



# BANK OF FINLAND

## MONTHLY BULLETIN

Vol. 42 No. 6

JUNE

1968

### PRIVATE CONSUMPTION

The slow down in consumer demand which started towards the end of 1965 continued throughout 1967. However, as the increase in private consumption last year was still slightly higher than the growth of the GNP, it constituted, as in a couple of previous years, a somewhat expansive component of demand.

The real increase in personal disposable income was not quite 1 per cent in 1967 as against 2 per cent in 1966. The growth rate of the national product was roughly the same as in the previous year, i.e. slightly over 2 per cent; the slower growth of incomes was a result of the restrictive economic policy pursued by the public authorities. The change in income tax rates at the beginning of 1967 involved an increase in the average tax burden of households. The lower rate of growth in incomes caused a rise in the propensity to consume. This was also increased as a result of changes in the distribution of income. Real wages and salaries grew by 2½ per cent in 1967, or, as in 1966, by more than the real total disposable income of households. Apart from the increase in the share of earnings in total personal income, the more even income distribution brought about by the tax changes accounted for a rise in the average propensity to consume approaching 2 per cent on 1966. The growth of consumption in

volume terms on the previous year was 2½ per cent in 1967.

There was not yet any appreciable effect of the October devaluation on the average level of consumer prices in 1967. Prices moved up by 5½ — 6 per cent on 1966 and thus the increase in the value of consumption was 8½ per cent in 1967. In 1966 the volume of consumption grew by slightly more than 3½ per cent and its value by 7½ per cent on the previous year.

The impact of the devaluation was reflected in the acceleration of the growth rate of private consumption in the last quarter of 1967 and in a corresponding slackening of growth during the first quarter of this year. Because of post-devaluation price rises households endeavoured to make their purchases, especially of durables, immediately after the devaluation as goods in stock were sold at old prices. This surge of buying meant that part of the purchases anticipated for 1968 were made already in 1967. The shift was so great that it obviously caused an actual decline in the total volume of consumers' expenditure in the first quarter of 1968. This conclusion can be drawn from the retail sales figures, which, however, only include marketed consumption and not

*On page 18, Development of the Finnish  
Budgetary System*

even all of that; car business for example is not covered by these statistics. The 5 per cent increase in the volume of retail sales in 1967 was greater than that in the volume of consumer spending. The growth rates of both retail sales and consumer spending have been changing in the same direction. The annual rate of growth of the seasonally adjusted volume of retail sales was  $6\frac{1}{2}$  per cent on average during the first two quarters while that in the third quarter was 8 per cent and in the fourth quarter 14 per cent. In the first quarter of this year, however, there was a decrease in volume which was so marked that the volume of sales was only 1 per cent more than in the first quarter of the previous year. All in all, the growth rate of private consumption expenditure may be expected to be slightly smaller this year than in 1967. On one hand it may be assumed that the real disposable income of households will grow less than the national product also during this year. On the other hand such changes may be expected in the distribution of incomes as will curb the rise in the average propensity to consume.

The impact of the devaluation was particularly in evidence in the structure of consumer demand. The prices of consumer durables were affected most by the devaluation and therefore the subsequent buying rush was most heavily concentrated on these goods. The growth rate of the sales of hardware, electrical appliances and sports equipment, seasonally adjusted, which since 1965 has been lower than the average rate of expansion of retail sales, displayed a rise greater than for any other type of good during the last quarter of 1967. In the first three quarters of 1967 the annual rate of growth in the value of sales of these goods was  $2\frac{1}{2}$  per cent on average while the equivalent value of total retail sales rose by  $10\frac{1}{2}$  per cent. In the last quarter

the annual growth rate of this group of durables reached the 74 per cent level whereas the value of total sales expanded by  $28\frac{1}{2}$  per cent correspondingly. In the first quarter of the current year the value of the sales of hardware, electrical appliances and sports equipment returned to the level prevailing before the devaluation. In volume terms this means an actual decrease in the sales of durables in comparison with the pre-devaluation period, because considerable price rises took place as a result of the devaluation.

The demand for cars slowed down distinctly throughout 1967 thus continuing the previous year's trend. The sale of cars also revealed a peak in demand on account of the devaluation, but this was not as high as in the case of numerous other durables and it had no appreciable effect on the average sales figures for the whole year. Imports of passenger cars fell by 16 per cent in 1967 and the number of registrations of private passenger cars by 18 per cent in comparison with 1966. The decline has continued also in the first quarter of 1968. Imports of passenger cars were 54 per cent and registrations around 40 per cent less than in the corresponding period of 1966.

The devaluation caused fluctuations not only in the sales of actual consumer durables but also in those of semi-durables. A mild rise was also recorded in the rate of growth of the sales of textiles, clothing and leather goods in the last quarter of 1967. In contrast, the growth rate in the value of non-durable sales such as food and tobacco slowed down in the last quarter; the rate of expansion was about 11 per cent annually in the first three quarters and 8 per cent in the last quarter. In the first quarter of this year sales by food stores have again accelerated; the annual growth rate was as high as about 20 per cent.

*May 24, 1968*

## BANK OF FINLAND

Mill. mk

	1967		1968			
	Dec. 30	April 29	April 30	May 8	May 15	May 22
<b>BALANCE SHEET</b>						
<b>Assets</b>						
<i>Ordinary note cover</i> .....	798.8	794.1	1 320.9	1 322.9	1 330.3	1 337.1
Gold .....	188.8	152.1	192.5	192.5	191.3	191.3
Foreign exchange .....	512.3	562.5	1 001.1	1 000.9	1 013.9	1 020.8
Foreign bills .....	72.5	56.9	77.0	79.5	79.2	79.1
Foreign bonds .....	25.2	22.6	50.3	50.0	45.9	45.9
<i>Supplementary note cover</i> .....	1 130.7	898.8	830.2	823.9	831.6	890.8
Inland bills discounted						
In foreign currency .....	122.5	37.7	35.8	35.8	35.8	35.8
In Finnish currency .....	140.7	107.9	141.0	139.3	134.0	131.4
Rediscounted bills .....	867.5	753.2	653.4	648.8	661.8	723.6
<i>Other assets</i> .....	707.7	466.0	545.8	549.7	549.2	546.3
Finnish bonds .....	370.5	323.2	322.6	327.9	335.5	334.3
Cheque accounts .....	4.0	4.1	11.4	10.1	1.9	2.9
Finnish coin .....	12.3	15.2	19.1	18.9	19.2	18.9
Other claims .....	320.9	123.5	192.7	192.8	192.6	190.2
<b>Total</b>	<b>2 637.2</b>	<b>2 158.9</b>	<b>2 696.9</b>	<b>2 696.5</b>	<b>2 711.1</b>	<b>2 774.2</b>
<b>Liabilities</b>						
<i>Notes in circulation</i> .....	1 052.1	1 033.5	990.1	961.9	967.4	1 013.9
<i>Liabilities payable on demand</i> .....	139.6	101.3	101.5	107.8	106.8	109.9
Foreign exchange accounts .....	74.7	60.8	73.4	77.8	79.9	79.5
Mark accounts of holders abroad .....	14.1	13.0	10.4	10.2	10.4	10.4
Cheque accounts						
Treasury .....	4.4	1.3	3.0	4.3	2.0	0.1
Post Office Savings Bank .....	17.2	2.9	2.3	2.4	0.8	0.1
Private banks .....	9.8	2.8	—	—	0.4	8.1
Other .....	1.8	1.4	1.4	1.9	2.0	0.9
Other sight liabilities .....	17.6	19.1	11.0	11.2	11.3	10.8
<i>Term liabilities</i> .....	553.1	338.2	756.1	767.2	770.5	784.7
Foreign .....	339.5	158.9	336.8	336.8	336.7	336.8
Finnish .....	213.6	179.3	419.3	430.4	433.8	447.9
<i>Equalization accounts</i> .....	422.0	229.1	364.4	374.1	379.8	378.1
<i>Bank's own funds</i> .....	470.4	456.8	484.8	485.5	486.6	487.6
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
Profits undisposed .....	—	16.9	20.4	20.4	20.4	20.4
Earnings less expenses .....	40.9	10.4	14.4	15.1	16.2	17.2
<b>Total</b>	<b>2 637.2</b>	<b>2 158.9</b>	<b>2 696.9</b>	<b>2 696.5</b>	<b>2 711.1</b>	<b>2 774.2</b>
<b>STATEMENT OF NOTE ISSUE</b>						
<b>Right of note issue</b>						
Ordinary cover .....	798.8	794.1	1 320.9	1 322.9	1 330.3	1 337.1
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
<b>Total</b>	<b>1 498.8</b>	<b>1 494.1</b>	<b>2 020.9</b>	<b>2 022.9</b>	<b>2 030.3</b>	<b>2 037.1</b>
<b>Note issue</b>						
Notes in circulation .....	1 052.1	1 033.5	990.1	961.9	967.4	1 013.9
Liabilities payable on demand .....	139.6	101.3	101.5	107.8	106.8	109.9
Undrawn on cheque credits .....	3.1	2.9	2.9	4.4	5.7	4.6
Unused right of note issue .....	304.0	356.4	926.4	948.8	950.4	908.7
<b>Total</b>	<b>1 498.8</b>	<b>1 494.1</b>	<b>2 020.9</b>	<b>2 022.9</b>	<b>2 030.3</b>	<b>2 037.1</b>

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

## BANK OF FINLAND

Mill. mk

End of year and month	Gold and foreign accounts						Treasury			
	Gold and foreign exchange	Liabilities on foreign exchange accounts	Foreign exchange reserve (1-2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4-5)	Bills and bonds	Other claims, net	Liabilities, Cheque account	Net claims on the Treasury (7+8-9)
	1	2	3	4	5	6	7	8	9	10
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										
March	595.3	49.9	545.4	77.4	97.8	525.0	8.3	1.1	2.4	4.8
April	714.6	60.8	653.8	79.5	171.9	561.4	8.3	1.1	1.3	5.9
May	699.3	60.7	638.6	75.3	171.9	542.0	8.3	1.1	4.9	2.3
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. <sup>1)</sup>	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

	Foreign exchange situation, mill. mk							
	Net holdings, Dec. 30, 1967			Net holdings, April 30, 1968			Change in	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	April	Jan.-April
Gold .....	189	—	189	192	—	192	+ 4	+ 3
Convertible currencies .....	458	—295	163	851	—418	433	+ 29	+270
Other currencies .....	— 21	—1	— 22	77	7	84	+ 32	+106
<b>Total .....</b>	<b>626</b>	<b>—296</b>	<b>330</b>	<b>1 120</b>	<b>—411</b>	<b>709</b>	<b>+ 65</b>	<b>+379</b>

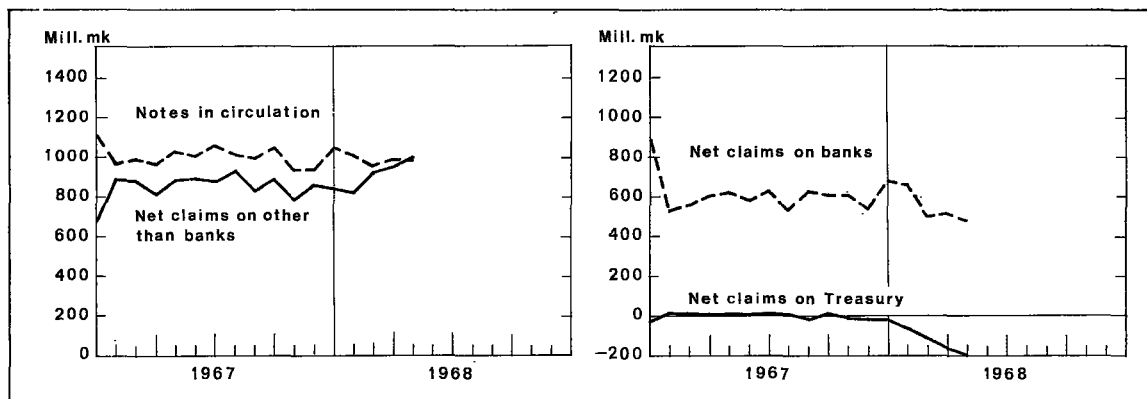
<sup>1)</sup> Subsequent figures are affected by the change in the par value of the mark from 0.27771 grams of fine gold per mark (equivalent to 3.20 marks per U.S. dollar) to 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per U.S. dollar), effective Oct. 12, 1967.

## 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 <sup>1)</sup>	Post Office Savings Bank <sup>1)</sup>	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										
Feb.	728.5	101.4	29.7	— 1.0	598.4	98.2	158.1	59.9	196.4	964.9
March	753.2	115.6	28.8	— 1.3	610.1	107.9	155.7	60.0	203.6	1 033.5
April	774.2	120.7	75.6	— 5.0	582.9	95.8	166.8	60.8	201.8	1 010.6
May	775.1	125.4	22.7	— 1.3	628.3	82.3	203.8	58.5	227.6	1 062.1
June	761.6	79.2	143.8	+ 0.0	538.6	85.3	214.9	55.1	245.1	1 019.8
July	772.6	93.7	54.2	0.1	624.6	85.1	216.8	55.5	246.4	1 000.9
Aug.	749.4	116.4	18.7	+ 0.0	614.3	97.6	214.3	58.8	253.1	1 047.9
Sept.	750.0	103.0	33.0	+ 0.0	614.0	109.2	226.8	57.5	278.5	938.6
Oct.	780.2	170.9	69.1	0.2	540.0	113.9	295.5	51.8	357.6	937.9
Nov.	867.5	154.7	34.5	+ 0.0	678.3	140.7	439.1	56.0	523.8	1 052.1
Dec.										
1968	833.9	153.9	19.5	0.1	660.4	149.3	362.3	49.8	461.8	1 010.3
Jan.	682.9	163.8	18.4	0.1	500.6	136.5	283.6	49.1	371.0	956.6
Feb.	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

<sup>1)</sup> 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 cen- tral bank	Post Office Savings Bank	Savings depart- ments of co-op. stores	All credit institutions	
	Commer- cial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
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	833.8	340.9	4 080.8	3 652.5	2 437.7	941.2	431.3	11 543.7	12 718.4
1967*										
March	616.5	801.3	340.1	3 723.5	3 448.5	2 312.3	906.8	399.1	10 783.2	11 924.6
April	559.8	731.8	351.6	3 758.3	3 466.1	2 323.7	908.0	394.2	10 850.5	11 933.9
May	596.1	777.8	337.6	3 782.6	3 596.1	2 348.4	908.3	392.1	10 928.7	12 044.1
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	833.8	340.9	4 080.8	3 652.5	2 437.7	941.2	431.3	11 543.7	12 718.4
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

End of month	Index-tied deposits		High-interest deposits
	100 % clause	50 % clause	
1967*			
June	2 810.1	0.2	731.5
July	2 891.9	0.2	711.1
Aug.	2 961.7	—	699.2
Sept.	3 049.4	—	687.2
Oct.	3 529.1	—	680.0
Nov.	3 745.1	—	645.1
Dec.	4 001.2	—	612.3
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

Selling rates for foreign exchange			
May 24, 1968			
		mk	mk
New York ....	1 \$	4.1870	Zurich ..... 100 Fr 96.95
Montreal ....	1 \$	3.8860	Paris ..... 100 FF —
London .....	1 £	9.9950	Rome ..... 100 Lit 0.6726
Stockholm ..	100 Kr	81.12	Vienna ..... 100 S 16.19
Oslo .....	100 Kr	58.63	Lisbon ..... 100 Esc 14.64
Copenhagen ..	100 Kr	56.11	Reykjavik .... 100 Kr 7.35
Frankfurt o. M.	100 DM	105.30	Madrid ..... 100 Pta 6.03
Amsterdam ..	100 Fl	115.98	Moscow, clear. <sup>1)</sup> 1 Rbl 4.6799
Brussels .....	100 Fr	8.4200	Clearing dollars <sup>2)</sup> 1 Cl \$ 4.212

<sup>1)</sup> Also Bucharest.<sup>2)</sup> Berlin, Budapest, Prague, Sofia, Warsaw.

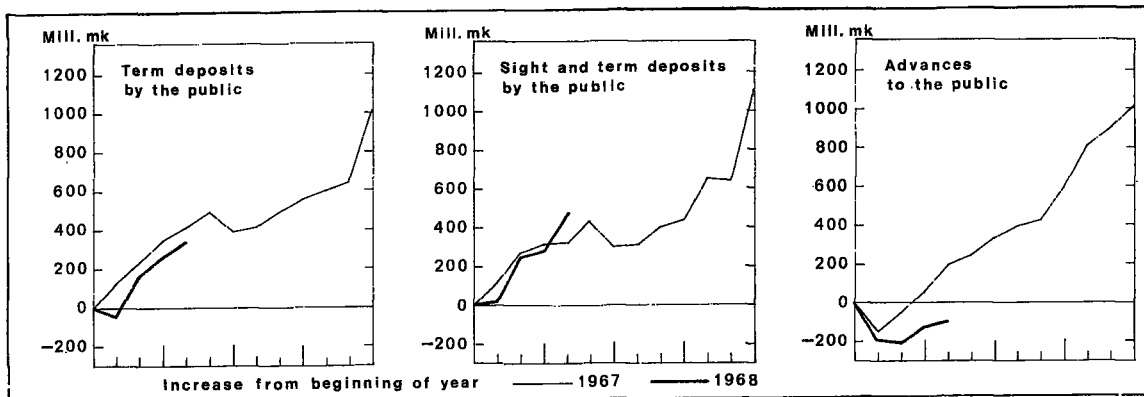
ADVANCES TO THE PUBLIC — MONEY SUPPLY

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	3 247.0	869.0	2 778.4	1 026.9	12 598.1	526.9	13 125.0	2 183.0
1967*									
March	4 857.3	2 978.6	819.1	2 600.9	901.0	11 632.5	524.4	12 156.9	2 042.7
April	4 912.3	3 011.0	830.0	2 616.2	926.2	11 766.6	529.1	12 295.7	2 084.7
May	4 920.4	3 044.2	825.7	2 633.5	928.7	11 846.7	505.8	12 352.5	2 080.8
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	3 247.0	869.0	2 778.4	1 026.9	12 598.1	526.9	13 125.0	2 183.0
1968*									
Jan.	5 140.2	3 242.5	876.0	2 648.7 <sup>a)</sup>	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

1) See footnote on page 4.

2) New series.



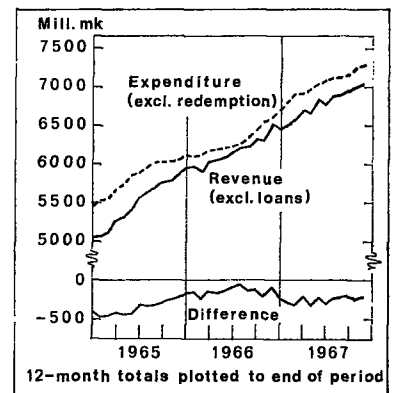
## STATE FINANCES

Mill. mk

Revenue	Jan.—Nov.		Expenditure	Jan.—Nov.	
	1966	1967		1966	1967
Income and property tax (net) .....	1 632	1 817	Interest on State debt .....	161	195
Gross receipts .....	(3 812)	(4 374)	Child allowances .....	299	309
Refunds and communal income tax .....	(-2 180)	(-2 557)	The State's share in national pensions .....	251	278
Other direct taxes .....	31	33	The State's share in national health insurance .....	57	43
Sales tax .....	1 278	1 497	Compensations to war-disabled ....	135	148
Import duties .....	466	431	Subsidies .....	546	556
Revenue from Alcohol Monopoly ..	434	477	Net payments of price equalization .....	54	70
Excise duty on tobacco .....	339	396	State aid to agriculture .....	53	40
Excise duty on liquid fuel .....	407	438	State aid to communal and private schools .....	499	574
Other excise duties .....	96	133	Net loss of State enterprises .....	67	74
Tax on automobiles and motor cycles .....	157	165	Maintenance of roads .....	154	163
Tax on motor vehicles .....	47	54	Other current expenditure .....	2 153	..
Stamp duties .....	156	163	<b>Current expenditure</b> .....	4 429	..
Employers' payments for child allowances .....	402	435	Real investments <sup>1)</sup> .....	1 036	1 003
Other revenue similar to taxes .....	81	92	Other capital expenditure .....	617	..
<b>Total taxes</b> .....	5 526	6 131	<b>Capital expenditure</b> .....	1 653	..
Interest and dividends .....	90	105	<b>Total expenditure</b> .....	6 082	6 656
Other current revenue .....	242	230	Redemption of external loans .....	81	60
<b>Current revenue</b> .....	5 858	6 466	Redemption of internal loans .....	287	395
Capital revenue proper .....	144	152	Redemption of indemnity bonds etc. ....	1	1
Decrease in inventories .....	39	11	Index premiums .....	15	16
<b>Capital revenue</b> .....	183	163	<b>Redemptions</b> .....	384	472
<b>Total revenue</b> .....	6 041	6 629	<b>Total</b> .....	6 466	7 128
External loans .....	70	149			
Internal loans .....	607	425			
<b>Loans</b> .....	677	574			
<b>Short-term credit (increase +)</b> ..	-314	-6			
<b>Deficit (+) or surplus (-)</b> .....	+ 62	-69			
<b>Total</b> .....	6 466	7 128			

<sup>1)</sup> According to the calculations by the Economic Department of the Ministry of Finance.

Debt	1966	1967	1968			
	Dec.	Dec.*	Jan.*	Feb.*	March*	April*
<b>External debt</b> ....	1 337	1 844	1 845	1 839	1 820	1 820
Ordinary loans ....	1 980	2 016	1 970	1 969	1 962	1 928
Indemnity bonds etc.	93	2	2	2	2	2
Short-term credit ..	95	146	130	116	171	161
Cash debt (net) ....	-119	..	..	..	..	..
<b>Internal debt</b> ....	2 049	..	..	..	..	..
<b>Total debt</b> .....	3 386	..	..	..	..	..
<b>Total debt, mill. \$</b>	1 050	..	..	..	..	..





## BALANCE OF PAYMENTS

Mill. mk

Period	Exports f.o.b.	Imports c.i.f.	Trade balance	Transportation, net	Travel, net	Other services, net	Balance of goods and services	Investment income, net	Transfer payments, net	Balance of current transactions
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*	5 196	5 812	-616	+353	- 88	- 7	-358	-204	+ 0	-562
Jan.-Mar.										
1965	924	1 246	-322	+ 58	- 23	+ 15	-272	- 31	+ 1	-302
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
Apr.-June										
1965	1 141	1 406	-265	+ 90	- 34	+ 12	-197	- 31	+ 3	-225
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.										
1965	1 210	1 281	- 71	+ 85	- 25	+ 13	+ 2	- 25	+ 0	- 23
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.										
1965	1 267	1 354	- 87	+ 85	- 26	- 19	- 47	- 44	+ 11	- 80
1966	1 383	1 539	-156	+ 85	- 25	+ 9	- 87	- 36	+ 3	-120
1967*	1 625	1 811	-186	+ 65	- 12	- 8	-141	- 45	- 3	-189

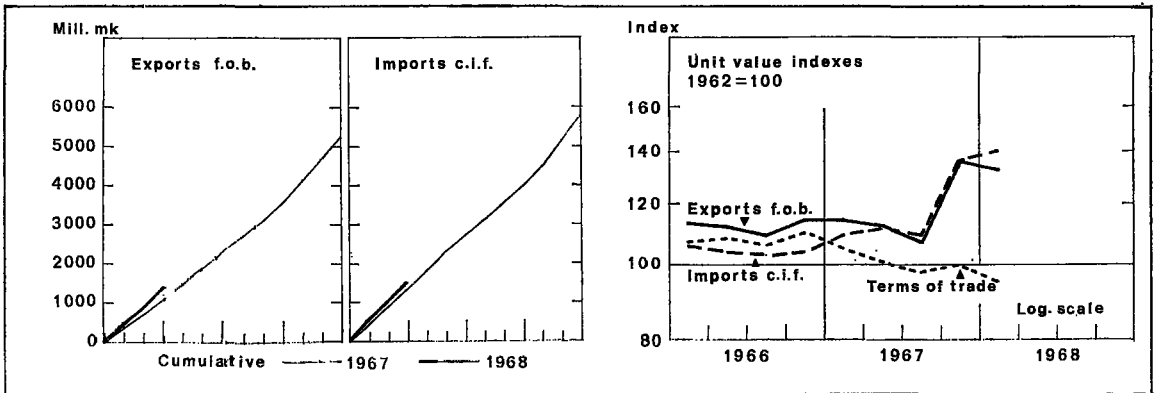
Period	Drawings of long-term loans	Amortiza- tions of long-term loans	Long- term export credits, net	Miscella- neous long-term capital items, net <sup>1)</sup>	Basic balance	Short-term import credits and pre- payments, net	Short-term export credits and pre- payments, net	Miscella- neous short- term capital 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	+ 8	- 83	-112	- 56	+143	-108	+ 84	+ 24
Jan.-Mar.											
1965	+121	- 79	- 2	+ 3	-259	+ 51	+137	+ 1	- 70	+ 86	- 16
1966	+ 89	- 60	+ 2	- 15	-337	+ 43	+243	+ 18	- 33	+ 38	- 5
1967	+192	- 66	+ 12	+ 5	-109	- 48	+ 85	+ 81	+ 9	- 50	+ 41
Apr.-June											
1965	+ 84	- 49	- 16	+ 5	-201	+108	- 48	+ 7	-134	+170	- 36
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.											
1965	+ 55	- 88	+ 2	- 6	- 60	+ 25	- 70	+ 29	- 76	+ 39	+ 37
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.											
1965	+174	- 57	- 50	+ 1	- 12	- 38	+ 15	+ 32	- 3	- 93	+ 96
1966	+202	- 92	- 18	- 40	- 68	- 6	-122	+ 79	-117	+117	± 0
1967*	+152	-186	- 34	- 5	-262	- 13	-159	+179	-255	+316	- 61

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

<sup>1)</sup> Including Direct investment net.

FOREIGN TRADE

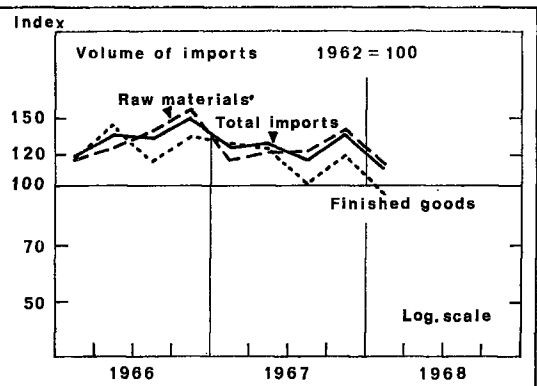
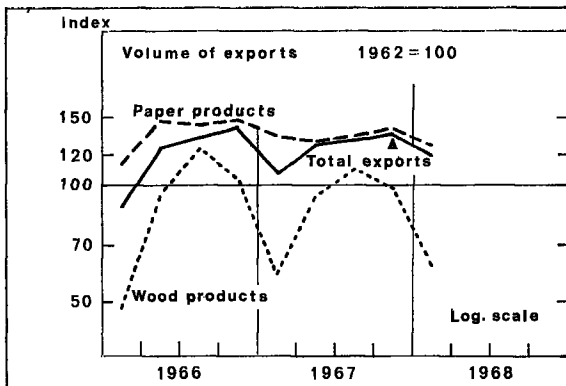
Period	Value mill. mk			Unit value indexes 1962 = 100						
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)	Articles of export f. o. b.					Articles of import c. i. f.	Terms of Trade
				Total	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering 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	116	112	124	111	119	114	102
Jan.-Mar.										
1966	878.9	1 243.6	-364.7							
1967*	1 087.4	1 345.0	-257.6							
1968*	1 394.3	1 509.7	-115.4							
1967*										
April	397.4	487.3	- 89.9	112	110	118	106	120	111	101
May	404.4	481.9	- 77.5							
June	457.5	421.8	+ 35.7							
July	372.8	400.7	- 27.9	107	109	118	106	101	109	98
Aug.	411.3	430.7	- 19.4							
Sept.	465.6	420.3	+ 45.3							
Oct.	561.6	541.5	+ 20.1	136	134	140	127	153	136	100
Nov.	529.9	615.8	- 85.9							
Dec.	542.3	649.3	-107.0							
1968*										
Jan.	458.6	534.3	- 75.7	133	137	138	130	132	140	95
Feb.	399.0	465.4	- 66.4							
March	536.7	510.0	+ 26.7							



FOREIGN TRADE BY MAIN GROUPS

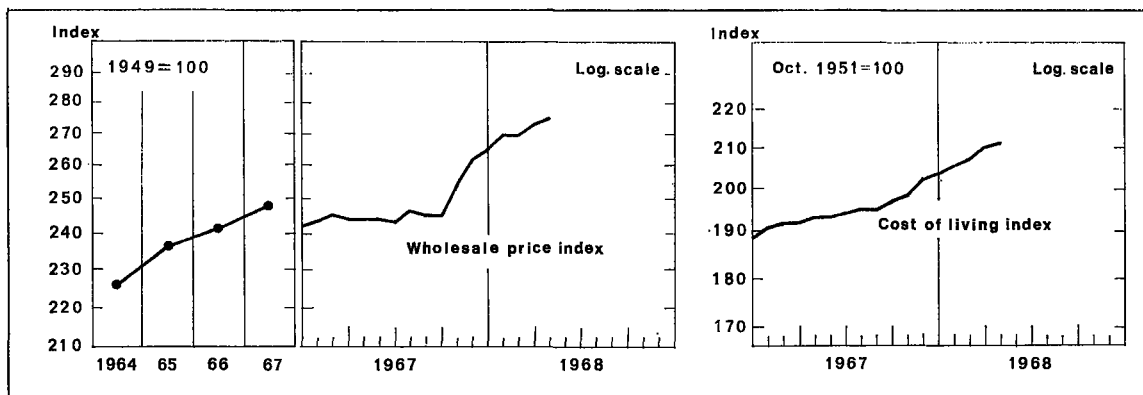
Mill. mk

Period	Exports, f.o.b.						Imports, c.i.f.			
	Agri-cultural 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.-Mar.										
1966	83.7	5.2	114.7	475.9	122.0	77.4	544.1	117.2	333.7	248.6
1967*	57.2	7.6	135.0	568.1	212.1	107.4	556.7	142.4	370.3	275.6
1968*	90.9	7.7	163.8	658.6	310.7	162.6	661.7	211.6	322.4	314.0
1967*										
April	30.9	5.8	56.9	187.1	72.1	44.6	203.1	54.6	128.7	100.9
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.	28.8	4.0	66.2	205.4	105.7	48.5	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



## FOREIGN TRADE BY COUNTRIES

Area and country	Exports, f.o.b.					Imports, c.i.f.				
	Whole year		Jan.-March			Whole year		Jan.-March		
	1966	1967*	1967*	1968*		1966	1967*	1967*	1968*	
	%	%	%	%	Mill. mk	%	%	%	%	Mill. mk
<b>Sterling area</b> .....	22.6	22.8	21.3	22.3	310.0	16.6	15.8	16.1	14.7	221.8
United Kingdom .....	20.5	20.9	19.6	20.6	287.0	16.1	15.2	15.4	14.3	215.9
<b>Other OECD countries in Europe</b> .....	46.7	44.0	45.0	49.9	695.4	53.8	53.9	56.3	54.2	818.1
Austria .....	0.4	0.5	0.5	0.5	6.9	0.9	1.0	0.9	1.1	16.3
Belgium-Luxembourg ....	3.1	2.6	2.1	2.2	30.0	1.9	2.0	1.8	2.0	30.2
Denmark .....	3.5	3.8	3.7	3.9	54.6	3.5	3.3	3.1	3.7	55.3
France .....	4.5	4.3	4.6	4.2	57.9	4.3	3.7	4.9	3.5	53.3
Western Germany .....	11.0	8.6	9.3	10.1	141.1	17.0	16.2	17.3	15.4	231.9
Italy .....	3.0	3.1	3.4	3.1	43.9	2.0	2.0	2.4	2.3	34.2
Netherlands .....	5.8	5.1	5.6	4.5	63.1	3.6	3.8	3.8	3.1	47.5
Norway .....	1.9	2.4	1.9	4.8	66.6	2.1	2.3	2.0	2.4	35.7
Portugal .....	0.4	0.2	0.2	0.3	3.7	0.3	0.4	0.5	0.5	8.2
Spain .....	1.2	1.0	1.0	0.7	10.4	0.4	0.4	0.6	0.5	7.6
Sweden .....	8.8	9.7	9.7	12.2	169.7	14.1	15.4	15.5	16.0	242.1
Switzerland .....	0.9	1.0	1.0	1.6	22.4	3.1	3.0	3.1	3.3	49.5
<b>Eastern Bloc</b> .....	18.7	21.2	22.2	15.8	220.6	19.8	20.4	18.6	22.5	339.6
China .....	0.6	0.8	0.2	0.1	1.6	0.5	0.6	0.7	0.3	5.0
Czechoslovakia .....	0.8	0.5	0.5	0.4	5.3	0.6	0.6	0.7	0.8	11.7
Eastern Germany .....	1.0	0.7	0.7	0.6	9.1	0.9	0.9	0.7	0.8	11.9
Poland .....	1.4	1.3	1.2	0.7	9.2	1.6	1.5	1.1	1.0	14.4
Soviet Union .....	14.1	17.1	18.7	13.3	185.7	15.5	16.1	14.8	18.9	285.4
<b>U.S. and Canada</b> .....	6.6	6.0	6.0	6.9	96.5	4.9	4.2	4.6	4.1	61.8
United States .....	6.4	5.8	5.9	6.6	92.8	4.5	3.9	4.1	3.9	58.9
<b>Latin America</b> .....	2.9	2.9	2.7	2.7	38.2	2.7	2.7	1.8	2.1	31.7
Argentina .....	1.0	1.0	1.1	0.7	10.7	0.3	0.2	0.1	0.1	1.1
Brazil .....	0.4	0.7	0.6	0.6	8.9	1.2	1.1	0.8	1.0	15.8
Colombia .....	0.6	0.3	0.2	0.4	5.1	0.7	0.8	0.5	0.6	8.9
<b>Other</b> .....	2.5	3.1	2.8	2.4	33.6	2.2	3.0	2.6	2.4	36.7
<b>Grand total</b> .....	100.0	100.0	100.0	100.0	1 394.3	100.0	100.0	100.0	100.0	1 509.7
of which										
<b>EFTA countries</b> .....	36.4	38.5	36.6	43.8	611.0	40.0	40.6	40.6	41.3	623.0
<b>EEC countries</b> .....	27.5	23.5	25.0	24.1	336.0	28.8	27.7	30.1	26.3	397.2



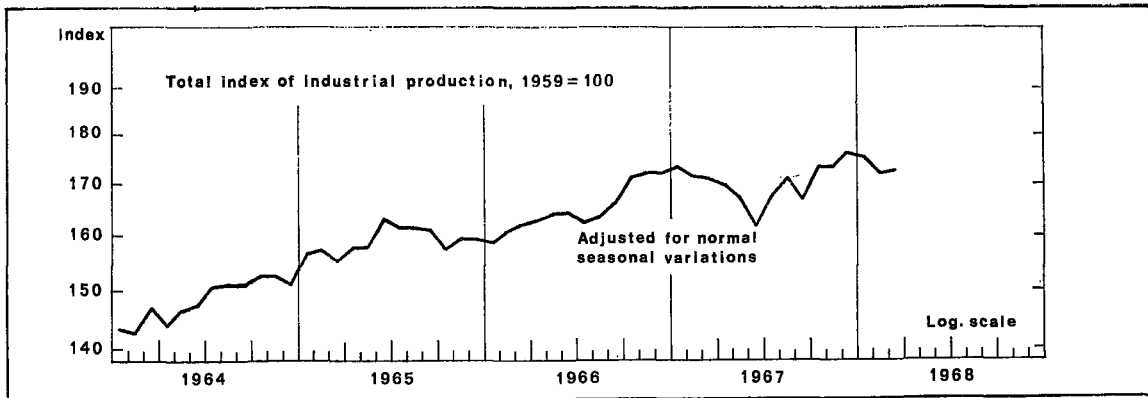
## PRICE INDEXES

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												
April	244	251	216	242	236	248	271	231	235	112	119	105
May	244	251	216	242	236	248	273	230	235	112	119	105
June	243	250	217	242	236	247	271	231	234	114	123	106
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

Period	Cost of living Oct. 1951 = 100						Consumer prices Oct.—Dec. 1957 = 100					
	Total	Food- stuffs	Rent	Heating and lighting	Clothing	Other	Total	Food- stuffs	Rent	Heating and lighting	Clothing	Other
1965	178	195	377	115	109	173	140	144	140	111	135	141
1966	185	202	392	119	111	182	145	149	145	116	138	148
1967	195	212	408	130	115	196	153	156	151	126	143	160
1967												
April	193	207	403	129	115	194	151	152	149	125	143	158
May	193	209	403	129	115	195	152	153	149	125	143	159
June	194	210	403	129	115	194	152	154	149	125	143	158
July	195	212	407	129	115	195	153	156	151	126	143	159
Aug.	195	212	407	130	115	195	153	156	151	126	143	159
Sept.	197	216	407	130	116	196	154	159	151	126	143	160
Oct.	198	217	419	130	116	197	156	159	155	126	144	161
Nov.	202	223	419	132	117	202	159	164	155	128	146	164
Dec.	203	222	419	140	118	203	159	163	155	136	147	165
1968												
Jan.	205	223	424	141	120	207	161	164	157	137	149	169
Feb.	207	224	424	142	121	208	162	165	157	138	150	170
March	210	231	424	142	124	210	165	169	157	138	154	172
April	211	234	421	142	126	211	166	172	156	138	156	172

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	Investment 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	166	159	173	154	118	191	162	165	165	46 507	174
1967*	170	165	176	162	119	189	163	171	170	44 963	181
1966											
Oct.	186	176	196	169	111	215	181	189	172	3 116	188
Nov.	182	176	191	167	104	208	181	186	172	3 048	188
Dec.	168	168	176	151	107	186	169	168	172	3 688	200
1967*											
Jan.	176	173	185	161	111	203	174	173	173	3 835	140
Feb.	170	175	176	159	130	187	175	166	171	5 079	161
March	174	181	180	165	134	196	177	168	171	5 029	177
April	181	177	187	170	140	205	175	182	170	4 492	191
May	171	168	176	165	136	186	169	171	167	9 435	190
June	157	159	156	160	107	157	157	163	162	2 148	175
July	123	80	136	111	92	185	76	124	167	955	159
Aug.	173	154	177	174	113	196	155	182	171	1 978	189
Sept.	176	170	181	171	117	197	168	180	167	2 488	197
Oct.	190	191	194	182	120	202	187	196	173	3 166	223
Nov.	184	184	192	171	122	188	183	190	173	2 969	184
Dec.	164	168	171	149	108	171	165	162	176	3 389	182
1968*											
Jan.	179	176	187	165	119	201	177	173	175	3 509	137
Feb.	178	181	186	163	133	200	181	172	172	4 977	158
March	186	185	195	171	135	212	184	183	173	4 898	164

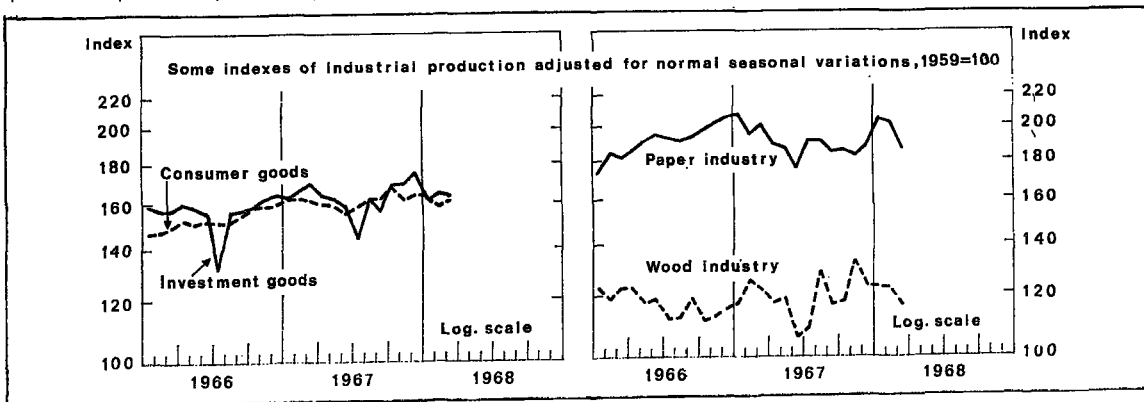


March 1963 figures are affected by strikes. Seasonally adjusted series are corrected for estimated strike effects.

**BUILDING — WAGES — TRANSPORT — EMPLOYMENT**

Period	Buildings completed, mill. cu. m					Buildings under construction at end of period mill. cu. m	Index of salary and wage earners' earnings 1957 = 100			
	Total	Dwelling houses	Farm buildings	Commercial and industrial premises	Official buildings		All salary and wage earners	Wage earners in		
								Agriculture	Forestry	Manufacturing
1964	24.59	10.57	2.43	7.61	2.80	28.75	164	154	172	162
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										
July-Sept.	7.15	2.36	0.99	2.09	1.20	38.83	198	197	215	195
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

Period	Railways		Foreign shipping				Labour input		Unemployment	
	Goods trucks loaded Thousands		Vessels arrived with cargo — 1 000 net reg. tons		Vessels departed		1 000 man-months		% of total labour force	
	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	1 769	2.6	4.8
April	140	128	834	995	676	767	1 848		2.5	
May	129		1 119		972		1 918		2.1	
June	124		1 386		1 240		1 883		2.1	
July	116		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 — Finnish term liabilities (Treasury). *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 + Other Finnish term liabilities — Account of the Mortgage Bank of Finland Oy. — Cash reserve accounts. — *Diagrams*. Left: *Net claims on other than banks* = Net foreign assets + Net claims on the Treasury + Net claims on the rest of economy + Finnish bonds + Finnish coin — Equalization accounts = Notes in circulation + Bank's own funds — Net claims on the banks.

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

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

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

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

### STATE FINANCES

Page 8. Official monthly figures adjusted by the Bank of Finland Institute for Economic Research. *Revenue and expenditure*: All extra-budgetary funds are included, and figures are reported on a payment basis. — Annual figures will be published in separate articles. *Debt*: Index-tied bond loans are given at their nominal values. *Cash debt (net)* = net debt to the Bank of Finland plus short-term debt to the Post Office Savings Bank minus cash holdings (net) of State departments. In principle, the change in this item = surplus (deficit) in the table on revenue and expenditure. The small divergence is due to the fact that the adjustment of the monthly figures is not as accurate as that of the annual (December) figures.

### 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. Seasonal variations are not eliminated. Terms of trade: the ratio of export indexes to import indexes. *Foreign trade by countries* (p. 12): imports by countries of purchase, exports by countries of sale.

### PRICE INDEXES

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

### PRODUCTION — INTERNAL TRADE

Page 14. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The 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* calculated by the Ministry of Communications and Public Works. Beginning June 1964 an additional series has been collected by a new sample method. As the compilation of old series has been ended, the figures since July 1965 have been calculated by extrapolating the level of old series with the percentage changes of the new series. These calculations have been made 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 (1966): 4.6 million. Sweden 7.8, Switzerland 6.0, Denmark 4.8 and Norway 3.8 million.

DENSITY OF POPULATION (1967): In South Finland 26.0, 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 (1966): births 16.7 ‰, deaths 9.4 ‰, increase 5.4 ‰. Deaths in France 10.7 ‰ and Great Britain 11.8 ‰.

### 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 1 410 million of solid cu. m incl. bark (49 797 million

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

AGRICULTURE (1960): Cultivated land 2.6 million hectares of which holdings of less than 5 ha. amount to 17 %, 5 to 15 ha. 48 %, 15 to 50 ha. 30 % and more than 50 ha. 5 %. Number of holdings 388 000, of which 184 000 are of more than 5 ha. Index of agricultural production 137 for 1965 (1954 = 100). Measure of self-sufficiency in bread cereals 91 % in the crop year 1964/65.

INDUSTRY (1965): Gross value of industrial production 19 400 mill. marks, number of workers 352 500, salaried employees 80 800, motive power (1965) 4.0 mill. kW. Index of industrial production 159 for 1965 (1959 = 100).

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

MERCHANT FLEET (April 30, 1968): Steamers 89 (144 898 gross reg. tons), motor vessels 413 (945 892 gross reg. tons), sailing vessels with auxiliary engines 17 (2 448 gross reg. tons). Total 519 (1 093 238 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 %, 50 per cent index-tied deposits 4 %; highest lending rate 10 %.

# DEVELOPMENT OF THE FINNISH BUDGETARY SYSTEM

BY

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To provide the background for a report on the work of developing the Finnish budgetary system on the basis of which reforms have already been implemented in recent years, a short summary is given of the previous system which remained in use for over thirty years more or less unchanged.

## THE 1931 BUDGETARY SYSTEM

The basic provisions concerning the Finnish budgetary process are included in the 1919 Constitution. The Budget Act of 1931 and the regulations on its enforcement provide more detailed stipulations for the system which is on a calendar year basis. The Budget Act followed the concept that capital revenue was to be used only for new revenue-yielding capital expenditure. According to this principle both budget revenues and expenditures have been divided into two parts since 1932. Revenue was classified into current and capital revenues and expenditure into current and capital expenditures; capital expenditures were further divided into revenue-yielding and non-revenue-yielding items.

This budgetary form did not in practice have the significance for fiscal policy which had been intended. The basis according to which the division was applied was not uniform, nor otherwise consistent. Items of expenditure which were actually of a capital nature were entered as current expenditures and vice versa. The budget was not balanced according to the notion of keeping separate the current and capital budgets; the balance

was taken to be the difference between total revenue and expenditure, and thus borrowing was included in revenue and amortization in expenditure. The expenditures of the same department or agency were distributed among different accounts in the budget; consequently it was difficult to obtain a general idea of its spending and to make comparisons between the expenditures of different departments and agencies. As expenditures were not grouped according to their economic and functional natures it was not possible to derive data needed in planning economic policy from the budget and its accounting framework without elaborate calculations.

Towards the end of the 1940's it became obvious that the budgetary system should be revised. In 1954, after thorough preparations, a bill was presented to Parliament proposing a complete revision of existing budgetary legislation that would have involved a more consistent preparation of the current and capital accounts. The bill, however, fell through and its re-introduction was not regarded necessary. The advent of computers provided the final impetus for reform. It was realized that the lack of a systematic budgetary system prevented automatic processing of budget data. The work of development was gradually extended to cover the whole State budget and accounting system.

## HOW THE BUDGET SYSTEM WAS DEVELOPED

The reform of the budgetary structure and the development of the technique of compiling it were regarded as most urgent.

The structural reform was made in the 1967 and 1968 budgets. The new rules concerning the accounting procedures for the revised budgetary structure became valid at the beginning of 1968. The accounting activity was re-organized as well at the beginning of 1968 and accounting machines were adopted also in those accounting departments which had previously made use of manual methods; thus a punched tape was obtained at the same time for the central accounting office. There as well as in some of the largest branch accounting offices the books are kept with the aid of computers.

To order the system still further and to create a better foundation for the formulation of annual budgets, all State departments and agencies have started to make long-term plans for five years ahead.

A system of estimation and control has been developed to cover the planning and allocation of State finances and to give estimates of cash revenue and expenditure for the next 4½ months. The estimates are made on a daily basis for the first month and at fortnightly intervals for the rest of the period and they are compared with the actual figures afterwards. The cash revenue and expenditure for a whole fiscal year are estimated at the beginning of the year and revised several times during the year.

Measures to introduce and improve cost calculations have been implemented primarily in State enterprises but recently also in other Government departments and agencies. The internal accounting methods of these offices have been developed also in many other ways.

#### ORGANIZATION OF THE WORK OF DEVELOPMENT

A temporary planning bureau subordinated to the Ministry of Finance was established to undertake the development of the budgetary system. Preliminary suggestions for the

lines of budgetary reform were worked out in numerous reports, consultations and discussions and, as a result of these, emerged in a final form through the co-operation of the Ministry of Finance and the development bureau. At the beginning of 1966 the changes in the Budget Act necessitated by the new budget structure gained parliamentary approval.

When the changes in the budgetary structure were started to be introduced, most of the people concerned with preparing the revision were transferred to the Budget Department of the Ministry of Finance; these staff have been implementing the changes already decided upon and have at the same time continued to plan reforms. The same procedure has been followed also for other parts of the work of reform and it may therefore be expected that the planning bureau will be merged with the Ministry of Finance Budget Department. From the experience obtained with a planning staff free of vertical responsibilities and routine tasks, it seems likely that a special planning section will be retained within the department. An effort is made to allow sufficient time also for the executive personnel to work in planning.

#### THE REFORM OF THE BUDGETARY STRUCTURE

The outlines of the new budget structure were determined when the preparation of the 1967 budget was started. The plan was executed in two stages in order to avoid an excessive work load in departments and agencies as well as in Parliament. In the 1967 budget the distinction between the current and capital budgets was abolished as the appropriations entered under capital expenditure were transferred to the head which previously contained the current outlay of the department or agency in question. All expenditures by each department or

TABLE 1. ECONOMIC CLASSIFICATION OF STATE EXPENDITURES IN 1966—1968<sup>1</sup>

	Balancing of the	1967	1968	Change on previous	
	1966 accounts Mill. mk	Budget Mill. mk	Budget <sup>2</sup> Mill. mk	Mill. mk	year in 1968 per cent
Consumption expenditure .....	1 835	2 054	2 329	+ 275	+ 13
— wages and salaries .....	1 091	1 281	1 458	+ 177	+ 14
— other consumption expenditure ....	744	773	871	+ 98	+ 13
Transfer expenditure .....	3 160	3 399	3 785	+ 386	+ 11
— State aid to municipalities etc. ...	897	968	1 131	+ 163	+ 17
— State aid to industries .....	818	848	873	+ 25	+ 3
— other transfer expenditure .....	1 445	1 583	1 781	+ 198	+ 13
Investment expenditure .....	1 462	1 522	2 237	+ 715	+ 47
— real investments .....	1 104	1 061	1 254	+ 193	+ 18
— lending and other financial investments .....	358	461	983	+ 522	+ 113
Other expenditure .....	710	841	925	+ 84	+ 10
Total	7 167	7 816	9 276	+ 1460	+ 19

1. The budget classification is considerably more detailed.
2. In connection with the devaluation in autumn 1967 a special export levy was imposed on incomes from exports. Its yield in 1968 of 600 million marks is to be used to develop Finland's industrial production. The once-for-all expenditure due to these measures increases the total of the 1968 budget by 600 million marks.

agency were thus consolidated, which as such was one of the aims of the reform. This arrangement reduced the number of heads by two on the expenditure side and by one on the revenue side.

The structural reform was continued in the 1968 budget by re-grouping the appropriations entirely. The basic division of expenditure according to the administrative field was retained. Each field of administration, headed by a ministry, constitutes a separate unit in the budget known as a head. Within the head each department or agency comprises a smaller unit of one or more subheads. Important activities, however, may form their own subheads especially within transfer expenditure. It is usually clear from the presentation of the budget which agency or which ministry has primary responsibility for spending each appropriation and for managing the projects intended to be financed by it. On the revenue side the revenues of the different departments and agencies were grouped so that comparisons are easy to make with corresponding expenditures.

The appropriations are distributed and entered into the budget according to their economic nature; the main divisions are consumption, transfer, investment, and other expenditure (see Table 1).

The coding of the appropriations has been revised with the use of computers in mind. The first two figures of the code of each item of expenditure indicate the administrative field and the last two figures the economic nature of the expenditure. Moreover, every subhead has been given a separate code which distributes the appropriation by its function (see Table 2). The budget document presents in tabular form all these different codings, i.e. administrative fields, economic nature, and functional categories.

The Finnish budget document consists of one volume, which together with the appendix on economic development in the country runs to approximately 600—700 pages. The verbal justifications given in it have been rather meagre, partly because each year explanations have been made only of those items where a change from the previous budget has

TABLE 2. FUNCTIONAL CLASSIFICATION OF STATE EXPENDITURES IN 1966—1968<sup>1</sup>

	Balancing of the	1967	1968	Change on previous	
	1966 accounts	Budget	Budget <sup>2</sup>	year in 1968	
	Mill. mk	Mill. mk	Mill. mk	Mill. mk	per cent
General Government .....	228	262	317	+ 55	+ 21
Public order and security .....	239	261	313	+ 52	+ 20
Defence .....	408	447	560	+ 113	+ 25
Education and culture .....	1 127	1 269	1 456	+ 187	+ 15
Social welfare .....	964	1 016	1 134	+ 118	+ 12
Health .....	443	500	578	+ 78	+ 16
Housing and environmental planning	198	282	335	+ 53	+ 19
Transport and communications .....	1 070	1 182	1 442	+ 260	+ 22
Agriculture and forestry .....	945	976	1 037	+ 61	+ 6
Other services .....	455	255	712	+ 457	+ 179
Other expenditure .....	1 090	1 366	1 392	+ 26	+ 2
<b>Total</b>	<b>7 167</b>	<b>7 816</b>	<b>9 276<sup>2</sup></b>	<b>+ 1 460</b>	<b>+ 19</b>

1 and 2. See notes to Table 1.

been suggested. The reasons given serve two purposes: justification of the necessity of the appropriation and determination of the limits within which the appropriations may be used.

The reform of the budget has included attempts to increase and improve in quality the explanations as well as the method of presentation. Instead of giving only the acquisition of inputs it is intended to place more emphasis on the aims of the various departments and agencies, their outputs and needs, and on the weighing of the alternative costs and benefits. In this way the budgetary process may be gradually developed towards programme budgeting. In the 1968 budget new justifications of all appropriations were made, thus invalidating the old ones. In the future this procedure will probably be repeated at five or ten-year intervals; thus the situation may be avoided that the justification of an appropriation would be given in a budget of several years back.

After the completion of the reform of the budgetary structure the development of the budget content has to be continued. The cash receipts and disbursements of the State differ considerably from budgetary revenue and expenditure. In connection with the structural reform the cash basis is applied more extensively to revenue and the amount of certain deferrable appropriations has been

fixed. The actual adoption of the cash basis, however, occurs in the next stage of the development of budgeting. It involves the problem of balancing the budget so that the planned spending and revenues would be as close to the actual figures as possible.

#### DEVELOPMENT OF THE PREPARATION OF THE BUDGET

The formulation of the budget in Finland takes place vertically from below. Departments and agencies submit proposals to their respective ministries who forward the estimates for their administrative fields to the Ministry of Finance; there the proposals are examined and scaled down to form a consolidated whole. The proposals submitted by the ministries to the Ministry of Finance have often contained elements of wishful thinking and the budget has ultimately been prepared by the Ministry of Finance. Now efforts are made to increase the contribution of each ministry to the preparation of the budget for its own administrative field. To this end the Ministry of Finance has issued the ministries with more detailed and comprehensive instructions on the formulation of the proposal. New forms for the proposals have been introduced, and computers are being used in the preparation of the 1969 budget.

## PREPARATION OF LONG-TERM PLANS

A proposal for a long-term budget was prepared by a committee for the first part of this decade. In practice its significance remained small. In 1963 the Economic Department of the Ministry of Finance began to make estimates of State revenue and expenditure; known as 'finance plans' or 'base budgets' these have been published i.a. in the Economic Survey, a supplement of the annual budget document. New instructions on long-term budgeting were issued in summer 1967, according to which forecasts or proposals for budgetary revenue and expenditure were to be prepared for the years 1968—1972. The long-term planning is done by the same authorities and follow the same procedure and methods as the annual budget proposals. One more year is included in the plan annually so that it always covers a period of five calendar years. The instructions on the preparation of the long-term plan give particular attention to the aims of the various departments and agencies and to the plans

to achieve them with the financial resources available.

The long-term plans are not considered equivalent to budgets. Any necessary revisions and changes in them may be made later by the ministries at the same time as the annual budget proposals and the long-term plans for subsequent years are being drawn up. It is, however, necessary to justify the proposed changes.

For the moment it is rather early to give an evaluation of the long-term budget planning, but it is obvious that in the future it will be of great importance in giving an over-all picture of State activities and of the financial constraints. It will provide a good basis for the annual budget proposals and will be useful in the formulation of specific targets for State activities and in the allocation of the financial resources available. It is also important in macro-economic planning. The method of formulation and the contents of the budgeting will be further developed on the basis of knowledge to be gained from the present experience.

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## ITEMS

### **National Council for Prices and Incomes.**

In order to ensure economic stabilization a National Council for Prices and Incomes was established by a Cabinet decision on May 13. Its main task will be to control prices, rents, different charges and wages as stipulated in the Economic Special Powers Act of April 9, 1968, intended to safeguard the development of the economy in 1968—69. The Council is composed of a chairman, vicechairman, 22 members and 44 alternate members representing the biggest labour market organizations, commercial and industrial organizations and central trading associations, unions of agricultural producers, the wages department of the Ministry of Finance and the Consumer Council.

\*

**Trade agreement.** A five-year agreement concerning the exchange of goods between Finland and the *Democratic Republic of Germany*, to be valid from July 1, 1968, was signed in Helsinki on May 21. Simultaneously the previous payments agreement was extended for the same period. The agreements create a basis for industrial, technical and scientific co-operation and make provision for licensed trade.

On the same date an agreement was signed regulating the exchange of goods for one year from July 1, 1968. Finland will export cellulose, paper and cardboard and their products, machines and appliances e.g. for the woodworking industry, agricultural products, chemical industry products and textiles. On the import list are chemicals, textiles, electrical products, transport equipment and glass products.

**Domestic bond issue.** The Government has recently announced the issue of the 1968 bonds of 8 1/4 per cent amounting to 25 million marks for subscription by the banking institutions. The bonds, dated May 2, 1968, will run for a period of ten years and the loan is issued at par.

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**One new Director at the Bank.** The Bank Supervisors of the Diet decided on May 7, 1968 to create one more permanent post of Director at the Bank of Finland as from June 1, 1968. (Previously there were two, see Item in Bulletin No. 6, 1966.) Simultaneously they appointed Mr. Timo Helelä, D. Pol. Sc., Director of the Bank of Finland Institute for Economic Research to this post from the same date.

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**Bank of Finland Institute for Economic Research.** From June 1, the Board of Management of the Bank of Finland has appointed as Acting Director of the Institute Mr. Lauri Korpelainen, D.Pol.Sc., Head of Department of the Institute.

Mr. Henri J. Vartiainen, D.Pol.Sc. was simultaneously appointed Head of Department of the Institute from the same date.

\*

**Publications of the Bank of Finland.** In Series B, the following publication has appeared: 28, Pertti Kukkonen, Analysis of Seasonal and Other Short-term Variations with Applications to Finnish Economic Time Series. Doctoral thesis, published in English. Helsinki 1968, 136 pp.

# BANK OF FINLAND

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