



# BANK OF FINLAND

## MONTHLY BULLETIN

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### THE FINNISH MARKET REVIEW.

#### THE MONEY MARKET.

During the first two months of the current year the money market experienced no substantial changes. Some temporary factors somewhat disturbed the general trend but in the main last summer's favourable development continued. The deposits increased greatly but it must be remembered that the influx of savings into the credit institutions is always largest at this time of the year. However, the bank deposits proper of the public this year so far exceeded those in January-February 1948 that this may be regarded as a sign of a change for the better. Cheque accounts showed great variations in that in January large sums accumulated but February brought a marked set-back, withdrawals greatly exceeding deposits. This was chiefly due to the quarterly payment of the Sales tax in February which compelled firms to use their sight deposits or to raise loans, but partly also to the unusually great demand for credit, caused by the seasonal lumbering work. Another important event on the money market is the lowering of the discount rate of the Bank of Finland by one half of one per cent as from February 1, 1949, the lowest discount rate being now  $6\frac{3}{4}$  per cent.

At the time of writing data regarding the money market are available only from the *Commercial Banks*. The deposits proper of the public increased substantially both in January and in February, by 549 and 646 million marks respectively or altogether 1,195 million, which noticeably exceeds the

corresponding figure for 1948, 353 million marks. Cheque accounts increased greatly in January, by 1,262 million marks, but in February, owing to reasons already given, they fell by as much as 3,387 million marks. This very unfavourable result caused the sum total of deposits to show a considerable decline for February, as well as for January-February. In 1948 too total deposits fell off in January-February, but then the decrease was as much as 1,716 million marks, whereas this year it was 930 million. The heavy drop in the balance on cheque accounts also rendered the position of the commercial banks more difficult and this was reflected in a decrease of the cash and an increase of rediscounts.

As a result of seasonal and some other temporary circumstances, but also of more difficult business finance, the commercial banks granted much credit during the early part of the year. In January their credits to the public grew by 2,748 and in February by 1,286 million marks, the increase in the first two months of the year totalling 4,034 million marks, as compared with 2,130 million the year before. As usual, bills increased more than other forms of credit. Since the Bank of Finland lowered its discount rate, as stated above, a general reduction of interest rates has been discussed.

The statements of the *Bank of Finland* for the first two months of the year reveal two important facts, which are in a way related. As stated earlier, the Central Bank has been compelled in recent times to support other financial institutions by redis-

counting more of their bills than usual. January was still fairly quiet in this respect but February brought a sharp increase: the amount of rediscounted bills, which in the last week of January was only 764 million marks, rose in the first week of February to as much as 4,326 million — almost a record figure. During the following weeks rediscounts decreased slightly, but at the end of February were still 3,634 million marks. This rapid increase in rediscounted bills was chiefly due to the fact that the financial institutions were not able unaided to meet their customers' great demand for credit which was a result of the heavy tax payments in February. Another significant change in the position of the Bank was the great decline in the bill credits to the State since the beginning of February. These totalled 19,230 million marks at the close of 1948 and remained at about the same level during January, but in the first week of February they were suddenly reduced by 6,500 million marks to 13,030 million, or lower than at any time since the war. This reduction was made possible by the exceptionally large tax receipts in February. The fact that bill credits to the State have again begun to increase shows that this was only a temporary phenomenon: in the first week of March they totalled 16,730 million marks. The sum total of credits granted by the Bank of Finland was about as high at the end of February as at the end of 1948. This applies also to the amount of notes in circulation which was 27,353 million marks on February 28. On that date the note circulation was higher by 2,905 million than at the same time last year.

#### PRICES.

Prices have continued to fall, the downward tendency having begun last autumn. Thus the cost of living index has decreased every month since August. In January it fell by three points and in February by as much as 15 points, to 780 (August 1938 — July 1939 = 100). The recent fall was mainly due to cheaper food but also to a reduction of taxes and some other costs. The wholesale price index (1935 = 100) also declined, from 1,104 points in December 1948 to 1,088 points in January and 1,083 in February. Besides the fall in prices some other deflatory features may

be noticed, such as scarcity of money among the public, but at the same time there are several even very strong inflationary factors, such as the activity on the wages front which may spread in the course of the spring.

#### TRADE AND INDUSTRY.

At the time of writing there are as yet no figures regarding industrial production in 1949. The figures for the last quarter of 1948 show that the decrease at the end of the year, referred to earlier, was smaller than expected. The volume of production grew less in the last quarter than in the others, yet it was about 10 per cent higher than in the last quarter of 1947. The „Unitas” index for the total industrial production (1935 = 100) was 125 in 1948 as against 105 in 1947 and 86 in 1946. The employment was also affected by this decline in trade and industry. There is now some unemployment instead of the previous full employment or even shortage of workers. Unemployment records last December gave the number of 13,778 workers, in January 26,262 and in February 38,556; the number of unemployed thus shows a rising tendency. In February 1939 the corresponding number was 24,263. Lumbering, so important for the labour market in rural districts, has decreased considerably, as shown by the fact that 160,000 workers were employed in it at the end of February as against 234,000 a year ago. By the end of February 23 million cub. m. of timber had been cut, or only 0.5 million cub. m. less than at the corresponding time a year ago.

Because of the mild winter foreign trade has been brisk. In January both exports and imports exceeded the value figures recorded in January 1948. This is also true of exports in February, while imports were slightly lower compared with February of last year. The value of imports in January—February 1949 was 8,313 million marks as against 8,248 million in 1948. The value of free exports was 6,806 million marks as against 5,859 million in 1948. Foreign trade has been favourable also from the point of view that the surplus of imports for the first two months of the year — 2,389 million marks in 1948 — has gone down to 1,507 million.

## CONTENTS OF THE TABLES.

### I. MONEY MARKET.

#### *Bank of Finland:*

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

### II. STATE FINANCES.

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

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

### III. TRADE AND INDUSTRY.

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

### IV. TRAFFIC.

33. Foreign shipping.
34. State Railways.

### V. LEVEL OF PRICES.

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

### VI. LABOUR MARKET.

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

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

- |   |  |
|---|--|
| <p>1946 Nos. 10—12 Finland's War Indemnity.</p> <p>» » » Compensation for Property Lost in the War of 1941—1944.</p> <p>1947 » 1—3 The Bank of Finland in 1946.</p> <p>» » » The Economic Position in Finland in 1946.</p> <p>» » » General Outlines of Finland's Economic Policy in 1947.</p> <p>» » 4—6 The Commercial Banks during and after the War.</p> <p>» » » Finland's Forest Resources and their Utilization.</p> <p>» » » Finland's Foreign Trade in 1946.</p> <p>» » 7—9 Public Finances in 1946.</p> <p>» » » Finland's Industry since the War.</p> <p>» » » Finland's Balance of Payments for 1946.</p> <p>» » 10—12 Exports and the Economic Development in Finland.</p> <p>» » » The State of Finnish Agriculture at the end of 1947.</p> | <p>1948 Nos. 1—2 The Bank of Finland in 1947.</p> <p>» » » The Economic Position in Finland in 1947.</p> <p>» » 3—4 Finland's Foreign Trade in 1947.</p> <p>» » » The Post-War Land Reform in Finland.</p> <p>» » 5—6 Prospects of Power Supply in Finland.</p> <p>» » » The Finnish Commercial Banks in 1947.</p> <p>» » 7—8 Finland's Balance of Payment for 1947.</p> <p>» » » Ore Resources in Finland and the use of them.</p> <p>» » 9—10 Building in Finland during and after the War.</p> <p>» » 11—12 Public Finances in 1947.</p> <p>» » » Consolidated Balance Sheet and Income Statement of Finnish Industry 1947.</p> |
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**STATISTICS.**  
**1. — STATEMENT OF THE BANK OF FINLAND.**

	1948 Mill. mk					1949 Mill. mk	
	28/2	30/9	30/10	30/11	31/12	31/1	28/2
<b>ASSETS.</b>							
I. Gold Reserve .....	135	268	268	268	268	268	269
Foreign Correspondents .....	1 799	611	575	1 275	2 027	2 008	1 685
II. Foreign Bills .....	318	386	409	436	429	431	410
Foreign Bank Notes and Coupons .....	11	16	21	25	22	21	19
Inland Bills .....	31 943	37 788	38 511	35 290	34 518	34 011	34 868
III. Loans on Security .....	24	22	22	22	22	22	22
Advances on Current Accounts .....	503	540	387	514	483	469	519
Bonds in Finnish Currency .....	209	743	741	739	725	721	719
» » Foreign .....	158	152	150	151	162	161	162
Sundry Assets .....	515	1 505	1 800	925	1 365	1 185	900
<b>Total</b>	<b>35 615</b>	<b>42 031</b>	<b>42 884</b>	<b>39 645</b>	<b>40 021</b>	<b>39 292</b>	<b>39 575</b>
<b>LIABILITIES.</b>							
Notes in circulation .....	24 448	28 189	28 011	27 400	27 369	25 782	27 353
Other Liabilities payable on demand:							
Current Accounts due to the Treasury ..	—	—	190	—	19	—	—
» » » Others .....	1 048	2 057	3 265	1 335	1 463	2 019	680
Bank-Post-Bills .....	58	37	117	53	68	69	65
Mark accounts of holders abroad .....	1 158	1 070	1 145	1 151	1 122	1 205	1 188
Foreign Clearing Accounts .....	2 712	3 255	2 792	2 219	2 199	2 244	2 159
Sundry Accounts .....	60	297	55	45	335	358	289
Capital .....	1 250	5 000	5 000	5 000	5 000	5 000	5 000
Reserve Fund .....	1 785	137	137	137	137	554	554
Earnings less Expenses .....	113	590	740	862	834	134	268
Undisposed Profits .....	2	—	—	—	—	417	417
Sundry Liabilities .....	3 031	1 399	1 432	1 443	1 475	1 510	1 600
<b>Total</b>	<b>35 615</b>	<b>42 031</b>	<b>42 884</b>	<b>39 645</b>	<b>40 021</b>	<b>39 292</b>	<b>39 575</b>

**2. — NOTE ISSUE OF THE BANK OF FINLAND.**

	1948 Mill. mk					1949 Mill. mk	
	28/2	30/9	30/10	30/11	31/12	31/1	28/2
<b>RIGHT TO ISSUE NOTES.</b>							
Gold Reserve and Foreign Correspondents ..	1 934	879	843	1 543	2 295	2 271	1 954
According to Law of Dec. 13, 1939 <sup>1)</sup> .....	32 272	38 190	38 941	35 751	34 969	34 463	35 297
Additional Right of Issue .....	1 800	1 800	1 800	1 800	1 800	1 800	1 800
<b>Total</b>	<b>36 006</b>	<b>40 869</b>	<b>41 584</b>	<b>39 094</b>	<b>39 064</b>	<b>38 534</b>	<b>39 051</b>
<b>AMOUNT OF ISSUE USED.</b>							
Notes in circulation .....	24 448	28 189	28 011	27 400	27 369	25 782	27 353
Other Liabilities payable on demand .....	5 036	6 716	7 564	4 803	5 206	5 895	4 381
Undrawn of Advances on Current Accounts ..	430	463	616	491	526	540	489
<b>Total</b>	<b>29 914</b>	<b>35 368</b>	<b>36 191</b>	<b>32 694</b>	<b>33 101</b>	<b>32 217</b>	<b>32 223</b>
<b>NOTE RESERVE</b> .....	<b>6 092</b>	<b>5 501</b>	<b>5 393</b>	<b>6 400</b>	<b>5 963</b>	<b>6 317</b>	<b>6 328</b>
<b>Grand total</b>	<b>36 006</b>	<b>40 869</b>	<b>41 584</b>	<b>39 094</b>	<b>39 064</b>	<b>38 534</b>	<b>39 051</b>

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

**Bank Rate since February 1, 1949, 6 3/4 %.**

(Former Rate 7 1/4 %).

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

End of Month	Notes in Circulation Mill. mk				Foreign Correspondents <sup>1)</sup> Mill. mk				Cover for the Issue of Notes Percentage of Liabilities payable on demand				End of Month	
	1947	1948	1949	Monthly Movement	1947	1948	1949	Monthly Movement	1947	1948	1949	Monthly Movement		
Jan.	<i>18 233</i>				<i>1 915</i>					<i>108.6</i>				Jan.
Feb.	17 172	23 258	25 782	- 1 587	2 350	1 395	2 003	- 25	25	110.4	115.3	114.0	+ 1.4	Feb.
March	18 896	24 448	27 353	+ 1 571	2 391	1 799	1 685	- 318	318	110.6	114.4	115.8	+ 1.6	Feb.
April	20 944	26 776			3 116	2 452				110.1	109.4			March
May	21 566	27 850			1 931	446				111.8	110.6			April
June	21 653	27 112			1 893	577				112.4	112.6			May
July	22 415	27 204			1 157	652				112.2	113.6			June
Aug.	22 956	27 371			1 248	592				113.8	111.6			July
Sept.	23 945	28 078			762	545				114.1	112.2			Aug.
Oct.	24 484	28 189			776	611				113.0	110.5			Sept.
Nov.	25 129	28 011			464	575				113.7	109.9			Oct.
Dec.	25 809	27 400			685	1 275				114.7	114.1			Nov.
Dec.	25 162	27 369			621	2 027				113.2	112.6			Dec.

<sup>1)</sup> Credit balances with foreign correspondents.

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

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

<sup>1)</sup> Inland bills, loans on security and advances on current accounts.

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

End of Month	Treasury Bills (Included in Home Loans) Mill. mk			Balance of Current Accounts due to the Treasury Mill. mk				Balance of Current Accounts due to others than the Treasury Mill. mk				End of Month	
	1947	1948	1949	1947	1948	1949	Monthly Movement	1947	1948	1949	Monthly Movement		
Jan.	<i>17 920</i>			<i>599</i>				<i>1 481</i>					Jan.
Feb.	18 000	17 830	19 530	160	- 20	- 407	- 426	1 087	1 182	2 019	+ 556	556	Jan.
March	16 950	14 600	15 230	- 567	- 32	- 239	+ 168	789	1 048	680	- 1 339	1 339	Feb.
April	19 300	16 900		- 153	- 653			1 550	1 587				March
May	20 300	18 400		556	190			798	1 356				April
June	17 500	14 730		- 17	56			1 221	1 024				May
July	18 400	15 430		144	- 364			853	1 046				June
Aug.	19 700	20 030		425	72			597	1 372				July
Sept.	21 000	20 830		62	112			1 011	1 308				Aug.
Oct.	20 800	21 230		293	- 39			1 301	2 057				Sept.
Nov.	21 350	23 730		277	190			1 308	3 265				Oct.
Dec.	18 800	19 830		872	- 215			633	1 335				Nov.
Dec.	18 500	19 230		114	19			2 884	1 463				Dec.

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

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

		1946	1946	1946	1947	1948	1948	1949
		30/6	31/7	31/8—31/12	31/1—31/12	31/1—30/9	31/10-31/12	31/1—28/2
New York	1 Dollar	136:—	136:—	136:—	136:—	136:—	136:—	136:—
London	1 Pound	547:—	547:—	547:—	547:—	547:—	547:—	547:—
Stockholm	100 Kronor	3 230:—	3 790:—	3 790:—	3 790:—	3 790:—	3 790:—	3 790:—
Paris	100 Francs	114:—	114:—	114:—	114:—	63: 35	51: 37	51: 37
Brussels	100 Francs	310:—	310:—	310:—	310:—	310:—	310:—	310:—
Amsterdam	100 Guilders	5 120:—	5 120:—	5 120:—	5 120:—	5 120:—	5 120:—	5 120:—
Basle	100 Francs	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—
Oslo	100 Kroner	2 745:—	2 745:—	2 745:—	2 745:—	2 745:—	2 745:—	2 745:—
Copenhagen	100 Kroner	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—
Prague	100 Koruny	275:—	275:—	275:—	275:—	275:—	275:—	275:—
Montreal	1 Dollar	124:—	135: 50	135: 50	135: 50	135: 50	135: 50	135: 50
Lisbon	100 Escudos	560:—	560:—	560:—	560:—	560:—	560:—	560:—
Rio de Janeiro	100 Cruzeiros	760:—	740:—	765:—	765:—	765:—	765:—	765:—

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

End of Month	Due to the Public				Due to other Credit institutions		Total			Credits from the Bank of Finland		End of Month
	Cheque Accounts		Deposits		Mill. mk		Mill. mk			Mill. mk		
	1948	1949	1948	1949	1948	1949	1947	1948	1949	1948	1949	
Jan.	<i>17 754</i>		<i>19 931</i>		<i>6 601</i>		<i>35 430</i>			<i>3 502</i>		Jan.
Feb.	17 417	20 839	20 152	25 017	6 855	7 315	35 608	44 424	53 171	530	699	Feb.
March	15 685	17 452	20 335	25 663	5 934	7 040	34 598	41 954	50 155	3 384	3 597	March
April	18 001		20 760		5 898		37 137	44 659		2 201		April
May	18 063		21 175		5 982		38 311	45 220		2 590		May
June	17 359		21 154		5 095		38 964	43 608		4 441		June
July	17 827		21 308		4 702		39 103	43 837		3 850		July
Aug.	19 000		21 765		6 067		40 027	46 832		896		Aug.
Sept.	17 627		22 675		6 354		41 484	46 656		1 409		Sept.
Oct.	19 740		22 820		5 908		42 807	48 468		640		Oct.
Nov.	21 570		22 860		6 879		42 970	51 309		79		Nov.
Dec.	19 063		23 072		6 056		41 139	48 191		1 333		Dec.
Dec.	19 577		24 468		6 080		44 336	50 125		1 533		Dec.

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

## 8. — COMMERCIAL BANKS. HOME LOANS.

End of Month	To the Public				To other Credit Institutions		Total				End of Month	
	Inland Bills		Other Credits		Mill. mk		Mill. mk					
	1948	1949	1948	1949	1948	1949	1947	1948	1949	Monthly Movement		
Jan.	<i>16 589</i>		<i>19 289</i>		<i>1 732</i>		<i>29 529</i>					Jan.
Feb.	17 173	25 143	20 163	21 922	1 933	2 489	30 095	39 269	49 554		+ 3 096	Feb.
March	18 382	26 229	19 626	22 121	1 732	2 333	30 850	39 740	50 683		+ 1 129	March
April	18 939		19 435		1 700		32 137	40 074				April
May	20 830		19 759		1 681		34 164	42 270				May
June	21 691		19 830		1 501		35 212	43 022				June
July	21 822		19 657		1 309		35 045	42 788				July
Aug.	22 053		19 934		1 984		36 107	43 971				Aug.
Sept.	22 326		19 351		2 126		35 971	43 803				Sept.
Oct.	21 780		19 281		2 183		36 414	43 244				Oct.
Nov.	22 984		19 765		2 622		37 801	45 371				Nov.
Dec.	24 151		19 591		2 194		38 279	45 936				Dec.
Dec.	23 999		20 318		2 141		37 660	46 458				Dec.

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

## 9. — COMMERCIAL BANKS. POSITION TOWARDS FOREIGN COUNTRIES.

End of Month	Claims Mill. mk			Indebtedness Mill. mk			Net Claims (+) or Net Indebtedness (-) Mill. mk				End of Month	
	1947	1948	1949	1947	1948	1949	1947	1948	1949	Monthly Movement		
Jan.	<i>2 460</i>			<i>2 104</i>			+ 356					Jan.
Feb.	2 501	2 982	2 128	2 299	2 566	2 008	+ 202	+ 416	+ 120	+ 13		Feb.
March	2 397	2 447	2 034	2 092	2 219	2 119	+ 305	+ 228	- 85	- 205		March
April	2 322	2 380		2 224	2 161		+ 98	+ 219				April
May	2 351	2 890		2 309	2 340		+ 42	+ 550				May
June	2 588	2 583		2 450	2 282		+ 138	+ 301				June
July	2 815	2 496		2 474	2 217		+ 341	+ 279				July
Aug.	3 351	2 394		2 442	2 184		+ 909	+ 210				Aug.
Sept.	3 232	2 505		2 230	2 221		+1 002	+ 284				Sept.
Oct.	3 777	2 631		2 564	2 359		+1 213	+ 272				Oct.
Nov.	3 975	2 528		2 792	2 273		+1 183	+ 255				Nov.
Dec.	4 150	2 550		3 105	2 385		+1 045	+ 165				Dec.
	4 085	2 194		2 948	2 087		+1 137	+ 107				

10. — FOREIGN PAYMENT POSITION OF ALL BANKS. <sup>1)</sup>

End of Month	Net Claims (+) or Net Indebtedness (-) Mill. mk					Monthly Movement
	1946	1947	1948	1949		
Jan.	<i>-1 556</i>					
Feb.	-1 166	-4 806	-1 631	-1 167	- 151	
March	- 398	-4 621	-1 525	-1 606	- 439	
April	-1 289	-3 762	-1 061			
May	-1 487	-4 572	-3 185			
June	-6 509	-3 722	-3 135			
July	-3 486	-3 360	-3 589			
Aug.	-9 289	-1 940	-4 101			
Sept.	-8 620	-1 968	-3 930			
Oct.	-7 439	- 690	-3 056			
Nov.	-6 350	- 588	-2 698			
Dec.	-5 595	-364	-1 494			
	-5 153	- 335	-1 016			

11. — DEPOSITS IN POST OFFICE SAVINGS BANK. <sup>2)</sup>

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

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

<sup>2)</sup> According to figures supplied by the Post Office Savings Bank.

## 12. — DEPOSITS IN THE SAVINGS BANKS.

End of Month	Savings Accounts Mill. mk			Current Accounts Mill. mk			Total Mill. mk					End of Month	
	1947	1948	1949	1947	1948	1949	1946	1947	1948	1949	Monthly Movement		
Jan.	<i>19 461</i>			<i>1 320</i>			<i>18 330</i>						Jan.
Feb.	19 637	23 102	28 193	1 228	1 969	1 973	18 381	20 865	25 071	30 166	+ 826		Feb.
March	19 834	23 282	29 012	1 263	1 920	1 806	18 526	21 097	25 202	30 818	+ 652		March
April	20 203	23 506		1 426	1 953		18 751	21 629	25 459				April
May	20 530	23 951		1 624	2 030		18 946	22 154	25 981				May
June	20 681	23 997		1 654	1 808		19 040	22 335	25 806				June
July	20 763	24 075		1 669	1 820		19 565	22 432	25 895				July
Aug.	21 100	24 515		1 787	2 039		19 691	22 887	26 554				Aug.
Sept.	21 497	24 987		1 798	1 970		19 939	23 295	26 957				Sept.
Oct.	21 567	25 233		1 946	2 020		20 037	23 513	27 253				Oct.
Nov.	21 591	25 407		2 132	2 337		19 925	23 723	27 744				Nov.
Dec.	21 519	25 676		2 082	2 326		19 927	23 601	28 002				Dec.
	22 880	27 380*		2 044	1 960*		20 781	24 924	29 340*				

According to figures supplied by the Central Statistical Office.

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

\* Preliminary figures subject to minor alterations.

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

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

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

**14. — DEPOSITS IN ALL CREDIT INSTITUTIONS. <sup>1)</sup>**

End of Month	Total Deposits due to the Public				
	Mill. mk				
	1946	1947	1948	1949	Monthly Movement
Jan.	<i>61 417</i>				
Feb.	59 332	70 534	85 598	104 009	+ 3 153
March	59 378	70 066	84 132	102 711	— 1 298
April	60 517	72 866	87 632		
May	62 351	74 405	89 047		
June	62 475	75 290	88 090		
July	63 601	76 046	88 845		
Aug.	64 423	77 264	91 806		
Sept.	65 664	79 070	93 014		
Oct.	66 716	81 102	95 604		
Nov.	67 988	81 390	98 157		
Dec.	67 504	80 303	96 313		
	70 017	85 426	100 856*		

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

**15. — INSURANCES IN LIFE ASSURANCE COMPANIES.**

End of Month	New risks accepted <sup>1)</sup>			
	1948		1949	
	Number	Amount Mill. mk	Number	Amount Mill. mk
Jan.	14 084	1 334	14 404	1 692
Feb.	16 386	1 620	17 603	2 080
March	16 841	1 710		
April	16 620	1 773		
May	15 288	1 673		
June	16 189	1 840		
July	11 032	1 221		
Aug.	13 218	1 482		
Sept.	15 312	1 822		
Oct.	18 974	2 253		
Nov.	22 122	2 536		
Dec.	25 766	3 304		
	201 832	22 618		
	30 470	2 954	32 007	3 772
				<b>Total</b>
				Jan.-Feb.

<sup>1)</sup> According to information supplied by the Finnish Life Assurance Companies.

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

Year and Quarter	Companies founded		Companies with increased Capital		Companies liquidated		Companies with reduced Capital		Net increase (+) or reduction (—)		Year and Quarter
	Num-ber	Capital Mill. mk	Num-ber	Increase of Capital Mill. mk	Num-ber	Capital Mill. mk	Num-ber	Reduction of Capital Mill. mk	Num-ber	Capital Mill. mk	
1944	523	238	316	633	176	128	2	1	+ 347	+ 742	1944
1945	1 485	797	428	511	120	111	4	34	+1 365	+1 163	1945
1946	1 355	649	956	3 764	110	51	8	7	+1 245	+4 355	1946
1947	955	749	826	2 740	98	47	7	73	+ 857	+3 369	1947
1948	1 316	1 679	691	4 367	159	180	24	55	+1 157	+5 811	1948
1947											1947
Oct.-Dec.	221	264	221	1 340	43	19	5	3	+ 178	+1 582	Oct.-Dec.
1948											1948
Jan.-Mar.	202	480	177	500	37	14	5	37	+ 165	+ 929	Jan.-Mar.
April-June	316	236	174	827	37	13	1	2	+ 279	+1 048	April-June
July-Sept.	363	632	132	985	22	17	5	3	+ 341	+1 647	July-Sept.
Oct.-Dec.	435	277	208	2 055	63	135	13	13	+ 372	+2 184	Oct.-Dec.

Figures supplied by the Central Statistical Office.

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

\* Preliminary figures subject to minor alterations.



**17. — BANKRUPTCIES.**

Month	Bankruptcies <sup>1)</sup>				
	Number				
	1944	1945	1946	1947	1948*
January	7	10	13	15	9
February	10	7	8	14	8
March	4	6	10	8	14
April	12	3	7	10	12
May	6	7	11	5	9
June	2	12	6	12	5
July	9	3	6	5	7
August	12	8	6	8	12
September	15	2	6	11	11
October	10	11	17	8	15
November	10	2	13	12	11
December	8	8	5	7	24
<b>Total</b>	<b>105</b>	<b>79</b>	<b>108</b>	<b>115</b>	<b>137</b>

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

**18. — STOCK EXCHANGE.**

Month	Turnover of Stock Exchange <sup>1)</sup>				
	Mill. mk				
	1945	1946	1947	1948	1949
January	29	54	83	122	89
February	41	75	84	105	84
March	117	65	70	106	
April	108	57	81	147	
May	81	144	106	89	
June	129	87	75	120	
July	114	59	70	100	
August	132	40	53	91	
September	219	87	166	93	
October	157	170	151	99	
November	94	206	110	113	
December	109	144	200	91	
<b>Total</b>	<b>1 330</b>	<b>1 188</b>	<b>1 249</b>	<b>1 276</b>	<b>1 173</b>
	<b>70</b>	<b>129</b>	<b>167</b>	<b>227</b>	<b>173</b>

<sup>1)</sup> According to data supplied by the Stock Exchange Committee.

**19. — STOCK EXCHANGE INDEX.**

Month	Share Prices												Month
	All kinds				Bank Shares				Industrial Shares				
	1946	1947	1948	1949	1946	1947	1948	1949	1946	1947	1948	1949	
January	414	324	337	241	143	108	110	94	536	411	423	277	January
February	324	304	304	246	130	106	105	95	407	379	377	281	February
March	293	297	259		121	107	99		364	366	313		March
April	324	310	269		124	105	102		405	388	322		April
May	396	296	265		130	104	101		519	371	315		May
June	436	292	273		129	102	99		582	365	328		June
July	378	282	272		122	99	101		496	348	326		July
August	356	282	259		121	98	100		462	348	306		August
September	358	308	247		125	102	97		463	384	290		September
October	368	337	237		123	103	97		477	424	272		October
November	370	332	233		117	103	96		481	418	266		November
December	340	336	228		110	104	94		436	423	259		December
<b>Whole year</b>	<b>363</b>	<b>308</b>	<b>265</b>		<b>125</b>	<b>104</b>	<b>100</b>		<b>469</b>	<b>385</b>	<b>316</b>		<b>Whole year</b>

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

**20. — PUBLIC DEBT.**

End of Year and Month	According to the Finance Accounts (Mill. mk <sup>1)</sup> )									Mill. Dollars <sup>2)</sup>	End of Year and Month
	Funded Debt			Short-term Credit			Total Public Debt				
	Foreign	Internal	Total	Foreign	Internal	Total	Foreign	Internal	Total		
1944	4 010	38 608	42 618	2 088	22 806	24 894	6 098	61 414	67 512	1 368	1944
1945	15 664	39 994	55 658	4 283	25 732	30 065	19 947	65 776	85 723	630	1945
1946	26 561	51 301	77 862	5 072	22 137	27 209	31 633	73 438	105 071	773	1946
1947	33 484	57 292	90 776	5 073	22 251	27 324	38 557	79 543	118 100	868	1947
1948											1948
Sept.	37 911	53 559	91 470	5 098	25 771	30 869	43 009	79 330	122 339	900	Sept.
Oct.	38 517	53 553	92 070	5 099	26 481	31 580	43 616	80 034	123 650	909	Oct.
Nov.	38 667	53 498	92 165	5 100	21 702	26 802	43 767	75 200	118 967	875	Nov.
Dec.	38 512	53 523	92 035	5 093	24 439	29 532	43 605	78 012	121 617	894	Dec.
1949											1949
Jan.	38 613	52 269	90 882	5 096	21 766	26 862	43 709	74 035	117 744	866	Jan.
Feb.	38 649	51 763	90 412	5 080	17 502	22 582	43 729	69 265	112 994	831	Feb.

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

## 21.— STATE REVENUE AND EXPENDITURE.

Year and Month	Total Revenue	Current Revenue <sup>1)</sup> derived from						Capital Revenue	Expenditure			Year and Month
		Income and Property tax <sup>2)</sup>	Stamp duty	Sales tax	Interest and Dividends	Railways, Posts, Telegraphs <sup>3)</sup>	State Forests <sup>3)</sup>		Total	Current	Capital	
Mill. mk												
1947 Whole year	94 261	23 349	1 775	18 288	6 329	279	1 493	24 054	87 811	66 578	21 233	1947 Whole year
1948* Whole year	113 692	28 838	2 978	27 676	7 903	2 111	1 149	14 258	104 587	75 175	29 412	1948* Whole year
1949 Budget	100 256	20 575	2 275	25 000	8 635	983	912	6 739	100 243	69 828	30 415	1949 Budget

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

## 22.— COLLECTION OF CUSTOMS.

Year and Month	Total Customs Receipts	Customs duty on		Fines, Light, Dues, etc.
		Imported goods incl. storage charges	Exported goods	
Mill. mk				
1948 January	379	362	0	17
1948 Whole year	9 482	9 272	0	210
1949 January	647	632	—	15
1949 Budget	9 875	9 700	1	174

## 23.— COLLECTION OF EXCISE DUES.

Year and Month	Total Excise Dues	Excise on			
		Tobacco	Spirits	Beer	Matches
Mill. mk					
1947 Whole year	5 371	4 392	186	241	241
1948* Whole year	9 269	6 820	171	276	290
1949 Budget	7 291	6 000	156	400	275

## 24.— VALUE OF IMPORTS AND EXPORTS.

Month	Imports (c. i. f.) Mill. mk			Exports (f. o. b., free exports) Mill. mk			Surplus of Imports (—) or Exports (+) Mill. mk			Month
	1947	1948*	1949*	1947	1948*	1949*	1947	1948*	1949*	
January	2 825	3 963	4 113	1 961	2 505	3 124	— 864	— 1 458	— 989	January
February	2 304	4 285	4 200	1 170	3 354	3 682	— 1 134	— 931	— 518	February
March	1 138	3 589		784	2 987		— 354	— 602		March
April	1 463	4 939		2 107	4 467		+ 644	— 472		April
May	3 843	6 025		4 855	3 696		+ 1 012	— 2 329		May
June	3 939	7 006		4 532	5 201		+ 643	— 1 805		June
July	4 899	5 938		5 768	6 349		+ 869	+ 411		July
August	4 014	5 397		5 498	5 407		+ 1 484	+ 10		August
September	5 196	5 508		4 808	5 943		— 388	+ 435		September
October	5 219	5 526		4 885	5 685		— 334	+ 159		October
November	4 972	5 961		5 018	5 509		+ 46	— 452		November
December	7 159	8 302		3 792	5 403		— 3 367	— 2 899		December
Total	46 971	66 439		45 228	56 506		— 1 743	— 9 933		Total
Jan.—Feb.	5 129	8 248	8 313	3 131	5 859	6 806	— 1 998	— 2 389	— 1 507	Jan.—Feb.

Tables 24—29 according to Finnish Official Statistics I, A, Foreign Trade of Finland, Monthly Reports.  
 The term *imports* covers all imported goods which are placed on the market either immediately after importation or after storage. *Exports* covers all goods exported from the open market, including re-exports. Goods are declared to the Customs by their owner, who must at the same time state the value of the goods as calculated at the frontiers of the country.

\* Preliminary figures subject to minor alterations.

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

Classes of Goods	Imports (c. i. f.) Mill. mk					Exports (f. o. b.) Mill. mk				
	Whole year		January			Whole year		January		
	1947	1948*	1947	1948*	1949*	1947	1948*	1947	1948*	1949*
Dairy produce, eggs, honey	203	1 939	81	119	10	34	13	2	—	—
Other animal products, live animals .....	688	1 117	76	88	4	1 098	219	5	4	9
Vegetables .....	13	16	1	2	1	32	1	—	—	—
Eatable fruit .....	247	537	11	38	43	12	11	3	1	1
Coffee, tea, spices .....	296	710	1	3	16	—	—	—	—	—
Cereals, milling products ..	6 586	6 835	478	386	287	0	29	—	—	12
Certain seeds and fruit, plants for industrial purposes ..	293	425	36	60	51	10	9	0	4	4
Raw materials for tanning and dyeing .....	122	74	4	7	4	—	—	—	—	—
Animal and vegetable fats	1 288	1 685	46	132	210	0	1	0	—	—
Meat and fish products ..	92	351	0	0	0	—	0	—	—	—
Sugar, sweets .....	1 250	2 024	60	112	120	7	18	—	2	1
Beverages, vinegars .....	236	209	22	32	73	152	173	11	40	60
Fodder .....	381	1 000	—	—	0	—	0	—	—	—
Tobacco .....	624	1 301	46	62	2	—	—	—	—	—
Minerals, ore .....	954	1 168	83	66	37	71	133	8	3	6
Mineral fuel and oils .....	6 317	10 735	267	760	404	0	0	—	—	—
Chemical and pharmaceutical products .....	1 768	2 000	110	174	143	127	171	7	13	11
Tanning and dyeing extracts, varnishes .....	808	1 108	53	66	101	13	7	0	0	0
Caseine, albumine, glues ..	394	333	21	15	20	0	7	—	—	5
Fertilizers .....	2 105	2 083	126	136	230	—	—	—	—	—
Hides, skins, leather and furs; manufactures of these materials .....	670	1 206	34	35	167	261	312	17	35	18
Rubber and rubber articles	968	1 085	37	92	78	1	4	—	0	0
Wood and wooden goods ..	51	78	1	2	6	19 467	23 797	637	668	771
Woodpulp .....	10	4	—	—	—	10 722	16 009	407	945	949
Cardboard and paper, their applications .....	61	91	4	6	5	11 001	12 931	699	658	1 016
Textile materials, textile goods .....	3 935	6 493	241	370	572	744	907	62	54	41
Footwear .....	206	244	4	18	30	0	3	—	—	—
Articles of stone and of other mineral material, glass ..	326	523	19	35	39	356	323	21	17	24
Base metals; articles made therefrom .....	7 708	10 472	376	628	709	581	722	48	30	126
Machinery, apparatus .....	2 449	3 973	169	198	332	103	160	8	10	30
Electrical machinery and apparatus .....	1 136	1 965	61	97	142	93	116	4	3	5
Transport material .....	3 879	3 305	293	127	210	29	60	1	10	14
Instruments, clocks and watches, musical instruments .....	245	305	13	34	25	9	15	1	0	2
All others .....	662	1 045	51	63	42	305	355	20	8	19
<b>Total free trade</b>	<b>46 971</b>	<b>66 439</b>	<b>2 825</b>	<b>3 963</b>	<b>4 113</b>	<b>45 228</b>	<b>56 506</b>	<b>1 961</b>	<b>2 505</b>	<b>3 124</b>
Reparation deliveries .....						10 405	11 546	549	742	756
Restitution goods .....						—	—	—	—	—

\* Preliminary figures subject to minor alterations.

## 26. — IMPORTS OF THE MOST IMPORTANT ARTICLES.

Month	Wheat Tons			Rye Tons			Sugar Refined and unrefined Tons			Month
	1947	1948*	1949*	1947	1948*	1949*	1947	1948*	1949*	
January	17 065	1 871	16 140	14 341	14 840	—	1 501	4 130	4 774	January
February	—	9 328		12 817	21 825		1 587	3 688		February
March	7 774	10 917		2 467	8 382		1 431	4 172		March
April	3 657	14 820		18 239	2 129		626	6 861		April
May	12 700	10 793		2 601	14 445		2 529	8 635		May
June	2 099	18 354		9 333	26 580		7 802	8 159		June
July	11 004	3 281		9 192	20 034		6 040	10 072		July
August	9 488	—		14 257	14 093		5 168	11 804		August
September	9 434	6 096		26 608	31		3 773	9 075		September
October	90	5 954		30 138	—		13 765	7 974		October
November	18 476	12 941		7 533	3 495		3 892	8 168		November
December	—	15 103		26 354	—		350	9 668		December
Total	91 787	109 458		173 880	125 854		48 464	92 406		Total

Month	Raw Tobacco Tons			Coal and Coke Tons			Petrol Tons			Month
	1947	1948*	1949*	1947	1948*	1949*	1947	1948*	1949*	
January	215	319	12	40 833	203 586	93 321	7 545	13 325	14 006	January
February	205	355		50 620	88 621		7 404	12 473		February
March	254	336		5 018	32 167		8 697	15 028		March
April	232	398		61	111 205		9 989	15 406		April
May	247	328		24 555	267 139		10 137	11 040		May
June	245	318		112 824	297 885		12 854	24 908		June
July	124	130		223 939	313 171		15 222	18 007		July
August	345	382		140 047	163 571		16 454	18 961		August
September	328	358		238 278	257 148		16 086	17 138		September
October	353	383		245 516	260 432		15 637	18 062		October
November	331	421		164 656	233 013		12 428	19 191		November
December	216	2 902		252 630	187 030		16 295	15 980		December
Total	3 095	6 630		1 498 977	2 414 968		148 748	199 519		Total

Month	Raw Cotton Tons			Pig Iron Tons			Bar Iron and Bar Steel Tons			Month
	1947	1948*	1949*	1947	1948*	1949*	1947	1948*	1949*	
January	1 088	1 154	538	10	613	18	3 193	4 006	6 888	January
February	3 430	1 088		5	598		3 789	8 320		February
March	1 451	1 000		20	632		846	7 605		March
April	—	15		100	325		1 005	9 261		April
May	1 871	1 178		920	575		7 890	8 773		May
June	1 263	—		270	1 695		7 759	10 804		June
July	—	—		40	1 079		6 736	11 556		July
August	93	2 570		2 255	2 619		5 427	9 540		August
September	—	—		3 902	35		9 532	6 182		September
October	587	905		4 935	543		10 064	6 842		October
November	12	534		1 040	2 326		8 977	4 997		November
December	859	1 412		2 066	7 925		20 314	7 617		December
Total	10 654	9 856		15 613	18 965		85 532	95 503		Total

\* Preliminary figures subject to minor alterations.

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

Month	Wooden Houses and Barracks Tons			Round Timber All kinds excl. fuel 1 000 m <sup>3</sup>			Sawn Timber <sup>2)</sup> All kinds 1 000 standards			Month
	1947	1948*	1949*	1947	1948*	1949*	1947	1948*	1949*	
January	7 971	6 077	1 361	30	35	56	15	10	12	January
February	8 393	11 641		15	4		5	10		February
March	11 542	10 894		—	1		5	11		March
April	10 159	21 324		1	0		4	7		April
May	15 832	20 375		33	8		9	9		May
June	13 088	20 274		118	54		34	26		June
July	11 651	15 999		387	329		66	81		July
August	11 159	12 430		391	510		72	64		August
September	15 005	11 202		415	438		63	76		September
October	16 711	12 966		280	355		53	61		October
November	13 699	11 332		178	197		58	68		November
December	13 671	4 667		88	66		32	47		December
Total	148 881	159 181		1 936	1 997		416	470		Total

Month	Matches Tons			Plywood 1 000 m <sup>3</sup>			Bobbins (spools) Tons			Month
	1947	1948*	1949*	1947	1948*	1949*	1947	1948*	1949*	
January	205	26	37	8	9	11	67	158	147	January
February	114	98		7	14		46	357		February
March	4	100		1	9		—	184		March
April	105	189		10	13		212	380		April
May	424	73		22	14		511	322		May
June	195	11		20	16		252	311		June
July	36	55		14	14		145	109		July
August	80	16		12	12		154	355		August
September	31	56		10	15		369	322		September
October	47	49		17	19		251	371		October
November	6	160		15	16		466	426		November
December	249	227		19	24		260	192		December
Total	1 496	1 060		155	175		2 733	3 487		Total

Month	Mechanical Pulp <sup>3)</sup> Tons			Sulphite Cellulose <sup>3)</sup> Tons			Sulphate Cellulose <sup>3)</sup> Tons			Month
	1947	1948*	1949*	1947	1948*	1949*	1947	1948*	1949*	
January	4 075	1 352	9 266	19 410	29 651	21 937	10 653	19 175	18 443	January
February	1 162	3 267		9 742	26 763		8 591	27 342		February
March	—	2 093		1 166	27 084		1 806	24 245		March
April	142	9 541		10 328	36 597		10 750	37 194		April
May	13 011	9 090		45 149	19 203		35 379	21 232		May
June	8 405	17 528		34 597	46 404		25 657	38 785		June
July	15 137	11 807		44 240	33 570		50 147	32 654		July
August	9 667	10 237		24 695	17 485		34 002	21 103		August
September	4 877	8 126		24 468	33 029		31 523	26 159		September
October	4 873	4 612		22 423	30 191		23 378	23 716		October
November	3 411	6 822		33 237	31 036		26 712	26 664		November
December	366	12 622		20 242	40 413		19 899	32 743		December
Total	65 126	97 097		289 697	371 426		278 497	331 012		Total

<sup>1)</sup> Free exports. — <sup>2)</sup> 1 standard sawn timber = 4.672 m<sup>3</sup>. — <sup>3)</sup> Dry weight.

\* Preliminary figures subject to minor alterations.

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

Month	Cardboard All kinds Tons			Paper All kinds Tons			Newsprint (Included in previous column) Tons			Month
	1947	1948*	1949*	1947	1948*	1949*	1947	1948*	1949*	
January	7 891	5 921	7 043	24 094	23 848	34 950	12 880	16 318	24 960	January
February	2 675	8 021		9 300	32 121		4 953	17 935		February
March	812	8 230		9 919	21 699		7 299	11 337		March
April	8 170	8 620		24 521	45 207		15 389	31 769		April
May	16 957	8 132		55 029	37 564		32 864	26 217		May
June	11 102	7 974		43 875	36 018		26 861	26 341		June
July	8 510	10 084		40 110	40 466		29 713	29 054		July
August	7 161	9 076		45 278	36 369		32 561	27 467		August
September	8 266	9 632		28 050	28 013		18 328	18 587		September
October	10 857	10 405		36 402	44 151		23 358	32 908		October
November	11 711	9 317		37 101	35 344		23 749	24 770		November
December	9 011	12 649		29 655	35 677		18 423	26 072		December
Total	103 123	108 061		383 334	416 477		246 378	288 775		Total

## 28. — FOREIGN TRADE WITH VARIOUS COUNTRIES.

Country	Imports (c. i. f.)					Exports (f. o. b., free exports)				
	Whole year		January			Whole year		January		
	1947	1948*	1948*	1949*		1947	1948*	1948*	1949*	
	%	%	%	MILL. mk	%	%	%	MILL. mk	%	%
Europe:										
Belgium	7.9	4.9	7.9	171	4.2	5.2	3.8	53	1.7	
Bulgaria	0.0	0.1	0.0	—	—	0.0	0.1	51	1.6	
Czechoslovakia	0.7	1.0	1.2	107	2.6	0.3	0.5	52	1.7	
Denmark	6.4	8.1	12.4	282	6.9	7.2	6.4	212	6.8	
France	4.3	4.5	6.0	405	9.8	3.9	5.6	123	3.9	
Germany	0.8	0.0	0.0	28	0.7	0.1	0.8	17	0.5	
Great Britain	17.5	25.1	20.0	862	21.0	30.0	28.3	808	25.7	
Greece	0.5	0.6	0.4	1	0.0	0.7	0.9	35	1.1	
Holland	4.7	6.0	5.4	383	9.3	4.5	7.2	252	8.1	
Italy	0.4	0.5	0.3	4	0.1	1.6	0.5	61	1.9	
Norway	3.9	2.1	1.4	26	0.6	2.0	1.4	65	2.1	
Poland	3.6	6.9	7.0	187	4.5	2.1	2.0	14	0.5	
Rumania	0.0	0.0	0.0	0	0.0	0.0	0.0	—	—	
Soviet Union	11.3	12.4	9.7	583	14.2	12.4	14.7	504	16.1	
Sweden	4.8	4.8	3.6	285	6.9	5.7	5.5	191	6.1	
Switzerland	0.8	1.1	2.4	30	0.7	0.9	0.9	2	0.1	
Turkey	0.5	0.6	0.4	41	1.0	0.4	0.5	11	0.4	
Other European countries	0.4	1.4	0.4	60	1.5	1.7	2.0	57	1.8	
Total for Europe	67.7	80.9	78.1	3 455	84.0	78.6	81.1	2 503	80.1	
Asia	0.2	0.2	0.1	3	0.1	1.5	1.4	50	1.6	
Africa	0.1	0.2	0.0	35	0.8	3.1	3.1	36	1.2	
United States	23.7	12.0	14.0	378	9.2	11.5	9.5	27.7	8.9	
Other States of North America	0.5	0.4	0.0	13	0.3	0.1	0.2	20	0.6	
South America	7.8	6.2	7.6	226	5.5	4.5	4.1	169	5.4	
Australia	0.0	0.1	0.2	3	0.1	0.7	0.6	69	2.2	
Grand total	100.0	100.0	100.0	4 113	100.0	100.0	100.0	3 124	100.0	

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

\* Preliminary figures subject to minor alterations.

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

Year and Month	Total Imports	Groups of Imported Goods				Total Exports	Principal Exported Goods				Year and Month
		Raw materials	Machinery	Food-stuffs	Other consumption goods		Sawn timber	Mechanical pulp	Dry cellulose	Paper	
1944	457	468	360	560	400	323	292	309	337	314	1944
1945	709	729	798	713	447	452	433	597	436	445	1945
1946	896	888	883	947	846	799	802	835	700	777	1946
1947	950	941	898	1 030	912	1 175	1 177	1 257	1 148	1 049	1947
1948											1948
January	1 135	999	1 456	1 310	1 055	1 292	1 303	2 016	1 223	1 038	January
Jan.—Sept.	1 042	1 092	962	1 025	1 007	1 378	1 320	1 791	1 380	1 226	Jan.—Sept.
Jan.—Oct.	1 037	1 086	959	1 017	997	1 379	1 320	1 777	1 387	1 228	Jan.—Oct.
Jan.—Nov.	1 036	1 083	952	1 022	994	1 382	1 322	1 763	1 392	1 241	Jan.—Nov.
Jan.—Dec.	1 036	1 080	957	1 019	998	1 383	1 323	1 746	1 393	1 246	Jan.—Dec.
1949											1949
January	1 041	1 068	939	1 078	1 002	1 382	1 378	1 588	1 405	1 255	January

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

## 30. — TOTAL SALES OF WHOLESALE FIRMS.

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

Calculated by the 'Usui Suomi'. The figures represent approximately 80—90 % of the turnover of all wholesalers in Finland.

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

Month	Home Industries										Exporting Industries					Month
	Value Index					Volume Index					Volume Index					
	1943	1944	1945	1946	1947	1943	1944	1945	1946	1947	1944	1945	1946	1947	1948	
January	204	244	221	530	624	97	97	76	94	105	47	40	55	75	83	January
February	257	288	264	607	814			89	107	137	48	38	55	76	88	88
March	237	265	220	548	749	89	76	73	94	125	51	40	57	79	84	March
April	208	211	220	582	733			70	97	123	53	44	59	79	101	101
May	208	222	220	528	681	89	76	69	88	113	51	47	66	80	92	May
June	201	199	239	561	691			69	93	115	40	50	63	80	93	93
July	226	239	213	582	655	77	78	56	97	107	31	47	65	67	80	July
August	194	235	309	620	732			69	103	113	33	48	62	73	82	82
September	184	199	341	676	799	75	72	72	112	123	32	52	70	85	96	September
October	179	195	390	609	850			76	101	126	32	56	69	82	94	94
November	205	230	484	669	1 069	75	72	89	111	152	32	54	70	75	93	November
December	221	221	470	713	1 121			85	118	152	38	51	71	78	94	94
Whole year	208	225	303	607	795	82	80	76	102	125	39	48	62	78	90	Whole year

•Units: index based on seasonally adjusted monthly figures.

## 82. — BUILDING ACTIVITY.

Month	Consumption of Cement in Finland <sup>1)</sup>						Plans approved in the Capital <sup>2)</sup>						Month
	1 000 tons						All buildings, 1 000 m <sup>3</sup>						
	1943	1944	1945	1946	1947	1948	1944	1945	1946	1947	1948*	1949*	
January							0.6	64.7	105.6	39.2	34.7	38.9	January
February	28	31	46	27	54	74	0.3	35.5	91.8	28.4	71.3	234.1	February
March							25.6	71.9	39.2	37.5	135.0		March
April							2.9	116.8	97.1	64.3	80.2		April
May	73	60	89	79	112	160	8.1	229.7	54.5	67.6	110.7		May
June							70.2	101.7	56.9	62.2	91.4		June
July							1.5	126.5	119.9	64.1	92.2		July
August	79	52	83	127	152	164	6.9	42.5	87.4	72.5	35.3		August
September							0.0	12.6	57.8	65.6	75.4		September
October							1.7	47.7	101.6	122.5	70.0		October
November	46	44	63	96	103	129	40.6	150.9	73.2	37.9	57.8		November
December							42.0	36.1	119.2	27.9	65.1		December
Total	226	187	281	329	421	527	200.4	1 036.6	1 004.2	689.7	919.2		Total
Jan.-Feb.							0.9	100.2	197.4	67.6	106.0	268.0	Jan.-Feb.

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

## 83. — FOREIGN SHIPPING.

Year and Month	Arrivals				Sailings				Year and Month
	Number of vessels		Net reg. tons		Number of vessels		Net reg. tons		
	Total	of which Finnish	Total	of which with Cargo	Total	of which Finnish	Total	of which with Cargo	
1946	3 024	1 557	2 338 761	1 482 639	3 020	1 571	2 332 110	1 844 150	1946
1947	4 020	1 926	3 568 942	2 362 715	3 989	1 895	3 492 515	2 684 134	1947
1948	5 247	2 543	4 015 397	2 845 408	5 280	2 558	4 080 886	2 869 566	1948
1948									1948
January	140	85	182 485	166 625	164	99	234 519	119 612	January
August	815	344	509 246	266 131	795	336	486 130	410 754	August
September	731	351	491 608	287 212	707	324	466 076	360 470	September
October	592	301	393 189	246 155	610	304	432 565	328 967	October
November	467	252	411 914	282 106	467	231	415 432	310 791	November
December	329	210	309 767	249 602	373	212	371 332	251 487	December
1949									1949
January	157	106	178 102	145 588	169	115	203 918	138 412	January

Figures supplied by the Statistical Office of the Shipping Board.

## 84. — STATE RAILWAYS.

Month	Weight of Goods transported			Axle-kilometres of goods trucks		Revenue (less Re-imburements)			Regular Expenditure			Month
	1 000 tons			Mill. km		Mill. mk			Mill. mk			
	1946	1947	1948	1947	1948	1946	1947	1948	1946	1947	1948	
January	996	1 144	1 154	70	66	414	477	1 017	495	480	786	January
February	855	1 022	1 157	62	73	370	443	1 048	509	557	951	February
March	1 052	1 118	1 239	69	79	459	479	1 194	479	587	1 003	March
April	1 073	1 167	1 313	73	84	500	552	1 205	465	540	956	April
May	1 189	1 326	1 350	77	73	484	616	1 136	520	693	1 081	May
June	1 231	1 282	1 493	68	72	575	646	1 281	497	782	1 020	June
July	1 363	1 492	1 416	68	74	596	880	1 293	511	702	1 044	July
August	1 391	1 395	1 293	70	70	600	877	1 170	558	608	951	August
September	1 261	1 439	1 313	69	70	528	827	1 064	582	696	968	September
October	1 375	1 408	1 304	69	72	513	840	1 093	512	681	1 020	October
November	1 182	1 203	1 280	64	68	515	721	1 084	627	692	995	November
December	1 094	1 160	1 142	65	62	532	902	1 057	731	1 496	1 133	December
Total	14 061	15 156	15 454	824	863	6 086	8 260	13 642	6 486	8 514	11 958	Total

According to Monthly Statistics of the Finnish State Railways.

\* Preliminary figures subject to minor alterations.



**35. — WHOLESALE PRICE INDEX. 1935=100.**

Month	Index for Goods in Finnish Wholesale trade										Articles of Import (s. i. f.)		Articles of Export (f. o. b.)		Month		
	Finnish Goods										Imported Goods						
	Total Index		Total		Products of agriculture		Products of forestry		Products of industry								
	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949	1947	1948	1947	1948			
Jan.	1 010		1 029		1 571		1 336		738		962		764		883		Jan.
Feb.	1 026	1 088	1 042	1 099	1 504	1 137	1 415	1 516	771	950	983	1 060	810	978	1 027	1 265	Feb.
March	1 033		1 050		1 479		1 428		788		992		827	988	1 040	1 274	Feb.
April	1 074		1 106		1 456		1 457		879		995		838	986	1 041	1 271	March
May	1 079		1 103		1 393		1 458		894	1 019	1 019		847	990	1 159	1 285	April
June	1 089		1 114		1 391		1 474		908	1 025	1 025		840	996	1 158	1 285	May
July	1 102		1 132		1 431		1 474		924	1 027	1 027		850	996	1 162	1 276	June
Aug.	1 124		1 162		1 463		1 566		933	1 027	1 027		854	1 006	1 175	1 292	July
Sept.	1 118		1 153		1 412		1 566		935	1 030	1 030		885	1 009	1 171	1 292	Aug.
Oct.	1 116		1 147		1 362		1 543		948	1 038	1 038		894	1 012	1 171	1 294	Sept.
Nov.	1 110		1 141		1 318		1 546		952	1 032	1 032		921	992	1 174	1 296	Oct.
Dec.	1 107		1 132		1 285		1 536		951	1 043	1 043		932	997	1 174	1 266	Nov.
Dec.	1 104		1 126		1 269		1 522		950	1 049	1 049		955	998	1 174	1 238	Dec.
Whole year	1 090		1 117		1 397		1 499		903		1 022		871	996	1 135	1 278	Whole year

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

**36. — COST OF LIVING INDEX.**

Month	August 1938— July 1939 = 100			1935 = 100												Month	
	Total Index			Total Index			Foodstuffs		Rent		Fuel and light		Clothing		Taxes		
	1947	1948	1949	1947	1948	1949	1948	1949	1948	1949	1948	1949	1948	1949	1948		1949
Jan.	468		795	509		866	994		161		1 217		679		1 155		Jan.
Feb.	471	763		513	881		1 037	1 057	161	161	1 226	1 593	745	954	1 247	1 900	Jan.
March	482	753		525	820		999		161		1 242		785		1 247		Feb.
April	524	761		571	829		990		161		1 317		809		1 247		March
May	546	765		594	833		975		161		1 326		816		1 331		April
June	559	765		609	833		963		161		1 343		847		1 331		May
July	567	773		618	842		976		161		1 347		859		1 331		June
Aug.	595	809		648	881		983		161		1 349		868		1 908		July
Sept.	607	816		661	889		993		161		1 349		883		1 908		Aug.
Oct.	617	812		672	885		978		161		1 372		899		1 908		Sept.
Nov.	632	810		689	882		1 124		161		1 406		920		1 930		Oct.
Dec.	690	805		751	876		1 098		161		1 545		930		1 930		Nov.
Dec.	720	798		785	869		1 075		161		1 601		934		1 930		Dec.
Whole year	584	786		636	856		1 016		161		1 369		858		1 604		Whole year

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

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

Year	Total Index					Index of the Contractor					Index of Overhead Costs					Year
	I	II	III	IV	Aver.	I	II	III	IV	Aver.	I	II	III	IV	Aver.	
1937	.	.	.	.	120	.	.	.	.	120	.	.	.	.	115	1937
1938	.	.	.	.	127	.	.	.	.	127	.	.	.	.	121	1938
1939	129	130	134	141	134	130	130	134	141	134	124	124	128	134	128	1939
1940	151	157	165	172	161	152	158	165	173	162	141	147	154	157	150	1940
1941	180	189	195	199	191	181	191	196	201	192	164	173	178	182	174	1941
1942	212	226	231	243	228	213	227	233	245	230	193	206	204	215	205	1942
1943	244	252	259	264	255	246	254	261	266	257	216	223	230	233	226	1943
1944	267	271	272	283	273	269	273	274	286	276	236	240	241	245	241	1944
1945	299	396	503	529	432	302	399	507	534	436	259	342	435	457	373	1945
1946	564	613	657	683	629	570	619	664	689	636	489	530	569	591	545	1946
1947	706	733	781	935	789	708	734	782	937	790	679	715	762	911	767	1947
1948	1 125	1 194	1 206	1 210	1 184	1 115	1 182	1 192	1 197	1 172	1 246	1 348	1 380	1 385	1 340	1948

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

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

## 38. — INDEX OF WORKING HOURS IN INDUSTRY.

Quarter	All Industries			Branch of Industry								Quarter
	Total	Home Industries	Exporting Industries	Metal	Glass, Stone, etc.	Chemicals	Foodstuffs and luxuries	Leather	Textile	Paper	Timber	
1947												1947
Jan.-Mar.	107.8	106.9	109.5	103.3	119.7	110.0	103.5	105.7	110.0	108.7	110.3	Jan.-Mar.
April-June	105.7	104.8	107.4	101.3	113.5	108.1	106.9	105.3	106.9	102.9	111.7	April-June
July-Sept.	106.3	106.3	106.2	104.4	116.3	101.5	108.0	99.6	108.1	100.9	111.7	July-Sept.
Oct.-Dec.	106.3	106.1	106.7	104.0	114.3	106.7	105.9	107.6	106.3	103.0	110.3	Oct.-Dec.
1948												1948
Jan.-Mar.	106.1	106.1	106.3	103.0	114.7	103.8	107.3	114.1	105.7	103.6	108.9	Jan.-Mar.
April-June	107.3	107.1	107.6	104.0	115.9	105.4	110.2	105.8	108.7	107.6	107.6	April-June
July-Sept.	108.9	109.5	107.9	108.2	116.4	107.4	115.7	111.4	106.8	105.4	110.3	July-Sept.
Oct.-Dec.	104.8	105.3	103.7	100.7	107.5	100.7	119.0	107.8	108.5	103.4	104.0	Oct.-Dec.

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

## 39. — NUMBER OF UNEMPLOYED.

End of Month	Applicants for Work registered at the Labour Exchanges					Unemployed registered					End of Month
	1945	1946	1947	1948	1949	1945	1946	1947	1948	1949	
January	6 303	3 152	3 939	5 398	29 204	10 893	2 529	—	930	26 262	January
February	4 767	3 287	4 756	6 547	35 849	9 066	2 220	—	2 169	38 556	February
March	3 530	4 769	5 167	5 582	—	7 955	2 384	—	2 598	—	March
April	3 511	5 692	5 790	7 234	—	7 251	2 515	—	1 094	—	April
May	3 124	4 834	6 271	6 644	—	6 420	1 065	—	375	—	May
June	2 486	2 835	3 102	3 608	—	4 838	—	—	—	—	June
July	2 057	2 260	2 989	3 906	—	3 606	—	—	—	—	July
August	2 411	2 607	2 888	4 107	—	3 011	—	—	—	—	August
September	2 736	2 703	3 453	4 653	—	2 794	—	—	—	—	September
October	2 908	3 336	4 254	5 900	—	2 621	—	—	—	—	October
November	2 715	3 413	4 944	9 641	—	2 691	—	—	3 369	—	November
December	2 331	2 564	2 837	8 959	—	2 594	—	—	13 778	—	December

Statistics covering the whole country provided by the Research Office of the Ministry for Social Affairs.

## 40. — CESSATION OF WORK.

Month	Initiated			Continued from previous month			Total			Month
	number	affecting		number	affecting		number	affecting		
		employers	work-people		employers	work-people		employers	work-people	
1948										1948
January	5	63	1 149	3	60	112	8	123	1 261	January
February	3	3	708	2	2	140	5	5	848	February
March	3	3	97	—	—	—	3	3	97	March
April	5	6	153	1	1	48	6	7	201	April
May	14	15	3 445	1	1	15	15	16	3 460	May
June	9	17	1 504	6	9	1 113	15	26	2 617	June
July	3	2	278	6	10	898	9	12	1 176	July
August	8	22	1 873	2	2	75	10	24	1 948	August
September	11	21	3 951	3	16	964	14	37	4 915	September
October	12	30	2 005	9	31	3 827	21	61	5 832	October
November	2	5	191	7	37	2 726	9	42	2 917	November
December	1	1	36	2	21	248	3	22	284	December
1949										1949
January	1	23	43	1	1	36	2	24	79	January

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

## CERTAIN PARTICULARS ABOUT FINLAND.

### 1. FORM OF GOVERNMENT.

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

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

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

### 2. LAND.

THE AREA is 337 113 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 310 000 sq. km). Of the total area 9.4 % are inland waters. On an average 13.5 % of the land in the South of Finland is cultivated, 1.6 % in the North, 7.5 % of the whole land. Of the land area 21.7 mill. ha (53.5 mill. acres) or 70.9 % are covered by forests.

### 3. POPULATION.

NUMBER OF INHABITANTS (1948): 3.9 millions (present population). Sweden (1947) 6.8, Switzerland (1947) 4.5, Denmark (1947) 4.1 and Norway (1947) 3.1 millions.

DENSITY OF POPULATION (1948): In South Finland 22.0, in North Finland 3.3 and in the whole country an average of 12.3 inhabitants to the square kilometre.

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

OCCUPATION (1940): agriculture 51.5 %, industry and manual labour 21.0 %, commerce 5.1 %, transport 4.6 %, other occupations 17.6 %.

LANGUAGE (1940): Finnish speaking 90.0 %, Swedish speaking 9.0 %, others 0.4 %.

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

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

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

### 4. TRADE AND COMMUNICATIONS.

FOREST RESOURCES (1949): The growing stock comprises 1 370 million of solid cub. m. incl. bark (48 379 million cub. feet), of which pine is 45.5 per cent, spruce 32.2 per cent, the rest 22.3 per cent being leaf-trees, chiefly birch. Of the growing stock 1 031 million trees, 63.6 per cent of them pines, are up to the standard required for logs (minimum for sawmill logs 18' × 6" and for plywood logs 14' × 7"). The annual increment is about 41 million of solid cub. m. green wood excl. bark (1 441 cub. ft). The total removal in 1946 calculated according to the

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

AGRICULTURE (1941): Cultivated land 2.3 million hectares, divided as follows: area under cultivation under 10 hectares 33.1 %, 10—50 ha 54.4 %, 50—100 ha 7.2 %, over 100 ha 5.3 %. Cultivated land (1948) is divided between the different kinds of crops as follows: 40.1 % hay, 11.3 % temporary grass-land for grazing, 16.8 % oats, 6.9 % wheat, 6.0 % rye, 5.5 % barley, 4.3 % potatoes, 9.1 % other. The number of dairies in 1947 amounted to 517.

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

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

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

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

### 5. FINANCE AND BANKING.

CURRENCY. Since 1860 Finland has its own monetary system. From 1877 up to 1914 the currency maintained its stable gold value, and after the disturbances caused by the war a gold standard was again introduced from January 1, 1926. The unit of currency is the mark (Finnish 'markka' = 100 pennä). According to the monetary law of December 21, 1925, a gold coin of 100 marks' value shall contain 3 <sup>19</sup>/<sub>16</sub> grams of fine gold. Since October 12, 1931, the redemption of bank notes in gold is, however, suspended.

STATE FINANCES. According to the finance accounts for 1947 the State revenue was 94 261 million marks, of which 70 207 million marks were current revenue, and State expenditure 87 811 million marks, of which 66 578 million marks were current expenditure. The principal sources of revenue were as follows: direct taxes 27 855, indirect taxes 9 927, sales tax 18 288, interest and dividends, etc. 6 429, State property and undertakings (net) 2 502, and capital revenue 24 054. For Public Debt see table 20 in this issue.

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

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

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

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

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

## THE BANK OF FINLAND IN 1948.

BY

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### CREDIT POLICY.

The stringency of the money market which has characterized post-war conditions in Finland also left its imprint on the activities of the Bank of Finland in 1948. Yet in the course of the year, especially in the autumn, the stringency lessened noticeably, though it still prevailed at the end of the year.

To promote the stabilization of the money market and, at the same time, to strengthen the value of the mark the Bank of Finland — in co-operation with other credit institutions — maintained the credit control introduced earlier, particularly with a view to discouraging such investments as were not absolutely essential. As such a voluntary control cannot be fully exercised, the Central Bank at the beginning of the year considered it necessary to achieve this aim by a return to the classical policy of increasing the discount rate. On February 6, the rate for commercial bills was increased by 2 per cent, or to 7 ¼ per cent, and the other credit rates in proportion. As was intended, the commercial banks and other credit institutions followed the lead a few days later, increasing their deposit rate by 2 per cent and their credit rates by 2 to 2 ½ per cent. These measures lessened the public's fear of inflation and increased the confidence in the value of the mark, which confidence was also strengthened by the checking of soaring prices and a general stabilization of economic conditions. This psychological effect, together with the immediate result of the higher interest rates, increased the flow of deposits into credit institutions and, on the other hand, reduced the demand for credit. Thus the first signs of easing appeared in the money market and in the changes in the Bank's position.

### BALANCE SHEET.

The following table gives a general idea of the position and of the changes recorded in the various accounts.

Assets	1947 Dec. 31 Mill. mk	1948 Dec. 31 Mill. mk
<i>Cover for note issue:</i>		
Gold reserve .....	2	268
Foreign correspondents .....	621	2,027
Foreign bills .....	312	429
Foreign bank notes and coupons ..	31	22
Inland bills .....	30,982	32,821
Rediscounted bills .....	3,496	1,697
<i>Other assets:</i>		
Loans on security .....	24	22
Advances on current accounts ....	395	483
Bonds in Finnish currency .....	216	725
Bonds in foreign currency .....	166	162
Sundry assets .....	1,260	1,365
Total	37,505	40,021
<i>Liabilities</i>		
<i>Payable on demand:</i>		
Notes in circulation .....	25,162	27,369
Bank-post-bills .....	166	68
Balance of current accounts due to the Treasury .....	114	19
Balance of current accounts due to others .....	2,884	1,463
Mark accounts of holders abroad ..	136	1,122
Foreign clearing accounts .....	2,269	2,199
Sundry accounts .....	54	335
<i>Other liabilities:</i>		
Capital .....	1,250	5,000
Reserve Fund .....	1,433	137
Sundry liabilities .....	3,433	1,475
Profit and Loss Account .....	604	834
Total	37,505	40,021

On the assets side the gold reserve, which during the war had shrunk almost to a minimum, had again increased to some extent. Gold was obtained in the beginning of the year primarily with a view to paying the membership fees to the International Bank for Reconstruction and Development and the Monetary Fund. The foreign currency reserve which during the year had varied considerably with the changes in imports and exports and in capital transfers,

reached a peak at the close of the year chiefly as a result of a foreign loan obtained by the Bank. The foreign currency reserve thus increased from 621 to 2,027 million marks, or well over three-fold.

The amount of discounted inland bills varied noticeably, reaching the highest point, 38,441 million marks, in October. At the end of 1948 the sum total of discounted bills was 32,821 million marks, or 1,838 million marks more than a year before. For comparison it may be mentioned that the corresponding increase in 1947 was considerably greater, or 5,563 million marks. As then, the increase was in 1948 largely due to credits granted to trade and industry. This share of the Bank of Finland's bill holdings rose from 12,482 to 13,591 million marks, or by about 9 per cent, as against an increase of 48 per cent in 1947, indicating a considerable advance towards stability. The amount of State bills, too — 19,230 million marks at the end of 1948 — was slightly (4 per cent) higher than in 1947. It is noticed that the State's bill credits from the Bank of Finland, so harmful for the stabilization of the monetary value but naturally unavoidable during the war, remained at the same level as in 1947, varying from 13,800 to 23,700 million marks.

The smaller figure for rediscounted bills can be regarded as a sign of the decreased stringency of the money market. Rediscounts, which totalled 3,496 million marks at the beginning of 1948, fell during the year to 1,697 million marks, or about one half. In this respect very great variations are observed in the course of the year owing to seasonal and other factors: on June 8 the amount of rediscounts rose to 4,944 million marks to fall again to 78 million at the end of October.

The Bank of Finland's total bill holdings, which in 1947 had increased by about 20 per cent, continued to grow in 1948, especially markedly during the summer months, but declined again in the autumn. At the end of the year it was 34,518 million marks, a figure which practically equalled the 1947 figure, 34,478 million marks.

The other forms of credit are of minor importance. Mortgage loans and advances on current account totalled 419 million

marks at the beginning of the year and rose at its close to 505 million. In the same category were the bond credits, which had more the character of investments than of ordinary credits. The book value of the bonds was 382 million marks at the beginning of the year and about the double, or 887 million, at its end.

As regards the Bank's liabilities the much slower increase in the note circulation compared with previous years should be primarily noted. In 1948 this increase was 2,207 million marks, or less than 9 per cent, as against 6,929 million, or 38 per cent in 1947, and 4,635 million, or about 34 per cent in 1946. These figures also indicate that conditions grew more stable during 1948, particularly in view of the fact that the note circulation did not increase during the latter half of the year.

The balances of current accounts due to the Treasury and to others, i. e. chiefly to the commercial banks, varied as usual very steeply from week to week, according to payments of taxes and other seasonal factors. Both were considerably lower at the end of the year than at its beginning, as seen from the preceding table.

The mark accounts of holders abroad increased many times over, from 136 to 1,122 million marks. The increase was due to the membership fee to the IBRD having been booked to this account.

The net balance of foreign clearing accounts, which was 2,269 million marks in the beginning of the year, gradually rose and reached a peak — 4,139 million marks — early in July. After that it dropped again to its earlier level, being 2,199 million marks on the last day of the year. Yet, although the net amount was then practically the same as one year earlier, or only 70 million marks less, an important change had taken place in its structure. These accounts consist of two main elements. The commercial clearing accounts proper showed a net claim of 757 million marks at the beginning of the year. During the year this net claim became a net liability amounting on December 31 to 1,069 million marks. The total change was thus 1,826 million marks and was a result of the great surplus of imports.

The other main element is the clearing debt to the Soviet Union arising from the

transfer of German property to the Soviet Union by virtue of the Peace Treaty. This debt totalled 3,027 million marks in the beginning of the year but dropped, when the agreed payments were made, to 1,130 million marks on December last.

On the liabilities side the changes occurring in the Bank's own funds also deserve notice. At the suggestion made by the Bank the Diet in 1948 consented to certain changes in the regulations of the Bank of Finland. Accordingly the capital was raised from 1,250 to 5,000 million marks on June 30. The sum required for this increase was obtained by transferring 1,600 million marks from the reserve fund and 2,150 million marks from the regulation accounts. The result was that the reserve fund, which was 1,433 million marks in the beginning of 1948 and to which profits were later transferred to a value of 304 million marks, declined to 137 million marks by the end of the year. Correspondingly the regulation accounts, which in the preceding table are included under „Sundry liabilities”, decreased from 3,308 to 1,327 million marks in spite of the increases during year.

The last item in the balance sheet shows that the Central Bank booked a net profit of 834 million marks for 1948. The increase on the preceding year's figure was 230 million marks, or 38 per cent.

#### THE RIGHT OF NOTE ISSUE.

The following table shows the 1947 and 1948 figures of the right of note issue of the Bank of Finland, the amount of issue used, and the note reserve.

	1947 Dec. 31 Mill.mk	1948 Dec. 31 Mill.mk
<i>Right to issue notes</i>		
Gold reserve and foreign correspondents.....	623	2,295
According to the Law of Dec. 13, 1939 .....	34,821	34,969
Additional right of issue ..	1,800	1,800
<b>Total right to issue notes</b>	<b>37,244</b>	<b>39,064</b>
<i>Amount of issue used</i>		
Notes in circulation .....	25,162	27,369
Other liabilities payable on demand .....	5,623	5,206
Undrawn amount of advances on current accounts .....	533	526
<b>Total amount used</b>	<b>31,318</b>	<b>33,101</b>
Note reserve	5,926	5,963
<b>Total</b>	<b>37,244</b>	<b>39,064</b>

The right of note issue increased by 1,820 million marks, or less than 5 per cent, whereas in 1947 owing to a substantial rise in bill holdings, this increase had been 4,548 million, or 14 per cent, and in previous years even higher. Here, too, stabilization is observed. It is especially noteworthy that this increase was chiefly due to the growth of the gold reserve and the foreign currency reserve.

The amount of note issue used which — according to the regulations of the Bank of Finland — comprises all liabilities payable on demand, increased almost as much as the right of issue. In this way the unused right of issue, or note reserve, which had grown considerably in 1947, increased but slightly, i. e. from 5,926 to 5,963 million marks.

#### PROFIT AND LOSS ACCOUNT.

The following table shows the Bank's Profit and Loss Account for 1948 with comparative figures for 1946 and 1947.

	1946 Mill.mk	1947 Mill.mk	1948 Mill.mk
<i>Credit</i>			
Interest on home credits ..	252	517	706
Interest on current accounts abroad .....	1	3	1
Interest on bonds .....	39	36	49
Interest on shares .....	6	11	12
Agio .....	2	59	112
Commission .....	59	153	216
<b>Total</b>	<b>359</b>	<b>779</b>	<b>1,096</b>
<i>Debit</i>			
Salaries .....	55	84	115
Pensions .....	2	6	7
Cost of manufacturing bank notes .....	16	51	65
Sundry expenses .....	18	22	33
Written off building costs	24	8	38
Depreciation of furniture ..	2	4	4
<b>Total</b>	<b>117</b>	<b>175</b>	<b>262</b>
<b>Net profit</b>	<b>242</b>	<b>604</b>	<b>834</b>
<b>Total</b>	<b>359</b>	<b>779</b>	<b>1,096</b>

As seen from the above, interest returns increased substantially. This was a natural consequence of the higher rates, and increased lending contributed to the same result. As in previous years part of the interest returns were transferred to the regulation accounts to strengthen the position of the Bank. The visible interest return thus increased from 517 to 706 million marks, or by 37 per cent.

The interest on bonds increased likewise as a result of the growth of the bond holdings.

Agio profits from trade in currency increased greatly owing to livelier banking business, according to the balance sheet from 59 to 112 million marks. In reality the agio profits were still larger, but part of them was transferred to the agio equalization account. Commission profits also advanced for the same reason, according to the books from 153 to 216 million marks. Commissions arose especially from documentary credits business and clearing business, but smaller items were also brought in through other activities of the Bank.

The books showed a total income of 1,096 million marks, the increase on the preceding year's figure being 317 million marks, or well over 40 per cent.

Expenses also rose materially, partly owing to extended business, partly to increased prices and salaries which latter still affected all expenditure during the early part of the year. Salaries rose by 31 million marks, or 37 per cent, note manufacturing costs by 14 million or 27 per cent, and sundry expenses by 11 million or 50 per cent. The regular expenditure of the Bank was thus 220 million marks as against 163 million in 1947. The increase was 57 million marks, or 35 per cent, i. e. considerably less than in the preceding year when the corresponding figures were 72 million marks and 79 per cent.

Besides the regular expenditure, considerable sums were written off. As, according to the regulations, the value of the real property and furniture owned by the Bank is not to be included in the reserve fund, new acquisitions were written off in connection with the closing of the books. The total amount written off — 38 million marks — was partly derived from the buying of a house and building site in Helsinki, partly from certain alterations and repairs to old premises. In addition, the value of furniture purchased during the year was written off.

The net profits were larger than ever before but are expressed in more depreciated money than the corresponding figures for previous years. The booked net profit was 834 million marks as against 604 million in 1947 and only 242 million in 1946.

In accordance with the regulations of the Bank, half the annual profits, or 417 million marks, were transferred to the reserve fund which thus increased to 554 million marks, and 400 million marks were reserved for the State's needs and will be used for covering general State expenditure. The balance of 17 million marks will for the present remain on the undistributed profits account until the Diet in due course passes a resolution, probably — as is customary — to the effect that they are to be transferred to the reserve fund.

## THE ECONOMIC POSITION I FINLAND IN 1948.

BY

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### INTRODUCTION.

The year 1948 differed decisively from the preceding post-war years: it brought a definite turn for the better in Finland's economic position whereas earlier there had been only some slight signs and promises of improvement. Thus 1948 was a turning-point in the post-war development of economic life in Finland. The improvement did not affect real economy alone, but also — although to a less extent — finances. One example of it is the fact that the estimated real national income in 1948 exceeded slightly the 1938 figure. Among wide sections of the population consumption had not in every respect reached the pre-war level owing to the increase in population and also to the necessity of surrendering part of the national product without compensation, i.e. as war reparations.

Productive activity expanded in 1948 in nearly all branches and in certain sections pre-war figures were reached and even surpassed. Besides the brisk imports, the substantial increase in agricultural production was important in the improvement of supplies, which was noticeable chiefly in foodstuffs, but also in textiles and footwear. Monetary conditions were brighter too. The money market, which had been very stringent for many years, was greatly eased, in the main owing to increased savings. As regards the inflationary trend, 1948 meant a turn towards normal conditions and monetary stability, and this contributed to restore security and confidence. Towards the end of the year prices began to fall and there were some other signs of deflation. Exports met with difficulties and in some other branches business was quieter; the result was unemployment which increased somewhat at the end of the year. Largely because of the same factors money became scarce at the close of 1948 — a change from the

previous abundance — both in business and among the general public, and the consequences were widely felt.

### AGRICULTURE.

The substantial increase in domestic agricultural production in 1948, the first since 1939, was of very great importance for the improvement of the economic position; in the preceding years production had remained unchanged or increased but little. This good result was due chiefly to a more extensive use of fertilizers and to favourable weather conditions in the greater part of the country. The total harvest in 1948 is estimated at 3,267 million fodder units as against 2,331 million in 1947; an increase of 40 per cent. In 1938 the harvest was 4,212 million fodder units of which figure last year's harvest represented 78 per cent. The crop of bread grain was 680,100 tons in 1948 — considerably larger than that of the preceding year, 551,400 tons. For comparison, the yield of bread grain in 1938 was 849,600 tons, or about 170,000 tons in excess of the figure for 1948. This shows that the pre-war level is not yet reached, but the 1948 figure nevertheless meant a marked advance. Last year's oats yield amounted to 624,400 tons as against 431,200 tons in 1947, and the potato crop to 1,955,000 tons as against 1,113,700 tons in 1947. From the point of view of cattle-farming it was very important that the hay crop was much better than the year before — 2,425,000 tons as against 1,720,100 tons.

In spite of the marked reduction in livestock in the winter 1947/48 the output of dairy-farming increased materially during 1948, chiefly as a result of the good fodder crop and the large imports and use of concentrated fodder. Final figures for last year's production are not



yet available but, according to preliminary estimates, that of milk and butter increased very much as compared with 1947. This was especially noticeable at the end of the year when it began to approach pre-war standards. In consequence the derationing of dairy-products is under discussion. During 1948 these rations and some others were increased, and some products were entirely derationed. There has been plenty of meat and meat products on the market since their derationing in Autumn 1947. The good harvest and the increase of other agricultural and cattle-farming products have been extremely important for the general revival in Finland's economy, the improvement of supplies, and the restoration of normal conditions.

In spite of the great increase in agricultural production foodstuffs were still imported on a fairly extensive scale during 1948, as the domestic production was not fully sufficient to meet the demand. Imports of bread grain totalled 235,300 tons in 1948, or about 40,000 tons less than the preceding year. The deficit of bread grain thus shows a clear tendency to diminish. On the other hand, imports of sugar increased from 48,500 tons in 1947 to 92,400 tons in 1948 and imports of butter correspondingly from 982 to 8,100 tons. Meat was also brought into the country in rather large quantities, totalling 6,255 tons, but this was done chiefly with a view to reducing the domestic price level.

#### INDUSTRY.

Although the recovery of industry was still hampered by many factors, such as the very great rise in production costs, difficulties of finance, and some uneasiness on the labour market, yet it expanded compared with the preceding years. Particularly during the first half-year very brisk progress was noticed in nearly all branches of industry; but towards the autumn, and especially at the close of the year, there were signs of a check in this and even a set-back, owing partly to external, and partly to internal factors. According to preliminary estimates, total industrial production rose slightly above the 1938 level, having been in 1947 about 5 to 10 per cent below it. However, great

changes have taken place in the structure and working conditions of the industries.

The year began under favourable conditions for the export industries: demand was considerable and prices were high. In the autumn there was a turn for the worse: prices dropped and demand declined. On this account the year's result for the woodworking industries was not so favourable as the beginning of the year seemed to promise. Yet the output of their principal products was higher in 1948 than in 1947. On the basis of available estimates, the production of sawn timber was 770,000 standards against 735,000 standards in 1947. In spite of the marked increase, the production of sawn timber is at present still much below the pre-war level: in 1938 the output of sawn timber was 1,031,000 standards. Cellulose production rose from 954,400 tons in 1947 to 1,080,100 tons in 1948; the corresponding figure for 1938 was 1,470,000 tons. The output of sulphite was 619,100 tons and that of sulphate 461,000 tons against 542,800 and 411,600 tons respectively in 1947. Paper production rose from 518,000 to 560,000 tons, that of plywood from 193,000 to 212,000 cubic metres, and mechanical pulp from 495,300 to 595,200 tons in 1948.

Lumbering — of such importance to the woodworking industries — did not progress during the last felling season so favourably as in previous years when the required amounts were even exceeded. The target for the felling season 1947/48 was 45 million cubic metres; though considerably less than the previous one — 53 million cubic metres — this figure was not reached; only 34.5 million cubic metres was cut. There was a large deficit of heavy timber and fuel wood, whereas practically the same amount of round timber was cut as during the previous felling season. This deficit did not cause any serious consequences because stocks of round timber were ample owing to the large quantities felled earlier and the deficit of fuel wood was made up by large imports of coal and coke, totalling 2,415,000 tons in 1948 as against nearly one million tons less in 1947. For this reason the fuel situation was better than at any time since the beginning of the war. Last autumn's lumbering was

affected by many adverse factors but yet about 14 million cubic metres had been felled by the end of the year, or somewhat more than during the corresponding period in 1947, when fellings totalled 13.5 million cubic metres. There was also a change for the better in the power situation owing partly to the much more abundant flow in the chief waterways, partly to the completion of new power plants. Though much easier, the rationing of electricity was maintained until the end of the year. At the turn of the year it was decided to abolish rationing as from February 1, 1949.

No exact figures are available of the output of the home market industries. According to preliminary estimates, the first half of 1948 exceeded the 1947 figure by about one third and the pre-war level by about 25 per cent. In the latter half of the year this production also decreased to some extent, remaining, however, higher than in 1938. The increase during 1948 was greatest in the textile, leather and building materials industries, but compared with the level of 1938 the production of the metal and engineering industries increased most. The production capacity of the latter has about doubled since pre-war years, largely thanks to extensions and re-equipment required by war reparations.

Last year Finland fulfilled the very heavy obligations of the war reparations satisfactorily. In this respect her position was considerably eased when the Soviet Union decided to reduce the balance of these payments by one half, so that from the amount due on July 1, 1948, — 147.0 million dollars — was deducted 73.5 million dollars, or 24.5 per cent of the amount originally stipulated.

#### BUILDING OPERATIONS.

Although there was still a shortage of building materials, and some other factors — such as difficulties of finance — hampered building activity, yet it was fairly brisk in 1948 and much more active than in 1947; Cement production increased from 421,000 to 527,000 tons during the year, being higher in 1948 than in any other year since the war, and even any pre-war year.

Exact figures as to building in 1948 are not yet available. Permits were granted

for 24.3 million cubic metres. Of this, dwelling-houses accounted for about 33 per cent, industrial buildings for 10 per cent, and farm buildings for 40 per cent. All this was not built during 1948; the buildings completed are estimated at about 70 to 80 per cent of the permits granted. Most of the building was for rural districts, as shown also by the fact that of the permits granted for dwelling-houses 2.4 million cubic metres were in towns and other centres of population but 6 million cubic metres in the countryside. The housing situation still gave much cause for concern especially in the largest towns and other centres owing to the slowness of building, to a fairly noticeable movement of the population from country to towns, and to the natural increase of population. High costs were another obstacle to building activity. The building costs index (1935 = 100) was 1210 points during the last quarter of the year as against 935 in 1947 — an increase of 29 per cent in one year.

It should be noted that buildings completed under the Land Expropriation Act totalled over 22,000, excluding Northern Finland, while the buildings still unfinished at the end of the year numbered 15,000. Reconstruction in Northern Finland was largely completed last year: about 2,000 houses were built in 1948 and about an equal number were in process of building at the turn of the year.

#### THE LABOUR MARKET.

As in previous years, the labour market was characterized by full employment, even a shortage of manpower in many departments. During the year this situation changed and some unemployment began to appear, partly owing to seasonal factors but intensified by the fall in exports and certain other difficulties. However, unemployment was not yet widespread. At the end of the year under review 12,500 unemployed were registered and occupation was provided for about 7,500 of these by the State or local governments. For comparison it may be mentioned that in the early part of 1939 — by no means a period of serious depression in Finland — the number of unemployed was 25,000, or twice the present figure.

In other respects the labour market was more peaceful than in previous years. Open disputes were fewer, and there was no such unrest and agitation as was quite common in 1947. The autumn showed some signs of an acute crisis but in the end the conflicts remained local. The comparative calm of the labour market is largely due to the stabilization of prices and wages; political factors also contributed. The efficiency of labour again approached pre-war standards.

#### FOREIGN TRADE.

The exchange of commodities with foreign countries was very active in 1948, more so than in the preceding year. Exports and especially imports increased and this was made possible by the recovery of domestic production and credits received from abroad, which were mainly used to finance imports. According to preliminary figures the value of the total foreign trade in 1948, excluding reparations, was 121,692 million marks, an increase of 31,525 million, or about 35 per cent, on the figure for 1947. A considerable part of this was accounted for by the rise in prices, but trade increased also in volume, as shown by the fact that it was in 1948 about 93 per cent of the volume pre-war (1935=100) as against 78 per cent one year earlier and 49 per cent in 1946. The volume index for imports was 121 and that for exports 65 points; thus exports were still far short of pre-war standards.

In spite of this favourable movement the balance of trade was passive last year, as it has been every year since the beginning

of the war. Free exports were 55,253 million marks in value and imports 66,439 million, the surplus of imports being 11,186 million marks as against only 3,775 million marks in 1947. If, on the other hand, the total exports, i.e. including war reparations, are compared with the imports, a favourable balance of 1,613 million marks is obtained. Reparations were delivered during 1948 to a value of 11,546 million marks as against 10,405 million in the previous year.

#### THE MONEY MARKET.

The money market at last showed a more cheerful aspect after many years of stringency. In the early part of the year it was still strained owing to the same factors as before, viz. a steady demand for credit on the one hand, and a slow accumulation of capital in credit institutions on the other. The easing since Spring has been principally due to increased saving. The raising of the interest rate by 2 per cent agreed on in the beginning of February, the considerable tax relief granted to depositors, and the lessening of the fear of inflation amongst the general public were some of the factors which created favourable conditions for the revival of saving. This increase of the interest rates also exerted a restricting influence on the demand for credit and investments as a whole, although no definite change in this respect was seen last year as the latent demand for credit was so great. The changes in deposits last year appear from the following table showing the deposits of the public in the principal financial institutions.

#### DEPOSITS BY THE PUBLIC.

	1948		Fluctuations 1947		1946		
	Mill. mk	%	Mill. mk	%	Mill. mk	%	
Commercial Banks ...	44,045	+ 6,310	+ 16.7	+ 6,477	+ 20.7	+ 3,135	+ 11.1
Savings Banks .....	29,340	+ 4,416	+ 17.7	+ 4,159	+ 20.0	+ 1,951	+ 10.4
Post-Office Savings Bank .....	9,560	+ 1,166	+ 13.9	+ 1,181	+ 16.4	+ 1,796	+ 33.2
Co-operative Credit Societies .....	13,992	+ 2,619	+ 23.0	+ 2,969	+ 35.4	+ 1,465	+ 21.2
Central Bank for the Co-operative Credit Societies .....	214	— 22	— 9.3	+ 130	+ 122.6	+ 27	+ 34.2
Consumers' Co-opera- tive Societies .....	3,665	+ 909	+ 33.0	+ 493	+ 21.8	+ 226	+ 11.0
<b>Total</b>	<b>100,816</b>	<b>+ 15,398</b>	<b>+ 18.0</b>	<b>+ 15,409</b>	<b>+ 22.0</b>	<b>+ 8,600</b>	<b>+ 14.0</b>

The table shows that the absolute increase in deposits was about equal in 1948 and 1947, but the relative increase was much less in 1948. This result was due to the slow saving during the early part of the year, for—as stated already—the actual change did not occur until the summer. After that saving advanced considerably compared with the year 1947, though not enough to improve the whole year's result. However, in spite of increased deposits the real value of the saved capital is still much less than the capital available in 1938.

The demand for credit was so great during the year that—in spite of the fairly favourable movement of deposits—the credit institutions had to have recourse to special measures, as in previous years. The bond-holdings were reduced and the cash funds, which were large in the beginning of the year owing to incidental factors, were also used to meet the need for credit. In addition the commercial banks had to get help from the Bank of Finland by rediscounting bills there. Great changes took place during the year in the amount of bills rediscounted. In the beginning of 1948 they totalled 3,496 million marks, rising in June to 4,944 million—the year's peak; then they began to decline and fell in the autumn to 78 million, but then rose again and at the end of 1948 amounted to 1,697 million marks, or 1,799 million less than a year earlier.

#### PRICES.

The year 1948 was particularly noteworthy in one respect: the inflation which had been increasing for many years came to a standstill. In the early part of the year prices were still rising, although much more slowly than in 1947, the year of a steep rise. The rise continued to the end of the summer when there was a check, and then a slight fall began to be

observed in the price indices. This change from an upward to a downward trend was the result of many factors. First, the Government had tried by certain measures, for instance by importing cheap consumer goods, to force down the price level, and with success. The increased supplies of commodities contributed to the same end—in some branches there was even an excess—as did the scarcity of money among the general public, and the stabilization of wages. The weakening of the fear of inflation and the strengthening of confidence in the mark also furthered the stabilization of the price level. Although the danger of continued inflation was essentially reduced during 1948, it is still too early to say that this danger is completely eliminated. Yet the year 1948 gave good hopes that inflation may be finally overcome.

The favourable movement on the prices front was reflected also in the price indices. The cost of living index (August 1938—July 1939 = 100) rose gradually from 720 points in December 1947 to 816 points in August 1948, but then fell month by month, reaching 798 in December. The rise during the year was thus 78 points, or 10.8 per cent, compared with 252 points and 53.8 per cent in 1947. A similar trend was observed in wholesale prices: the wholesale price index (1935 = 100) increased between December 1947 and December 1948 from 1010 to 1104 points, or by 94 points and 9.3 per cent, as against 285 points and 39.3 per cent in 1947.

The checking of soaring prices and the change from a rising to a falling tendency was not only important financially, it was of prime significance for Finland's national economy as a whole which is now again on a much firmer basis. In this way the prospects were much brighter as the year 1949 started than at any time since the beginning of the Second World War.

## I T E M S.

**Budget for 1949.** The budget for 1949 which was passed on January 14, 1949, does not as a whole differ very much from the Government's proposals referred to in this Bulletin, Nos. 9—10, 1948, though the Diet made some important changes, for instance, by revoking the 337 million marks' grant for establishing a nitrogen factory. The Diet increased both revenue and expenditure by about 1,700 million marks and thus the final sums of the Budget for the first time exceeded the 100,000 million limit.

A general idea of the Budget as compared with that for 1948 is given by the following figures.

	1949 Mill. mk	1948 Mill. mk
Revenue		
Current .....	93,517	67,827
Capital .....	6,739	4,667
	Total 100,256	72,494
Expenditure		
Current .....	69,828	52,892
Capital .....	30,415	19,553
	Total 100,243	72,445

The high figure for the total revenue and expenditure in 1949 does not in itself imply that State finance is expected to expand greatly during the current year compared with 1948. As already stated in the article „Public Finances in 1947” (Bulletin Nos. 11—12, 1948), preliminary figures indicate that State revenue and expenditure in 1948 were much higher than estimated in the Budget and about as high as they are expected to be in 1949.

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**General economic programme committee.** On February 4, 1949, the Government decided to appoint a committee to draw up a general economic programme with a view to coping with many current economic problems. With this aim the most import-

ant are the measures to maintain the profitability of agriculture, the rent question, the position of industry, and the wages problem. This State committee represents different spheres and is headed by the Governor of the Bank of Finland, Mr. Sakari Tuomioja, the deputy chairman being Mr. Klaus Waris, Head of the Division for National Economy of the Ministry of Finance. The Secretary to the Committee is Mr. Reino Rossi from the Bank of Finland Institute for Economic Research.

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**The rates of interest.** At the suggestion of the Board of Management of the Bank of Finland the Bank Supervisors of the Diet on January 27, 1949, decided to reduce the Bank's discount rates by one half of one per cent as from February 1. Thus the present rates are as follows:

	%
For purely commercial bills at not more than three months' date .....	6 $\frac{3}{4}$
For other bills, according to the class and maturity date .....	7 $\frac{1}{4}$ —7 $\frac{3}{4}$
For loans on security and advances on current accounts, according to the nature and security of the credit ..	6 $\frac{3}{4}$ —7 $\frac{3}{4}$

At the same time the Bank Supervisors approved the proposal made by the Board of Management to the effect that, if credit institutions wish to rediscount bills on which 8  $\frac{1}{2}$  per cent or less interest has been paid, the Bank of Finland will rediscount them at one-half per cent less, but not at less than the Bank's discount rate for its customers. — The Board of Management has also decided, as from April 1, 1949, not to rediscount any bills on which the commercial bank in question has received more than 8  $\frac{3}{4}$  per cent. — These measures aim at making the commercial banks more willing to reduce the difference

between deposit and credit rates, which has grown so markedly in recent years, by lowering the credit rate slightly and keeping the deposit rate mainly at its present level.

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**Trade agreements.** In the trade negotiations between Finland and the *United Kingdom* agreement was reached on January 26, 1949, providing for the amount of goods to be exchanged during the current year, whereas price negotiations are still unsettled. The following quotas were agreed for the most important Finnish export articles: sawn timber 190,000 standards, pit props 280,000 to 400,000 cub. m., cellulose 325,000 to 400,000 tons, plywood 115,000 cub. m. and newsprint 24,000 tons. In return the United Kingdom undertakes to deliver considerable quantities of coal, coke, iron, steel, petrol and other liquid fuel, wool and textile goods, as well as chemicals and many manufactures of the engineering industry. — The development of trade between Finland and the United Kingdom in 1948 was very gratifying: it showed a considerable increase compared with the preceding year. The negotiations now carried on give good hopes that Finnish-British trade will further expand in 1949.

A trade agreement was signed on February 3 with the *Triple Zone* of Western Germany by which goods to a total value of nearly 3,000 million marks will be exchanged during 1949. — Finland will deliver chiefly mechanical pulp, timber, newsprint and certain chemicals, and the Western Zone will deliver iron and steel, machinery, chemicals, textile goods and electrical materials.

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**Increase in the share capital of a Commercial Bank.** At the suggestion of the administrative board of the Oy Pohjoismaiden Yhdyspankki — Ab Nordiska Föreningsbanken, the shareholders' meeting decided to increase the share capital of the bank from 626,200,000 to 1,000,000,000 marks. The new shares offered at a nominal value of 100 marks total 3,738,000. Of this number 3,131,000 are offered to shareholders and 607,000 to

depositors. The price of the new shares is 140 marks.

\*

**The National Pensions.** According to statistics compiled by the National Pensions Institution, there are at present about 2.2 million wage-earners under obligation to contribute to its funds. In 1948 these payments, together with the employers' contributions, amounted to over 3,000 million marks. The total of annual pensions paid by the Institution in 1948 was over 300 million marks. Until last year pensions were paid only to persons unable to work, but in 1949, under the National Pensions Act, persons who complete 65 years of life will, as the first age class, benefit from old age pensions. The number of people entitled to a pension, which was about 25,000 in 1948, will consequently rise in 1949 to over 55,000 and it is calculated that the total amount of pensions paid in 1949 will be about 500 million marks and in 1950 about 1,000 million.

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**Motor vehicles in use.** At the close of 1948 the total number of motor vehicles in use was 49,135 of which 18,640 were cars, 24,400 lorries and 2,455 buses. Thus, in number, motor vehicles have almost reached the pre-war level — they totalled 51,771 in 1939 — but their transport capacity is still considerably below pre-war standards owing to lack of repairs and renewals. On the other hand, it should be noticed that there are more utility vehicles among the present stock: the number of cars has decreased by nearly 10,000 but that of lorries increased by about 7,000 since 1939.

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**Gypsum Board Factory.** The latest addition to Yhtyneet Paperitehtaat Oy (The United Paper Mills) is the Myllykoski Gypsum Board Factory, of which the construction was begun in 1946 and which started production at the beginning of 1949.

The machinery has been supplied by an American firm — United States Wallboard Machinery Ltd — and its annual capacity is about 3 million sq. m., or about 20,000 tons, of fire-resisting gypsum board. The factory is the only one in the Nordic

countries in which the manufacture of gypsum board is entirely mechanized and it also has the monopoly of such production in the whole of Scandinavia.

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### The publications of the Bank of Finland.

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

8. T. Junnila, *Inflaatio. Ensimmäinen osa. Inflaatioiden esiintyminen ja niiden rahanarvoteoreettinen selitys. Suomen inflaatio vuosina 1939—1946.* (Inflation. Part one. Inflation, its History, and how it is explained by the Theory of the Value of Money. The Inflation in Finland 1939—1946.) 304 p.

9. Mikko Tamminen, *Valuuttakurssit ja valuuttapolitiikka. I osa* (Foreign Exchange Rates and Currency Policy. Vol. I) 218 p. Table of contents in English.

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**Labour Market Statistics.** The statistical section of this Bulletin again includes tables illustrating labour market conditions (Tables 38—40), last published in 1939. On the left side of Table 39 are figures showing the number of applications for work to the Municipal Labour Exchanges during the last week of each month, the applicants being — besides the unemployed — people who wished to change their jobs. On the right side are figures from the Municipal Labour Chiefs of the unemployed who, after a prescribed period of waiting, have been accepted and entered in the unemployment records.

## BANK OF FINLAND

(Cable address Suomenpankki)

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