



BANK OF FINLAND

MONTHLY BULLETIN

Vol. XXIII. Nos. 7—8

JULY—AUGUST

1949

THE FINNISH MARKET REVIEW.

THE MONEY MARKET.

The summer months did not bring about any change on the money market, but the favourable tendency has continued for about a year. Thus the situation has slightly improved in the summer, partly because deposits have increased and partly because less bank advances have been granted, in both cases under the influence of seasonal circumstances. Export funds are collected particularly in Summer, increasing the influx of money into the banks, especially to cheque accounts. Trade and industry need less loans at this time of the year owing to their slackening activity, reduced purchases of raw material and other reasons. On the other hand, the season is generally unfavourable to saving, as the public then saves less than for instance in Spring. This has been the case also this summer, although in comparison with last year saving has improved very much. At least so far the reduction in the deposit rate as from July 1 has not unfavourably influenced saving.

The deposits of the public in *all credit institutions* including the cheque accounts increased in June by 2,854 million marks and in July by 4,270 million thereby reaching 116,996 million. Last year the increase was much smaller, only 755 million marks in June and 2,961 million in July. Of the increase deposit accounts recorded 634 million marks in June and 1,878 million in July this year, as against 316 and 1,437 million last year. From the beginning of the year to the end of July the deposit

accounts of the public increased by 11,417 million marks this year as against only 5,194 million in 1948. The depository movement has thus grown much stronger showing a change in people's attitude towards saving, mostly in consequence of inflation having stopped. — Considering the *Commercial Banks* separately, the influx of money was still lively in July, cheque accounts receiving the greater part, as in June. They increased by 1,903 million marks and deposit accounts by 618 million. Last year the corresponding figures were 1,173 and 457 million marks. In January—July all deposits increased by 7,435 million marks as against 3,029 in the same period of last year.

The Commercial Banks and other credit institutions granted many loans in the spring, but, for reasons mentioned above, less in the summer. The advances of the Commercial Banks were reduced by 549 million marks in June, but again increased in July. Yet the increase, 854 million, was much less than in the spring months. In the first seven months of the year the increase was 9,021 million marks as against 6,109 million in 1948. In consequence of the deposits in the Commercial Banks having lately increased more than their advances, their cash reserves have increased too and their liquidity has improved much since the turn of the year. At the end of July the cash reserves totalled 6,644 million marks.

The advances of the *Bank of Finland* have increased only slightly in the summer,

in June by 379 million marks and in July only by 10 million. On the other hand the Treasury bills have increased very much, in June indeed by 300 million only, but in July by 3,500 million, bringing the total up to 20,230 million. The summer months, particularly July, are poor in State income necessitating an intensive borrowing from the central bank. In the beginning of August the advances of the Bank of Finland were not subject to any important change. Rediscounting has been low all through the summer owing to the easy position of the banks.

PRICES.

July was an exception from the quiet price movement of late, the indices rising considerably. On July 1 bread and all cereal products were freed from price regulations and the subsidies for them removed. This meant a great increase in prices. In order to counteract the effect of this the prices of milk products were reduced as from the beginning of August, and the sales tax was reduced from July 1. In spite of these price-reducing influences price indices rose in July owing to the increases in cereal prices referred to, but also to the rise in import prices caused by the devaluation of the mark in the beginning of July. The official cost of living index (August 1938—July 1939 = 100), which in May had risen 1 and in June 6 points, in July rose 32 points or about 4 per cent to 814, but still fell below the previous peak of 816 in August 1948. In July all other sub-indices were reduced, but the food index rose 80 points. The wholesale price index (1935 = 100) also increased rather much in July, by 44 points to 1,102. This year the cost

of living has increased only by 2 per cent, while wholesale prices have slightly fallen. Since the beginning of August unrest on the labour market and an extensive wage activity again seriously hazard prices and the value of money.

TRADE AND INDUSTRY.

Industrial production is now known for the second quarter of the current year according to the „Unitas” index. The total volume was 144 (1935 = 100) or somewhat less than in the first quarter when it was 154, but more than in the second quarter of 1948 when it was 137. The index for the home market industry was still much above last year, 182 as against 168. The index for the export industry, on the other hand, had fallen to 91 from 95 in 1948. The home market industry employed about the same number of workers as before, while the number in the export industries has been constantly decreasing. Unemployment has been negligible in the last few months.

Foreign trade has been favourable in the summer, exports exceeding imports both in June and July. Trade figures indeed show a definite surplus of imports in the first seven months of 1949, 3,879 million marks, but in the same period of last year it was much greater, 7,114 million. Imports amounted to 33,417 million marks and commercial exports to 29,538 million as against 35,673 and 28,559 million a year ago. The favourable result of this year has partly been brought about by the reduction of imports, but also by the increase in exports. Thus the difficulties experienced by exports have not as yet restricted this trade as a whole.

CONTENTS OF THE TABLES.

I. MONEY MARKET.

Bank of Finland:

1. Statement.
 2. Note issue.
 3. Notes in circulation, foreign correspondents and cover for the issue of notes.
 4. Note reserve, home loans and rediscounted bills.
 5. Treasury bills and balances of current accounts.
 6. Rates of exchange.
- #### *Commercial Banks:*
7. Home deposits and the credits from the Bank of Finland.
 8. Home loans.
 9. Position towards foreign countries.
 10. Foreign Payment Position of all Banks.
 11. Deposits in Post Office Savings Bank.
 12. Deposits in the Savings Banks.
 13. Deposits in Co-operative Credit Societies and Consumers' Co-operative Societies.
 14. Deposits in all Credit Institutions.
 15. Insurances in life assurance companies.
 16. Changes in number and capital of limited companies.
 17. Bankruptcies.
 18. Stock Exchange.
 19. Stock Exchange index.

II. STATE FINANCES.

20. Public Debt.
21. State Revenue and Expenditure.

22. Collection of Customs.
23. Collection of Excise dues.

III. TRADE AND INDUSTRY.

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

IV. TRAFFIC.

33. Foreign shipping.
34. State Railways.

V. LEVEL OF PRICES.

35. Wholesale price index.
36. Cost of living index.
37. Bank of Finland building cost index.

VI. LABOUR MARKET.

38. Index of working hours in industry.
39. Number of unemployed.
40. Cessation of work.

SOME ARTICLES IN EARLIER ISSUES OF BANK OF FINLAND MONTHLY BULLETIN.

1947 Nos. 7—9	Public Finances in 1946.	1948 Nos. 7—8	Finland's Balance of Payments for 1947.
» » »	Finland's Industry since the War.	» » »	Ore Resources in Finland and the use of them.
» » »	Finland's Balance of Payments for 1946.	» » 9—10	Building in Finland during and after the War.
» » 10—12	Exports and the Economic Development in Finland.	» » 11—12	Public Finances in 1947.
» » »	The State of Finnish Agriculture at the end of 1947.	» » »	Consolidated Balance Sheet and Income Statement of Finnish Industry 1947.
1948 » 1—2	The Bank of Finland in 1947.	1949 » 1—2	The Bank of Finland in 1948.
» » »	The Economic Position in Finland in 1947.	» » »	The Economic Position in Finland in 1948.
» » 3—4	Finland's Foreign Trade in 1947.	» » 3—4	Finland's Foreign Trade in 1948.
» » »	The Post-War Land Reform in Finland.	» » »	Finland's Merchant Fleet.
» » 5—6	Prospects of Power Supply in Finland.	» » 5—6	The Finnish Commercial Banks in 1948.
» » »	The Finnish Commercial Banks in 1947.	» » »	Useful Minerals, Rocks and Earths in Finland and their Utilization.

STATISTICS.

1. — STATEMENT OF THE BANK OF FINLAND.

	1948	1949					
	Mill. mk	Mill. mk					
	14/8	31/3	30/4	31/5	30/6	30/7	15/8
ASSETS.							
I. Gold Reserve	268	269	269	269	269	269	269
Foreign Correspondents	620	1 755	1 208	1 310	1 304	2 204	2 415
II. Foreign Bills	339	387	409	400	425	464	460
Foreign Bank Notes and Coupons	27	22	22	17	32	30	23
Inland Bills	38 820	35 778	37 285	37 522	36 715	39 325	39 002
III. Loans on Security	22	22	22	22	22	22	22
Advances on Current Accounts	303	411	375	360	488	419	316
Bonds in Finnish Currency	745	707	705	702	701	696	694
» » Foreign	151	163	166	167	155	147	150
Sundry Assets	1 095	1 432	1 212	853	1 475	1 631	962
Total	42 390	40 946	41 673	41 622	41 586	45 207	44 313
LIABILITIES.							
Notes in circulation	27 421	27 407	27 741	28 198	27 934	28 252	28 631
Other Liabilities payable on demand:							
Current Accounts due to the Treasury ..	371	—	581	294	311	—	—
» » » » Others	1 629	2 130	1 415	1 083	1 221	3 163	1 761
Bank-Post-Bills	47	94	79	59	101	70	122
Mark accounts of holders abroad	1 051	1 234	1 552	1 710	1 960	2 338	2 413
Foreign Clearing Accounts	4 089	2 193	1 984	1 801	1 339	2 047	2 028
Foreign Debt	—	272	462	462	530	752	752
Sundry Accounts	759	85	67	39	144	135	92
Capital	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Reserve Fund	135	554	554	554	554	554	554
Earnings less Expenses	430	400	460	520	581	662	700
Undisposed Profits	2	17	17	17	17	17	17
Sundry Liabilities	1 456	1 560	1 761	1 885	1 894	2 217	2 243
Total	42 390	40 946	41 673	41 622	41 586	45 207	44 313

2. — NOTE ISSUE OF THE BANK OF FINLAND.

	1948	1949					
	Mill. mk	Mill. mk					
	14/8	31/3	30/4	31/5	30/6	30/7	15/8
RIGHT TO ISSUE NOTES.							
Gold Reserve and Foreign Correspondents .	888	2 024	1 477	1 579	1 573	2 473	2 684
According to Law of Dec. 13, 1939 ¹⁾	39 186	36 187	37 716	37 939	37 172	39 819	39 485
Additional Right of Issue	1 800	1 800	1 800	1 800	1 800	1 800	1 800
Total	41 874	40 011	40 993	41 318	40 545	44 092	43 969
AMOUNT OF ISSUE USED.							
Notes in circulation	27 421	27 407	27 741	28 198	27 934	28 252	28 631
Other Liabilities payable on demand	7 946	6 008	6 140	5 448	5 606	8 505	7 168
Undrawn of Advances on Current Accounts ..	700	578	614	649	521	589	693
Total	36 067	33 993	34 495	34 295	34 061	37 346	36 492
NOTE RESERVE	5 807	6 018	6 498	7 023	6 484	6 746	7 477
Grand total	41 874	40 011	40 993	41 318	40 545	44 092	43 969

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

Bank Rate since July 1, 1949, 5 3/4 %.

(Former Rate 6 3/4 %).

3. — BANK OF FINLAND. NOTES IN CIRCULATION, FOREIGN CORRESPONDENTS AND COVER FOR THE ISSUE OF NOTES.

End of Month	Notes in Circulation Mill. mk				Foreign Correspondents ¹⁾ Mill. mk				Cover for the Issue of Notes Percentage of Liabilities payable on demand				End of Month
	1947	1948	1949	Monthly Movement	1947	1948	1949	Monthly Movement	1947	1948	1949	Monthly Movement	
	<i>18 233</i>				<i>1 915</i>				<i>108.6</i>				
Jan.	17 172	23 258	25 732	- 1 587	2 350	1 395	2 003	- 24	110.4	115.3	114.0	+ 1.4	Jan.
Feb.	18 896	24 448	27 353	+ 1 571	2 391	1 799	1 685	- 318	110.6	114.4	115.6	+ 1.6	Feb.
March	20 944	26 776	27 407	+ 54	3 116	2 452	1 755	+ 70	110.1	109.4	112.4	- 3.2	March
April	21 566	27 850	27 741	+ 334	1 931	446	1 208	- 547	111.8	110.6	113.6	+ 1.2	April
May	21 653	27 112	28 198	+ 457	1 893	577	1 310	+ 102	112.4	112.6	115.2	+ 1.6	May
June	22 415	27 204	27 934	- 264	1 157	652	1 304	- 6	112.2	113.6	113.8	- 1.4	June
July	22 956	27 371	28 252	+ 318	1 248	592	2 204	+ 900	113.8	111.6	113.2	- 0.6	July
Aug.	23 945	28 078			762	545			114.1	112.2			Aug.
Sept.	24 484	28 189			776	611			113.0	110.5			Sept.
Oct.	25 129	28 011			464	575			113.7	109.9			Oct.
Nov.	25 809	27 400			685	1 275			114.7	114.1			Nov.
Dec.	25 162	27 369			621	2 027			113.2	112.6			Dec.

¹⁾ Credit balances with foreign correspondents.

4. — BANK OF FINLAND. NOTE RESERVE, HOME LOANS AND REDISCOUNTED BILLS.

End of Month	Note Reserve Mill. mk			Home Loans ¹⁾ Mill. mk				Rediscounted Bills (included in Home Loans) Mill. mk				End of Month
	1947	1948	1949	1947	1948	1949	Monthly Movement	1947	1948	1949	Monthly Movement	
	<i>4 245</i>			<i>29 409</i>				<i>2 458</i>				
Jan.	4 561	6 205	6 317	27 452	31 843	34 502	- 521	968	530	764	- 933	Jan.
Feb.	4 737	6 092	6 828	28 699	32 470	35 409	+ 907	2 474	3 384	3 634	+ 2 870	Feb.
March	4 852	4 927	6 018	30 580	33 855	36 211	+ 802	1 352	2 197	927	- 2 707	March
April	5 387	5 470	6 498	32 174	37 617	37 682	+ 1 471	998	2 570	130	- 797	April
May	5 463	6 042	7 023	31 451	37 119	37 904	+ 222	2 257	4 436	2 523	+ 2 393	May
June	5 397	6 433	6 484	32 164	37 627	37 225	- 679	1 909	3 980	1 165	- 1 358	June
July	5 832	5 860	6 746	32 033	38 072	39 766	+ 2 541	687	1 077	196	- 969	July
Aug.	6 021	6 155		33 242	39 124			730	1 419			Aug.
Sept.	5 641	5 501		32 859	38 350			466	648			Sept.
Oct.	5 917	5 393		33 699	38 920			369	78			Oct.
Nov.	6 246	6 400		34 208	35 826			2 537	1 325			Nov.
Dec.	5 926	5 963		34 897	35 023			3 496	1 697			Dec.

¹⁾ Inland bills, loans on security and advances on current accounts.

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

End of Month	Treasury Bills (included in Home Loans) Mill. mk			Balance of Current Accounts due to the Treasury Mill. mk				Balance of Current Accounts due to others than the Treasury Mill. mk				End of Month
	1947	1948	1949	1947	1948	1949	Monthly Movement	1947	1948	1949	Monthly Movement	
	<i>17 920</i>			<i>599</i>				<i>1 431</i>				
Jan.	18 000	17 830	19 530	160	- 20	- 407	- 426	1 087	1 182	2 019	+ 556	Jan.
Feb.	16 950	14 600	15 230	- 567	- 32	- 239	+ 168	789	1 048	680	- 1 339	Feb.
March	19 300	16 900	17 530	- 153	- 653	- 26	+ 213	1 550	1 587	2 130	+ 1 450	March
April	20 300	18 400	19 030	556	190	581	+ 607	798	1 356	1 415	- 715	April
May	17 500	14 730	16 430	- 17	56	294	- 287	1 221	1 024	1 083	- 332	May
June	18 400	15 430	16 730	144	- 364	311	+ 17	853	1 046	1 221	+ 138	June
July	19 700	20 030	20 230	425	72	- 99	- 410	597	1 372	3 163	+ 1 942	July
Aug.	21 000	20 830		62	112			1 011	1 308			Aug.
Sept.	20 800	21 230		293	- 39			1 301	2 057			Sept.
Oct.	21 350	23 730		277	190			1 308	3 265			Oct.
Nov.	18 800	19 830		872	- 215			633	1 335			Nov.
Dec.	18 500	19 230		114	19			2 884	1 463			Dec.

The figures in italics indicate the position at the end of the previous year.

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

		1947	1948	1948	1948	1949	1949	1949
		31/1—31/12	31/1—30/9	31/10	30/11-31/12	31/1-31/3	30/4—30/6	31/7—31/8
New York	1 Dollar	136:—	136:—	136:—	136:—	136:—	136:—	160:—
London	1 Pound	547:—	547:—	547:—	547:—	547:—	547:—	646:—
Stockholm	100 Kronor	3 790:—	3 790:—	3 790:—	3 790:—	3 790:—	3 790:—	4 450:—
Paris	100 Francs	114:—	63:35	51:37	51:57	51:57	50:10	58:75
Brussels	100 Francs	310:—	310:—	310:—	310:—	310:—	310:—	367:—
Amsterdam	100 Guilders	5 120:—	5 120:—	5 120:—	5 120:—	5 120:—	5 120:—	6 050:—
Basle	100 Francs	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—	3 725:—
Oslo	100 Kroner	2 745:—	2 745:—	2 745:—	2 745:—	2 745:—	2 745:—	3 230:—
Copenhagen	100 Kroner	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—	2 829:—	3 330:—
Prague	100 Koruny	275:—	275:—	275:—	275:—	275:—	275:—	325:—
Montreal	1 Dollar	135:50	135:50	135:50	135:50	135:50	135:50	159:40
Lisbon	100 Escudos	560:—	560:—	560:—	560:—	560:—	560:—	650:—
Rio de Janeiro	100 Cruzeiros	765:—	765:—	765:—	765:—	765:—	765:—	880:—

7. — COMMERCIAL BANKS. HOME DEPOSITS AND CREDITS FROM THE BANK OF FINLAND.

End of Month	Due to the Public				Due to other Credit institutions		Total			Credits from the Bank of Finland		End of Month
	Cheque Accounts		Deposits		Mill. mk		Mill. mk			Mill. mk		
	1948	1949	1948	1949	1948	1949	1947	1948	1949	1948	1949	
	<i>17 754</i>		<i>19 982</i>		<i>6 600</i>		<i>35 430</i>			<i>3 502</i>		
Jan.	17 417	20 839	20 152	25 017	6 855	7 315	35 608	44 424	53 171	530	699	Jan.
Feb.	15 685	17 452	20 335	25 663	5 934	7 040	34 598	41 954	50 155	3 384	3 597	Feb.
March	18 001	20 641	20 760	26 406	5 898	8 114	37 137	44 659	55 161	2 201	910	March
April	18 063	21 400	21 175	26 839	5 982	8 118	38 311	45 220	56 407	2 590	114	April
May	17 359	19 554	21 154	27 027	5 095	7 409	38 964	43 608	53 990	4 441	2 489	May
June	17 827	21 822	21 308	27 137	4 702	6 807	39 103	43 837	55 766	3 850	1 132	June
July	19 000	23 725	21 765	27 755	6 067	7 963	40 027	46 832	59 443	896	33	July
Aug.	17 627		22 675		6 354		41 484	46 656		1 409		Aug.
Sept.	19 740		22 820		5 908		42 807	48 468		640		Sept.
Oct.	21 570		22 860		6 879		42 970	51 309		79		Oct.
Nov.	19 063		23 072		6 056		41 139	48 191		1 333		Nov.
Dec.	19 577		24 468		6 080		44 336	50 125		1 533		Dec.

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

8. — COMMERCIAL BANKS. HOME LOANS.

End of Month	To the Public				To other Credit Institutions		Total				End of Month	
	Inland Bills		Other Credits		Mill. mk		Mill. mk					
	1948	1949	1948	1949	1948	1949	1947	1948	1949	Monthly Movement		
	<i>16 589</i>		<i>19 239</i>		<i>1 782</i>		<i>29 529</i>					
Jan.	17 173	25 143	20 163	21 922	1 933	2 489	30 095	39 269	49 554	+ 3 096	Jan.	
Feb.	18 382	26 229	19 626	22 121	1 732	2 333	30 850	39 740	50 683	+ 1 129	Feb.	
March	18 939	27 186	19 435	22 372	1 700	2 813	32 137	40 074	52 371	+ 1 688	March	
April	20 830	29 607	19 759	22 858	1 681	2 479	34 164	42 270	54 944	+ 2 573	April	
May	21 691	29 899	19 830	23 134	1 501	2 062	35 212	43 022	55 095	+ 151	May	
June	21 822	29 148	19 657	23 336	1 309	1 926	35 045	42 788	54 410	— 685	June	
July	22 053	29 336	19 934	24 002	1 984	2 310	36 107	43 971	55 648	+ 1 238	July	
Aug.	22 326		19 351		2 126		35 971	43 803			Aug.	
Sept.	21 780		19 281		2 183		36 414	43 244			Sept.	
Oct.	22 984		19 765		2 622		37 801	45 371			Oct.	
Nov.	24 151		19 591		2 194		38 279	45 936			Nov.	
Dec.	23 999		20 318		2 141		37 660	46 458			Dec.	

The figures in italics indicate the position at the end of the previous year.

9. — COMMERCIAL BANKS. POSITION TOWARDS FOREIGN COUNTRIES.

End of Month	Claims Mill. mk			Indebtedness Mill. mk			Net Claims (+) or Net Indebtedness (-) Mill. mk				End of Month			
	1947	1948	1949	1947	1948	1949	1947	1948	1949	Monthly Movement				
Jan.	<i>2 460</i>			<i>2 104</i>			+	<i>356</i>						
Feb.	2 501	2 982	2 128	2 299	2 566	2 008	+	202	+	416	+	120	+	13
March	2 397	2 447	2 034	2 092	2 219	2 117	+	306	+	228	—	83	—	203
April	2 322	2 380	2 399	2 224	2 161	2 077	+	98	+	219	+	322	+	405
May	2 351	2 890	2 397	2 309	2 340	2 107	+	42	+	550	+	290	—	32
June	2 588	2 583	2 227	2 450	2 282	2 325	+	138	+	301	—	98	—	388
July	2 815	2 496	2 828	2 474	2 217	2 454	+	341	+	279	+	374	+	472
Aug.	3 351	2 394	2 969	2 442	2 184	2 592	+	909	+	210	+	377	+	3
Sept.	3 232	2 505		2 230	2 221		+	1 002	+	284				
Oct.	3 777	2 631		2 564	2 359		+	1 213	+	272				
Nov.	3 975	2 528		2 792	2 273		+	1 183	+	255				
Dec.	4 150	2 550		3 105	2 385		+	1 045	+	165				
	4 085	2 194		2 948	2 087		+	1 137	+	107				

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

End of Month	Net Claims (+) or Net Indebtedness (-) Mill. mk					Monthly Movement
	1946	1947	1948	1949		
Jan.	<i>-1 556</i>					
Feb.	-1 166	-4 806	-1 631	-1 167	-151	
March	-398	-4 621	-1 525	-1 607	-440	
April	-1 289	-3 762	-1 061	-1 235	+ 372	
May	-1 487	-4 572	-3 185	-2 091	-856	
June	-6 509	-3 722	-3 135	-2 361	-270	
July	-8 486	-3 360	-3 589	-1 726	+ 635	
Aug.	-9 289	-1 940	-4 101	-2 092	-366	
Sept.	-8 620	-1 968	-3 930			
Oct.	-7 439	-690	-3 056			
Nov.	-6 350	-588	-2 698			
Dec.	-5 595	-364	-1 494			
	-5 153	-335	-1 016			

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

²⁾ According to figures supplied by the Post Office Savings Bank.

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

End of Month	Deposits Mill. mk					Monthly Movement
	1946	1947	1948	1949		
Jan.	<i>5 417</i>					
Feb.	5 319	7 365	8 581	9 784	+ 191	
March	5 370	7 481	8 418	10 120	+ 336	
April	5 589	7 574	8 487	10 312	+ 192	
May	5 712	7 527	8 509	10 385	+ 73	
June	5 784	7 609	8 371	10 468	+ 83	
July	5 846	7 692	8 438	10 695	+ 227	
Aug.	5 940	7 796	8 606	10 953	+ 253	
Sept.	6 488	8 086	9 113			
Oct.	6 647	8 094	9 184			
Nov.	6 777	8 123	9 225			
Dec.	6 845	7 956	9 170			
	7 213	8 394	9 593			

12. — DEPOSITS IN THE SAVINGS BANKS.

End of Month	Savings Accounts Mill. mk			Current Accounts Mill. mk			Total Mill. mk					End of Month
	1947	1948	1949	1947	1948	1949	1946	1947	1948	1949	Monthly Movement	
Jan.	<i>19 461</i>			<i>1 320</i>			<i>18 830</i>					
Feb.	19 637	23 102	28 193	1 228	1 969	1 973	18 381	20 865	25 071	30 166	+	826
March	19 834	23 232	29 012	1 263	1 920	1 806	18 526	21 097	25 202	30 818	+	652
April	20 203	23 506	29 625	1 426	1 953	1 871	18 751	21 629	25 459	31 496	+	678
May	20 530	23 951	30 347	1 624	2 030	2 083	18 946	22 154	25 981	32 430	+	934
June	20 681	23 997	30 754	1 654	1 808	2 073	19 040	22 335	25 805	32 827	+	397
July	20 763	24 075	31 042	1 669	1 820	2 004	19 566	22 432	25 895	33 046	+	219
Aug.	21 100	24 515	31 729	1 787	2 039	2 331	19 691	22 887	26 554	34 060	+	1 014
Sept.	21 497	24 987		1 798	1 970		19 939	23 295	26 957			
Oct.	21 567	25 233		1 946	2 020		20 037	23 513	27 253			
Nov.	21 591	25 407		2 132	2 337		19 925	23 723	27 744			
Dec.	21 519	25 676		2 082	2 326		19 927	23 601	28 002			
	22 880	27 380*		2 044	1 960*		20 781	24 924	29 340*			

According to figures supplied by the Central Statistical Office.

The figures in italics indicate the position at the end of the previous year.

* Preliminary figures subject to minor alterations.

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

End of Month	Deposits in Co-operative Credit Societies ¹⁾ Mill. mk					Deposits in Consumers' Co-operative Societies ²⁾ Mill. mk					End of Month
	1946	1947	1948	1949	Monthly Movement	1946	1947	1948	1949	Monthly Movement	
Jan.	<i>6 926</i>					<i>2 036</i>					Jan.
Feb.	6 757	8 339	11 332	14 248	+ 256	2 031	2 315	2 824	3 770	+ 105	Feb.
March	6 838	8 433	11 384	14 550	+ 302	2 053	2 354	2 862	3 904	+ 134	March
April	7 118	8 962	11 687	15 124	+ 574	2 085	2 414	2 938	4 024	+ 120	April
May	7 304	9 292	12 015	15 408	+ 284	2 112	2 459	3 074	4 076	+ 52	May
June	7 405	9 407	11 982	15 660	+ 252	2 112	2 473	3 201	4 113	+ 37	June
July	7 534	9 604	11 971	15 731	+ 71	2 138	2 521	3 204	4 094	- 19	July
Aug.	7 606	9 838	12 408	16 118	+ 387	2 132	2 549	3 249	4 118	+ 24	Aug.
Sept.	7 739	10 412	13 085			2 127	2 573	3 314			Sept.
Oct.	7 869	10 618	13 043			2 126	2 584	3 343			Oct.
Nov.	7 883	10 667	13 212			2 130	2 586	3 371			Nov.
Dec.	7 871	10 597	13 271			2 145	2 595	3 441			Dec.
	8 391	11 373	13 992*			2 262	2 755	3 665			

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

14. — DEPOSITS IN ALL CREDIT INSTITUTIONS. ¹⁾

End of Month	Total Deposits due to the Public Mill. mk				
	1946	1947	1948	1949	Monthly Movement
Jan.	<i>61 417</i>				
Feb.	59 332	70 534	85 598	104 009	+ 3 153
March	59 378	70 066	84 182	102 711	- 1 298
April	60 517	72 866	87 632	108 207	+ 5 496
May	62 351	74 405	89 047	110 798	+ 2 591
June	62 475	75 290	88 090	109 872	- 926
July	63 601	76 046	88 845	112 726	+ 2 854
Aug.	64 423	77 264	91 806	116 996	+ 4 270
Sept.	65 664	79 070	93 014		
Oct.	66 716	81 102	95 604		
Nov.	67 988	81 390	98 157		
Dec.	67 504	80 303	96 313		
	70 017	85 426	100 856*		

¹⁾ Commercial Banks, Post Office Savings Bank, Savings Banks, Co-operative Credit Societies, Central Bank for Co-operative Credit Societies, Consumers' Co-operative Societies, and Mortgage Banks.

15. — INSURANCES IN LIFE ASSURANCE COMPANIES.

End of Month	New risks accepted ¹⁾			
	1948		1949	
	Number	Amount Mill. mk	Number	Amount Mill. mk
Jan.	14 084	1 384	14 404	1 692
Feb.	16 386	1 620	17 603	2 080
March	16 841	1 710	19 966	2 377
April	16 620	1 773	17 585	2 138
May	15 288	1 673	16 328	2 009
June	16 189	1 840	16 684	1 973
July	11 032	1 221	11 557	1 366
Aug.	13 218	1 482		
Sept.	15 312	1 822		
Oct.	18 974	2 253		
Nov.	22 122	2 586		
Dec.	25 766	3 304		
	201 832	22 618		
	106 440	11 171	114 627	13 635
				Total
				Jan.-July

¹⁾ According to information supplied by the Finnish Life Assurance Companies.

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

Year and Quarter	Companies founded		Companies with increased Capital		Companies liquidated		Companies with reduced Capital		Net increase (+) or reduction (-)		Year and Quarter
	Num-ber	Capital Mill. mk	Num-ber	Increase of Capital Mill. mk	Num-ber	Capital Mill. mk	Num-ber	Reduction of Capital Mill. mk	Num-ber	Capital Mill. mk	
1945	1 485	797	428	511	120	111	4	34	+1 365	+1 163	1945
1946	1 355	649	956	3 764	110	51	8	7	+1 245	+4 355	1946
1947	955	749	826	2 740	98	47	7	73	+ 857	+3 369	1947
1948	1 316	1 679	691	4 367	159	180	24	55	+1 157	+5 811	1948
1948											1948
April-June	316	236	174	827	37	13	1	2	+ 279	+1 048	April-June
July-Sept.	363	682	132	985	22	17	5	3	+ 341	+1 647	July-Sept.
Oct.-Dec.	435	277	208	2 055	63	135	13	13	+ 372	+2 184	Oct.-Dec.
1949											1949
Jan.-March	376	348	164	1 366	53	101	9	19	+ 323	+1 594	Jan.-March
April-June	311	203	150	3 437	54	35	9	7	+ 257	+3 598	April-June

Figures supplied by the Central Statistical Office.

The figures in italics indicate the position at the end of the previous year.

* Preliminary figures subject to minor alterations.

17. — BANKRUPTCIES.

Month	Bankruptcies ¹⁾				
	Number				
	1945	1946	1947	1948	1949
January	10	13	15	9	22
February	7	8	14	8	24
March	6	10	8	14	37
April	3	7	10	12	36
May	7	11	5	10	41
June	12	6	12	5	18
July	3	6	5	7	
August	8	6	8	12	
September	2	6	11	12	
October	11	17	8	15	
November	2	13	12	11	
December	8	5	7	25	
Total	79	108	115	140	
Jan.-June	45	55	64	58	178

¹⁾ Figures compiled by the Central Statistical Office from the reports sent in by the various Courts including all bankruptcy petitions, of which only about half will lead in due course to actual bankruptcy.

18. — STOCK EXCHANGE.

Month	Turnover of Stock Exchange ¹⁾				
	Mill. mk				
	1945	1946	1947	1948	1949
January	29	54	83	122	89
February	41	75	84	105	84
March	117	65	70	106	217
April	108	57	81	147	189
May	81	144	106	89	84
June	129	87	75	120	157
July	114	59	70	100	76
August	132	40	53	91	
September	219	87	166	93	
October	157	170	151	99	
November	94	206	110	113	
December	109	144	200	91	
Total	1 330	1 188	1 249	1 276	
Jan.—July	619	541	569	789	896

¹⁾ According to data supplied by the Stock Exchange Committee.

19. — STOCK EXCHANGE INDEX.

Month	Share Prices												Month
	All kinds				Bank Shares				Industrial Shares				
	1946	1947	1948	1949	1946	1947	1948	1949	1946	1947	1948	1949	
January	414	324	337	241	143	108	110	94	536	411	423	277	January
February	324	304	304	246	130	106	105	95	407	379	377	281	February
March	293	297	259	255	121	107	99	98	364	366	313	283	March
April	324	310	269	267	124	105	102	93	405	388	322	300	April
May	396	296	265	270	130	104	101	94	519	371	315	305	May
June	436	292	273	261	129	102	99	94	582	365	328	291	June
July	378	282	272	260	122	99	101	94	496	348	326	289	July
August	356	282	259		121	98	100		462	348	306		August
September	358	308	247		125	102	97		463	364	290		September
October	368	337	237		123	103	97		477	424	272		October
November	370	332	233		117	103	96		481	418	266		November
December	340	336	228		110	104	94		436	423	259		December
Whole year	363	308	265		125	104	100		469	385	316		Whole year

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

20. — PUBLIC DEBT.

End of Year and Month	According to the Finance Accounts										Mill. Dollars ¹⁾	End of Year and Month
	Funded Debt			Short-term Credit			Total Public Debt					
	Foreign	Internal	Total	Foreign	Internal	Total	Foreign	Internal	Total			
1945	15 664	39 994	55 658	4 283	25 782	30 065	19 947	65 776	85 723	630	1945	
1946	26 561	51 301	77 862	5 072	22 137	27 209	31 633	73 438	105 071	773	1946	
1947	33 484	57 292	90 776	5 073	22 251	27 324	38 557	79 543	118 100	868	1947	
1948	38 512	53 523	92 035	5 093	24 489	29 582	43 605	78 012	121 617	894	1948	
1949											1949	
Feb.	38 649	51 763	90 412	5 080	17 502	22 582	43 729	69 265	112 994	831	Feb.	
March	38 680	50 024	88 704	5 101	22 467	27 568	43 781	72 491	116 272	855	March	
April	37 641	50 031	87 672	5 103	21 260	26 363	42 744	71 291	114 035	833	April	
May	37 639	50 152	87 791	5 093	19 001	24 094	42 732	69 153	111 885	823	May	
June	37 362	50 074	87 436	5 091	22 469	27 560	42 453	72 543	114 996	846	June	
July	43 837	50 614	94 451	5 979	22 966	28 945	49 816	73 580	123 396	771	July	

¹⁾ According to data supplied by the Treasury. Internal loans are given at their nominal value and foreign loans in Finnish currency according to current rates of exchange. — ²⁾ The outstanding amounts of both internal and foreign loans have been converted into United States dollars at the Helsinki rates of exchange of the respective currencies.

21. — STATE REVENUE AND EXPENDITURE.

Year and Month	Total Revenue	Current Revenue ¹⁾ derived from						Capital Revenue	Expenditure			Year and Month
		Income and Property tax ²⁾	Stamp duty	Sales tax	Interest and Dividends	Railways, Posts, Telegraphs ³⁾	State Forests ⁴⁾		Total	Current	Capital	
1948 Jan.-June Whole year	46 171 113 632	12 787 28 838	1 641 2 978	6 217 27 676	7 663 7 903	1 323 2 111	— 243 1 149	3 748 14 258	37 791 104 587	28 365 75 175	9 426 29 412	1948 Jan.-June Whole year
1949 Jan.-June	45 303	13 326	1 668	8 069	156	— 197	625	3 336	53 775	34 229	19 546	1949 Jan.-June
1949 Budget Suppl. Budget ⁴⁾	100 256 — 214	20 575 —	2 275 —	25 000 —	8 635 —	983 — 703	912 — 16	6 739 38	100 243 8 536	69 628 4 257	30 415 4 279	1949 Budget Suppl. Budget

Tables 21—23 according to preliminary monthly accounts kept by the Treasury, the Customs and the Board of Excise Revenue.
¹⁾ The current revenue derived from Customs duty, and some other State receipts are specified in tables 22 and 23 below. — ²⁾ Including special and supplementary taxes on income and property but not the Capital Levy nor the inheritance tax. — ³⁾ The figures given refer to net revenue. — ⁴⁾ Passed in June.

22. — COLLECTION OF CUSTOMS.

Year and Month	Total Customs Receipts	Customs duty on		Fines, Light Dues, etc.
		Imported goods incl. storage charges	Exported goods	
1948 Jan.-July Whole year	4 978 9 482	4 865 9 272	0 0	113 210
1949 Jan.-July	6 497	6 392	0	105
1949 Budget	9 875	9 700	1	174

23. — COLLECTION OF EXCISE DUES.

Year and Month	Total Excise Dues	Excise on				
		Tobacco	Spirits	Beer	Matches	
						Mill. mk
1948 Jan.-June Whole year	4 344 7 769	2 918 6 434	78 171	99 276	142 289	1948 Jan.-June Whole year
1949 Jan.-June	5 422	3 630	54	173	118	1949 Jan.-June
1949 Budget	7 291	6 000	156	400	275	1949 Budget

24. — VALUE OF IMPORTS AND EXPORTS.

Month	Imports (c. i. f.) Mill. mk			Exports (f. o. b., free exports) Mill. mk			Surplus of Imports (—) or Exports (+) Mill. mk			Month
	1947	1948	1949*	1947	1948	1949*	1947	1948	1949*	
January	2 825	3 963	4 113	1 961	2 505	3 124	— 864	— 1 458	— 989	January
February	2 304	4 261	4 200	1 170	3 354	3 681	— 1 134	— 907	— 519	February
March	1 138	3 538	4 806	784	2 987	3 876	— 354	— 601	— 930	March
April	1 463	4 916	4 604	2 107	4 467	4 016	+ 644	— 449	— 588	April
May	3 843	6 001	5 320	4 855	3 696	4 106	+ 1 012	— 2 305	— 1 214	May
June	3 989	7 006	4 591	4 582	5 201	4 667	+ 643	— 1 805	+ 76	June
July	4 899	5 938	5 783	5 768	6 349	6 068	+ 869	+ 411	+ 285	July
August	4 014	5 397		5 498	5 407		+ 1 484	+ 10		August
September	5 196	5 508		4 808	5 943		— 388	+ 435		September
October	5 219	5 526		4 885	5 655		— 334	+ 159		October
November	4 972	5 961		5 018	5 509		+ 46	— 452		November
December	7 159	8 304		3 792	5 402		— 3 367	— 2 902		December
Total Jan.-July	46 971 20 411	66 369 35 673	33 417	45 228 21 227	56 505 28 559	29 538	— 1 743 + 816	— 9 864 — 7 114	— 3 879	Total Jan.-July

Tables 24—29 according to Finnish Official Statistics I, A, Foreign Trade of Finland, Monthly Reports.

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

* Preliminary figures subject to minor alterations.

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

Classes of Goods	Imports (c. i. f.) Mill. mk					Exports (f. o. b.) Mill. mk				
	Whole year		January—July			Whole year		January—July		
	1947	1948	1947	1948	1949*	1947	1948	1947	1948	1949*
Dairy produce, eggs, honey	208	1 939	199	707	23	34	13	26	—	157
Other animal products, live animals	688	1 117	315	616	184	1 098	219	626	176	261
Vegetables	13	16	12	14	3	32	1	11	1	0
Eatable fruit	247	537	30	153	484	12	11	9	5	4
Coffee, tea, spices	296	710	150	398	491	—	—	—	—	—
Cereals, milling products	6 586	6 835	2 706	5 068	2 834	0	29	—	12	18
Certain seeds and fruit, plants for industrial purposes ..	293	425	234	329	168	10	9	5	6	11
Raw materials for tanning and dyeing	122	74	55	49	40	—	—	—	—	—
Animal and vegetable fats	1 288	1 685	569	740	1 137	0	1	0	1	2
Meat and fish products ..	92	351	44	179	3	—	0	—	—	1
Sugar, sweets	1 250	2 024	608	1 022	1 148	7	18	4	11	7
Beverages, vinegars	236	209	136	104	148	152	173	33	110	271
Fodder	381	1 000	54	482	495	—	0	—	—	—
Tobacco	624	1 301	323	418	133	—	—	—	—	—
Minerals, ore	954	1 168	449	538	325	71	133	33	77	146
Mineral fuel and oils	6 317	10 735	2 144	5 813	2 170	0	0	0	0	—
Chemical and pharmaceutical products	1 768	2 000	790	1 152	1 032	127	171	47	98	147
Tanning and dyeing extracts, varnishes	808	1 110	350	596	833	13	7	6	5	1
Caseine, albumine, glues ..	394	333	183	187	176	0	7	0	—	6
Fertilizers	2 105	2 083	934	865	1 184	—	—	—	—	—
Hides, skins, leather and furs; manufactures of these materials	670	1 206	323	451	782	261	312	187	236	164
Rubber and rubber articles	968	1 085	416	617	565	1	4	0	3	7
Wood and wooden goods ..	51	78	36	59	56	19 467	23 797	7 466	9 743	11 971
Woodpulp	10	4	10	2	0	10 722	16 010	5 728	9 390	7 470
Cardboard and paper, their applications	61	91	27	49	48	11 001	12 930	5 775	7 198	6 973
Textile materials, textile goods	3 935	6 493	2 146	3 035	5 550	744	907	475	512	392
Footwear	206	244	125	113	78	0	3	—	2	1
Articles of stone and of other mineral material, glass ..	326	523	157	277	299	356	323	185	232	222
Base metals; articles made therefrom	7 708	10 472	3 142	5 992	6 146	581	722	322	372	473
Machinery, apparatus	2 449	3 973	1 203	2 059	2 897	103	160	52	89	136
Electrical machinery and apparatus	1 136	1 965	511	927	1 578	93	115	44	56	81
Transport material	3 879	3 233	1 583	1 939	1 582	29	60	17	40	351
Instruments, clocks and watches, musical instruments	245	305	119	175	228	9	15	5	7	17
All others	662	1 045	328	548	597	305	355	171	177	248
Total free trade	46 971	66 369	20 411	35 673	33 417	45 228	56 505	21 227	28 559	29 538
Reparation deliveries						10 405	11 546	5 596	7 111	5 868

* Preliminary figures subject to minor alterations.

26. — IMPORTS OF THE MOST IMPORTANT ARTICLES.

Month	Wheat Tons			Rye Tons			Sugar Refined and unrefined Tons			Month
	1947	1948	1949*	1947	1948	1949*	1947	1948	1949*	
January	17 065	1 871	16 140	14 341	14 840	—	1 501	4 130	4 774	January
February	—	9 328	21 138	12 817	21 825	—	1 587	3 688	5 582	February
March	7 774	10 917	25 646	2 467	8 382	—	1 431	4 172	6 146	March
April	3 657	14 820	19 368	18 239	2 129	—	626	6 861	7 361	April
May	12 700	10 793	18 908	2 601	14 445	6 000	2 529	8 635	10 378	May
June	2 099	18 354	20 144	9 333	26 580	—	7 802	8 159	8 504	June
July	11 004	3 281	29 873	9 192	20 034	—	6 040	10 072	7 788	July
August	9 488	—	—	14 257	14 093	—	5 168	11 804	—	August
September	9 434	6 096	—	26 608	31	—	3 773	9 075	—	September
October	90	5 954	—	30 138	—	—	13 765	7 974	—	October
November	18 476	12 941	—	7 533	3 495	—	3 892	8 168	—	November
December	—	15 103	—	26 354	—	—	350	9 668	—	December
Total	91 787	109 458	—	173 880	125 854	—	48 464	92 406	—	Total
Jan.-July	54 299	69 364	151 217	68 990	108 235	6 000	21 516	45 717	50 533	Jan.-July

Month	Raw Tobacco Tons			Coal and Coke Tons			Petrol Tons			Month
	1947	1948	1949*	1947	1948	1949*	1947	1948	1949*	
January	215	319	12	40 833	203 586	93 321	7 545	13 325	14 006	January
February	205	355	62	50 620	88 621	54 542	7 404	12 473	13 201	February
March	254	336	62	5 018	32 167	5 906	8 697	15 028	14 422	March
April	232	398	108	61	111 205	12 698	9 989	15 406	17 135	April
May	247	328	161	24 555	267 139	31 335	10 137	11 040	17 666	May
June	245	318	137	112 824	297 885	80 076	12 854	24 908	17 808	June
July	124	130	144	223 939	313 171	63 530	15 222	18 007	21 386	July
August	345	382	—	140 047	163 571	—	16 454	18 961	—	August
September	328	358	—	238 278	257 148	—	16 086	17 138	—	September
October	353	383	—	245 516	260 432	—	15 637	18 062	—	October
November	331	421	—	164 656	233 013	—	12 428	19 191	—	November
December	216	2 902	—	252 630	187 030	—	16 295	15 980	—	December
Total	3 095	6 630	—	1 498 977	2 414 968	—	148 748	199 519	—	Total
Jan.-July	1 522	2 184	686	457 850	1 313 774	341 408	71 848	110 187	115 624	Jan.-July

Month	Raw Cotton Tons			Pig Iron Tons			Bar Iron and Bar Steel Tons			Month
	1947	1948	1949*	1947	1948	1949*	1947	1948	1949*	
January	1 088	1 154	538	10	613	18	3 193	4 006	6 888	January
February	3 430	1 088	1 609	5	598	1 126	3 789	8 320	6 325	February
March	1 451	1 000	1 464	20	632	2 890	846	7 605	6 727	March
April	—	15	46	100	325	1 742	1 005	9 261	8 350	April
May	1 871	1 178	34	920	575	1 055	7 890	8 773	6 398	May
June	1 263	—	1 678	270	1 695	3 479	7 759	10 804	5 699	June
July	—	—	2 884	40	1 079	5 852	6 736	11 556	5 712	July
August	93	2 570	—	2 255	2 620	—	5 427	9 540	—	August
September	—	—	—	3 902	35	—	9 532	6 132	—	September
October	587	905	—	4 985	543	—	10 064	6 842	—	October
November	12	534	—	1 040	2 326	—	8 977	4 997	—	November
December	859	1 412	—	2 066	7 925	—	20 314	7 617	—	December
Total	10 654	9 856	—	15 613	18 966	—	85 532	95 503	—	Total
Jan.-July	9 103	4 435	8 253	1 365	5 517	16 162	31 218	60 325	46 099	Jan.-July

* Preliminary figures subject to minor alterations.

27. — EXPORTS OF THE MOST IMPORTANT ARTICLES. 1)

Month	Wooden Houses and Huts Tons			Round Timber All kinds excl. fuel 1 000 m ³			Sawn Timber ²⁾ All kinds 1 000 standards			Month
	1947	1948	1949*	1947	1948	1949*	1947	1948	1949*	
January	7 971	6 077	1 361	30	35	56	15	10	12	January
February	8 393	11 641	7 958	15	4	62	5	10	12	February
March	11 542	10 894	19 086	—	1	59	5	11	12	March
April	10 159	21 324	15 021	1	0	99	4	7	7	April
May	15 832	20 375	9 515	33	8	168	9	9	12	May
June	13 088	20 274	6 737	118	54	192	34	26	48	June
July	11 651	15 999	14 439	387	329	381	66	81	88	July
August	11 159	12 430		391	510		72	64		August
September	15 005	11 202		415	438		63	76		September
October	16 711	12 966		280	355		53	61		October
November	13 699	11 332		178	197		58	68		November
December	13 671	4 667		88	66		32	47		December
Total	148 881	159 181		1 936	1 997		416	470		Total
Jan.-July	78 636	106 584	74 117	584	431	1 017	138	154	191	Jan.-July

Month	Matches Tons			Plywood 1 000 m ³			Bobbins (spools) Tons			Month
	1947	1948	1949*	1947	1948	1949*	1947	1948	1949*	
January	205	26	37	8	9	12	67	158	147	January
February	114	98	96	7	14	22	46	357	181	February
March	4	100	87	1	9	21	—	184	200	March
April	105	189	77	10	13	21	212	380	378	April
May	424	73	123	22	14	18	511	322	300	May
June	195	11	80	20	16	17	252	311	280	June
July	36	55	143	14	14	12	145	109	314	July
August	80	16		12	12		154	355		August
September	31	56		10	15		369	322		September
October	47	49		17	19		251	371		October
November	6	160		15	16		466	426		November
December	249	227		19	24		260	192		December
Total	1 496	1 060		155	175		2 733	3 487		Total
Jan.-July	1 083	552	643	82	89	123	1 233	1 821	1 800	Jan.-July

Month	Mechanical Pulp ³⁾ Tons			Sulphite Cellulose ³⁾ Tons			Sulphate Cellulose ³⁾ Tons			Month
	1947	1948	1949*	1947	1948	1949*	1947	1948	1949*	
January	4 075	1 352	9 266	19 410	29 651	21 937	10 653	19 175	18 443	January
February	1 162	3 267	2 356	9 742	26 763	29 197	8 591	27 342	20 322	February
March	—	2 093	3 233	1 166	27 084	29 805	1 806	24 245	16 831	March
April	142	9 541	17 424	10 328	36 597	32 022	10 750	37 194	24 314	April
May	13 011	9 090	19 763	45 149	19 203	37 062	35 379	21 232	18 014	May
June	8 405	17 528	12 277	34 597	46 404	39 483	25 657	38 785	20 874	June
July	15 137	11 807	15 339	44 240	33 570	24 915	50 147	32 654	17 015	July
August	9 667	10 237		24 695	17 485		34 002	21 103		August
September	4 877	8 126		24 468	33 029		31 523	26 159		September
October	4 873	4 612		22 423	30 191		23 378	23 716		October
November	3 411	6 822		33 237	31 036		26 712	26 664		November
December	366	12 622		20 242	40 413		19 899	32 743		December
Total	65 126	97 097		289 697	371 426		278 497	331 012		Total
Jan.-July	41 932	54 678	79 658	164 632	219 272	214 421	142 983	200 627	135 813	Jan.-July

¹⁾ Free exports. — ²⁾ 1 standard sawn timber = 4.672 m³. — ³⁾ Dry weight.

* Preliminary figures subject to minor alterations.

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

Month	Cardboard All kinds Tons			Paper All kinds Tons			Newsprint (Included in previous column) Tons			Month
	1947	1948	1949*	1947	1948	1949*	1947	1948	1949*	
January	7 891	5 921	7 043	24 094	23 848	34 950	12 880	16 318	24 960	January
February	2 675	8 021	7 450	9 300	32 121	41 058	4 953	17 935	31 692	February
March	812	8 230	7 031	9 919	21 699	35 528	7 299	11 337	24 901	March
April	8 170	8 620	6 720	24 521	45 207	37 508	15 389	31 769	28 911	April
May	16 957	8 132	9 136	55 029	37 564	35 074	32 864	26 217	28 261	May
June	11 102	7 974	6 787	43 875	36 018	34 711	26 861	26 341	26 853	June
July	8 510	10 084	6 182	40 110	40 466	33 293	29 713	29 054	26 082	July
August	7 161	9 076		45 278	36 369		32 561	27 467		August
September	8 266	9 632		28 050	28 013		18 328	18 587		September
October	10 857	10 405		36 402	44 151		23 358	32 908		October
November	11 711	9 317		37 101	35 344		23 749	24 770		November
December	9 011	12 649		29 655	35 677		18 423	26 072		December
Total	103 123	108 061		383 334	416 477		246 378	288 775		Total
Jan.-July	56 117	56 982	50 349	206 848	236 923	252 122	129 959	158 971	191 660	Jan.-July

28. — FOREIGN TRADE WITH VARIOUS COUNTRIES.

Country	Imports (e. i. f.)					Exports (f. o. b., free exports)				
	Whole year		January—July			Whole year		January—July		
	1947	1948	1948	1949*	1947	1948	1948	1949*		
	%	%	%	Mill. mk	%	%	%	Mill. mk	%	%
Europe:										
Belgium	7.9	4.9	5.7	1 677	5.0	5.2	3.9	1 218	4.1	
Bulgaria	0.0	0.1	0.0	42	0.1	0.0	0.2	57	0.2	
Czechoslovakia	0.7	1.0	0.7	608	1.8	0.3	0.6	438	1.5	
Denmark	6.4	8.1	9.0	1 799	5.4	7.2	6.1	2 013	6.8	
France	4.3	4.5	4.4	3 270	9.8	3.9	5.2	1 339	4.5	
Germany	0.0	0.7	0.5	365	1.1	0.1	1.0	679	2.3	
Great Britain	17.5	25.1	23.1	6 884	20.6	30.0	26.3	8 531	28.9	
Greece	0.5	0.6	0.3	75	0.2	0.7	0.8	236	0.8	
Holland	4.7	6.0	4.2	2 977	8.9	4.5	4.3	1 525	5.2	
Italy	0.4	0.5	0.7	337	1.0	1.5	0.5	395	1.4	
Norway	3.9	2.2	2.7	514	1.6	2.0	1.6	511	1.7	
Poland	3.6	6.9	6.7	1 047	3.1	2.1	2.8	594	2.0	
Rumania	0.0	0.0	0.0	1	0.0	0.0	—	6	0.0	
Soviet Union	11.3	12.5	15.5	5 151	15.4	12.4	17.2	4 483	15.2	
Sweden	4.8	4.8	4.4	2 143	6.4	5.7	4.8	1 270	4.3	
Switzerland	0.8	1.1	1.2	361	1.1	0.9	0.8	96	0.3	
Turkey	0.5	0.6	0.4	67	0.2	0.4	0.5	93	0.3	
Other European countries	0.4	1.3	1.0	480	1.5	1.7	1.4	932	3.2	
Total for Europe	67.7	80.9	80.5	27 798	83.2	78.6	78.0	24 416	82.7	
Asia	0.2	0.1	0.1	21	0.1	1.5	1.4	248	0.9	
Africa	0.1	0.2	0.1	106	0.3	3.1	2.8	559	1.9	
United States	23.7	12.0	12.8	2 910	8.7	11.5	13.7	2 315	7.8	
Other States of North America	0.5	0.4	0.5	53	0.1	0.1	0.1	40	0.1	
South America	7.8	6.3	6.0	2 465	7.4	4.5	3.3	1 691	5.7	
Australia	0.0	0.1	0.0	64	0.2	0.7	0.7	269	0.9	
Grand total	100.0	100.0	100.0	33 417	100.0	100.0	100.0	29 538	100.0	

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

* Preliminary figures subject to minor alterations.

29. — UNIT VALUE INDEX OF IMPORTS AND EXPORTS. 1935=100.

Year and Month	Total Imports	Groups of Imported Goods				Total Exports	Principal Exported Goods				Year and Month
		Raw materials	Machinery	Food-stuffs	Other consumption goods		Sawn timber	Mechanical pulp	Dry cellulose	Paper	
1944	457	468	360	560	400	323	292	309	337	314	1944
1945	709	729	798	713	447	452	433	597	436	445	1945
1946	896	888	883	947	846	799	802	835	700	777	1946
1947	950	941	898	1 030	912	1 175	1 177	1 257	1 148	1 049	1947
1948	1 036	1 080	957	1 019	998	1 383	1 323	1 746	1 393	1 246	1948
1948 Jan.—July	1 042	1 072	985	1 042	1 025	1 364	1 333	1 817	1 366	1 197	1948 Jan.—July
1949 Jan.—March	1 007	1 012	1 017	1 018	966	1 356	1 405	1 360	1 383	1 237	1949 Jan.—March
Jan.—April	1 017	1 006	1 070	1 019	980	1 334	1 401	1 360	1 339	1 244	Jan.—April
Jan.—May	1 021	1 033	1 050	999	981	1 329	1 397	1 381	1 315	1 227	Jan.—May
Jan.—June	1 012	1 024	1 012	1 009	976	1 319	1 349	1 396	1 283	1 214	Jan.—June
Jan.—July	1 029	1 034	1 035	1 035	991	1 339	1 393	1 370	1 255	1 211	Jan.—July

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

30. — TOTAL SALES OF WHOLESALE FIRMS.

Month	Total Sales Mill. mk						Month
	1944	1945	1946	1947	1948	1949	
January	1 046	1 412	2 840	3 456	5 514	7 576	January
February	1 206	1 482	2 957	3 897	8 347	8 237	February
March	1 360	1 585	3 470	4 617	7 594	9 174	March
April	1 246	1 626	3 680	4 241	9 343	9 392	April
May	1 411	1 848	4 039	5 327	8 997	10 571	May
June	1 043	1 759	3 731	4 675	8 472	9 877	June
July	948	1 400	3 402	4 633	8 450		July
August	1 229	1 847	3 911	5 302	9 148		August
September	1 023	2 420	4 040	6 438	10 169		September
October	1 077	2 954	4 622	6 470	10 383		October
November	1 191	3 186	4 551	6 427	10 561		November
December	1 419	3 267	5 024	7 311	10 755		December
Total Jan.-June	14 199 7 312	24 786 9 712	46 267 20 717	62 794 26 213	107 733 48 267	54 827	Total Jan.-June

Calculated by the «Usini Suomalaiset». The figures represent approximately 80—90 % of the turnover of all wholesalers in Finland.

31. — VOLUME INDEX OF INDUSTRIAL PRODUCTION. 1935=100.

Quarter	Total Industry					Home Market Industry					Export Industry					Quarter
	1945	1946	1947	1948	1949	1945	1946	1947	1948	1949	1945	1946	1947	1948	1949	
Jan.—March	69	87	111	138	154	89	110	135	176	193	40	56	77	85	98	Jan.—March
April—June	67	87	110	137	144	79	103	130	168	182	48	63	80	95	91	April—June
July—Sept.	66	95	105	124		76	115	128	150		50	66	74	87		July—Sept.
Oct.—Dec.	77	100	124	139		94	122	157	171		53	70	78	94		Oct.—Dec.
Whole year	70	92	113	135		85	113	138	166		47	64	78	90		Whole year

•Unitas index based on seasonally adjusted quarterly figures.

32. — BUILDING ACTIVITY.

Month	Consumption of Cement in Finland ¹⁾						Plans approved in the Capital ²⁾						Month
	1 000 tons						All buildings, 1 000 m ³						
	1944	1945	1946	1947	1948	1949	1944	1945	1946	1947	1948	1949*	
January	31	46	27	54	74	101	0.6	64.7	105.6	39.2	34.7	34.0	January
February							0.3	35.5	91.3	28.4	71.4	146.1	February
March							25.6	71.9	39.2	37.5	135.0	145.1	March
April	60	89	79	112	160		2.9	116.8	97.1	64.3	80.2	78.7	April
May							8.1	229.7	54.5	67.6	110.7	135.7	May
June							70.2	101.7	56.9	62.2	91.4	48.7	June
July	52	83	127	152	164		1.5	126.5	119.9	64.1	92.2	310.6	July
August							6.9	42.5	87.4	72.5	35.3		August
September							0.0	12.6	57.8	65.6	75.4		September
October	44	63	96	103	129		1.7	47.7	101.6	122.5	70.0		October
November							40.6	150.9	73.2	37.9	57.8		November
December							42.0	36.1	119.2	27.9	65.1		December
Total	187	281	329	421	527		200.4	1 036.6	1 004.2	689.7	919.2		Total
							109.2	746.8	565.0	363.3	615.5	898.9	Jan.-July

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

33. — FOREIGN SHIPPING.

Year and Month	Arrivals				Sailings				Year and Month
	Number of vessels		Net reg. tons		Number of vessels		Net reg. tons		
	Total	of which Finnish	Total	of which with Cargo	Total	of which Finnish	Total	of which with Cargo	
1946	3 024	1 557	2 338 761	1 482 639	3 020	1 571	2 332 110	1 844 150	1946
1947	4 020	1 926	3 568 942	2 362 715	3 989	1 895	3 492 515	2 684 134	1947
1948	5 243	2 543	4 017 493	2 849 573	5 275	2 556	4 072 374	2 862 504	1948
1948 Jan.-June	1 516	791	1 403 441	1 214 772	1 448	800	1 388 937	814 361	1948 Jan.-June
1949 March	165	85	154 309	112 031	155	78	140 875	126 354	1949 March
April	218	124	203 191	133 364	208	112	192 766	169 234	April
May	388	197	294 809	194 287	351	189	279 304	223 947	May
June	570	240	372 032	233 467	552	251	362 455	304 549	June
Jan.-June	1 620	819	1 330 939	913 436	1 564	821	1 317 153	1 083 799	Jan.-June

Figures supplied by the Statistical Office of the Shipping Board.

34. — STATE RAILWAYS.

Month	Weight of Goods transported			Axle-kilometres of goods trucks		Revenue (less Re-imburements)			Regular Expenditure			Month
	1 000 tons			Mill. km		Mill. mk			Mill. mk			
	1947	1948	1949	1948	1949	1947	1948	1949	1947	1948	1949	
January	1 144	1 154	1 017	66	60	477	1 017	909	480	786	815	January
February	1 022	1 157	1 046	73	64	443	1 048	872	557	951	1 083	February
March	1 118	1 239	1 170	79	70	479	1 194	1 005	587	1 003	1 017	March
April	1 167	1 313	1 011	84	63	552	1 205	960	540	956	998	April
May	1 326	1 350		73		616	1 136		693	1 081		May
June	1 282	1 493		72		646	1 231		782	1 020		June
July	1 492	1 416		74		880	1 293		702	1 044		July
August	1 395	1 293		70		877	1 170		608	951		August
September	1 439	1 313		70		827	1 064		696	968		September
October	1 408	1 304		72		840	1 093		681	1 020		October
November	1 203	1 280		68		721	1 084		692	995		November
December	1 160	1 142		62		902	1 057		1 496	1 133		December
Total	15 156	15 454		863		8 260	13 642		8 514	11 958		Total
Jan.-April	4 451	4 863	4 244	302	257	1 951	4 464	3 746	2 164	3 696	3 913	Jan.-April

According to Monthly Statistics of the Finnish State Railways.

* Preliminary figures subject to minor alterations.

35. — WHOLESALE PRICE INDEX. 1935=100.

Month	Index for Goods in Finnish Wholesale trade										Articles of Import (e. i. f.)		Articles of Export (f. o. b.)		Month		
	Total Index		Finnish Goods						Imported Goods								
			Total		Products of agriculture		Products of forestry									Products of industry	
	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949			
Jan.	<i>1 010</i>		<i>1 029</i>		<i>1 571</i>		<i>1 386</i>		<i>738</i>		<i>962</i>		<i>955</i>		<i>1 174</i>		Jan.
Feb.	1 026	1 088	1 042	1 099	1 504	1 137	1 415	1 516	771	950	983	1 060	978	1 007	1 265	1 211	Feb.
March	1 033	1 083	1 050	1 088	1 479	1 117	1 428	1 485	788	948	992	1 068	988	1 003	1 274	1 201	March
April	1 074	1 075	1 106	1 078	1 456	1 082	1 457	1 485	879	943	995	1 065	986	1 003	1 271	1 200	April
May	1 079	1 071	1 103	1 074	1 393	1 057	1 458	1 480	894	946	1 019	1 061	990	984	1 285	1 195	May
June	1 089	1 057	1 114	1 055	1 391	1 017	1 474	1 418	908	949	1 025	1 060	996	996	1 285	1 189	June
July	1 102	1 058	1 132	1 063	1 431	1 050	1 474	1 418	924	951	1 027	1 044	996	989	1 276	1 178	July
Aug.	1 124	1 102	1 162	1 113	1 463	1 157	1 566	1 409	933	1 004	1 027	1 074	1 006		1 292		Aug.
Sept.	1 118		1 153		1 412		1 566		935		1 030		1 009		1 292		Sept.
Oct.	1 116		1 147		1 362		1 543		948		1 038		1 012		1 294		Oct.
Nov.	1 110		1 141		1 318		1 546		952		1 032		992		1 296		Nov.
Dec.	1 107		1 132		1 285		1 536		951		1 043		997		1 266		Dec.
Whole year	1 104		1 126		1 269		1 522		950		1 049		998		1 238		Whole year

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

36. — COST OF LIVING INDEX.

Month	August 1938— July 1939 = 100			1935 = 100										Month			
	Total Index			Foodstuffs		Rent		Fuel and light		Clothing		Taxes					
	1947	1948	1949	1947	1948	1949	1948	1949	1948	1949	1948	1949	1948		1949		
Jan.	<i>468</i>		<i>509</i>		<i>994</i>		<i>161</i>		<i>1 217</i>		<i>679</i>		<i>1 155</i>		Jan.		
Feb.	471	763	795	513	831	866	1 037	1 057	161	161	1 226	1 593	745	954	1 247	1 900	Feb.
March	482	753	780	525	820	850	999	1 023	161	161	1 242	1 569	785	959	1 247	1 900	March
April	524	761	772	571	829	841	990	1 003	161	161	1 317	1 548	809	967	1 247	1 900	April
May	546	765	775	594	833	844	975	999	161	161	1 326	1 550	816	971	1 331	1 900	May
June	559	765	776	609	833	845	963	984	161	221	1 343	1 515	847	979	1 331	1 900	June
July	567	773	782	618	842	852	976	992	161	221	1 347	1 521	859	982	1 331	1 900	July
Aug.	595	809	814	648	881	887	983	1 079	161	221	1 349	1 510	868	949	1 908	1 862	Aug.
Sept.	607	816		661	889		993		161		1 349		883		1 908		Sept.
Oct.	617	812		672	885		978		161		1 372		899		1 908		Oct.
Nov.	632	810		689	882		1 124		161		1 406		920		1 930		Nov.
Dec.	690	805		751	876		1 098		161		1 545		930		1 930		Dec.
Whole year	720	798		785	869		1 075		161		1 601		934		1 930		Whole year

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

37. — BANK OF FINLAND BUILDING COST INDEX. 1935=100.

Year	Total Index					Index of the Contractor					Index of Overhead Costs					Year
	I	II	III	IV	Aver.	I	II	III	IV	Aver.	I	II	III	IV	Aver.	
1938	.	.	.	.	127	.	.	.	.	127	.	.	.	.	121	1938
1939	129	130	134	141	134	130	130	134	141	134	124	124	128	134	128	1939
1940	151	157	165	172	161	152	158	165	173	162	141	147	154	157	150	1940
1941	180	189	195	199	191	181	191	196	201	192	164	173	178	182	174	1941
1942	212	226	231	243	228	213	227	233	245	230	193	206	204	215	205	1942
1943	244	252	259	264	255	246	254	261	266	257	216	223	230	233	226	1943
1944	267	271	272	283	273	269	273	274	286	276	236	240	241	245	241	1944
1945	299	396	503	529	432	302	399	507	534	436	259	342	435	457	373	1945
1946	564	613	657	683	629	570	619	664	689	636	489	530	569	591	545	1946
1947	706	733	781	935	789	708	734	782	937	790	679	715	762	911	767	1947
1948	1 125	1 194	1 206	1 210	1 184	1 115	1 182	1 192	1 197	1 172	1 246	1 348	1 380	1 385	1 340	1948
1949	1 208	1 199			1 196	1 188					1 365	1 346			1949	

Quarterly indices and yearly averages of them. For details concerning the calculation of the index see p. 35 in this Bulletin Nos. 4—6, 1946.

The figures in italics indicate the position at the end of the previous year.

38. — INDEX OF WORKING HOURS IN INDUSTRY.

Quarter	All Industries			Branch of Industry								Quarter
	Total	Home Industries	Exporting Industries	Metal	Glass, Stone, etc.	Chemicals	Foodstuffs and luxuries	Leather	Textile	Paper	Timber	
1947 Oct.-Dec.	106.3	106.1	106.7	104.0	114.3	106.7	105.9	107.6	106.3	103.0	110.3	1947, Oct.-Dec.
1948 Jan.-March	106.1	106.1	106.3	103.0	114.7	103.8	107.3	114.1	105.7	103.6	108.9	1948 Jan.-March
April-June	107.3	107.1	107.6	104.0	115.9	105.4	110.2	105.8	108.7	107.6	107.6	1948 April-June
July-Sept.	108.9	109.5	107.9	108.2	116.4	107.4	115.7	111.4	106.8	105.4	110.3	1948 July-Sept.
Oct.-Dec.	104.8	105.3	103.7	100.7	107.5	100.7	119.0	107.8	108.5	103.4	104.0	1948 Oct.-Dec.
1949 Jan.-March	99.8	102.7	94.3	100.7	89.0	97.5	116.9	101.7	109.4	97.5	91.4	1949 Jan.-March
April-June	98.1	102.6	89.3	99.8	93.1	99.3	108.9	107.0	108.8	90.6	88.1	1949 April-June

The index, which is based on the number of working hours during the corresponding quarters in the previous year, is calculated by the Research Office of the Ministry for Social Affairs.

39. — NUMBER OF UNEMPLOYED.

End of Month	Unemployed qualified for registration											End of Month
	On Relief Work			Without Work			Total					
	1947	1948	1949	1947	1948	1949	1945	1946	1947	1948	1949	
January	—	588	12 191	—	342	14 071	10 893	2 529	—	930	26 262	January
February	—	1 671	22 763	—	498	15 793	9 066	2 220	—	2 169	38 556	February
March	—	2 252	35 315	—	346	16 126	7 955	2 384	—	2 598	51 441	March
April	—	1 047	29 652	—	47	9 614	7 251	2 515	—	1 094	39 266	April
May	—	338	12 591	—	37	3 329	6 420	1 065	—	375	15 920	May
June	—	—	2 982	—	—	929	4 838	—	—	—	3 911	June
July	—	—	684	—	—	256	3 606	—	—	—	940	July
August	—	—	—	—	—	—	3 011	—	—	—	—	August
September	—	—	—	—	—	—	2 794	—	—	—	—	September
October	—	—	—	—	—	—	2 621	—	—	—	—	October
November	—	1 169	—	—	2 200	—	2 691	—	—	3 369	—	November
December	—	5 556	—	—	8 222	—	2 594	—	—	13 778	—	December

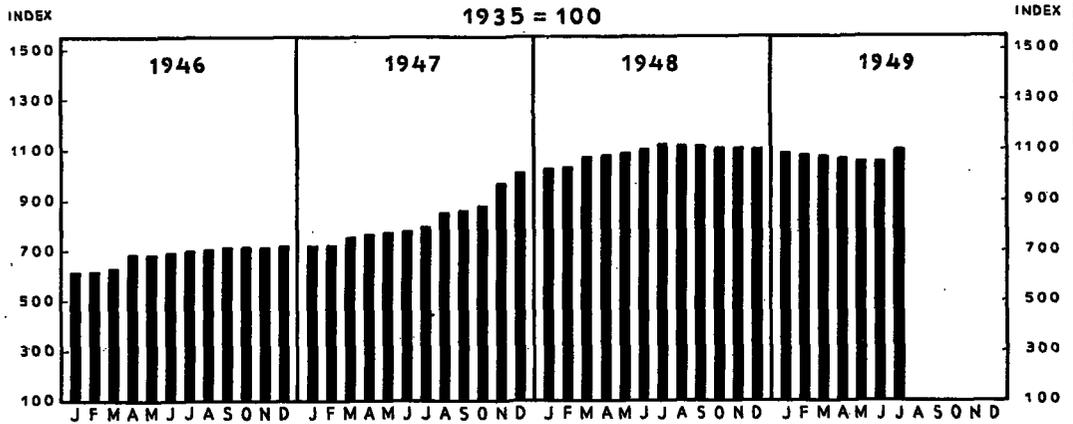
Statistics supplied by the Ministry of Communications and Public Works according to the Unemployment Records.

40. — CESSATION OF WORK.

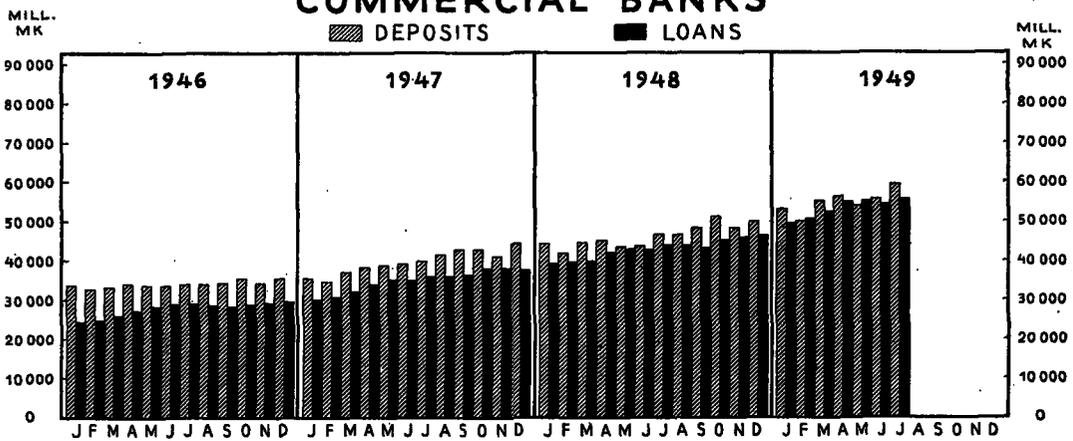
Month	Initiated			Continued from previous month			Total			Month
	Number	affecting		Number	affecting		Number	affecting		
		employers	work-people		employers	work-people		employers	work-people	
1948 July	3	2	278	6	10	898	9	12	1 176	1948 July
August	8	22	1 873	2	2	75	10	24	1 948	1948 August
September	11	21	3 951	3	16	964	14	37	4 915	1948 September
October	12	30	2 005	9	31	3 827	21	61	5 832	1948 October
November	2	5	191	7	37	2 726	9	42	2 917	1948 November
December	1	1	36	2	21	248	3	22	284	1948 December
1949 January	1	23	43	1	1	36	2	24	79	1949 January
February	2	2 511	2 636	1	23	43	3	2 534	2 679	1949 February
March	5	208	7 839	—	—	—	5	208	7 839	1949 March
April	3	3	312	1	3	29	4	6	341	1949 April
May	6	14	275	2	4	189	8	18	464	1949 May
June	3	3	677	3	10	176	6	13	853	1949 June

The above particulars which are of a preliminary nature, are compiled by the Research Office of the Ministry for Social Affairs.

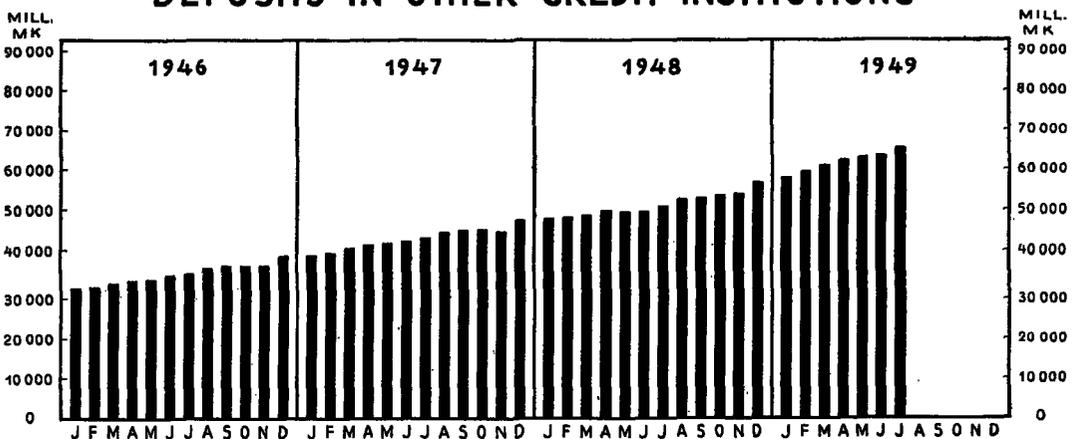
WHOLESALE PRICE INDEX 1935 = 100



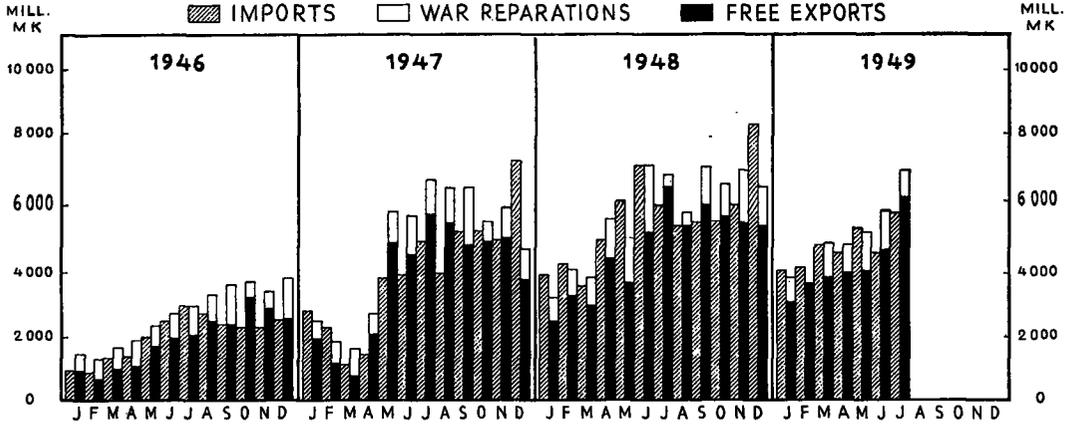
COMMERCIAL BANKS



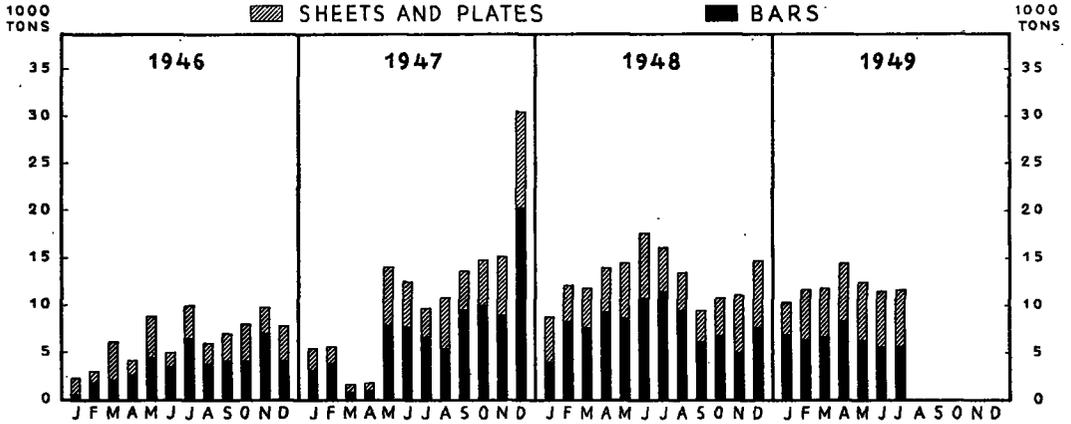
DEPOSITS IN OTHER CREDIT INSTITUTIONS



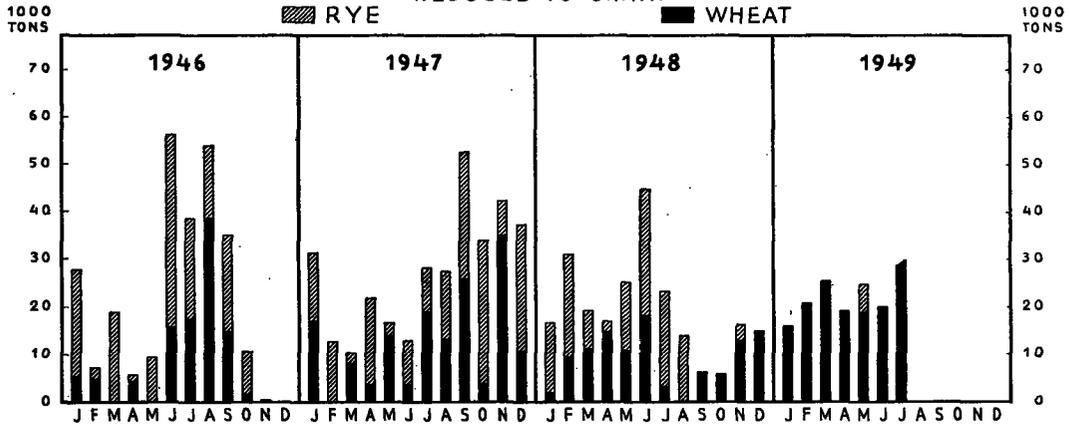
VALUE OF IMPORTS AND EXPORTS



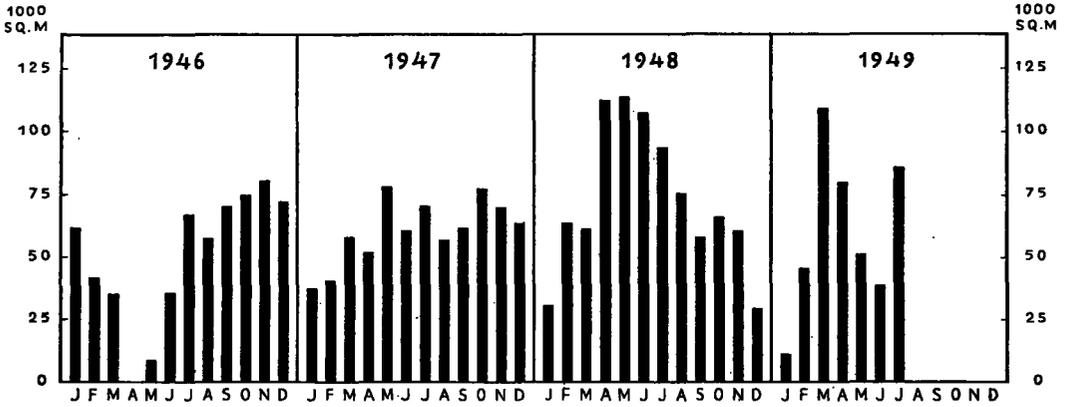
IMPORTS OF IRON AND STEEL



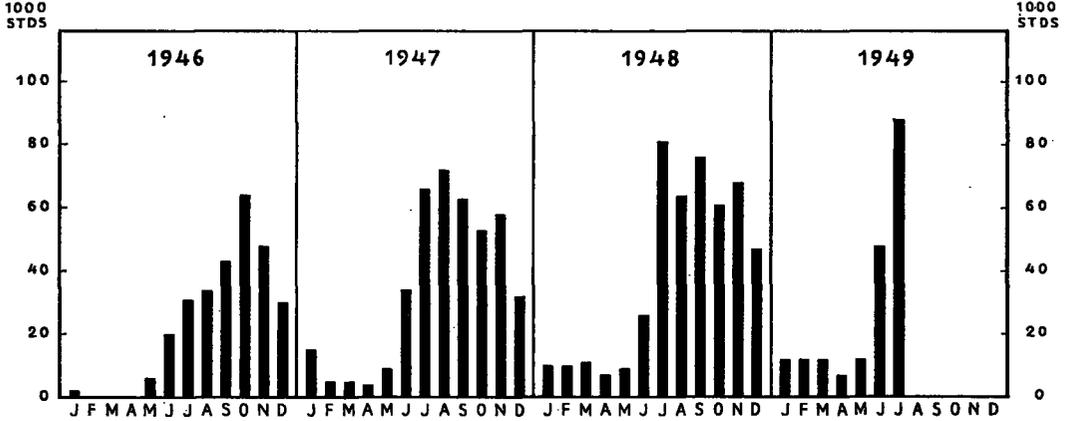
IMPORTS OF WHEAT AND RYE REDUCED TO GRAIN



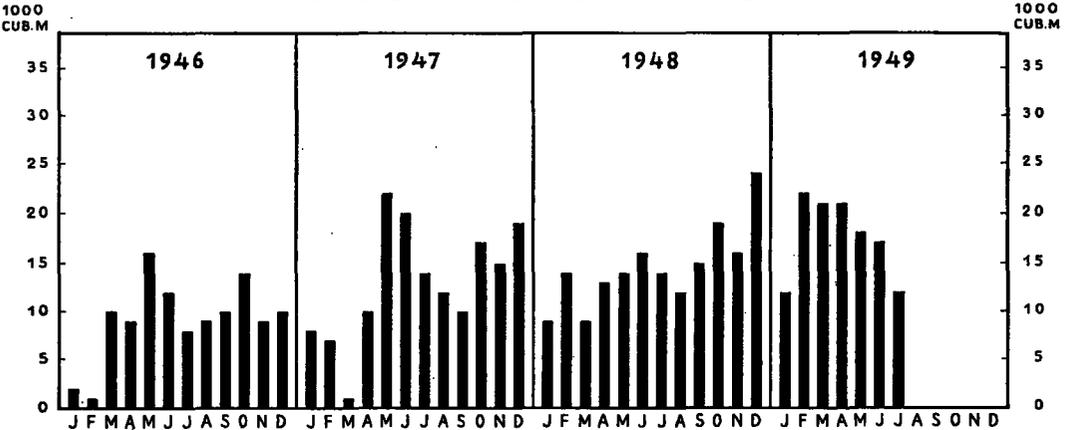
EXPORTS OF PREFABRICATED HOUSES



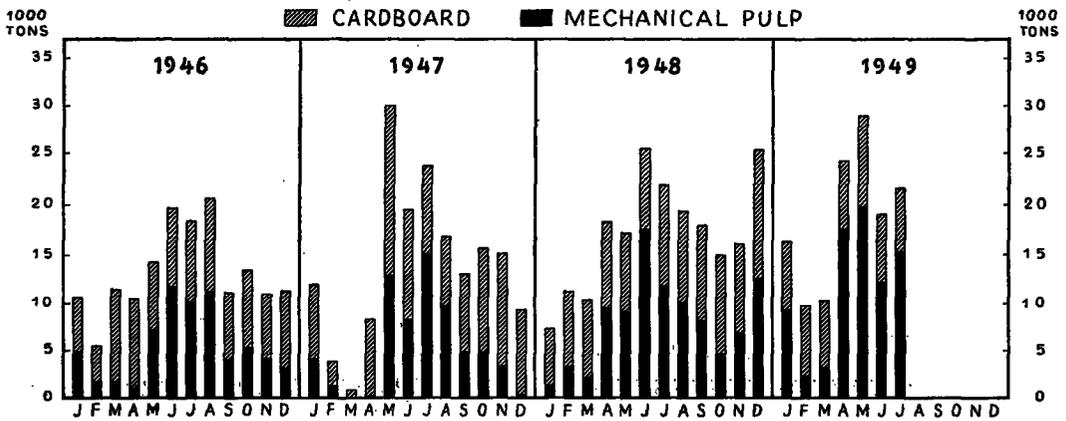
EXPORTS OF SAWN TIMBER



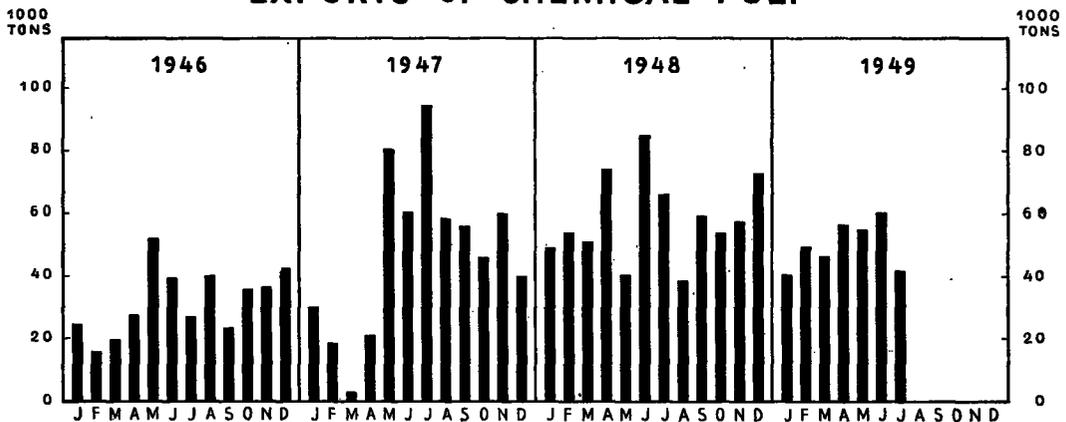
EXPORTS OF PLYWOOD



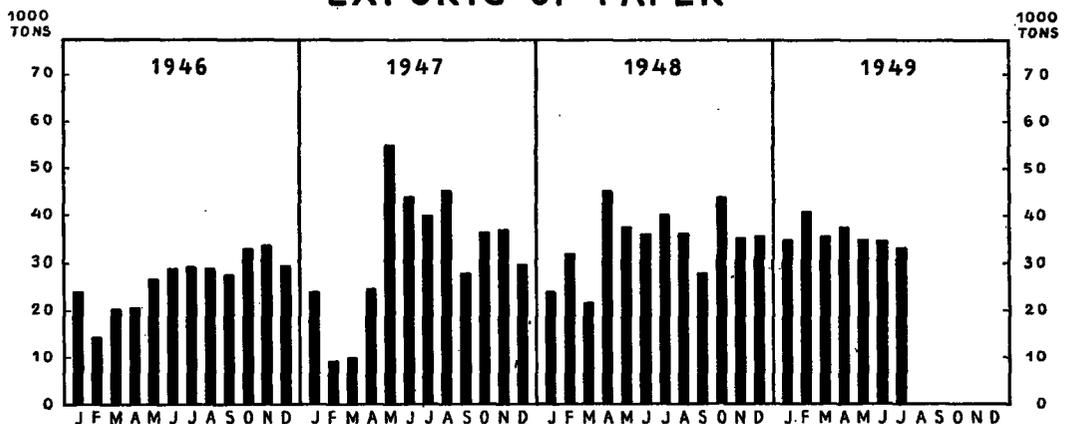
EXPORTS OF MECHANICAL PULP AND CARDBOARD



EXPORTS OF CHEMICAL PULP



EXPORTS OF PAPER



CERTAIN PARTICULARS ABOUT FINLAND.

1. FORM OF GOVERNMENT.

Finland formed a part of the kingdom of Sweden from 1154 to 1809; from 1809 it was an autonomous Grand Duchy connected with Russia up to December 6, 1917, when Finland declared its independence, which was acknowledged by all the Powers including Soviet Russia. It became a republic in 1919. The legislative power of the country is vested in the Diet and the President. The highest executive power is held by the President chosen for a period of 6 years. The present President Juho Kusti Paasikivi is elected for the term March 11, 1946, to March 1, 1950.

The Diet, composed of 200 members, is elected by universal suffrage. The proportions of the different parties in the Diet elected in 1948 are at present as follows:

	Number
Agrarian party	56
Social-Democratic party	54
Democratic League	38
Unionist party	33
Swedish party	14
Progressive party	5

2. LAND.

THE AREA is 337 113 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 310 000 sq. km). Of the total area 9.4 % are inland waters. On an average 19.5 % of the land in the South of Finland is cultivated, 1.6 % in the North, 7.6 % of the whole land. Of the land area 21.7 mill. ha (53.5 mill. acres) or 70.9 % are covered by forests.

3. POPULATION.

NUMBER OF INHABITANTS (1948): 3.9 millions (present population). Sweden (1947) 6.8, Switzerland (1947) 4.6 Denmark (1947) 4.1 and Norway (1947) 3.1 millions.

DENSITY OF POPULATION (1948): In South Finland 22.0, in North Finland 3.3 and in the whole country an average of 12.8 inhabitants to the square kilometre.

DISTRIBUTION (1948): 75.0 % of the population inhabit the country, 25.0 % the towns and urban districts. The largest towns are (1948): Helsinki (Helsingfors), the capital, 357 865 inhabitants; Turku (Åbo) 95 446, Tampere (Tammerfors) 94 402.

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

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

RELIGION (1946): Lutheran 96.0 %, Greek-Orthodox 1.7 %, others 2.3 %.

EDUCATION (1947): Practically all persons over 15 years of age are literate. There are three universities (the oldest founded in 1640) and 7 colleges of university standard.

INCREASE OF POPULATION (1947): Births 27.7 ‰, deaths 11.9 ‰ (deaths in France in 1947 13.0 ‰ and in the United Kingdom in 1947 12.1 ‰) natural increase 16.0 ‰.

4. TRADE AND COMMUNICATIONS.

FOREST RESOURCES (1949): The growing stock comprises 1 370 million of solid cub. m. incl. bark (48 379 million cub. feet), of which pine is 45.5 per cent, spruce 32.2 per cent, the rest 22.3 per cent being leaf-trees, chiefly birch. Of the growing stock 1 031 million trees, 63.6 per cent of them pines, are up to the standard required for logs (minimum for sawmill logs 18' x 6" and for plywood logs 14' x 7"). The annual increment is about 41 million of solid cub. m. green wood excl. bark (1 441 cub. ft). The total removal in 1944, calculated according to the

use of wood was 40 million cub. m. (1 425 million cub. ft). In the years 1923 to 1938, in the then area of the country, it averaged 41 million cub. m. (1 463 million cub. ft) per year, the corresponding yearly increment being 45 million cub. m. (1 591 million cub. ft).

AGRICULTURE (1941): Cultivated land 2.8 million hectares, divided as follows: area under cultivation under 10 hectares 33.1 %, 10—50 ha 54.4 %, 50—100 ha 7.9 %, over 100 ha 5.3 %. Cultivated land (1948) is divided between the different kinds of crops as follows: 40.1 % hay, 11.3 % temporary grassland for grazing, 16.8 % oats, 6.9 % wheat, 6.0 % rye, 5.5 % barley, 4.3 % potatoes, 9.1 % other. The number of dairies in 1947 amounted to 517.

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

INDUSTRY (1946): Number of industrial concerns 5 691, workpeople 236 723, gross value of products of industry 112 081 million marks.

LENGTH OF RAILWAYS (1949): 4 966 km, of which 4 713 km State railways and 253 km private. The gauge is in general 1 524 m.

MERCHANT FLEET (1949): Steamships 385 (422 723 gross reg. tons), motor vessels 102 (67 406 gross reg. tons), sailing-ships with auxiliary engine 154 (15 151 gross reg. tons), other sailing-ships 12 (14 718 gross reg. tons). Total 653 (519 998 gross reg. tons).

5. FINANCE AND BANKING.

CURRENCY. Since 1860 Finland has its own monetary system. From 1877 up to 1914 the currency maintained its stable gold value, and after the disturbances caused by the war a gold standard was again introduced from January 1, 1926. The unit of currency is the mark (Finnish 'markka' = 100 penniä). According to the monetary law of December 21, 1925, a gold coin of 100 marks' value shall contain 3 ¹¹/₁₆ grams of fine gold. Since October 12, 1931, the redemption of bank notes in gold is, however, suspended.

STATE FINANCES. According to the finance accounts for 1948 the State revenue was 113 692 million marks, of which 99 434 million marks were current revenue, and State expenditure 104 587 million marks, of which 75 176 million marks were current expenditure. The principal sources of revenue were as follows: direct taxes 33 788, indirect taxes 16 880, sales tax 27 678, interest and dividends, etc. 7 903, State property and undertakings (net) 3 686, and capital revenue 14 258. For Public Debt see table 20 in this issue.

MUNICIPAL FINANCES. According to the finance accounts for 1946 expenditure amounted to 13 509 million marks. Income from taxation was 6 734 million marks, taxed income 79 283 million marks. The municipal income tax (non-progressive) averaged 8.5 % of the ratepayers' income.

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

THE COMMERCIAL BANKS (1949): Number 7, possess 452 offices, where all kinds of banking business is transacted. There is one banking establishment per 8 687 inhabitants.

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

OTHER BANKS (1949): Mortgage banks 5, Savings banks 447, Co-operative Credit Societies 767 and a Central Bank for the latter.

THE DEVALUATION OF THE MARK.

BY

SAKARI TUOMIOJA,
GOVERNOR OF THE BANK OF FINLAND.

GENERAL REASONS FOR ALTERING THE RATES OF EXCHANGE.

On July 4 the Board of Management of the Bank of Finland decided to raise all the foreign rates of exchange and thus to devalue the mark abroad.

Finnish experts had for a long time been unanimous in thinking that the mark was appreciably overvalued and that it was merely a question of time, when the natural conclusion would have to be drawn: to raise the rates of foreign exchange. The fundamental reason, of course, is the fact that prices, wages and other costs have risen so much more in Finland during the war and especially in the post-war period than in the principal markets for Finnish exports as well as in other countries that export the same products. The alterations in the rates of exchange undertaken in 1945 were therefore no longer sufficient to restore an equilibrium. The price level obtaining in May 1949 in different countries is illustrated by the following price indices, for which the prices in 1937 form the basis:

	Wholesale price index	Cost of living index
United States	180	165
Great Britain	213	179
Switzerland	199	162
Sweden	189	160 (March)
Finland	866	805

As the Finnish rates of exchange had risen simultaneously to scarcely treble their pre-war level — the index would be about 276 points — there was a considerable disproportion between the internal and foreign value of the mark. This disproportion, the general consequence of which in normal circumstances is to curtail exports and increase imports, did not at first, when

foreign trade began to flourish after the war, exert any influence worth mentioning, because the general shortage of commodities created a so-called seller's market and Finland was in the happy position that the prices of her export goods rose more on an average than the prices of the goods she required from abroad. Thus, the price index for exports in 1948 averaged 1 278 points, while the corresponding index for imports was only 996 points. So long as the terms of foreign trade were so favourable and sales at such lucrative prices were assured, the question of readjusting the rates of exchange did not arise, although the leading circles realised the latent existence of the disproportion referred to. But as soon as signs of a change in conditions began to appear in the world market, when demand decreased and prices were lowered, the Finnish exporting industries experienced trouble. Demands began to be put forward in various quarters that the rates of foreign exchange should be raised and the overvaluation of the mark abroad should thus be removed.

The authorities were, however, for a long time reluctant to alter the rates of exchange, because they were afraid that such a change would upset the equilibrium that had gradually, and especially since the summer of 1948, been achieved in Finnish economy. It was feared that the rise in the price of imports due to the changed rates might lead to a fresh rise in wages, which would have meant a rise in the cost of exports, too, so that the advantage of higher rates appeared doubtful also in regard to the exporting industries, when taking a slightly longer view. It was also hoped that, by means of rationalization, industry would succeed in reducing its costs under

the force of necessity. It was further considered desirable to await the general adjustment of exchange rates in Europe, the necessity of which was indicated by many signs.

However, the fall in the prices of several important Finnish articles of export on foreign markets in the last few months was so severe that it was no longer possible to postpone a decision without exposing the Finnish exporting industries and thus the whole economy of the country to very great trouble and danger. There was considerable unemployment already towards the end of the winter — partly, indeed, an ordinary seasonal phenomenon — chiefly owing to the reduction of lumber work and building, and this summer some factories working for export have found it necessary to close down for a time on account of their profitableness having deteriorated so much and their stocks already being so heavy. There were thus two alternatives: either to restore the competitive ability of the exporting industries by determined action or to reduce production greatly and paralyse the entire economic life with all the disastrous consequences. As a sufficient reduction of costs of production was beyond the bounds of possibility — e. g., the lowering of wages could not be thought of on social and political grounds — the only reasonable choice was to reduce the foreign value of the Finnish mark as shown in the rates of exchange. This decision was all the more natural, seeing that, as already mentioned, the mark was considerably overvalued abroad, so that in any case it was merely a question of time, when this change would have to be made.

THE EXTENT OF THE CHANGE.

When it was decided that the time was ripe for altering the rates of exchange, the extent of the change had to be decided. A calculated parity of purchasing power would, naturally, not serve as a guide, for the decisive factor was not the mutual proportion between the general price levels, but the importance of rendering profitable production and exportation of the principal articles of export. The aim was to make the increase great enough to assure normal conditions of effective production, but at

the same time small enough not to create such an expansion in business enterprise as would exceed the resources of the country and again impose an inflationary burden on economic life. Besides, the increase had to be restricted to such an extent that it would not endanger the equilibrium already established.

Starting from this basis a new, suitable dollar rate was selected and the other foreign currencies were raised to a corresponding degree. In this way the rates of exchange were raised about 17.7 per cent. The new rates for the principal foreign currencies, compared with the former rates, are as follows:

	1938 Dec. average	1949 old rate	1949 new rate
U. S. dollar	48: 74	136: —	160: —
Pound sterling	227: —	547: —	646: —
Swedish crown	11: 71	37: 90	44: —
Danish crown	10: 14	28: 29	33: 30
Norwegian crown ..	11: 41	27: 45	32: 30
Guilder	26: 47	51: 20	60: 50
Swiss franc	11: 03	31: 75	37: 25

The raising of the rates of exchange was generally, and especially by exporters, recognised as an expedient measure, though some quarters have commented that the adjustment was not sufficient. Indeed, it is evident that it has not yet made all branches of the exporting industry profitable and that Finland's competitive capacity, especially in the United States market, has not yet thereby been made normal. The future alone can show, what measure of success has been attained in the selection of the new rates. At all events it is obvious that, by altering the rates of exchange, the disproportion has been removed to a very great extent which existed between the internal and foreign value of the mark, and so in this respect, too, the foundation for a secure economy has been fortified.

THE POSITION IN REGARD TO THE INTERNATIONAL MONETARY FUND.

It is worth mentioning here that the alteration in the rates of exchange was made in agreement with the International Monetary Fund.

Already at the time Finland joined this international organisation, it was considered natural that the rates current at that time could not be taken as a basis in determining

the final parity of the mark. In response to a request from Finland the Board of the Fund agreed in December 1948 to extend until January 1950 the period for agreement between Finland and the Fund upon an initial par value for its currency. On June 28 the Bank of Finland informed the Fund that it intended to depreciate the mark by about 20 per cent. Two days later, on June 30, the Board of the Fund dealt with the matter and agreed to the measure.

THE INFLUENCE OF THE ALTERED RATES ON THE LEVEL OF PRICES.

A rise in the rates of foreign exchange, of course, tends in ordinary circumstances to raise the prices of imported goods and thus, too, the general level of prices. On this occasion, however, the downward tendency in the world market is inclined to compensate, at any rate in part, for the rise in prices that would otherwise occur. It should be noted, in addition, that a considerable proportion of foreign trade is based on compensation treaties, in which it was taken into account in advance that the mark was overvalued. For these reasons, and as it has now been possible to reduce taxation in some respects, the alteration in the rates of exchange will probably on this occasion influence the internal price level less than was expected. One can agree in broad lines with the following opinion of the expert, Professor *Klaus Waris*:

„The alteration in the rates of exchange will not affect the prices of the greater part of the usual consumption goods at all. The price of home-grown grain, as well as the prices of grain products, has been recently fixed at a level which amply exceeds the price of foreign grain and which there is no need to alter. Besides, the prices of products of domestic animals, imported from abroad, will remain lower than the present local prices, nor is there any cause to expect a rise in the latter. With regard to building and housing costs, the reduction in rates of interest from the beginning of July this year outweighs the rise in rates of exchange. The retail price of sugar and coffee remains unchanged. The rise will affect the prices of textiles and leather goods in time, but only as regards foreign raw materials, so that in

the price of the finished article the rise will be proportionately far less than the rise in the price of the raw material. Further, in so far as the purchase prices of imported goods drop, this decrease will also counteract the tendency towards higher prices created by the alteration in the rates of exchange.

In general, the influence of higher rates of exchange on the new cost of living index will be considerably less than the influence of the rise that has already occurred in the price of grain. Both these factors together may possibly raise the index approximately to the same level as a year ago, i. e., to a level at which wages have already been adjusted for more than a year. The alteration in the rates of exchange will thus not cause a rise in the wages tied to the index.

The benefit of this measure will not generally be apparent as a rise in wages etc., but in the opportunity of putting in a full working week, of selling timber etc. and thus achieving total earnings, which would otherwise be impossible in the present situation. From the point of view of supply and price tendency it is important that exports should be maintained at a level which ensures the supply of imported goods and their competition in the home market to such an extent that profiteering prices, which were still general a couple of years ago in spite of all regulations, should not be possible.

By this rise in rates of exchange trade is by no means released from the necessity of endeavouring to reduce costs in order to attain conditions of profitable production. But it means a great relief to so large a part of our production that we have good reason to believe that we will avoid too severe a crisis.”

CONCLUSIONS.

In conclusion it is worth quoting the final part of the statement issued to the press by the Bank of Finland in connection with the alteration of the rates of exchange.

„The misfortune felt in the life of our whole nation, which the fall in export prices signifies, can be shared most evenly and expediently between all classes of the population by means of raising the rates of exchange, while at the same time this

measure safeguards the possibilities to maintain our vital exports and preserve the standard of living at as high a level as possible.

It is also to be hoped, and even probable, that the fall in import prices which has already started, and will evidently continue, will to a large extent compensate for the rise in the level of prices which the raising of the rates of exchange signifies as regards imported goods.

After the decision that has now been made, which will, it is hoped, create favourable conditions for the continued advance of our economic life, for satisfactory employment and for the increased welfare of all classes, it is of the utmost importance that in all spheres great self-discipline

should be practised and efforts directed to preventing costs of production, either as regards wages or other factors, increasing again and undermining the basis for the development of our production. A fresh wave of inflation would destroy much of what we have been able to build up during the last few years and do away with the comparatively great degree of welfare which the nation has attained by its efforts.

By observing patience and moderation in our demands we are fully entitled to assume that, with a continued increase in production and a decrease in the burden of war indemnities, we will advance towards a higher standard of living and economic progress in all respects."

FINLAND'S NATIONAL INCOME AFTER THE WAR.

BY

EINO H. LAURILA,

CHIEF ACTUARY OF THE CENTRAL STATISTICAL OFFICE.

INTRODUCTION.

As in other countries, the calculation of the national income was formerly entirely dependent in Finland on the efforts of individual scientists. The most important achievement of that period were Professor Valter Lindberg's researches into the national income of Finland in 1926—1938¹⁾ which were carried out with the help of grants from the Bank of Finland and the Rockefeller Foundation. In this investigation the calculations were based on the value added method and the national income at market prices was employed as the basic concept. As the researches were mainly based on statistics of production referring to different trades, it is possible on the basis of them to obtain an exact

analysis of the contribution of different trades to the national income.

At the beginning of 1948 calculations of the national income were initiated on a new basis in the Central Statistical Office and since then the national income statistics have formed an important branch of the official statistics in Finland. The task of the National Income Unit established in the Central Statistical Office consists on the one hand in drawing up current estimates for recent years for the benefit of the Government's economic policy and on the other in making a final inquiry into the fluctuations of the national income and its constituent components, at any rate from 1938 onwards, but, if possible, also for earlier years, in order to obtain sufficiently long time series for the purposes of economic research.

CONCEPTS AND METHODS.

The definitions of National Aggregates adopted in Finland are approximately the

1) Valter Lindberg, Suomen Kansantulo vuosina 1926—1938 (National Income of Finland in 1926—1938). Publications issued by the Bank of Finland Institute for Economic Research. Series B:1, Helsinki 1943.

same as in the other Northern countries. The basic concept, the net national product, is defined as the aggregate of the net values added originating in all branches of economic activity in the country during a year, excluding net income from abroad. The national income, again, is defined as the aggregate of income payments accruing to the country's factors of production with the addition of net income from abroad (interest and dividends). Both these aggregates are measured at factor cost. As unilateral transfers abroad (war indemnities) have been of considerable importance in Finland in recent years the further concept of disposable national income has been used. This concept is defined as the national income in the sense referred to with the addition of unilateral transfers from abroad. It is measured in gross figures at market prices, and when it is employed it might be called national expenditure. Gross national product signifies the net national product in the sense quoted above with the addition of allowances for depreciation and maintenance. The gross national product is measured both at market prices and at factor cost.

The value added method is still the basic method of estimating the national income in Finland according to which the net value of goods and services produced is established for different trades. The net value is the gross value of production less the value of the goods and services purchased from other trades and consumed in production, and less the consumption of capital. This method is based on statistics of production which are slightly better than other statistics generally. In those trades for which the net value added cannot be obtained in the manner referred to, the income payments going to the factors of production have formed the basis of calculation. By means of the net value added of the different trades the net national product at factor cost is arrived at. In determining the national income at factor cost as the sum of distributive shares, i.e., as wages, capital income etc., the balance sheets of companies and taxation statistics have had to be used, as the direct information regarding these

components is very scanty. An investigation of the national income from the point of view of expenditure presents still greater difficulties, because no usable statistics regarding consumption and investment are actually available at all. Consumption and investment have therefore had to be determined on the basis of the statistics of production and foreign trade, starting from the final product.

The real national income has been measured by combining the indices of production, calculated for the different trades, the net value added in the base year (1938) for the different trades being employed as the weighting measure. The different indices of production again have been calculated by various methods.

THE NET NATIONAL PRODUCT AT FACTOR COST.

As a result of the calculations of the national income Table 1 gives particulars of the contribution of different trades to the national product. These particulars, like those given later, are still preliminary data. The following non-monetary items have been included in the calculations: the farmers' consumption of their own produce valued at prices paid to producers, the imputed rent of owner-occupied houses, and payments in kind to domestic servants and others. On the other hand, the unpaid services of housewives have not been taken into account. State-owned enterprises have been referred to the different trades and treated in the same way as private enterprises, whereas the contribution of general government is measured by wages and salaries. Payments of employers and employees to social insurance and pension schemes have been included.

The figures in the table show that the net national product, expressed in current prices, has risen considerably since the war. It will be noted further on, what part of this rise consisted of a rise in prices and what part of an increase in the volume of production. To a considerable extent the figures in the table are self-explanatory. It need only be mentioned that the share of industry and handicrafts in the national product has further increased since the war and was about 32 per cent in 1948

Table 1. *Net national product at factor cost*
(thousand million marks)

	1938	1945	1946	1947	1948
Agriculture	5.73	21.28	27.76	51.91	64.94
Fishing and hunting	0.20	0.71	1.79	2.11	2.54
Forestry	4.89	11.06	26.33	28.19	38.90
Manufacturing and handicrafts	7.87	29.00	47.34	67.12	100.81
Building and construction	1.46	3.80	7.87	14.55	20.70
Transport and communications	1.72	4.82	8.86	13.37	18.78
Trade, banking, insurance, etc.	3.68	12.24	19.22	26.24	39.21
Domestic service	0.31	1.10	1.72	2.22	3.01
Other services	2.50	3.49	3.89	4.75	5.47
Government	1.93	8.50	10.32	15.26	20.60
Deductions ¹⁾	-0.62	-1.55	-2.10	-2.99	-4.20
<i>Net national product at factor cost</i>	29.67	94.45	153.00	222.73	310.76
Net income from abroad	-0.15	-0.27	-0.91	-1.27	-1.09
<i>National income at factor cost</i>	29.52	94.18	152.09	221.46	309.67

(about 26 per cent in 1938). The rise noticeable in the case of agriculture from 1946 to 1947 is due to some animal products having been decontrolled in 1947, whereupon their prices advanced greatly. The prices of agricultural produce have, besides, generally been relatively higher than those of other products since the war: from 1938 to 1948 the prices of industrial products rose 8.2 fold, of forestry products 10.3 fold, but of agricultural produce 11.9 fold. (Black market dealings have not been taken into account in calculating the national income.)

THE REAL NATIONAL INCOME.

Measured at prices for 1938, the net national product has been as follows since the war:

	Thousand million marks	Index
1938	29.67	100.0
1945	24.74	83.4
1946	28.08	94.6
1947	29.64	99.9
1948	31.64	106.6

The increase in production in the post-war period, when there was full employment all the time, has been fairly large. However, the number of people engaged in productive work has also grown at the same time. If this growth is taken into account, it may be said that the real

¹⁾ To avoid duplication, services of banks and business insurance companies, which could not be deducted from the above mentioned items since they cannot be allocated by branches of industry, are deducted in aggregate.

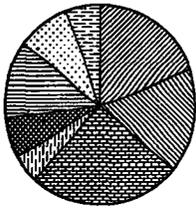
national income in 1948 was approximately on the same level as in 1938, a year that had until then recorded the highest economic activity.

Considerable changes have occurred since the war in the share of the different trades in the net national product at constant prices. In particular, the great rise in industrial production should be noted in estimating the quick recovery since the war. The Central Statistical Office's index for industrial production already rose higher in 1946 than it had been in 1938 and was 117 in 1947 and 134 in 1948, if the level in 1938 is taken as 100. Thus the share of industry in the real national income has increased from about 26 per cent in 1938 to nearly 33 per cent in 1948. Agricultural production, on the other hand, is still — on account of its greatly reduced productive capacity — at a lower level than before the war. Its index in 1945—1947 was still below 70 (1938 = 100), but rose to 84 in 1948. The increase in production from 1947 to 1948 was largest in agriculture, a fact that exerted an appreciable steadying influence on economic life. Forestry production was especially high in 1946—1947 owing to the heavy fellings in the seasons of 1945/46 and 1946/47 (the possible reduction of forest capital has not been taken into account in these preliminary estimates). This circumstance has been of considerable significance to the wood-working industries, the stocks of raw materials of which were very small just as the war came to an end. Transport and commerce have been on a higher level in

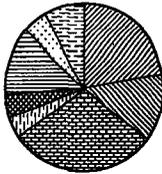
REAL VALUE OF THE NET NATIONAL PRODUCT

 AGRICULTURE, FISHING AND HUNTING
 FORESTRY
 MANUFACTURING AND HANDICRAFTS
 BUILDING AND CONSTRUCTION

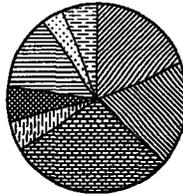
 TRANSPORT AND COMMUNICATIONS
 TRADE, BANKING, INSURANCE, ETC.
 DOMESTIC AND OTHER SERVICES
 GOVERNMENT



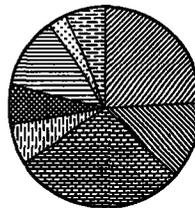
1938



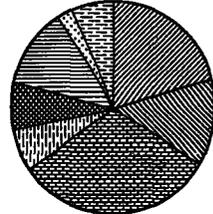
1945



1946



1947



1948

all the post-war years than before the war; their share in the real national income in 1948 was appreciably larger than in 1938. Finally, as regards the share of the public sector, it is natural that during the war it was much higher than after the war. Its contribution to the real national income was, however, still about 60 per cent higher in 1948 than in 1938.

THE FLOW OF INCOME.

In Table 2 the changes will be seen which have occurred since the war in the distribution of income by major types of income. It should be noted that the data given are based on rather poor material, so that they primarily only show some tendencies.

Table 2. National income at factor cost
(thousand million marks)

	1938	1945	1946	1947	1948
Wages and salaries	14.95	54.15	93.59	131.98	189.33
Income of unincorporated enterprises	7.67	25.75	35.00	59.32	77.11
Rent and interest	4.03	5.10	10.35	12.41	18.04
Direct taxes of companies	0.90	5.79	6.92	9.23	12.36
Profits of companies after taxation	1.97	3.39	6.23	8.52	12.83
<i>National income at factor cost</i>	29.52	94.18	152.09	221.46	309.67
Indirect taxes less subsidies	3.04	15.81	29.00	35.13	60.09
<i>National income at market prices</i>	32.56	109.99	181.09	256.59	369.76

In the first place, since the war a considerably larger part of the national income (at factor cost) has gone in compensation of employees, i.e., in wages and other labour income, than before the war. In 1938 wages constituted about 50 per cent of the national income, but in 1948 about 60 per cent. The wages of the different classes of wage-earners have risen very unevenly: the wages of industrial workers were 11.8 times as high in 1948 as in 1938, lumbermen's wages 12 times as high, farm labourers' wages nearly 14 times as high, while, for instance, the salaries of public servants were only 6.6 times as high. Naturally, such a development has led to a more even distribution

of incomes. The fact that capital income (which does not include interest on State loans) was about 14 per cent of the national income in 1938, but only 5—7 per cent in 1945—1948, has also tended in the same direction. Farmers' income represents the largest sub-section among the income of those engaged in private enterprise. This income has, on an average, moved in the same proportion as the total national income. The year 1946 forms an apparent exception. This is due to larger quantities of agricultural produce than before having gone in that year to the black market. Table 2 shows that the direct taxation of companies has been many times heavier since the war than in 1938. This

Table 3. *Net national product and related aggregates*
(thousand million marks)

	1938	1945	1946	1947	1948
<i>Net national product at factor cost</i>	29.67	94.45	153.00	222.73	310.76
Indirect taxes less subsidies	3.04	15.81	29.00	35.13	60.09
<i>Net national product at market prices</i>	32.71	110.26	182.00	257.86	370.85
Depreciation and maintenance	2.83	8.34	13.66	18.17	27.55
<i>Gross national product at market prices</i>	35.54	118.60	195.66	276.03	398.40
Net income from abroad	-0.15	-0.27	-0.91	-1.27	-1.09
<i>Gross national income at market prices</i>	35.39	118.33	194.75	274.76	397.31
Net unilateral transfers	+0.08	-9.05	-7.60	-12.03	-12.17
<i>Disposable (gross) national income</i>	35.47	109.28	187.15	262.73	385.14

has, of course, restricted the net profits of companies considerably. In 1948 taxation was lowered to some extent, and the net profits of companies showed a corresponding rise. However, their share in the national income in 1948 was no more than 4 per cent, whereas in 1938 it had been 7 per cent.

As exact taxation statistics are not yet available later than for 1945, it is not possible here to examine the post-war changes in the size distribution of income nor the impact of taxes on the distribution of income. It is therefore also impossible to supply data concerning the course of disposable personal income. Table 3, however, in which particulars are given of the national income aggregates, illustrates the development of the disposable national income defined as above.

As is well-known, Finland has had to carry a heavy burden of indemnities since the war which, naturally, has tied down the productive forces of the country to a considerable extent. In the present investigation the value of the war indemnity payments has been taken in accordance with the statistics of exports, for reasons connected with the methods of calculation. In reality the State expenditure on war indemnities in 1946—1948 was still larger, namely:

	Thousand million mark
1945	8.27
1946	11.32
1947	15.03
1948	16.13

In addition to the actual war indemnities there have been various costs imposed by the Armistice Treaty. In proportion to the national income at market prices the actual

war indemnities were: 7.5 per cent in 1945, 6.2 per cent in 1946, 5.9 per cent in 1947 and 4.4 per cent in 1948.

THE FLOW OF PRODUCTION.

Some data have already been given above concerning the development of the volume of production in different trades since the war. Special attention was drawn to the great growth of industrial production. Considerable structural changes have, besides, occurred in industry during and after the war. The output of capital goods has grown very much more than the output of consumer goods. The production index for consumer goods was 112 in 1948 and the index for capital goods 186 (1938 = 100). This is also illustrated by the following fact: while the gross value of production of all industry rose to 12.0 times its former amount from 1938 to 1948, the gross value of production of consumer goods rose during the same period to 9.7 times, but the production of capital goods advanced to 17.6 times. The volume of production in the building trade was also on a higher level in 1947—1948 than in 1938: index 107 and 111 (1938 = 100); as building costs have also risen very much, the value of output in building increased to 17.8 times from 1938 to 1948.

The share of capital goods in the gross national product, the market value of the nation's output of goods and services, has been considerably larger in all the post-war years than prior to the war. Yet, at the same time the share of capital goods in the war indemnities has increased from year to year and was as much as 80 per cent in 1948. The share of capital goods in imports from abroad has, indeed, in-

Table 4. Disposable national income and its utilization
(thousand million marks)

	1938	1945	1946	1947	1948
Consumption	27.07	88.08	141.25	188.54	275.61
Gross domestic investment	7.99	21.96	45.51	76.03	116.55
Export surplus	+0.41	-0.76	+0.39	-1.84	-7.02
Disposable (gross) national income	35.47	109.28	187.15	262.73	385.14

creased in the same proportion as the total imports — their volume is still slightly below the 1938 level — but in any case the country had at its disposal in 1946—1948 more capital goods than in 1938, at a rough estimate quite 10 per cent more. Table 4 shows that the part of the disposable national income which was employed for gross investment has constantly increased since 1945. The gross investment in 1938 was about 22 per cent and in 1948 about 30 per cent of the total of consumption and gross investment. (Consumption was correspondingly about 78 per cent and about 70 per cent, though changes in stocks have not been taken into account.) Owing to incomplete statistical material it is impossible to make precise calculations of investment activity in different trades. It can only be stated that investments in industry producing war indemnity goods, in settlement activity and in reconstruction in Northern Finland have swallowed up large funds.

It has already been mentioned that the output of consumer goods has proceeded considerably more slowly than the output of capital goods, primarily because of the limited productive capacity of agriculture. On the other hand, in industry the output of consumer goods was already 12 per cent larger in 1948 than in 1938, while in 1947 — when the shortage of raw materials still continued — it was below the 1938 level. Both the exports and imports of consumer goods have been relatively less important in the post-war years than before the war. However, considerable structural changes have occurred in them which have to some extent influenced the composition of the nation's total expenditure on consumer goods: exports of livestock products almost completely ceased, and grain imports greatly increased, while the imports of

several durable consumer goods were considerably reduced. An exact distribution of consumption into classes according to purpose has not yet been made in the preliminary figures quoted in this inquiry. The primary material, indeed, enables this to be done, but on the other hand there are no such statistics of consumption according to the subjective method as would make it possible to determine the total consumption and check the results obtained by the final product method. As regards that part of the national product which official organs buy for their own purposes, it is particularly difficult to investigate on the basis of available statistics. The State balance sheet and the statistics of municipal finances do not make this fully possible. This part is, however, much smaller than it is generally believed to be. For the present inquiry it has been estimated at about 14 per cent for 1947 without the war indemnities and about 20 per cent including them.

In order to obtain a conception of the real movement of the total consumption since the war, a rough estimate of the volume of different classes of the final product has been made. The volume indices obtained have then been combined into a total index by a weighting system based on the gross values of production (the result of the gross investment then obtained has already been referred to). If 1938 is taken as 100, the volume of consumption was 105 in 1948. Taking the growth of the population into account, consumption in 1948 would thus have been on about the same level as in 1938. This gives a price index of 970 (1938 = 100) for the total consumption. For the same year the official wholesale price index (reduced to 1938 = 100) was 956, and the cost of living index 793 or considerably lower.

ITEMS.

War indemnity. At the end of June the fifth year of reparations payments came to a close. In that year the alleviations granted by the Soviet Union were applied for the first time: the yearly deliveries of 35.5 million reparations dollars (of pre-war purchasing power) were reduced to an average of 17.5 million dollars' worth of goods. The program of the year was successfully fulfilled in spite of slight delays as to some machinery. The deliveries, which totalled about 19.4 million reparations dollars, consisted of machinery and equipment (about 10.4 million dollars) and vessels (about 8.1 million dollars). In the first five reparations years the deliveries amounted to about 172.5 million dollars. Thanks to the achievements of the machine industry and shipbuilding, the amount stipulated for these year was thus exceeded by 2 million dollars. In the next three years about 54 million dollars have to be paid.

In spite of the good result of the year recently ended, the delays caused considerable penalties, about 441,000 reparations dollars. As in previous years the Soviet Union has cancelled these penalties at the Finnish Government's request, in consideration of the surplus in total deliveries.

New foreign credits. On August 1, 1949, a contract was signed in Washington whereby the International Bank for Reconstruction and Development granted a loan of 12.5 million dollars to the Bank of Finland. The loan is intended to finance Finnish purchases of machinery and implements for the reconstruction and renovation of the woodworking industry, new power stations and the enlargement of the production of limestone meal for agriculture. Woodworking will get about 10 million dollars of the loan, the power stations 2 million and the limestone industry about ½ million. The loan will

primarily be used for the importation of special machinery and such products as are difficult to obtain and will therefore be of great importance to Finnish economy. The purchases will mostly be made in the United States.

The loan, which has a Finnish State guarantee, runs for 15 years at an interest of 3 per cent and an annual commission charge of 1 per cent to be paid to the reserve fund of the IBRD under the stipulations of the Bank's regulations. Amortization begins on February 1, 1953, and the loan will be fully repaid by August 1, 1964.

*

Increase in the share capital of a Commercial Bank. On August 11, 1949, the administrative board of the Helsingin Osakepankki — Helsingfors Aktiebank decided to suggest to the shareholders' meeting that the share capital of the bank be increased by 120 million marks. The present shareholders and the depositors will be offered 1,200,000 new shares at a nominal price of 100 marks. Hereby the share capital will be increased to 340.6 million marks and the bank's own funds to 444.7 million marks.

*

Trade agreements. Two separate tripartite agreements between Finland, the *Soviet Union* and *Poland*, and between Finland, the *Soviet Union* and *Czechoslovakia* were signed on June 29, 1949. Under the former agreement Finland will deliver 80 million roubles' worth of goods before July 1, 1950, to the Soviet Union and under the latter 20 million roubles' worth, or a total of about 2,500 million marks. The most important export goods are 345,000 sq. m. of wooden houses representing about half of the total export value fixed, and 25,000 stds of sawn timber, and piles, lake and river tugs,

wooden fishing trawlers, copper cable and copper products. The Soviet Union again delivers goods for the corresponding amounts to Poland and Czechoslovakia, while from Poland Finland gets coal for 80 million roubles and from Czechoslovakia chiefly sugar, machinery and chemicals for 20 million roubles.

On July 11, 1949, Finland and Poland signed a statement which established that, in the first half of the current year, Finland has delivered goods to Poland in excess of the quota of the trade agreement which were valued at about 2.6 million dollars. In addition Finland will deliver 3,000 tons of rayon cellulose and 1,000 tons of rayon in 1949, amounting to about 4.9 million dollars. Also Polish exports will be supplemented this year by 4.5 million dollars' worth of goods, primarily various chemicals, cloth and yarn, iron wire, textile and agricultural machinery, cast iron pipes, zinc sheets, and fruit.

Finland and Rumania signed an agreement on July 13, 1949, obliging Finland to pay back an earlier wheat loan of about 19 million Swiss francs, in goods, within one year of that date. Rayon, tugs and other vessels, machinery and implements for the wood and paper industry, and electrical cable are the chief articles concerned.

Finland and the Japanese occupation authorities signed a payments and trade agreement on June 21, 1949, providing for Finnish exports of rayon cellulose, kraft-paper, gum turpentine, pine oil, animal glue, chains, and felspar to Japan until June 30, 1950. Japanese exports will include textile fabrics and yarns, fish nets, steel strips, drugs, oils and waxes, bamboo, sponges, zinc oxide, and celluloid. Trade is estimated at about 2.5 million dollars in either direction during the contracted period.

Finland and the occupation authorities in Western Germany signed a supplementary trade agreement on July 11, 1949, which will be in force until the end of the year and cover a total trade of about 8.5 million dollars in either direction. Finnish exports will include goods such

as nature hard cheese, red whortleberries, Iceland moss, square timber, structural timber, sawn timber, wooden reels, pulp-wood, fibre boards, cardboard, various kinds of paper, and furs. The most important Finnish imports again are rolled steel products, industrial, agricultural and electrical machinery and equipment including spare parts, electrical installations, fine mechanics and optics, office machines and cash registers, hand tools, technical glassware, automobiles, motorcycles, textile products, miscellaneous chemicals and dyestuffs, farmaceutical specialties, and nursery plants.

*

Forestry Congress. At the wish of the Food and Agricultural Organization of the United Nations the Finnish Government had invited the Third World Forestry Congress to Helsinki on July 7—19, 1949. The Congress, which was preceded by various tours to different parts of the country, was attended by some 500 persons, about half of them foreigners from 28 countries. Professor Eino Saari (Finland) was appointed President of the Congress. In its last session the Congress unanimously passed a general report including a statement of the most important discussions carried on in the different sections and the recommendations of the Congress.

*

The publications of the Bank of Finland. In the Series B of the „Suomen Pankin taloustieteellisen tutkimuslaitoksen julkaisuja — Publikationer utgivna av Finlands Banks institut för ekonomisk forskning” (Publications issued by the Bank of Finland Institute for Economic Research) the following new publication has appeared:

10. Heikki Valvanne, Valtion tulot ja menot sekä kassaliike. Ehdotus tutkimusmenetelmäksi ja tämän sovellutus vuosiin 1945—1947. (State income and expenditure and turnover on cash account. A research plan and its application on the years 1945—1947.) Published only in Finnish.

BANK OF FINLAND

(Cable address Suomenpankki)

BOARD OF MANAGEMENT:

Tuomioja, Sakari, Governor

Kivialho, K.

Raittinen, Paavo

Kekkonen, Urho

Sundman, C. G., ad. int.

HEADS OF DEPARTMENT:

Leinonen, Esko K., Secretariat

Tudeer, A. E., Institute for Economic
Research

Engberg, G., Personnel

Blomquist, P., Accounts

Kajantie, A., Control

Tauriala, T., Foreign currency

Wahlman, Rob., Cash

Jens, J., Foreign correspondence

Helander, J., Foreign currency control

Österlund, P.-E., Documentary credits

Jussila, Eino, Office

THE BANK OF FINLAND MONTHLY BULLETIN

is sent free of charge to anyone wishing to receive it. Finnish booksellers are, however, allowed to sell it at a price of 20 marks per copy. Should extracts from the Bulletin be printed, the source should be stated. Correspondence with regard to the Bulletin should be addressed to the Bank of Finland Institute for Economic Research.

Helsinki (Helsingfors), Finland.