost of living index to the extent of 25 per cent.

BANK OF FINLAND

BOARD OF MANAGEMENT

KLAUS WARIS,
Governor

ESKO K. LEINONEN	A. SIMONEN
AHTI KARJALAINEN <i>(Absent as Prime Minister)</i>	REINO ROSSI

HEIKKI VALVANNE,
ad int.

SECRETARIES

U. A. VATANEN	PERTTI TAMMIVUORI
JOUKO J. VOUTILAINEN	JAAKKO S. LASSILA
K. IGNATIUS	JORMA ARANKO

HEADS OF DEPARTMENT

G. ENGBERG, <i>Personnel</i>	C. G. SUNDMAN, <i>Foreign exchange (trade)</i>
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