



BANK OF FINLAND

MONTHLY BULLETIN

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1968

FOREIGN TRADE

The total value of Finnish exports in the first half of 1968 was 3 215 million marks or 37 per cent higher than the corresponding figure for the previous year. As the total value of imports in the same period was 3 331 million marks, an increase of 22 per cent, the balance of trade in the first half of 1968 showed a deficit of only 116 million marks, as against an average of nearly 500 million marks in the corresponding period during the four preceding years. Around 85 million marks of the deficit occurred in multilateral trade and the rest in bilateral trade.

The foreign trade figures for the first half of 1968 greatly reflect the impact of the devaluation of the Finnish mark. In October 1967 the international par value of the mark was lowered by 23.8 per cent. Rates of foreign exchange in terms of domestic currency were correspondingly raised by 31.25 per cent. (See front article in Bulletin No. 11, 1967). As a quarter of Finnish foreign trade is carried on with the United Kingdom and countries which followed the pound devaluation, the effective rise has, however, approximated to 26 per cent.

According to preliminary figures, export and import prices in the first half of 1968 actually did exceed pre-devaluation prices

by roughly this amount. Consequently, there has not been any substantial shift in the external price level of exports or imports. With regard to exports this is partly explained by the export levy which on average has cut exporters' devaluation gain by nearly one half. (See front article in Bulletin No. 12, 1967 and item "Reduction in Export Levy by an average of two percentage units" in Bulletin No. 3, 1968). This reduces the possibilities open to exporters to lower their external prices in order to expand their market shares.

Taking into account these price effects, the volume of exports was 10—15 per cent greater in the first half of 1968 compared with the same period in 1967, whereas the volume of imports was several per cent smaller.

The fairly marked growth of exports in real terms is mainly ascribable to the general rise in economic activity which started towards the end of 1967 in most of the important Western markets for Finnish exports. The most noticeable feature in the growth of exports has been that the highest

***On page 18, The 1966 Household Survey
and the New Consumer Price Index***

VALUE OF EXPORTS AND IMPORTS
MILLION MARKS

	1967 January—June	1968 January—June	Change in value per cent
<i>Exports (fob)</i>	<i>2 347</i>	<i>3 215</i>	<i>37</i>
Agricultural products ..	128	171	34
Round and hewn timber	24	23	—4
Wood industry products	349	469	34
Paper industry products	1 121	1 430	28
Metal and engineering industry products	481	772	61
Other goods	244	350	43
<i>Imports (cif)</i>	<i>2 736</i>	<i>3 331</i>	<i>22</i>
Raw materials and accessories	1 157	1 485	29
Fuels and lubricants ..	292	440	51
Finished producer goods	611	647	6
Finished consumer goods	538	653	21
Passenger cars	138	106	—23
<i>Balance of trade</i>	<i>—389</i>	<i>—116</i>	

growth rates are to be found in those export categories which represent the greatest degree of processing. Thus the export value of the metallurgical industry products and "other products" (mainly consumer goods) more than doubled. (See the table). Within the group of wood industry products the growth rate of the export value of finished products was substantially higher than that of semi-finished products. The same holds true for the products of the paper industry. The export value of paper increased by 31 per cent while the value of pulp increased by 22 per cent.

The import figures for the first half of 1968, showing a reduction of total imports in real terms must be viewed in the light of both general economic developments and the special features introduced by the devaluation of the mark. In contrast with most Western European countries, the growth of total output in Finland did not accelerate in the first half of 1968 as a consequence of weak domestic demand and did not therefore induce, to any great extent, a growth in imports. The shift in relative prices has undoubtedly caused some substitution of

domestic goods for imports. A further explanation of the low import figures in the first half of 1968, is that purchases of imported goods have probably been postponed as a first reaction to the new price level.

The volume of imports of finished goods, accounting for nearly one half of total imports, dropped fairly drastically in the first half of 1968 as compared with the corresponding period in 1967. The volume of imports of raw materials and fuel on the other hand showed a moderate growth. The increase in imports of raw materials was greatest for the chemical and metallurgical industries and smallest for the textile, leather and building industries. The long-run shift towards liquid fuel at the expense of fixed fuels was accentuated in the first half of 1968. The number of imported passenger cars fell by 35 per cent and the corresponding value by 23 per cent. As there was a marked decline in the imports of durable consumer goods the volume of all consumer goods, excluding passenger cars, also declined. The volume of non-durable consumer goods, however, remained at roughly the previous year's level. The volume of imports of investment goods dropped by a good 15 per cent.

The regional pattern of Finnish foreign trade in the first half of 1968 did not show any great changes. The long-run shift towards intra EFTA trade at the expense of trade with the EEC-countries continued. In the first half of 1968 38 per cent of Finnish exports went to the EFTA-countries and 37 per cent of total imports originated from these countries. The corresponding figures for the EEC-countries were 23 and 26 per cent for exports and imports respectively. Finland's deliveries to the Eastern Bloc accounted for 21 per cent of total exports, the share of imports from this area being the same.

August 23, 1968

BANK OF FINLAND

Mill. mk

	1967		1968			
	Dec. 30	July 31	July 31	Aug. 8	Aug. 15	Aug. 23
BALANCE SHEET						
Assets						
Ordinary note cover	798.8	849.8	1 482.4	1 473.4	1 467.0	1 468.3
Gold	188.8	149.8	191.3	191.3	191.3	190.1
Foreign exchange	512.3	622.2	1 170.6	1 162.4	1 157.3	1 159.6
Foreign bills	72.5	57.5	74.4	73.6	72.3	72.5
Foreign bonds	25.2	20.3	46.1	46.1	46.1	46.1
Supplementary note cover	1 130.7	892.3	810.3	754.7	755.8	807.1
Inland bills discounted						
In foreign currency	122.5	45.4	31.8	31.8	31.8	31.8
In Finnish currency	140.7	85.3	133.5	138.9	137.3	142.5
Rediscounted bills	867.5	761.6	645.0	584.0	586.7	632.8
Other assets	707.7	526.1	327.6	390.3	409.0	379.4
Finnish bonds	370.5	323.2	116.7	143.7	166.9	138.9
Cheque accounts	4.0	13.4	2.2	1.6	1.4	1.6
Finnish coin	12.3	14.9	17.3	16.9	17.2	17.0
Other claims	320.9	174.6	191.4	228.1	223.5	221.9
Total	2 637.2	2 268.2	2 620.3	2 618.4	2 631.8	2 654.8
Liabilities						
Notes in circulation	1 052.1	1 019.8	1 017.0	998.2	1 001.9	1 030.5
Liabilities payable on demand	139.6	215.3	103.7	116.8	136.4	102.6
Foreign exchange accounts	74.7	51.0	69.9	73.7	74.5	74.4
Mark accounts of holders abroad	14.1	13.4	13.4	14.0	13.7	13.6
Cheque accounts						
Treasury	4.4	4.9	2.6	0.6	0.9	1.3
Post Office Savings Bank	17.2	126.5	2.9	2.7	3.6	0.3
Private banks	9.8	—	1.6	13.3	31.3	1.0
Other	1.8	1.0	1.5	1.4	1.6	1.3
Other sight liabilities	17.6	18.5	11.8	11.1	10.8	10.7
Term liabilities	553.1	347.4	651.3	653.5	645.4	660.9
Foreign	339.5	204.0	159.5	159.5	159.5	159.5
Finnish	213.6	143.4	491.8	494.0	485.9	501.4
Equalization accounts	422.0	237.8	372.9	373.6	371.6	382.8
Bank's own funds	470.4	447.9	475.4	476.3	476.5	478.0
Capital	300.0	300.0	300.0	300.0	300.0	300.0
Reserve fund	129.5	129.5	150.0	150.0	150.0	150.0
Earnings less expenses	40.9	18.4	25.4	26.3	26.5	28.0
Total	2 637.2	2 268.2	2 620.3	2 618.4	2 631.8	2 654.8
STATEMENT OF NOTE ISSUE						
Right of note issue						
Ordinary cover	798.8	849.8	1 482.4	1 473.4	1 467.0	1 468.3
Supplementary cover						
(Upper limit 500 mill. mk; since Nov. 30, 1966, 700 mill. mk)	700.0	700.0	700.0	700.0	700.0	700.0
Total	1 498.8	1 549.8	2 182.4	2 173.4	2 167.0	2 168.3
Note issue						
Notes in circulation	1 052.1	1 019.8	1 017.0	998.2	1 001.9	1 030.5
Liabilities payable on demand	139.6	215.3	103.7	116.8	136.4	102.6
Undrawn on cheque credits	3.1	3.8	5.3	5.9	6.1	6.0
Unused right of note issue	304.0	310.9	1 056.4	1 052.5	1 022.6	1 029.2
Total	1 498.8	1 549.8	2 182.4	2 173.4	2 167.0	2 168.3

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

BANK OF FINLAND

Mill. mk

End of year and month	Gold and foreign accounts						Treasury			
	Gold and foreign exchange	Liabilities on foreign exchange accounts	Foreign exchange reserve (1-2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4-5)	Bills and bonds	Other claims, net	Liabilities, Cheque account	Net claims on the Treasury (7+8-9)
	1	2	3	4	5	6	7	8	9	10
1961	691.5	13.4	678.1	87.5	128.4	637.2	27.7	5.9	1.1	32.5
1962	637.7	17.1	620.6	67.7	114.9	573.4	—	28.9	5.5	23.4
1963	752.2	18.2	734.0	65.6	100.5	699.1	—	18.9	0.2	18.7
1964	973.4	84.7	888.7	76.3	82.8	882.2	—	8.9	5.4	3.5
1965	860.9	44.8	816.1	83.8	56.5	843.4	—	1.1	1.1	2.2
1966	555.9	61.2	494.7	81.3	100.8	475.2	11.5	1.1	39.8	29.4
1967	701.1	74.7	626.4	97.7	353.6	370.5	8.3	14.8	4.4	10.9
1967										
June	700.6	50.8	649.8	75.2	217.5	507.5	8.3	1.1	2.3	4.9
July	772.0	51.0	721.0	77.8	217.4	581.4	8.3	1.1	4.9	2.3
Aug.	736.9	49.1	687.8	76.7	217.8	546.7	8.3	1.1	23.6	16.4
Sept.	780.6	53.6	727.0	77.9	293.5	511.4	8.3	1.1	1.0	6.2
Oct. ¹⁾	984.0	64.5	919.5	106.3	377.3	648.5	8.3	1.3	10.6	3.6
Nov.	878.6	71.9	806.7	106.8	357.4	556.1	8.3	2.3	18.4	12.4
Dec.	701.1	74.7	626.4	97.7	353.6	370.5	8.3	14.8	4.4	10.9
1968										
Jan.	811.2	67.8	743.4	98.6	350.5	491.5	4.1	63.6	0.3	59.8
Feb.	996.4	66.1	930.3	98.5	349.3	679.5	4.1	118.2	2.7	116.8
March	1 095.4	67.9	1 027.5	101.4	349.5	779.4	4.1	164.4	5.0	165.3
April	1 193.6	73.4	1 120.2	127.3	347.2	900.3	4.1	201.4	3.0	200.3
May	1 235.0	81.5	1 153.5	127.2	346.3	934.4	4.1	249.7	0.7	246.3
June	1 346.4	86.1	1 260.3	124.5	303.5	1 081.3	6.7	276.9	0.0	270.2
July	1 361.9	69.9	1 292.0	120.5	172.9	1 239.6	6.7	277.1	2.6	273.0

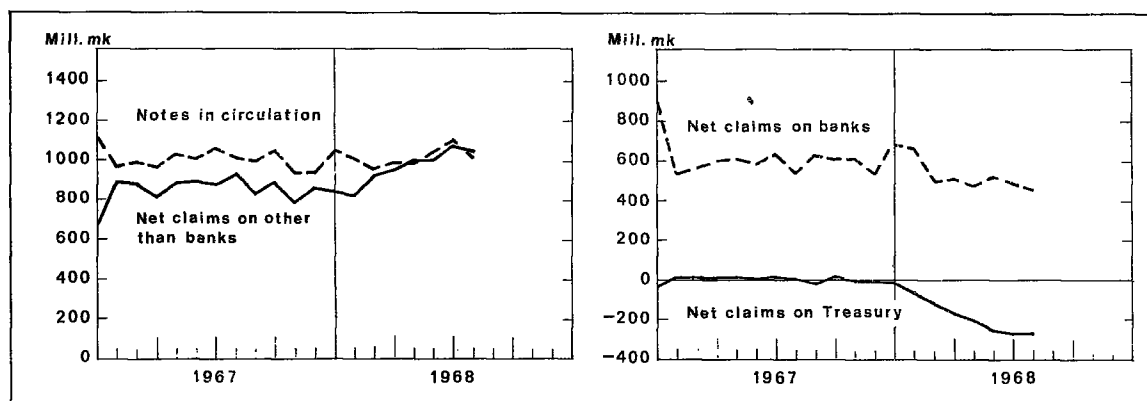
	Foreign exchange situation, mill. mk								
	Net holdings, Dec. 30, 1967			Net holdings July 31, 1968			Change in		
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	July	Jan.-July	
Gold	189	—	189	191	—	191	—	+	2
Convertible currencies	458	—295	163	981	—385	596	+ 63	+	433
Other currencies	— 21	—1	— 22	120	3	123	+ 33	+	145
Total	626	—296	330	1 292	—382	910	+ 96	+	580

¹⁾ Subsequent figures are affected by the change in the par value of the mark from 0.27771 grams of fine gold per mark (equivalent to 3.20 marks per U.S. dollar) to 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per U.S. dollar), effective Oct. 12, 1967.

BANK OF FINLAND

Mill. mk

End of year and month	Finnish credit institutions					Other				Notes in circulation
	Redis-counted bills	Liabilities, Cheque accounts			Net claims on the banks (1-2-3-4)	Inland bills in Finnish currency	Other advances	Liabilities	Net claims on the rest of economy (6+7-8)	
		Private banks ¹⁾	Post Office Savings Bank ¹⁾	Mortgage Bank of Finland Oy						
	1	2	3	4	5	6	7	8	9	10
1961	294.6	44.7	4.4	12.5	233.0	70.8	107.3	2.9	175.2	837.1
1962	401.2	— 4.0	53.3	0.8	351.1	33.5	99.6	4.1	129.0	774.4
1963	325.3	1.3	3.0	1.2	319.8	57.2	94.4	1.7	149.9	943.7
1964	448.4	16.4	49.6	0.6	381.8	67.1	103.0	1.6	168.5	1 002.7
1965	640.6	11.9	8.3	0.2	620.2	26.0	121.9	31.6	116.3	1 028.5
1966	915.2	13.8	17.3	— 1.3	885.4	112.2	152.9	73.2	191.9	1 106.2
1967	867.5	154.7	34.5	+ 0.0	678.3	140.7	439.1	56.0	523.8	1 052.1
1967										
June	775.1	125.4	22.7	— 1.3	628.3	82.3	203.8	58.5	227.6	1 062.1
July	761.6	79.2	143.8	+ 0.0	538.6	85.3	214.9	55.1	245.1	1 019.8
Aug.	772.6	93.7	54.2	0.1	624.6	85.1	216.8	55.5	246.4	1 000.9
Sept.	749.4	116.4	18.7	+ 0.0	614.3	97.6	214.3	58.8	253.1	1 047.9
Oct.	750.0	103.0	33.0	+ 0.0	614.0	109.2	226.8	57.5	278.5	938.6
Nov.	780.2	170.9	69.1	0.2	540.0	113.9	295.5	51.8	357.6	937.9
Dec.	867.5	154.7	34.5	+ 0.0	678.3	140.7	439.1	56.0	523.8	1 052.1
1968										
Jan.	833.9	153.9	19.5	0.1	660.4	149.3	362.3	49.8	461.8	1 010.3
Feb.	682.9	163.8	18.4	0.1	500.6	136.5	283.6	49.1	371.0	956.6
March	697.0	167.4	21.2	0.2	508.2	137.3	258.5	48.6	347.2	979.1
April	653.4	156.3	19.6	+ 0.0	477.5	141.0	229.0	49.9	320.1	990.1
May	701.7	160.8	17.4	0.3	523.2	131.8	228.3	50.9	309.2	1 035.7
June	694.8	180.5	20.3	0.1	493.9	133.5	223.7	44.9	312.3	1 101.5
July	645.0	167.0	20.2	0.2	457.6	133.5	218.7	45.1	307.1	1 017.0

¹⁾ Including cash reserve accounts in 1961 and from February 1967

DEPOSITS BY THE PUBLIC — FOREIGN EXCHANGE RATES

Mill. mk

End of year and month	Sight deposits			Term deposits						Total (2+3+9)
	Cheque accounts		Postal giro accounts	Commer- cial banks	Savings banks	Co-op. credit societies & their central bank	Post Office Savings Bank	Savings depart- ments of co-op. stores	All credit institutions	
	Commer- cial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
1958	395.7	495.8	167.7	1 222.6	1 312.6	742.7	381.7	191.9	3 851.8	4 515.3
1959	557.5	678.1	140.9	1 505.5	1 525.5	860.3	431.2	219.1	4 541.9	5 360.9
1960	550.8	680.7	135.9	1 813.6	1 768.6	1 052.5	485.2	254.3	5 404.5	6 221.1
1961	577.9	720.8	143.8	2 105.9	2 079.6	1 241.0	558.2	285.3	6 270.3	7 134.9
1962	649.0	800.8	168.5	2 270.4	2 210.8	1 325.5	606.6	293.2	6 706.7	7 676.0
1963	715.3	876.0	250.3	2 441.0	2 336.6	1 448.0	648.5	310.7	7 185.0	8 311.3
1964	683.3	855.4	296.5	2 816.7	2 614.7	1 681.4	713.8	331.4	8 158.2	9 310.1
1965	665.7	843.7	309.4	3 160.1	2 954.4	1 953.5	773.2	357.2	9 198.6	10 351.7
1966	625.5	849.4	318.0	3 637.2	3 329.9	2 225.8	863.6	380.7	10 437.3	11 604.7
1967	649.8	834.0	340.9	4 080.8	3 644.6	2 439.7	941.2	431.3	11 537.9	12 712.8
1967										
June	548.1	720.5	361.6	3 766.3	3 463.5	2 306.2	906.1	387.2	10 829.5	11 911.6
July	581.9	755.5	316.5	3 775.0	3 464.2	2 316.0	908.5	386.0	10 849.9	11 921.9
Aug.	601.9	789.1	295.9	3 808.2	3 491.9	2 328.2	910.3	385.4	10 924.2	12 009.2
Sept.	572.2	763.1	286.2	3 821.0	3 520.7	2 348.8	914.4	393.2	10 998.2	12 047.5
Oct.	708.3	910.9	312.4	3 857.1	3 522.3	2 350.2	909.9	395.9	11 035.6	12 258.9
Nov.	663.0	850.5	310.9	3 879.2	3 543.0	2 354.7	912.2	398.5	11 087.8	12 249.2
Dec.	649.8	834.0	340.9	4 080.8	3 644.6	2 439.7	941.2	431.3	11 537.9	12 712.8
1968*										
Jan.	622.3	788.2	444.8	4 049.8	3 645.9	2 432.7	954.9	422.7	11 506.3	12 739.3
Feb.	672.5	841.1	407.1	4 148.5	3 704.1	2 475.8	967.4	421.8	11 717.9	12 966.1
March	664.0	837.9	353.5	4 167.7	3 736.9	2 498.4	978.0	421.1	11 802.3	12 993.7
April	674.9	852.2	454.4	4 209.9	3 750.5	2 525.0	979.0	420.9	11 885.5	13 192.1
May	697.3	890.9	403.6	4 212.2	3 758.5	2 520.6	972.0	417.5	11 881.0	13 175.5
June	668.8	856.9	425.7	4 249.2	3 740.9	2 510.6	965.4	414.7	11 881.0	13 163.6
July	758.1	959.7	381.9	4 262.5	3 747.5	2 518.8	966.8	414.4	11 910.2	13 251.8

End of month	100 % Index-tied deposits	High-interest deposits
1967		
Sept.	3 049.4	687.2
Oct.	3 529.1	680.0
Nov.	3 745.1	645.1
Dec.	3 997.2	610.5
1968*		
Jan.	4 272.0	561.9
Feb.	4 409.0	525.3
March	4 458.0	545.4
April	4 294.1	695.3
May	3 909.7	973.8
June	3 612.1	1 244.9
July	3 349.7	1 489.8

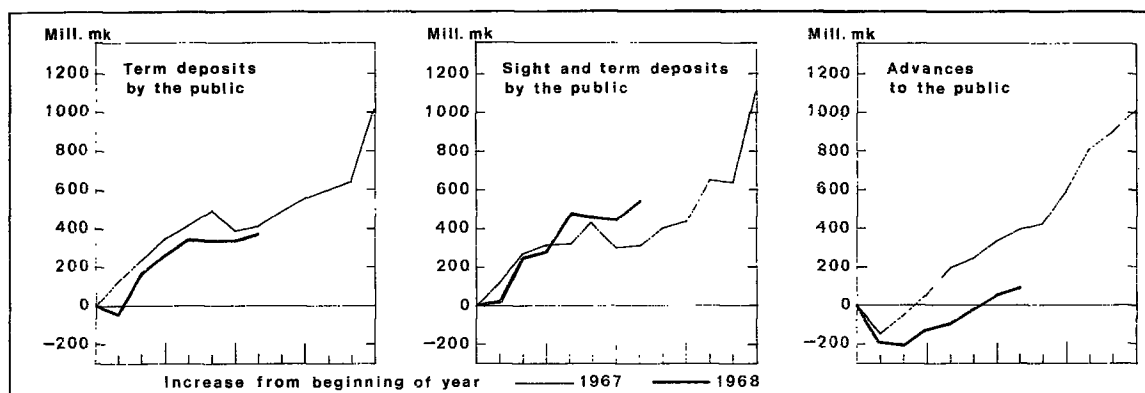
Selling rates for foreign exchange			
Aug. 22, 1968			
	mk		mk
New York 1 \$	4.1870	Zurich 100 Fr	97.34
Montreal 1 \$	3.9040	Paris 100 FF	84.21
London 1 £	10.0000	Rome 100 Lit	0.6739
Stockholm .. 100 Kr	81.18	Vienna 100 S	16.21
Oslo 100 Kr	58.63	Lisbon 100 Esc	14.63
Copenhagen .. 100 Kr	55.71	Reykjavik 100 Kr	7.35
Frankfurt o. M. 100 DM	104.16	Madrid 100 Pta	6.03
Amsterdam .. 100 Fl	115.39	Moscow, clear. ¹⁾ 1 Rbl	4.6799
Brussels 100 Fr	8.3750	Clearing dollars ²⁾ 1 Cl \$	4.212

¹⁾ Also Bucharest.²⁾ Berlin, Budapest, Prague, Sofia, Warsaw.

ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

End of year and month	Granted by					Types of advances		Total (1 to 5) (6 and 7)	Money Supply
	Commer- cial banks	Savings banks	Post Office Savings Bank	Co-op. credit societies & their cen- tral bank	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1958	1 745.4	1 154.8	290.3	835.1	219.3	4 011.5	233.4	4 244.9	1 302.3
1959	2 096.9	1 327.2	331.4	967.3	325.8	4 772.7	275.9	5 048.6	1 448.4
1960	2 604.6	1 549.3	395.0	1 176.0	452.2	5 861.9	315.2	6 177.1	1 494.6
1961	3 048.0	1 817.6	436.8	1 462.7	515.2	6 928.2	352.1	7 280.3	1 646.1
1962	3 299.9	2 018.5	508.7	1 600.6	614.7	7 680.8	361.6	8 042.4	1 722.5
1963	3 472.5	2 134.5	544.0	1 757.7	664.3	8 226.2	346.8	8 573.0	1 986.5
1964	3 916.4	2 318.0	607.7	2 057.5	829.4	9 320.5	408.5	9 729.0	2 042.5
1965	4 279.6	2 609.2	716.5	2 348.4	899.4	10 439.6	413.5	10 853.1	2 085.0
1966	4 867.7	2 951.4	783.9	2 598.7	908.8	11 630.7	479.8	12 110.5	2 213.7
1967	5 203.7	3 247.7	869.0	2 779.5	1 026.9	12 598.9	527.9	13 126.8	2 183.0
1967 June	5 014.7	3 063.0	832.8	2 601.5	924.4	11 882.8	553.6	12 436.4	2 105.1
July	5 028.9	3 092.9	838.8	2 614.8	924.7	11 970.8	529.3	12 500.1	2 035.9
Aug.	5 012.4	3 121.5	851.9	2 636.4	921.0	12 031.8	511.4	12 543.2	2 039.5
Sept.	5 083.9	3 163.3	860.6	2 677.0	918.2	12 150.6	552.4	12 703.0	2 016.1
Oct. ¹⁾	5 073.5	3 206.2	859.6	2 740.9	1 043.8	12 443.0	481.0	12 924.0	2 075.6
Nov.	5 114.3	3 238.7	861.0	2 764.8	1 033.6	12 504.5	507.9	13 012.4	2 059.7
Dec.	5 203.7	3 247.7	869.0	2 779.5	1 026.9	12 598.9	527.9	13 126.8	2 183.0
1968*									
Jan.	5 140.2	3 242.5	876.0	2 648.7 ²⁾	1 026.1	12 437.6	495.9	12 933.5	2 201.7
Feb.	5 130.9	3 242.3	890.8	2 632.7	1 019.0	12 413.6	502.1	12 915.7	2 173.7
March	5 201.6	3 241.8	903.8	2 629.7	1 017.3	12 441.3	552.9	12 994.2	2 150.2
April	5 198.9	3 261.1	914.8	2 645.4	1 006.3	12 528.7	497.8	13 026.5	2 274.4
May	5 235.3	3 287.3	915.5	2 661.0	1 004.5	12 610.5	493.1	13 103.6	2 267.0
June	5 288.9	3 297.0	920.8	2 679.2	999.9	12 646.8	539.0	13 185.8	2 308.1
July	5 270.7	3 312.1	932.5	2 701.2	999.2	12 715.1	500.6	13 215.7	2 314.2

¹⁾ See footnote on page 4.²⁾ New series.

STATE FINANCES

Mill. mk

Revenue	1967	1968	Expenditure	1967	1968
		Jan. - June			Jan. - June
Income and property tax (net)	1 685	1 075	Wages, salaries, pensions etc.	1 266	682
Gross receipts	(4 965)	(2 538)	Repair and maintenance	239	115
Refunds & local authorities	(-3 280)	(-1 463)	Other consumption expenditure ..	563	319
Other taxes on income and property	40	20	Total consumption expenditure	2 068	1 116
Employers' child allowance payments	486	227	State aid to local authorities	1 015	614
Sales tax	1 908	961	State aid to industries	866	418
Revenue from Alcohol Monopoly ..	465	243	of which: agric. price subsidies	(645)	(321)
Customs duties & import charges	466	194	Child allowances	309	162
Export levy	14	278	Share in nat. pensions & health		
Excise duty on tobacco	404	177	insurance	351	200
» » on liquid fuel	477	201	Other transfer expenditure	678	420
Other excise duties	113	49	Total transfer expenditure ..	3 219	1 814
Tax on autom. and motor cycles	167	65	Machinery & equipment	225	145
Stamp duties	179	89	House construction	283	154
Special diesel etc. vehicles tax	74	20	Land and waterway construction	741	404
Other taxes and similar revenue	47	21	Total real investments	1 249	703
Total taxes	6 525	3 620	Interest on State debt	218	111
Miscellaneous revenue	387	190	Index compensations	18	18
Interest, dividends etc.	151	61	Net deficit of State enterprises ..	41	44
Sales and depreciation of property ..	62	33	Other expenditure	2	1
Redemptions of loans granted	157	75	Total other expenditure	279	174
Total revenue	7 282	3 979	Increase in inventories	38	1
Total borrowing	603	473	Lending	406	226
— Foreign	157	148	Other financial investments	131	62
— Domestic	446	325	Total expenditure	7 390	4 096
Deficit (+) or surplus (-)	+82	-0	Redemptions of loans	577	356
			— Foreign	71	52
			— Domestic	506	304
Total	7 967	4 452	Total	7 967	4 452

Debt	1966	1967	1968					
	Dec.	Dec.	Jan.	Feb.	March	April	May	June
External debt	1 337	1 844	1 845	1 839	1 820	1 820	1 828	1 946
Ordinary loans	1 980	2 016	1 970	1 969	1 962	1 928	2 020	2 038
Indemnity bonds etc.	93	2	2	2	2	2	2	2
Short-term credit	95	146	130	116	171	161	160	117
Cash debt (net)	-119	-56	57	184	-51	95	-9	-75
Internal debt	2 049	2 108	2 159	2 271	2 084	2 186	2 173	2 082
Total debt	3 386	3 952	4 004	4 110	3 904	4 006	4 001	4 028
Total debt, mill. \$	1 050	940	953	980	932	956	956	962

BALANCE OF PAYMENTS

Mill. mk

Period	Exports f.o.b.	Imports c.i.f.	Trade balance	Transporta- tion, net	Travel, net	Other services, net	Balance of goods and services	Investment income, net	Transfer payments, net	Balance of current transac- tions
1962	3 515	3 948	-433	+201	-112	+ 71	-273	- 47	+ 5	-315
1963	3 658	3 878	-220	+220	-100	+ 74	- 26	- 70	+ 6	- 90
1964	4 109	4 831	-722	+306	-115	+ 42	-489	-101	+ 3	-587
1965	4 542	5 287	-745	+318	-108	+ 21	-514	-131	+ 15	-630
1966	4 784	5 542	-758	+326	- 96	+ 12	-516	-150	+ 3	-663
1967	5 194	5 816	-622	+385	- 88	+ 17	-308	-209	- 3	-520
Jan.-Mar.										
1966	879	1 247	-368	+ 66	- 23	+ 10	-315	- 38	+ 0	-353
1967	1 088	1 347	-259	+ 91	- 24	- 2	-194	- 57	- 1	-252
1968	1 385	1 515	-130	+ 95	- 16	+ 7	- 44	- 58	+ 1	-101
Apr.-June										
1966	1 247	1 397	-150	+108	- 31	- 8	- 81	- 36	- 2	-119
1967	1 242	1 398	-156	+ 90	- 34	+ 6	- 94	- 39	+ 1	-132
July-Sept.										
1966	1 275	1 359	- 84	+ 67	- 17	+ 1	- 33	- 40	+ 2	- 71
1967	1 241	1 256	- 15	+107	- 18	- 3	+ 71	- 63	+ 3	+ 11
Oct.-Dec.										
1966	1 383	1 539	-156	+ 85	- 25	+ 9	- 87	- 36	+ 3	-120
1967	1 623	1 815	-192	+ 97	- 12	+ 16	- 91	- 50	- 6	-147

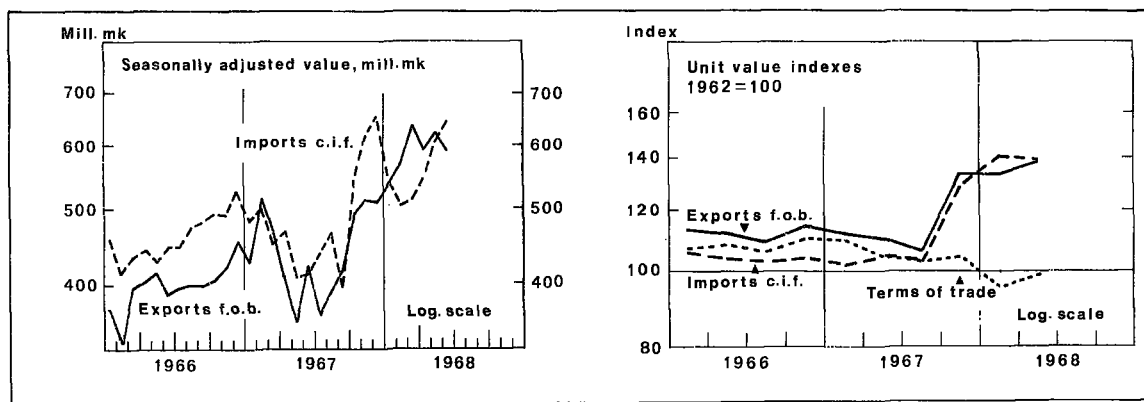
Period	Drawings of long-term loans	Amortiza- tions of long-term loans	Long- term export credits, net	Miscella- neous long-term capital items, net ¹⁾	Basic balance	Short-term import credits and pre- payments, net	Short-term export credits and pre- payments, net	Miscella- neous short- term capital items incl. errors and omissions	Over-all balance	Reserve movements	
										Bank of Finland	Other foreign exchange holders
1962	+271	-134	..	- 9	-187	- 74	- 43	+261	- 43	+ 43	..
1963	+513	-164	..	- 23	+236	-109	- 22	+ 7	+112	-112	..
1964	+762	-228	- 31	- 11	- 95	+112	+ 55	+107	+179	-179	..
1965	+434	-273	- 66	+ 3	-532	+146	+ 34	+ 69	-283	+202	+ 81
1966	+518	-271	- 61	- 32	-509	+ 53	-114	+215	-355	+321	+ 34
1967	+910	-406	- 33	+ 13	- 36	-112	- 56	+ 96	-108	+ 84	+ 24
Jan.-Mar.											
1966	+ 89	- 60	+ 2	- 15	-337	+ 43	+243	+ 18	- 33	+ 38	- 5
1967	+192	- 66	+ 12	+ 5	-109	- 48	+ 85	+ 81	+ 9	- 50	+ 41
1968	+214	-140	- 54	+ 4	- 77	+168	+191	+ 32	+314	-401	+ 87
Apr.-June											
1966	+116	- 52	- 36	+ 3	- 88	+ 19	-114	+ 69	-114	+121	- 7
1967	+315	- 62	+ 2	+ 4	+127	+ 44	+ 71	-162	+ 80	-105	+ 25
July-Sept.											
1966	+111	- 67	- 9	+ 20	- 16	- 3	-121	+ 49	- 91	+ 45	+ 46
1967	+251	- 92	- 13	+ 4	+161	- 95	- 53	+ 45	+ 58	- 77	+ 19
Oct.-Dec.											
1966	+202	- 92	- 18	- 40	- 68	- 6	-122	+ 79	-117	+117	± 0
1967	+152	-186	- 34	+ 0	-215	- 13	-159	+132	-255	+316	- 61

Assets: increase —, decrease +. Liabilities: increase + decrease —.

¹⁾ Including Direct investment net.

FOREIGN TRADE

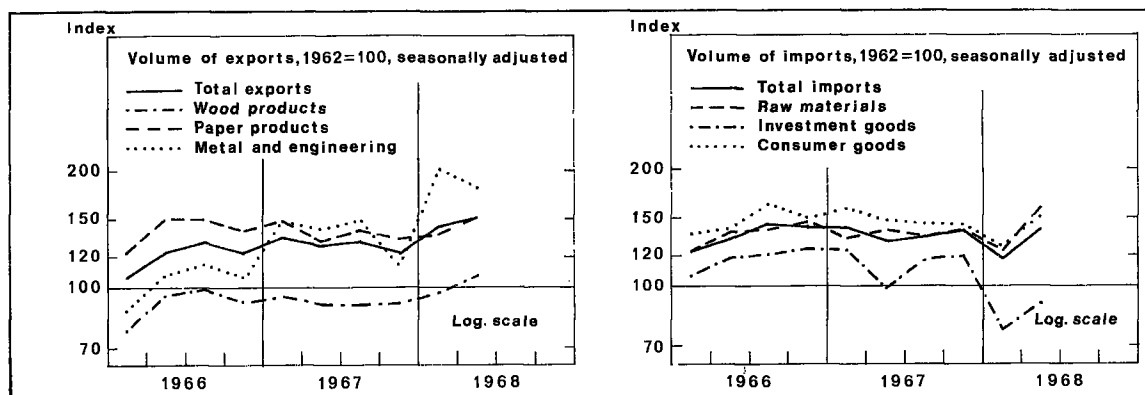
Period	Value mill. mk			Unit value indexes 1962 = 100						
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)	Articles of export f. o. b.					Articles of import c. i. f.	Terms of Trade
				Total	Round and hewn timber	Wood industry products	Paper industry products	Metal, en- gineering industry products		
1963	3 678.0	3 866.9	-188.9	102	96	104	100	105	101	101
1964	4 131.9	4 816.5	-684.6	108	109	111	104	113	103	105
1965	4 566.0	5 265.1	-699.1	113	115	123	106	119	104	109
1966	4 816.9	5 524.4	-707.5	112	112	122	105	119	104	108
1967*	5 230.3	5 794.4	-564.1	115	114	124	111	117	110	105
Jan.-June										
1966	2 125.9	2 633.3	-507.4							
1967*	2 346.7	2 735.9	-389.2							
1968*	3 214.9	3 330.8	-115.9							
1967*										
April	397.4	487.3	- 89.9	110	108	118	106	111	105	105
May	404.4	481.9	- 77.5							
June	457.5	421.8	+ 35.7							
July	372.8	400.7	- 27.9	106	108	118	105	94	103	103
Aug.	411.3	430.7	- 19.4							
Sept.	465.6	420.3	+ 45.3							
Oct.	561.6	541.5	+ 20.1	133	133	140	127	141	128	104
Nov.	529.9	615.8	- 85.9							
Dec.	542.3	649.3	-107.0							
1968*										
Jan.	465.0	534.3	- 69.3	133	137	138	130	132	140	95
Feb.	399.0	465.4	- 66.4							
March	536.7	510.0	+ 26.7							
April	556.7	556.3	+ 0.4	138	114	143	131	157	139	99
May	660.4	655.6	+ 4.8							
June	597.1	609.2	- 12.1							



FOREIGN TRADE BY MAIN GROUPS

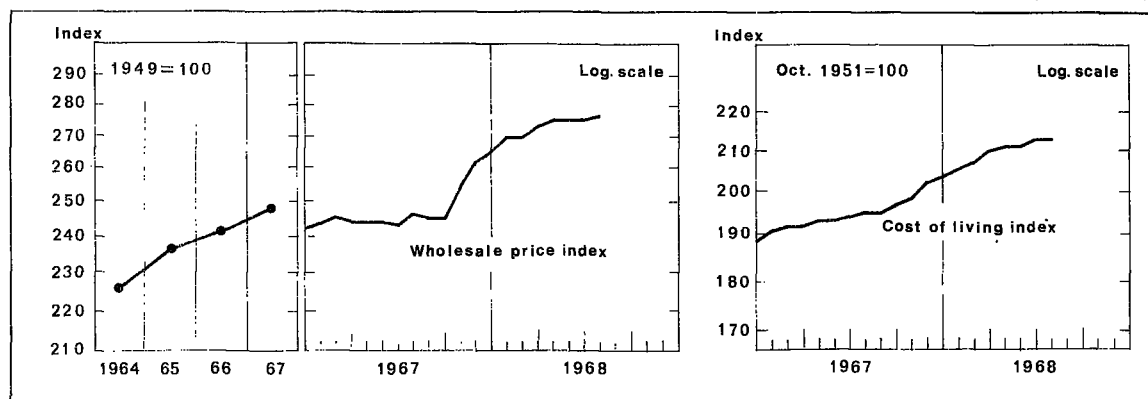
Mill. mk

Period	Exports, f.o.b.						Imports, c.i.f.			
	Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and producer goods	Fuels and lubricants	Finished goods	
									Investment goods	Consumer goods
1963	164.8	112.8	811.8	1 752.2	613.8	222.6	1 827.5	373.3	1 004.3	661.8
1964	230.4	89.8	895.8	2 019.5	610.3	286.1	2 110.7	508.4	1 396.2	801.2
1965	251.8	60.3	919.8	2 165.6	800.3	368.2	2 362.4	514.7	1 511.4	876.6
1966	264.0	59.0	863.5	2 297.0	877.2	456.2	2 450.5	589.8	1 448.5	1 035.6
1967*	261.4	54.3	865.7	2 384.5	1 079.7	584.7	2 545.9	668.2	1 462.8	1 117.5
Jan.-June										
1966	143.5	21.7	337.3	1 083.1	353.5	186.8	1 114.1	249.9	763.7	505.6
1967*	127.7	23.6	349.1	1 120.9	480.9	244.5	1 156.5	292.2	749.3	537.9
1968*	171.5	22.9	469.2	1 429.8	772.3	349.2	1 484.8	440.1	753.4	652.5
1967*										
May	15.0	5.2	71.6	190.0	78.1	44.5	212.2	49.0	129.7	91.0
June	24.6	5.0	85.6	175.7	118.5	48.1	184.6	46.3	120.6	70.3
July	12.6	5.2	85.2	177.9	61.4	30.5	181.6	47.8	105.1	66.2
Aug.	14.4	7.9	88.1	189.1	58.7	53.1	203.6	53.1	88.8	85.2
Sept.	19.7	4.9	76.5	194.5	112.1	57.9	194.1	51.8	94.6	79.8
Oct.	25.4	5.5	91.5	228.0	137.6	73.6	252.7	61.3	119.2	108.3
Nov.	19.5	4.1	96.3	231.1	120.2	58.7	289.0	86.1	119.0	121.7
Dec.	42.0	3.1	79.0	243.0	108.9	66.3	268.3	75.9	186.8	118.3
1968*										
Jan.	35.1	4.0	66.2	205.4	105.7	48.6	236.1	96.0	103.4	98.8
Feb.	13.5	1.1	41.7	201.7	91.4	49.6	205.2	54.3	100.4	105.5
March	48.6	2.6	55.9	251.5	113.6	64.5	220.4	61.3	118.6	109.7
April	18.3	3.7	91.3	271.3	118.9	53.2	246.4	65.7	127.1	117.1
May	37.5	7.2	109.8	278.5	156.7	70.7	294.1	88.3	157.8	115.4
June	18.5	4.3	104.3	221.4	186.0	62.6	282.6	74.5	146.1	106.0



FOREIGN TRADE BY COUNTRIES

Area and country	Exports, f.o.b.					Imports, c.i.f.				
	Whole year		Jan.-June			Whole year		Jan.-June		
	1966	1967*	1967*	1968*		1966	1967*	1967*	1968*	
	%	%	%	%	Mill. mk	%	%	%	%	Mill. mk
Sterling area	22.6	22.8	22.0	22.1	710.7	16.6	15.8	17.0	15.4	514.0
United Kingdom	20.5	20.9	19.9	20.0	643.9	16.1	15.2	16.2	14.9	495.4
Other OECD countries										
in Europe	46.7	44.0	43.4	45.0	1 446.5	53.8	53.9	54.3	54.1	1 800.4
Austria	0.4	0.5	0.4	0.4	12.6	0.9	1.0	1.0	1.0	34.7
Belgium-Luxembourg	3.1	2.6	2.4	2.3	75.2	1.9	2.0	1.9	2.2	72.7
Denmark	3.5	3.8	3.6	3.4	108.8	3.5	3.3	3.2	3.5	116.6
France	4.5	4.3	4.5	3.9	126.0	4.3	3.7	4.2	3.2	106.1
Western Germany	11.0	8.6	8.4	9.4	301.2	17.0	16.2	16.8	15.8	526.5
Italy	3.0	3.1	3.3	3.1	99.5	2.0	2.0	2.2	2.3	78.2
Netherlands	5.8	5.1	5.2	4.4	140.6	3.6	3.8	3.5	3.3	108.6
Norway	1.9	2.4	2.0	3.2	104.1	2.1	2.3	2.0	2.3	77.4
Portugal	0.4	0.2	0.2	0.2	7.9	0.3	0.4	0.5	0.5	17.0
Spain	1.2	1.0	1.2	0.8	25.5	0.4	0.4	0.5	0.5	15.7
Sweden	8.8	9.7	9.2	10.4	335.6	14.1	15.4	15.0	15.9	527.1
Switzerland	0.9	1.0	1.0	1.4	45.0	3.1	3.0	3.0	3.2	106.8
Eastern Bloc	18.7	21.2	22.7	20.9	672.5	19.8	20.4	18.2	21.2	705.2
China	0.6	0.8	0.7	0.7	23.1	0.5	0.6	0.7	0.6	19.4
Czechoslovakia	0.8	0.5	0.4	0.4	13.4	0.6	0.6	0.6	0.8	27.0
Eastern Germany	1.0	0.7	0.7	0.7	21.2	0.9	0.9	0.7	0.8	28.2
Poland	1.4	1.3	1.5	0.8	26.4	1.6	1.5	1.3	1.4	46.8
Soviet Union	14.1	17.1	18.5	17.7	569.6	15.5	16.1	14.3	17.0	563.9
U.S. and Canada	6.6	6.0	6.1	6.7	215.6	4.9	4.2	4.6	3.9	128.4
United States	6.4	5.8	5.9	6.5	207.9	4.5	3.9	4.3	3.7	122.9
Latin America	2.9	2.9	3.0	3.0	98.0	2.7	2.7	2.6	2.7	89.1
Argentina	1.0	1.0	1.0	0.9	29.8	0.3	0.2	0.3	0.3	9.6
Brazil	0.4	0.7	0.9	0.7	21.1	1.2	1.1	0.9	1.0	32.8
Colombia	0.6	0.3	0.3	0.3	10.1	0.7	0.8	0.7	0.8	25.8
Other	2.5	3.1	2.8	2.3	71.6	2.2	3.0	3.3	2.7	93.7
Grand total	100.0	100.0	100.0	100.0	3 214.9	100.0	100.0	100.0	100.0	3 330.8
of which										
EFTA countries	36.4	38.5	36.4	39.1	1 257.9	40.0	40.6	41.0	41.3	1 375.1
EEC countries	27.5	23.5	23.9	23.1	742.5	28.8	27.7	28.6	26.8	892.1



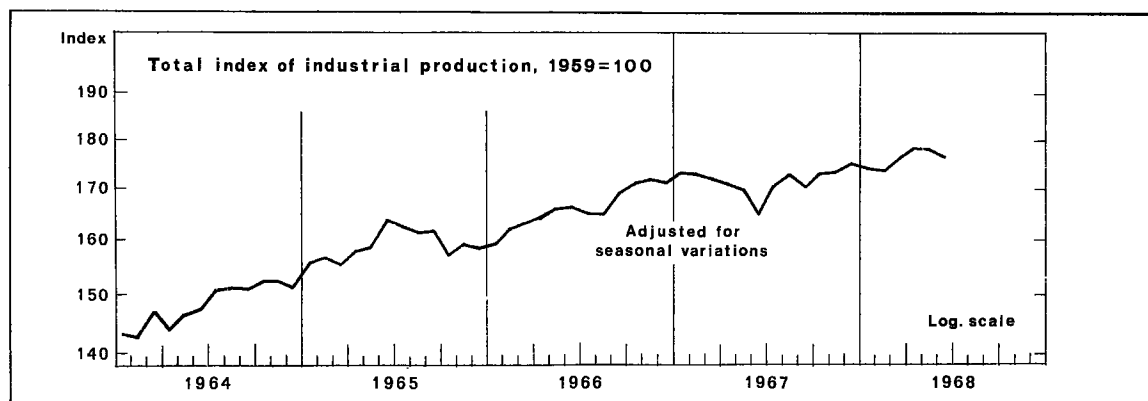
PRICE INDEXES

Period	Wholesale prices 1949 = 100									Building costs 1964 = 100		
	Total	Origin		Purpose			Stage of processing			Total	Wages in building trade	Building materials
		Domes- tic goods	Im- ported goods	Pro- ducer goods	Machin- ery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply processed goods	More elab- orately processed goods			
1965	236	242	214	241	224	232	266	228	223	105	106	104
1966	241	247	216	245	228	238	271	233	228	108	112	104
1967	248	254	225	246	241	253	276	236	240	114	121	107
1967												
July	246	254	216	241	235	254	279	230	236	114	123	106
Aug.	245	253	216	241	235	254	277	230	236	114	123	106
Sept.	245	252	216	241	235	252	272	234	236	114	123	105
Oct.	254	257	242	251	254	259	282	242	246	117	123	109
Nov.	262	264	256	260	262	265	285	252	255	119	123	111
Dec.	264	265	258	262	266	266	285	254	258	120	123	112
1968												
Jan.	269	272	258	265	273	273	294	257	262	124	130	113
Feb.	269	273	257	265	273	274	290	257	265	124	130	113
March	273	277	256	267	276	279	295	262	266	125	130	114
April	275	279	259	270	277	281	296	265	269	125	130	114
May	275	279	260	270	277	282	297	264	269	125	130	114
June	275	279	260	269	277	283	298	265	269	127	135	115
July	276	281	258	270	277	285	302	264	269	127	135	115

Period	Cost of living Oct. 1951 = 100	Con- sumer prices Oct.-Dec. 1957 = 100	Consumer prices 1967 = 100									
			Total	Food	Bever- ages and tobacco	Clothing and foot- wear	Rent	Heating and lighting	Furniture, household equip. and operation	Traffic	Education and recreation	Other goods and services
1965	178	140	..	..	..	..	..	..	..	..	..	..
1966	185	145	..	..	..	..	..	..	..	..	..	..
1967	195	153	100	100	100	100	100	100	100	100	100	100
1967												
July	195	153	..	..	..	..	..	..	..	..	..	..
Aug.	195	153	..	..	..	..	..	..	..	..	..	..
Sept.	197	154	..	..	..	..	..	..	..	..	..	..
Oct.	198	156	..	..	..	..	..	..	..	..	..	..
Nov.	202	159	..	..	..	..	..	..	..	..	..	..
Dec.	203	159	..	..	..	..	..	..	..	..	..	..
1968												
Jan.	205	161	106	105	109	102	106	108	106	110	107	106
Feb.	207	162	107	105	110	103	107	109	108	110	107	107
March	210	165	108	109	110	105	107	108	108	110	108	108
April	211	166	109	111	110	107	106	108	109	110	108	108
May	211	166	109	111	110	107	106	108	109	110	108	109
June	213	167	110	112	110	107	107	108	109	110	108	110
July	213	167	110	113	110	107	108	107	109	109	108	110

PRODUCTION—INTERNAL TRADE

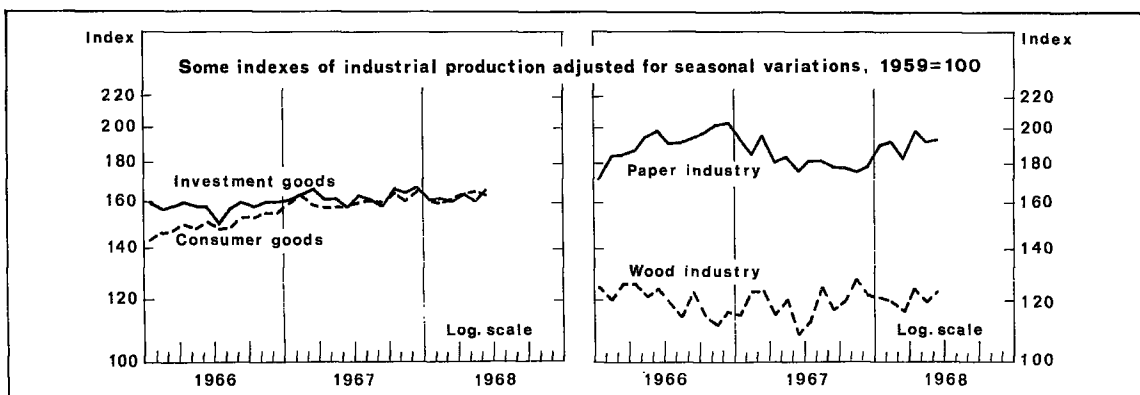
Period	Index of industrial production 1959 = 100									Commercial timber fellings 1 000 piled cu. m	Wholesale trade volume index 1954 = 100
	Total	Invest- ment goods	Other producer goods	Consumer goods	Special indexes of manufacturing				Total, adjusted for normal seasonal variations		
					Wood industry	Paper industry	Metal industry	Other			
1965	159	160	166	142	133	182	161	152	159	51 905	170
1966	167	160	175	151	121	191	163	165	166	46 507	174
1967*	171	164	178	161	119	182	166	175	172	44 963	181
1966 Dec.	169	169	178	148	109	186	170	168	172	3 688	200
1967*											
Jan.	178	171	187	161	111	195	176	177	173	3 835	140
Feb.	171	174	178	160	129	179	177	169	173	5 079	161
March	175	179	182	162	134	188	179	171	172	5 029	177
April	183	176	190	171	139	196	178	186	171	4 492	191
May	173	167	178	165	136	179	172	175	170	9 435	190
June	158	158	157	161	107	151	159	167	165	2 148	175
July	124	79	137	112	92	177	77	127	171	955	159
Aug.	175	153	179	174	112	188	158	186	173	1 978	189
Sept.	178	169	183	171	117	189	170	183	170	2 488	197
Oct.	191	190	196	182	120	194	190	199	173	3 166	223
Nov.	186	183	194	170	122	181	185	193	174	2 969	184
Dec.	165	167	173	148	108	164	167	164	175	3 389	182
1968*											
Jan.	181	175	189	166	119	193	179	176	174	3 509	137
Feb.	180	180	188	163	132	192	183	176	174	4 977	158
March	188	184	197	171	135	203	186	187	176	4 898	164
April	178	167	185	169	140	184	172	184	179	4 384	174
May	187	173	194	179	142	199	178	195	178	10 331	188
June	157	149	160	152	106	152	152	167	177	1 875	157



BUILDING — WAGES — TRANSPORT — EMPLOYMENT

Period	Buildings completed, mill. cu. m					Buildings under construction at end of period mill. cu. m	Index of salary and wage earners' earnings 1957 = 100			
	Total	Dwelling houses	Farm buildings	Commercial and industrial premises	Official buildings		All salary and wage earners	Wage earners in		
								Agriculture	Forestry	Manufacturing
1965	27.04	10.96	2.58	9.20	3.12	31.31	180	177	192	176
1966	26.54	11.26	2.80	8.19	3.00	36.34	192	197	200	190
1967*	..	..	..	..	..	..	207	215	217	207
1966										
Oct.-Dec.	9.92	4.61	1.16	2.91	0.83	35.40	198	200	207	195
1967*										
Jan.-Mar.	6.12	2.47	0.31	2.66	0.50	32.67	201	207	196	201
Apr.-June	..	..	..	..	..	..	207	216	230	206
July-Sept.	..	..	..	..	..	..	209	213	229	210
Oct.-Dec.	..	..	..	..	..	..	210	222	232	210
1968*										
Jan. - Mar.	..	..	..	..	..	..	221	230	239	223

Period	Railways		Foreign shipping				Labour input		Unemployment	
	Goods trucks loaded Thousands		Vessels arrived with cargo — 1 000 net reg. tons		Vessels departed 1 000 net reg. tons		1 000 man-months		% of total labour force	
	1967	1968*	1967*	1968*	1967*	1968*	1967*	1968*	1967*	1968*
Jan.	123	114	840	885	692	772	1 856	1 792	3.1	5.8
Feb.	125	115	615	723	502	603	1 846	1 772	3.1	5.3
March	133	129	756	777	627	687	1 834	1 767	2.6	5.0
April	140	128	834	995	676	767	1 853	1 763	2.5	4.8
May	129	125	1 119	1 233	972	1 109	1 918	1 814	2.1	3.5
June	124	103	1 386	1 466	1 240	1 263	1 883	1 792	2.1	3.5
July	116	123	1 511		1 390		1 656		2.2	
Aug.	130		1 436		1 371		1 791		2.4	
Sept.	126		1 240		1 063		1 880		2.6	
Oct.	136		1 169		936		1 906		3.3	
Nov.	127		1 090		897		1 889		3.9	
Dec.	105		1 039		870		1 835		4.3	



EXPLANATIONS RELATING TO THE STATISTICAL SECTION

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

BANK OF FINLAND

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

Page 4. Since Dec. 31, 1965 *Gold and foreign exchange* = Gold (valued on basis of the par value of the mark) + IMF gold tranche + Foreign exchange. *Other foreign assets* = Foreign bills + Foreign bonds. *Other foreign liabilities* = Mark accounts of holders abroad + Foreign term liabilities. *Treasury bills and bonds*: Including Treasury bond loan + Treasury bill covering certain IMF and IBRD accounts (included in Other claims). *Other claims, net* = Advances for stand-by stocks — Export levies (net). *Foreign exchange situation*: Gold holdings are valued on basis of the par value of the mark. Gold tranche position measures that part of Finland's quota which may be drawn essentially automatically in convertible exchange against payment in marks.

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

DEPOSITS BY THE PUBLIC —

ADVANCES TO THE PUBLIC — MONEY SUPPLY

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

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

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

STATE FINANCES

Page 8. Official figures computed by the Economic Department of the Ministry of Finance. First date of publication: Bulletin No. 8, 1968. Revenue and expenditure: Extra-budgetary funds and the aggregated net current deficit of State enterprises are included. Figures are reported on a cash payment basis. Debt: Official figures adjusted by the Bank of Finland Institute for Economic Research. Nominal values of index-tied bond loans. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to the Post Office Savings Bank minus cash holdings (net) of State departments.

BALANCE OF PAYMENTS

Page 9. Figures are calculated by the Bank of Finland Institute for Economic Research. In addition to the Board of Customs figures, exports include grants in kind but exclude stevedoring expenses and imports include seamen's duty-free imports, non-monetary gold, grants in kind and adjusted allowance for smuggling.

FOREIGN TRADE

Pages 10—12. Figures supplied by the Board of Customs. *The unit value indexes* (p. 10): The indexes are calculated according to the Laspeyres formula. At the end of the year the arithmetic mean of the Laspeyres indexes corresponds to the annual level of the Fisher index formula. Terms of trade: the ratio of export indexes to import indexes. Figures in *diagrams* (pp. 10 and 11) are seasonally adjusted excl. unit value index figures. *Foreign trade by countries* (p. 12): imports by countries of purchase, exports by countries of sale.

PRICE INDICES

Page 13. All indices calculated by the Central Statistical Office.

PRODUCTION — INTERNAL TRADE

Page 14. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The seasonally adjusted series is calculated by the Bank of Finland Institute for Economic Research on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: investment goods weight 14.3, other producer goods weight 57.0 and consumer goods weight 28.7. Special manufacturing indexes: wood industry ISIC no. 25, weight 6.6, paper industry no. 27, weight 13.1, metal industry nos. 34—38, weight 23.5, and other manufactures nos. 20—24, 26, 28—33, 39, weight 44.0. *Commercial timber fellings* compiled by the Ministry of Communications and Public Works. Since July 1965 figures have been adjusted by the Bank of Finland Institute for Economic Research. *Wholesale trade volume index* calculated by the Ministry of Finance.

BUILDING — WAGES — EMPLOYMENT — TRANSPORT

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

SYMBOLS USED

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

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

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

From 1154 to 1809 Finland formed a part of the kingdom of Sweden. It then became an autonomous Grand Duchy connected with Russia until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in Parliament and the President. The highest executive power is held by the President, elected for a period of 6 years. The President for the current period, March 1, 1968, to March 1, 1974, is Urho Kekkonen.

Parliament, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1966 were as follows, numbers in brackets indicating present state of parties: Social Democrats 55, Centre Party 49 (50), People's Democrats 41 (42), Conservatives 26, Swedish Party 12, Liberal Party 9 (8), Social Democratic League 7 (6), and Finnish Farmers' Party 1.

LAND

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

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

POPULATION

NUMBER OF INHABITANTS (1967): 4.7 million. Sweden 7.9, Switzerland 6.1, Denmark 4.8 and Norway 3.8 million.

DENSITY OF POPULATION (1967): In South Finland 260, in North Finland 4.3 and in the whole country an average of 15.3 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1967): 52 % of the population inhabit the rural areas, 48 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 528 300 inhabitants, Tampere (Tammerfors) 150 200, Turku (Åbo) 148 100.

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

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

EDUCATION (1967): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640), 6 colleges of university standard, and 2 teacher training colleges, besides teacher training departments in two of the universities.

INCREASE OF POPULATION (1967): births 16.5 ‰, deaths 9.4 ‰, increase 5.0 ‰. Deaths in France 10.8 ‰ and Great Britain 12.1 ‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1966, in million marks) Gross domestic product at factor cost by industrial origin: agriculture 2 144 (9 %), forestry and fishing 1 843 (8 %), manufacturing 7 203 (29 %), construction 2 406 (10 %), transport and communication 1 798 (7 %), commerce, banking and insurance 3 263 (13 %), public administration 1 073 (4 %), other services 4 898 (20 %), total 24 628. Index of real domestic product 170 (1954 = 100).

FOREST RESOURCES (1960—1963): The growing stock comprised 1 470 million of solid cu. m incl. bark (49 797 million

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

AGRICULTURE (1960): Cultivated land 2.6 million hectares of which holdings of less than 5 ha. amount to 17 %, 5 to 15 ha. 48 %, 15 to 50 ha. 30 % and more than 50 ha. 5 %. Number of holdings 388 000, of which 184 000 are of more than 5 ha. Index of agricultural production 100 for 1967 (1964 = 100). Measure of self-sufficiency in bread cereals 79 % in the crop year 1966/67.

INDUSTRY (1966): Gross value of industrial production 20 900 mill. marks, number of workers 356 100, salaried employees 84 200, motive power (1966) 4.2 mill. kW. Index of industrial production 167 for 1966 (1959 = 100).

RAILWAYS (Jan. 1, 1968): Length 5 636 km, of which 5 607 km are State and 29 km private railways.

MERCHANT FLEET (July 31, 1968): Steamers 84 (128 702 gross reg. tons), motor vessels 410 (910 839 gross reg. tons), sailing vessels with auxiliary engines 16 (2 350 gross reg. tons). Total 510 (1 041 891 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1967): Passenger cars 551 200, lorries and vans 92 900, buses 7 400, others 4 200. Total 655 700.

SCHEDULED AIR TRAFFIC OF FINNISH COMPANIES (1967): Kilometres flown 15.7 million, passengers carried 897 605, passenger kilometres 455.0 million, and ton kilometres of freight and mail 7.5 million.

FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). From Oct. 12, 1967, the par value of the mark has been changed from 0.27771 grams of fine gold per mark (equivalent to 3.20 marks per U.S. dollar) to 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per U.S. dollar). Finland has been a member of the International Monetary Fund since 1948.

MUNICIPAL FINANCES. In the finance accounts for 1966 expenditure amounted to 4 115 mill. marks. Total revenue was 4 141 million, of which income from taxation 2 133 million. The municipal income tax (non-progressive) averaged 12.45 % of the ratepayers' taxable income.

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

OTHER CREDIT INSTITUTIONS (Dec. 31, 1967). There are two big and four small commercial banks with in all 809 offices, 353 savings banks, 479 cooperative credit societies and their central bank, six mortgage societies, and POSB. The savings departments of the cooperative stores accept deposits from their members. The National Pension Institute and sixty-four private insurance companies also grant credits.

RATES OF INTEREST (June 1, 1966). Bank of Finland discount rates 6—7 ½ %. Other credit institutions: term deposits 4 ½ %, 12 months' deposits 6 %, 100 per cent index-tied deposits 3 ½ %; highest lending rate 10 %.

THE 1966 HOUSEHOLD SURVEY AND THE NEW CONSUMER PRICE INDEX

BY

JORMA LINNAILA, Mag. Pol.

CHIEF ACTUARY OF THE CENTRAL STATISTICAL OFFICE

In 1966 a household survey was made in Finland which covered all population groups throughout the country. The first data from the returns have just been produced by the Central Statistical Office. The survey studied the incomes, consumption expenditure and saving of 4 800 households which formed the sample and the basic information was collected by a process which combined both book-keeping and interviewing methods.

The new survey is the seventh official household survey, if some limited ones made in the 1940's are excluded. The first consumer survey in Finland was carried out as early as in 1908/9. Of the two surveys made in the 1920's, the 1928 "Cost of living survey" is especially worth mentioning for its high number of households, 1 224, and its considerably more versatile social grouping of the population. Following this there was not another survey until in 1950/51. During the same decade two more studies were carried out, one in urban communes in 1955/56 and another in rural districts in 1959/60.

In all household surveys before 1966 the population used has been limited in some way or other, either regionally or according to the type of family or to the social and economic status of the head of the household. The survey in urban communes in 1955/56 e.g., on which the budget forming the foundation of the consumer price index has been based up to now, concerned only wage earner households in these areas. The rural consumer survey was likewise limited both regionally and professionally, since it included only farmers and rural wage earners.

Until recently the revision of the weight structure of the cost of living index has been the main consideration when household surveys have been planned. Because the aim has been restricted in this way, the income and saving figures e.g. have been used only as a control of the consumption data. An increased need for information i.a. in planning and making decisions in social policy and the growth of economic research in general account for the fact that the 1966 survey gave special consideration not only to the general structure of consumption but also to some specific consumption questions as well as to incomes and saving. Existing computer techniques have facilitated the treatment of the material so that it has been possible for the basic data to be collected in more detail and to serve a wider variety of purposes at the same time as the number of households included in the survey has been multiplied.

CONSUMPTION EXPENDITURE OF HOUSEHOLDS IN 1966

The following table displays the total consumption expenditure of households in 1966 calculated from a sample enquiry together with the corresponding averages per household and person. The regional distribution of the table has been obtained by combining regions used in the official statistics. All consumption figures given are gross figures, i.e. trade in second-hand goods has not been deducted; in the case of cars for instance these deductions are considerable.

Household consumption expenditure amounts to 15 478 million marks according to the above table; of this the share of urban communes is 8 836 million marks or 57 per cent.

REGIONAL DISTRIBUTION OF HOUSEHOLD CONSUMPTION EXPENDITURE IN 1966

Region	Total consumption expenditure in 1966	Average consumption expenditure		Average number of persons in household
		per household	per person	
	Mill. mk	mk	mk	
South Finland	10 005	11 491	3 780	3.04
Helsinki	2 726	13 139	5 341	2.46
Other urban communes	4 117	11 927	4 016	2.97
Rural communes	3 162	9 921	2 843	3.49
Central Finland	4 003	10 404	2 702	3.85
Urban communes	1 382	11 131	3 478	3.20
Rural communes	2 621	10 045	2 415	4.16
North Finland	1 470	11 413	2 875	3.97
Urban communes	611	11 710	3 603	3.25
Rural communes	859	11 141	2 504	4.45
Whole Finland	15 478	11 162	3 332	3.35
Urban communes	8 836	12 119	4 208	2.88
Rural communes	6 642	10 104	2 611	3.87

Comparison between the estimate derived from the household survey and total private consumption expenditure in the national income statistics reveals that they are roughly the same if allowance is made for differences in calculation methods.

The consumption expenditure per household was clearly higher in urban communes than in rural areas, in the former 12 119 marks and in the latter 10 104 marks per annum, while the corresponding monthly figures were 1 010 and 842 marks. The difference is even greater in the figures for consumption expenditure per person due to the smaller average size of municipal households. Regional comparison shows that the average consumption expenditures per household and person are distinctly higher in South Finland than in other regions. In the rural figures this difference emerges, however, only in the average per person.

Apart from differences in size, also the structure of household consumption expenditures varies between the different parts of the country. The share of food was 26.1 per cent in urban communes as against 33.0 per cent in rural communes. This item was also smaller in absolute terms in urban communes than in rural areas, primarily

due to the variation in the average size of households.

The annual expenditure on housing was 2 375 marks in urban communes, i.e. 19.6 per cent of total consumption expenditure. In rural areas the corresponding figures were 1 246 marks and 12.3 per cent.

A relatively high share of expenditure on services in comparison with rural regions is a characteristic of the consumption behaviour of the municipal population. Thus for instance the share of laundry costs was 0.4 per cent in urban communes as against only 0.1 per cent in the country. For sauna bath, hairdressing and cosmetic treatment expenses the corresponding figures were 0.8 and 0.3 per cent. Similar differences can be observed in spending in restaurants, 3.8 per cent for urban communes and 1.9 per cent for rural communes. These structural features are especially in evidence in the consumption behaviour of Helsinki households. The share of foodstuffs e.g. was considerably lower there than in other regions, only 23.2 per cent while the share of housing due to the high rent levels was substantially larger than elsewhere (22.6 per cent). The same tendency prevails also in all the other above-mentioned services.

STRUCTURAL CHANGES IN CONSUMPTION

Table 1 deals with the distribution of consumption expenditure among different types of expenditure as obtained from the 1966 household survey and some other previous consumption surveys. The comparisons go back as far as to the 1928 study. The results of the previous investigations have been rearranged in line with those of the 1966 survey.

The table indicates that the structure of consumption has changed quite a lot during the period of nearly 40 years covered, although the greatest changes have taken place only in the 1950's and 1960's. The table does not, however, provide a complete picture of developments in the 1930's and 1940's because there were no surveys during that period. In addition it should be noted that the exceptional post-war circumstances are still reflected in the survey of 1950/51.

The main features of the table are the sharp drop in the share of food and relatively the even sharper increase in vehicle expenses. It is in this item where the increase in the range of consumer goods is felt; to some extent this phenomenon can also be seen e.g. in household durables. The share of foodstuffs was 29.1 per cent of total expenditure whereas the corresponding figure was 34.2 per cent in the urban survey of 1955/56 and 41.9 per cent in the rural survey of 1959/60. These shares in the studies of 1928 (41.2 per cent) and 1950/51 (42.1 per cent), both made in urban communes, were roughly the same as in the 1959/60 survey of rural areas.

Large variations have occurred also in the cost of housing and of fuel and lighting, but these are mainly due to changes in the calculation methods.

NEW CONSUMER PRICE INDEX

The weight system of this price index was revised on the basis of the new household

survey. The considerable alteration in the structure of consumption since the previous revision in 1957 provided the grounds for a new one. The biggest difference between this index and previous ones is that in the new index the information on the structure of demand covers all population groups throughout the country whereas data in the former indices comprised only wage earners, or workers or employees in urban communes.

The structure of consumption expenditure is based on the results obtained from the household survey with two exceptions. These were expenditure on tobacco and alcohol, which the survey suggested were considerably lower than could be expected from other sources of information. Spending on alcoholic beverages has been calculated from the statistics of the State Alcohol Monopoly and that on tobacco has been estimated from the excise duty charged on it. The structure of consumption expenditure with these adjustments is shown in Table 2, where private consumption is made to total to 1 000 units.

The base year (= 100) of the new consumer price index is the year 1967. In calculating the monthly changes in prices the price of each commodity and service is compared with its average price in 1967. The figures obtained are weighted by their shares in total private consumption in order to show the average development of prices in private consumption.

The information is gathered partly through the branch network of the Central Statistical Office in thirty-five urban communes and twenty-nine rural communes, and partly only in Helsinki, where the Central Office is responsible for the collection. On the basis of the information from the branches the average price of each commodity for the whole country is calculated by first obtaining the regional mean price of each commodity in the following regions: 1. Helsinki, 2. Other urban communes in South Finland, 3.

TABLE 2. CHANGES IN THE WEIGHTING SYSTEM OF THE CONSUMER PRICE INDEX IN 1951—1967

	Weight 0/00				Weight 0/00		
	1951	1957	1967		1951	1957	1967
Food	412	345	283	Household, textiles and other furnishings	26	14	8
Bread and cereals	65	54	47	Machinery and equipment	—	6	10
Meat	80	62	56	Glassware, tableware and household utensils	14	3	6
Fish	15	11	8	Household operations	10	21	19
Milk, cheese, eggs	78	65	56	Transport and communication	37	49	130
Fats and oils	47	46	34	Personal transport equipment	7	20	43
Fruits and vegetables	40	35	29	Operation of personal transport equipment	—		50
Potatoes	13	6	6	Purchased travel	28	24	31
Sugar	17	18	12	Communication	2	5	6
Coffee, tea	44	41	23	Education and recreation	34	60	67
Other	13	7	12	Equipment and accessories	7	18	27
Beverages and tobacco	40	46	73	Entertainment, recreational and cultural services	10	18	16
Beverages	16	20	38	Books, magazines and stationery	15	15	16
Tobacco	24	26	35	Education	2	9	8
Clothing and footwear	196	126	94	Other goods and services	65	95	99
Clothing other than footwear	163	107	77	Medical care and health expenses	23	23	27
Footwear	33	19	17	Personal care and effects	18	23	15
Rent	56	133	161	Other goods	6	5	5
Owner-occupied small houses	—	28	75	Expenditure in restaurants, cafés, hotels	15	38	43
Dwelling house apartments	—	33	38	Expenditure in financial services	—	2	3
Rented apartments	—	72	48	Other services	3	4	6
Fuel and power	57	40	37	Unspecified	39	39	—
Electricity	7	9	11				
Gas	3	1	2				
Liquid fuels	1	2	6				
Solid fuels	46	28	18				
Furniture, furnishings and household equipment and operation	64	67	56				
Furniture and carpets	14	18	13				
				Total	1 000	1 000	1 000

Rural communes in South Finland, 4. Urban communes in Central Finland, 5. Rural communes in Central Finland, 6. Urban communes in North Finland, 7. Rural communes in North Finland. The average prices for the whole country are then computed from the regional averages weighted by the regional distribution of the consumption expenditure on each commodity. The information collected by the Central Statistical Office in Helsinki is treated as the average prices over the country as a whole. In order to ascertain housing rents an extensive enquiry is made annually in urban communes and rural communes.

The publication of the new consumer price index was started in May 1968. The previous

indices, which are now calculated on the basis of changes in the new index continue to be published. The new index is divided into nine subgroups and the following table compares the weights of these groupings with those of the previous indices.

	Weight 0/00		
	1951	1957	1967
1. Food	412	345	283
2. Beverages and tobacco ..	40	46	73
3. Clothing and footwear ...	196	126	94
4. Rent	56	133	161
5. Fuel and power	57	40	37
6. Furniture, furnishing and household equipment and operation	64	67	56
7. Transport and communication	37	49	130
8. Education and recreation	34	60	67
9. Other goods and services	104	134	99
Total	1 000	1 000	1 000

ITEMS

Finland's Balance of Payments on Travel Account January—June 1968. Preliminary figures produced by the Bank of Finland Institute for Economic Research indicate that receipts from travel were 100.9 million marks in the first half of 1968, which is 76 per cent more than in the corresponding period in 1967. Expenditure on travel amounted to 128.4 million marks, an increase of only 11 per cent on last year. At the present rates of exchange the increase in income from travelling was more than 30 per cent. A comparison of expenditure on the same basis reveals a decline of 15 per cent. Devaluation has naturally made it more expensive to travel abroad and a visit to Finland more attractive. There has consequently been a considerable improvement in the Balance of Payments on travel account with the deficit being almost one half smaller than in the corresponding period last year. It was only 27.5 million marks in January—June 1968 after having been 58.2 million in the first half of 1967.

*

Imports of long-term capital January—June 1968. According to preliminary figures of the Bank of Finland Institute for Economic Research drawings on long-term foreign loans totalled 610 million marks during the first half of 1968. The corresponding figure for January—June 1967 was 665 million marks calculated at the present rates of exchange; this figure, however, includes drawings on stand-by credit granted by the International Mon-

etary Fund of 163 million marks. Gross imports of long-term capital from January to June 1968 thus amounted to 55 million marks less than last year. If this comparison is made excluding the drawings on stand-by credit the inflow of long-term capital shows an increase of 108 million marks.

The amortizations of long-term foreign loans amounted to 354 million marks in the first part of 1968 as against 168 million in the corresponding period in 1967, at the present rates of exchange. The marked increase in amortizations is primarily due to the reimbursements of medium-term credits; because of the stringency in the capital market these credits have been used to a great extent in recent years. Consequently Finland's net long-term capital imports were 256 million marks in the first half of 1968, which is 241 million marks less than in the corresponding period in 1967.

Imports of long-term foreign capital took place mainly through bond issues or in the form of other financial loans and commodity credits. Three bond issues totalling 124 million marks were made abroad. In June the Government of Finland launched a 75 million DM loan in Western Germany and a 50 million Skr loan in Sweden. Amer-Tupakka Oy issued 4.5 million Sfrs in Switzerland in March. There was a net increase of 71 million marks in long-term commodity credits as against only 3 million a year earlier. At the end of June Finland's long-term foreign debt amounted to 4 431 million marks.

BANK OF FINLAND

BOARD OF MANAGEMENT

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Governor (Absent as Prime Minister)

REINO ROSSI,
Acting Governor

ESKO K. LEINONEN

A. SIMONEN
*(Absent as a member of
Government)*

AHTI KARJALAINEN
*(Absent as a member of
Government)*

HBIKKI VALVANNE

JOUKO J. VOUTILAINEN
ad int.

DIRECTORS

JOUKO J. VOUTILAINEN

TIMO HELELÄ

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Cash

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