



BANK OF FINLAND

MONTHLY BULLETIN

Vol. 43 No. 6

JUNE

1969

PRIVATE CONSUMPTION

Private consumption constituted a clearly contractive demand factor in 1968. The rate of growth of total production remained the same as in the previous year, i.e. 2 ½ per cent, thanks to exports, whereas the growth rate of private consumption decreased from 2 per cent in 1967 to almost nil in 1968.

The slowdown in the growth rate of household consumption demand was primarily the result of a decline in the average propensity to consume. The nominal increase in personal disposable income in 1968 was slightly more than 10 per cent and the real increase 1 per cent as against the 1967 figures of almost 7 and 1 per cent. Thus real disposable income grew at the same rate as in the previous year and there were, in addition, no significant changes in the structure of incomes that could have affected the propensity to consume; the relative growth rates were roughly the same for both earned and entrepreneurial incomes and income from property. Notwithstanding this development in incomes the average propensity to consume fell by slightly less than 1 per cent and thus there was a nominal growth of 9 ½ per cent in private consumption while its volume remained the same as in 1967. The volume of retail sales, which accounts for approximately 60 per cent of consumer

spending, displayed an increase of 1 per cent in 1968 over 1967, in contrast with the 3 per cent increase of the latter year. For January-April 1968 co-operative retail sales which cover somewhat less than 40 per cent of total retail sales indicate that the mild upward trend that set in towards the end of 1968 has now become a clear upswing. (As the result of an overhaul in the retail sales statistics figures for total retail sales are not yet available.) The seasonally adjusted volume of co-operative retail sales decreased by 2 per cent on a quarterly basis in the first half of 1968 and increased by slightly less than 1 per cent in the latter half; the average for the first four months of the current year was almost 6 per cent per quarter. As a result of the accelerated growth rate, the volume of sales in January-April this year exceeded those of the previous year by 5 per cent; the corresponding decrease in 1968 over the same period of the previous year was ½ per cent. The distinct increase in consumer spending suggested by the development of co-operative retail sales is given further support by figures available for the very first few months of the year on production, imports and exports of consumer goods.

On page 18, Aspects of Economic Planning in Finland

This year private consumption demand is likely to grow, with the acceleration in the growth rates of total production and incomes, considerably more than in the previous three years. However, during this year the growth rate of consumption demand will remain smaller than that of total production.

With regard to the structure of consumption demand the figures for retail sales suggest that there has been a slight shift in favour of consumer durables excluding passenger cars in 1968. In 1966—1967 the demand for all durables was slack: the volume demanded decreased during these years despite an increase in total consumption. In 1968 the rates of growth in the sales value of metalware, electric and sports equipment shops were higher than that of total retail sales. However, the volume growth in the sale of these shops has not exceeded that of total retail sales in 1968, because the rise in prices resulting from the October 1967 devaluation has been higher than average for durables which are imported to a considerably greater extent than non-durables. In addition, the demand for passenger cars (not included in the above

retail sales figures) continued to decline; the number of new passenger cars registered in 1968 was 26 per cent smaller than in 1967. It is likely that as the rate of growth of incomes increases the demand for all durables, after two slack years, will exceed the growth in average consumption demand. The number of new passenger cars registered indicates that the gradual decline which started in 1965 changed to an increase in the opening months of this year: the number of registrations was as much as 90 per cent more in January-April 1969 than the corresponding period of 1968 (in 1968 there was a 37 per cent decrease on the same period of 1967).

The growth in the sales of durables will be supported not only by increasing disposable incomes but also by the introduction of the easier hire purchase restrictions that came into force on April 22. These moderated the hire purchase terms concerning passenger cars which had been valid since November 1964 and those on television sets and household durables, valid since April 1965, were totally abolished (See Items Bulletins Nos. 12, 1964, 5, 1965 and 4, 1969).

May 27, 1969

BANK OF FINLAND

Mill. mk

| | 1968 | | 1969 | | | |
|---|---------|----------|----------|---------|---------|---------|
| | Dec. 31 | April 30 | April 30 | May 8 | May 14 | May 23 |
| BALANCE SHEET | | | | | | |
| Assets | | | | | | |
| <i>Ordinary note cover</i> | I 477.4 | I 320.9 | I 599.7 | I 549.2 | I 431.0 | I 403.3 |
| Gold | 189.5 | 192.5 | 189.2 | 189.2 | 189.2 | 189.2 |
| IMF gold tranche | — | — | 131.2 | 131.2 | 131.2 | 173.3 |
| Foreign exchange | I 163.0 | I 001.1 | I 134.1 | I 082.7 | 963.4 | 891.5 |
| Foreign bills | 76.1 | 77.0 | 89.8 | 91.0 | 92.7 | 94.8 |
| Foreign bonds | 48.8 | 50.3 | 55.4 | 55.1 | 54.5 | 54.5 |
| <i>Supplementary note cover</i> | 790.3 | 830.2 | 608.0 | 617.5 | 634.3 | 777.2 |
| Inland bills discounted | | | | | | |
| In foreign currency | 25.1 | 35.8 | 22.6 | 22.6 | 22.6 | 22.6 |
| In Finnish currency | 147.5 | 141.0 | 94.4 | 93.1 | 112.5 | 120.4 |
| Rediscounted bills | 617.7 | 653.4 | 491.0 | 501.8 | 499.2 | 634.2 |
| <i>Other assets</i> | 470.5 | 545.8 | 416.4 | 430.6 | 550.1 | 467.2 |
| Finnish bonds | 135.7 | 322.6 | 38.1 | 68.0 | 184.5 | 101.5 |
| Cheque accounts | 1.9 | 11.4 | 18.8 | 3.9 | 3.4 | 7.9 |
| Finnish coin | 11.7 | 19.1 | 15.9 | 15.7 | 15.4 | 15.1 |
| Other claims | 321.2 | 192.7 | 343.6 | 343.0 | 346.8 | 342.7 |
| Total | 2 738.2 | 2 696.9 | 2 624.1 | 2 597.3 | 2 615.4 | 2 647.7 |
| Liabilities | | | | | | |
| <i>Notes in circulation</i> | I 159.6 | 990.1 | I 099.4 | I 070.4 | I 101.5 | I 126.4 |
| <i>Liabilities payable on demand</i> | 136.5 | 101.5 | 81.5 | 101.0 | 82.6 | 86.0 |
| Foreign exchange accounts | 62.1 | 73.4 | 42.9 | 47.4 | 54.3 | 60.2 |
| Mark accounts of holders abroad | 12.4 | 10.4 | 8.7 | 8.5 | 8.3 | 8.5 |
| Cheque accounts | | | | | | |
| Treasury | 3.0 | 3.0 | 9.7 | 0.9 | 0.7 | 0.1 |
| Post Office Savings Bank | 3.4 | 2.3 | 7.2 | 3.1 | 3.1 | 3.9 |
| Private banks | 39.2 | — | — | 22.1 | 2.8 | — |
| Other | 2.2 | 1.4 | 2.0 | 1.7 | 1.6 | 1.8 |
| Other sight liabilities | 14.2 | 11.0 | 11.0 | 17.3 | 11.5 | 11.5 |
| <i>Term liabilities</i> | 546.4 | 756.1 | 541.9 | 523.2 | 519.0 | 519.2 |
| Foreign | 21.4 | 336.8 | 19.0 | 19.0 | 19.0 | 19.0 |
| Finnish | 525.0 | 419.3 | 522.9 | 504.2 | 500.0 | 500.2 |
| <i>Equalization accounts</i> | 400.3 | 364.4 | 389.4 | 389.9 | 398.7 | 401.8 |
| <i>Bank's own funds</i> | 495.4 | 484.8 | 511.9 | 512.8 | 513.6 | 514.3 |
| Capital | 300.0 | 300.0 | 300.0 | 300.0 | 300.0 | 300.0 |
| Reserve fund | 150.0 | 150.0 | 172.7 | 172.7 | 172.7 | 172.7 |
| Profits undisposed | — | 20.4 | 22.7 | 22.7 | 22.7 | 22.7 |
| Net profit | 45.4 | — | — | — | — | — |
| Earnings less expenses | — | 14.4 | 16.5 | 17.4 | 18.2 | 18.9 |
| Total | 2 738.2 | 2 696.9 | 2 624.1 | 2 597.3 | 2 615.4 | 2 647.7 |
| STATEMENT OF NOTE ISSUE | | | | | | |
| Right of note issue | | | | | | |
| Ordinary cover | I 477.4 | 1320.9 | I 599.7 | I 549.2 | I 431.0 | I 403.3 |
| Supplementary cover | | | | | | |
| (Upper limit 500 mill. mk; from Nov. 30, 1966 to Dec. 31, 1968, 700 mill. mk) | 700.0 | 700.0 | 500.0 | 500.0 | 500.0 | 500.0 |
| Total | 2 177.4 | 2 020.9 | 2 099.7 | 2 049.2 | 1 931.0 | 1 903.3 |
| Note issue | | | | | | |
| Notes in circulation | I 159.6 | 990.1 | I 099.4 | I 070.4 | I 101.5 | I 126.4 |
| Liabilities payable on demand | 136.5 | 101.5 | 81.5 | 101.0 | 82.6 | 86.0 |
| Undrawn on cheque credits | 5.6 | 2.9 | 3.8 | 3.6 | 4.1 | 3.9 |
| Unused right of note issue | 875.7 | 926.4 | 915.0 | 874.2 | 742.8 | 687.0 |
| Total | 2 177.4 | 2 020.9 | 2 099.7 | 2 049.2 | 1 931.0 | 1 903.3 |

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

BANK OF FINLAND

Mill. mk

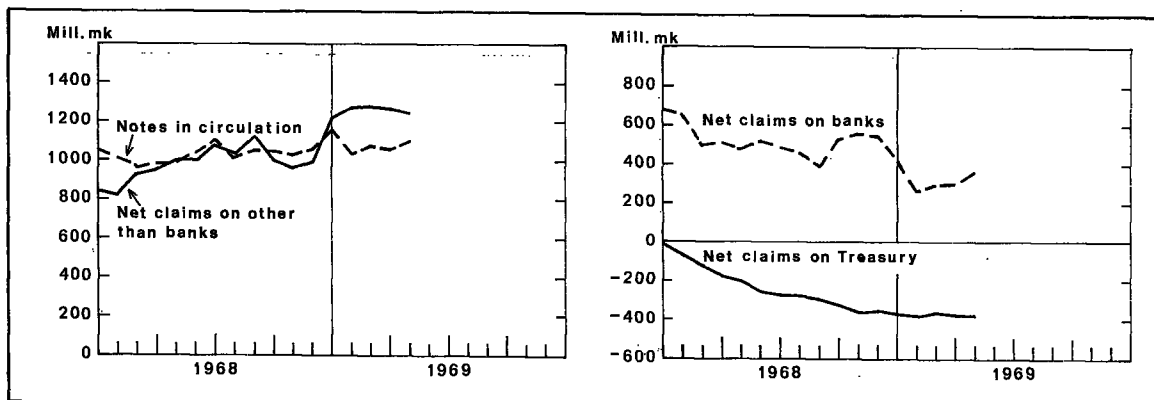
| End of year and month | Gold and foreign accounts | | | | | | Treasury | | | |
|-----------------------|---------------------------|--|--------------------------------|----------------------|---------------------------|----------------------------|-----------------|-------------------|-----------------------------|------------------------------------|
| | Gold and foreign exchange | Liabilities on foreign exchange accounts | Foreign exchange reserve (1-2) | Other foreign assets | Other foreign liabilities | Net foreign assets (3+4-5) | Bills and bonds | Other claims, net | Liabilities, Cheque account | Net claims on the Treasury (7+8-9) |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1962 | 637.7 | 17.1 | 620.6 | 67.7 | 114.9 | 573.4 | — | 28.9 | 5.5 | 23.4 |
| 1963 | 752.2 | 18.2 | 734.0 | 65.6 | 100.5 | 699.1 | — | 18.9 | 0.2 | 18.7 |
| 1964 | 973.4 | 84.7 | 888.7 | 76.3 | 82.8 | 882.2 | — | 8.9 | 5.4 | 3.5 |
| 1965 | 860.9 | 44.8 | 816.1 | 83.8 | 56.5 | 843.4 | — | 1.1 | 1.1 | — 2.2 |
| 1966 | 555.9 | 61.2 | 494.7 | 81.3 | 100.8 | 475.2 | 11.5 | 1.1 | 39.8 | — 29.4 |
| 1967 | 701.1 | 74.7 | 626.4 | 97.7 | 353.6 | 370.5 | 8.3 | 14.8 | 4.4 | — 10.9 |
| 1968 | 1 352.5 | 62.1 | 1 290.4 | 124.9 | 33.8 | 1 381.5 | 6.7 | 361.0 | 3.0 | — 357.3 |
| 1968 | | | | | | | | | | |
| March | 1 095.4 | 67.9 | 1 027.5 | 101.4 | 349.5 | 779.4 | 4.1 | 164.4 | 5.0 | — 165.3 |
| April | 1 193.6 | 73.4 | 1 120.2 | 127.3 | 347.2 | 900.3 | 4.1 | 201.4 | 3.0 | — 200.3 |
| May | 1 235.0 | 81.5 | 1 153.5 | 127.2 | 346.3 | 934.4 | 4.1 | 249.7 | 0.7 | — 246.3 |
| June | 1 346.4 | 86.1 | 1 260.3 | 124.5 | 303.5 | 1 081.3 | 6.7 | 276.9 | 0.0 | — 270.2 |
| July | 1 361.9 | 69.9 | 1 292.0 | 120.5 | 172.9 | 1 239.6 | 6.7 | 277.1 | 2.6 | — 273.0 |
| Aug. | 1 337.0 | 72.7 | 1 264.3 | 117.5 | 173.1 | 1 208.7 | 6.7 | 297.2 | 0.1 | — 290.6 |
| Sept. | 1 340.0 | 62.0 | 1 278.0 | 119.5 | 172.6 | 1 224.9 | 6.7 | 329.1 | 1.0 | — 323.4 |
| Oct. | 1 383.1 | 59.8 | 1 323.3 | 123.9 | 169.9 | 1 277.3 | 6.7 | 350.8 | 11.1 | — 355.2 |
| Nov. | 1 386.1 | 57.5 | 1 328.6 | 122.7 | 169.6 | 1 281.7 | 6.7 | 358.5 | 2.4 | — 354.2 |
| Dec. | 1 352.5 | 62.1 | 1 290.4 | 124.9 | 33.8 | 1 381.5 | 6.7 | 361.0 | 3.0 | — 357.3 |
| 1969 | | | | | | | | | | |
| Jan. | 1 448.8 | 62.7 | 1 386.1 | 122.9 | 30.4 | 1 478.6 | 4.2 | 378.7 | 0.7 | — 375.2 |
| Feb. | 1 468.9 | 45.4 | 1 423.5 | 116.6 | 30.1 | 1 510.0 | 2.5 | 365.1 | 2.7 | — 365.3 |
| March | 1 466.6 | 41.3 | 1 425.3 | 130.4 | 30.6 | 1 525.1 | 2.5 | 367.1 | 1.9 | — 366.5 |
| April | 1 454.5 | 42.9 | 1 411.6 | 145.2 | 27.7 | 1 529.1 | 2.5 | 369.9 | 9.7 | — 377.1 |

| | Foreign exchange situation, mill. mk | | | | | | | |
|------------------------------|--------------------------------------|-------|-------|-----------------------------|-------|-------|-----------|-----------|
| | Net holdings, Dec. 31, 1968 | | | Net holdings April 30, 1969 | | | Change in | |
| | Bank of Finland | Other | Total | Bank of Finland | Other | Total | April | Jan.-Apr. |
| | | | | | | | | |
| Gold | 190 | — | 190 | 189 | — | 189 | — | — 1 |
| IMF gold tranche | — | — | — | 131 | — | 131 | — | + 131 |
| Convertible currencies | 1 113 | — 368 | 745 | 984 | — 378 | 606 | — 75 | — 139 |
| Other currencies | — 13 | 5 | — 8 | 108 | 3 | 111 | + 13 | + 119 |
| Total | 1 290 | — 363 | 927 | 1 412 | — 375 | 1 037 | — 62 | + 110 |

BANK OF FINLAND

Mill. mk

| End of year and month | Finnish credit institutions | | | | Other | | | | Notes in circulation | |
|-----------------------|-----------------------------|------------------------------|--|-----------------------------|-----------------------------------|----------------------------------|----------------|-------------|----------------------|---|
| | Redis-counted bills | Liabilities, Cheque accounts | | | Net claims on the banks (1-2-3-4) | Inland bills in Finnish currency | Other advances | Liabilities | | Net claims on the rest of economy (6+7-8) |
| | | Private banks ¹⁾ | Post Office Savings Bank ¹⁾ | Mortgage Bank of Finland Oy | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1962 | 401.2 | — 4.0 | 53.3 | 0.8 | 351.1 | 33.5 | 99.6 | 4.1 | 129.0 | 774.4 |
| 1963 | 325.3 | 1.3 | 3.0 | 1.2 | 319.8 | 57.2 | 94.4 | 1.7 | 149.9 | 943.7 |
| 1964 | 448.4 | 16.4 | 49.6 | 0.6 | 381.8 | 67.1 | 103.0 | 1.6 | 168.5 | 1 002.7 |
| 1965 | 640.6 | 11.9 | 8.3 | 0.2 | 620.2 | 26.0 | 121.9 | 31.6 | 116.3 | 1 028.5 |
| 1966 | 915.2 | 13.8 | 17.3 | — 1.3 | 885.4 | 112.2 | 152.9 | 73.2 | 191.9 | 1 106.2 |
| 1967 | 867.5 | 154.7 | 34.5 | + 0.0 | 678.3 | 140.7 | 439.1 | 56.0 | 523.8 | 1 052.1 |
| 1968 | 617.7 | 163.3 | 16.3 | 1.6 | 436.5 | 147.5 | 341.5 | 41.8 | 447.2 | 1 159.6 |
| 1968 | | | | | | | | | | |
| March | 697.0 | 167.4 | 21.2 | 0.2 | 508.2 | 137.3 | 258.5 | 48.6 | 347.2 | 979.1 |
| April | 653.4 | 156.3 | 19.6 | + 0.0 | 477.5 | 141.0 | 229.0 | 49.9 | 320.1 | 990.1 |
| May | 701.7 | 160.8 | 17.4 | 0.3 | 523.2 | 131.8 | 228.3 | 50.9 | 309.2 | 1 035.7 |
| June | 694.8 | 180.5 | 20.3 | 0.1 | 493.9 | 133.5 | 223.7 | 44.9 | 312.3 | 1 101.5 |
| July | 645.0 | 167.0 | 20.2 | 0.2 | 457.6 | 133.5 | 218.7 | 45.1 | 307.1 | 1 017.0 |
| Aug. | 619.2 | 202.3 | 17.6 | + 0.0 | 399.3 | 135.9 | 249.8 | 42.3 | 343.4 | 1 054.0 |
| Sept. | 677.2 | 132.6 | 18.0 | 0.2 | 526.4 | 139.1 | 259.4 | 42.2 | 356.3 | 1 046.4 |
| Oct. | 734.7 | 148.7 | 25.7 | — 0.0 | 560.3 | 131.4 | 288.1 | 42.0 | 377.5 | 1 035.0 |
| Nov. | 719.9 | 130.4 | 35.0 | 0.1 | 554.4 | 132.1 | 323.7 | 41.3 | 414.5 | 1 058.5 |
| Dec. | 617.7 | 163.3 | 16.3 | 1.6 | 436.5 | 147.5 | 341.5 | 41.8 | 447.2 | 1 159.6 |
| 1969 | | | | | | | | | | |
| Jan. | 452.0 | 169.5 | 18.1 | + 0.0 | 264.4 | 129.4 | 352.7 | 37.3 | 444.8 | 1 039.3 |
| Feb. | 438.1 | 123.5 | 14.3 | + 0.0 | 300.3 | 134.0 | 379.3 | 32.8 | 480.5 | 1 080.3 |
| March | 439.8 | 120.5 | 15.2 | 1.5 | 302.6 | 129.2 | 374.6 | 30.6 | 473.2 | 1 064.0 |
| April | 491.0 | 109.1 | 20.1 | + 0.0 | 361.8 | 94.4 | 367.5 | 29.0 | 432.9 | 1 099.4 |

¹⁾ Including cash reserve accounts.

DEPOSITS BY THE PUBLIC — FOREIGN EXCHANGE RATES

Mill. mk

| End of year and month | Sight deposits | | | Term deposits | | | | | | Total (2+3+9) |
|-----------------------|------------------|-------------------------|----------------------|------------------|---------------|--|--------------------------|---------------------------|-------------------------|---------------|
| | Cheque accounts | | Postal giro accounts | Commercial banks | Savings banks | Co-op. credit societies & their central bank | Post Office Savings Bank | Consumer co-op. societies | All credit institutions | |
| | Commercial banks | All credit institutions | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1960 | 550.8 | 680.7 | 135.9 | 1 813.6 | 1 768.6 | 1 052.5 | 485.2 | 254.3 | 5 404.5 | 6 221.1 |
| 1961 | 577.9 | 720.8 | 143.8 | 2 105.9 | 2 079.6 | 1 241.0 | 558.2 | 285.3 | 6 270.3 | 7 134.9 |
| 1962 | 649.0 | 800.8 | 168.5 | 2 270.4 | 2 210.8 | 1 325.5 | 606.6 | 293.2 | 6 706.7 | 7 676.0 |
| 1963 | 715.3 | 876.0 | 250.3 | 2 441.0 | 2 336.6 | 1 448.0 | 648.5 | 310.7 | 7 185.0 | 8 311.3 |
| 1964 | 683.3 | 855.4 | 296.5 | 2 816.7 | 2 614.7 | 1 681.4 | 713.8 | 331.4 | 8 158.2 | 9 310.1 |
| 1965 | 665.7 | 843.7 | 309.4 | 3 160.1 | 2 954.4 | 1 953.5 | 773.2 | 357.2 | 9 198.6 | 10 351.7 |
| 1966 | 625.5 | 849.4 | 318.0 | 3 637.2 | 3 329.9 | 2 225.8 | 863.6 | 380.7 | 10 437.3 | 11 604.7 |
| 1967 | 649.8 | 834.0 | 340.9 | 4 080.8 | 3 644.6 | 2 439.7 | 941.2 | 431.3 | 11 537.9 | 12 712.8 |
| 1968* | 832.7 | 1 086.5 | 428.4 | 4 580.7 | 3 969.8 | 2 699.5 | 1 027.2 | 465.0 | 12 742.5 | 14 257.4 |
| 1968* | | | | | | | | | | |
| March | 664.0 | 837.9 | 353.5 | 4 167.7 | 3 736.9 | 2 498.4 | 978.0 | 421.1 | 11 802.3 | 12 993.7 |
| April | 674.9 | 852.2 | 454.4 | 4 209.9 | 3 750.5 | 2 525.0 | 979.0 | 420.9 | 11 885.5 | 13 192.1 |
| May | 697.3 | 890.9 | 403.6 | 4 212.2 | 3 758.5 | 2 520.6 | 972.0 | 417.5 | 11 881.0 | 13 175.5 |
| June | 668.8 | 856.9 | 425.7 | 4 249.2 | 3 740.9 | 2 510.6 | 965.4 | 414.7 | 11 881.0 | 13 163.6 |
| July | 758.1 | 959.7 | 381.9 | 4 262.5 | 3 747.5 | 2 518.8 | 966.8 | 414.4 | 11 910.2 | 13 251.8 |
| Aug. | 761.7 | 970.7 | 361.8 | 4 289.7 | 3 779.4 | 2 547.3 | 968.0 | 414.4 | 11 999.1 | 13 331.6 |
| Sept. | 785.6 | 1 001.3 | 388.1 | 4 319.2 | 3 806.3 | 2 569.3 | 973.2 | 425.3 | 12 093.5 | 13 482.9 |
| Oct. | 761.5 | 978.1 | 369.0 | 4 335.6 | 3 813.4 | 2 580.3 | 977.2 | 430.5 | 12 137.3 | 13 484.4 |
| Nov. | 752.7 | 967.8 | 365.6 | 4 374.3 | 3 858.2 | 2 608.9 | 985.4 | 440.4 | 12 277.5 | 13 610.9 |
| Dec. | 832.7 | 1 086.5 | 428.4 | 4 580.7 | 3 969.8 | 2 699.5 | 1 027.2 | 465.0 | 12 742.5 | 14 257.4 |
| 1969* | | | | | | | | | | |
| Jan. | 869.0 | 1 091.8 | 434.8 | 4 578.8 | 3 997.8 | 2 735.8 | 1 037.8 | 470.5 | 12 821.0 | 14 347.6 |
| Feb. | 894.5 | 1 109.7 | 461.3 | 4 598.5 | 4 031.8 | 2 775.1 | 1 051.0 | 475.5 | 12 932.3 | 14 503.3 |
| March | 923.0 | 1 163.0 | 426.7 | 4 636.9 | 4 045.0 | 2 798.6 | 1 058.5 | 478.2 | 13 017.6 | 14 607.3 |
| April | 893.6 | 1 139.5 | 421.2 | 4 690.5 | 4 071.2 | 2 825.8 | 1 059.0 | 479.6 | 13 126.4 | 14 687.1 |

| End of month | 100 % Index-tied deposits | Long-term deposits 6, 12 and 24 months |
|--------------|---------------------------|--|
| 1968* | | |
| June | 3 612.1 | 1 244.9 |
| July | 3 349.7 | 1 489.8 |
| Aug. | 3 159.1 | 1 659.9 |
| Sept. | 2 935.0 | 1 860.3 |
| Oct. | 2 400.7 | 2 225.5 |
| Nov. | 1 892.3 | 2 637.7 |
| Dec. | 1 410.4 | 3 085.1 |
| 1969* | | |
| Jan. | 723.3 | 3 699.1 |
| Feb. | 92.8 | 4 359.4 |
| March | 13.9 | 4 558.4 |
| April | 0.3 | 4 609.9 |

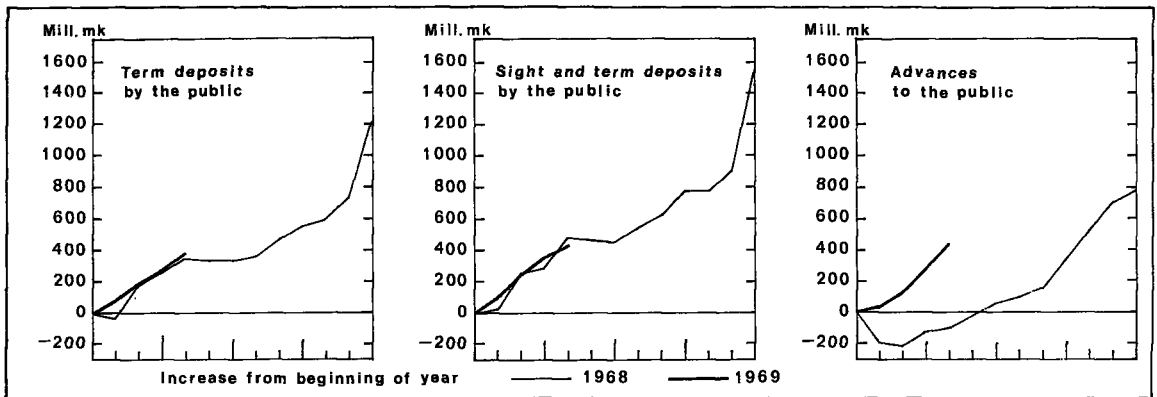
| Selling rates for foreign exchange | | | |
|------------------------------------|--------|---------|--|
| May 27, 1969 | | | |
| | | mk | mk |
| New York | 1 \$ | 4.2030 | Zurich 100 Fr 97.40 |
| Montreal | 1 \$ | 3.9020 | Paris 100 FF 84.55 |
| London | 1 £ | 10.0400 | Rome 100 Lit 0.6685 |
| Stockholm .. | 100 Kr | 81.40 | Vienna 100 S 16.24 |
| Oslo | 100 Kr | 58.86 | Lisbon 100 Esc 14.77 |
| Copenhagen .. | 100 Kr | 55.80 | Reykjavik 100 Kr 4.76 |
| Frankfurt o. M. | 100 DM | 105.20 | Madrid 100 Pta 6.02 |
| Amsterdam .. | 100 Fl | 115.48 | Moscow, clear. ¹⁾ 1 Rbl 4.6799 |
| Brussels | 100 Fr | 8.3900 | Clearing dollars ²⁾ 1 Cl \$ 4.212 |

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

ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

| End of year and month | Granted by | | | | | Types of advances | | Total (1 to 5) (6 and 7) | Money Supply |
|-----------------------|------------------|---------------|--------------------------|--|----------------|-------------------|----------------|--------------------------------|--------------|
| | Commercial banks | Savings banks | Post Office Savings Bank | Co-op. credit societies & their central bank | Mortgage banks | Loans & Bills | Cheque credits | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1960 | 2 604.6 | 1 549.3 | 395.0 | 1 176.0 | 452.2 | 5 861.9 | 315.2 | 6 177.1 | 1 494.6 |
| 1961 | 3 048.0 | 1 817.6 | 436.8 | 1 462.7 | 515.2 | 6 928.2 | 352.1 | 7 280.3 | 1 646.1 |
| 1962 | 3 299.9 | 2 018.5 | 508.7 | 1 600.6 | 614.7 | 7 680.8 | 361.6 | 8 042.4 | 1 722.5 |
| 1963 | 3 472.5 | 2 134.5 | 544.0 | 1 757.7 | 664.3 | 8 226.2 | 346.8 | 8 573.0 | 1 986.5 |
| 1964 | 3 916.4 | 2 318.0 | 607.7 | 2 057.5 | 829.4 | 9 320.5 | 408.5 | 9 729.0 | 2 042.5 |
| 1965 | 4 279.6 | 2 609.2 | 716.5 | 2 348.4 | 899.4 | 10 439.6 | 413.5 | 10 853.1 | 2 085.0 |
| 1966 | 4 867.7 | 2 951.4 | 783.9 | 2 598.7 | 908.8 | 11 630.7 | 479.8 | 12 110.5 | 2 221.7 |
| 1967 | 5 203.7 | 3 247.7 | 869.0 | 2 779.5 | 1 026.9 | 12 598.9 | 527.9 | 13 126.8 | 2 183.1 |
| 1968* | 5 593.3 | 3 442.9 | 940.3 | 2 873.6 | 1 053.0 | 13 415.9 | 487.2 | 13 903.1 | 2 671.2 |
| 1968* | | | | | | | | | |
| March | 5 201.6 | 3 241.8 | 903.8 | 2 629.7 | 1 017.3 | 12 441.3 | 552.9 | 12 994.2 | 2 151.4 |
| April | 5 198.9 | 3 261.1 | 914.8 | 2 645.4 | 1 006.3 | 12 528.7 | 497.8 | 13 026.5 | 2 275.6 |
| May | 5 235.3 | 3 287.3 | 915.5 | 2 661.0 | 1 004.5 | 12 610.5 | 493.1 | 13 103.6 | 2 268.2 |
| June | 5 288.9 | 3 297.0 | 920.8 | 2 679.2 | 999.9 | 12 646.8 | 539.0 | 13 185.8 | 2 316.8 |
| July | 5 270.7 | 3 312.1 | 932.5 | 2 701.2 | 999.2 | 12 715.1 | 500.6 | 13 215.7 | 2 315.4 |
| Aug. | 5 296.4 | 3 341.7 | 928.3 | 2 724.0 | 997.1 | 12 791.6 | 495.9 | 13 287.5 | 2 308.4 |
| Sept. | 5 388.6 | 3 372.4 | 930.8 | 2 775.5 | 998.6 | 12 951.6 | 514.3 | 13 465.9 | 2 378.9 |
| Oct. | 5 424.2 | 3 413.2 | 927.2 | 2 813.0 | 1 074.9 | 13 145.8 | 506.7 | 13 652.5 | 2 320.8 |
| Nov. | 5 528.9 | 3 446.3 | 930.6 | 2 845.1 | 1 073.3 | 13 282.8 | 541.4 | 13 824.2 | 2 362.8 |
| Dec. | 5 593.3 | 3 442.9 | 940.3 | 2 873.6 | 1 053.0 | 13 415.9 | 487.2 | 13 903.1 | 2 671.2 |
| 1969 | | | | | | | | | |
| Jan. | 5 590.6 | 3 450.3 | 950.6 | 2 888.7 | 1 051.4 | 13 430.2 | 501.4 | 13 931.6 | 2 497.5 |
| Feb. | 5 645.7 | 3 474.7 | 951.5 | 2 907.1 | 1 045.5 | 13 479.2 | 545.3 | 14 024.5 | 2 604.3 |
| March | 5 704.5 | 3 491.0 | 958.5 | 2 920.4 | 1 106.1 | 13 638.4 | 542.1 | 14 180.5 | 2 554.9 |
| April | 5 802.0 | 3 515.4 | 960.5 | 2 949.7 | 1 112.9 | 13 767.8 | 572.7 | 14 340.5 | 2 614.2 |



STATE FINANCES

Mill. mk

| Revenue | | | Expenditure | | |
|--|--------------|--------------|---|--------------|--------------|
| | 1967 | 1968 | | 1967 | 1968 |
| Income and property tax (net) | 1 685 | 2 037 | Wages, salaries, pensions etc. | 1 266 | 1 495 |
| Gross receipts | (4 965) | (5 572) | Repair and maintenance | 239 | 254 |
| Refunds & local authorities | (-3 280) | (-3 535) | Other consumption expenditure .. | 563 | 706 |
| Other taxes on income and property | 40 | 44 | <i>Total consumption expenditure</i> | 2 068 | 2 455 |
| Employers' child allowance payments | 486 | 549 | State aid to local authorities | 1 015 | 1 244 |
| Sales tax | 1 908 | 2 107 | State aid to industries | 866 | 932 |
| Revenue from Alcohol Monopoly .. | 465 | 524 | of which: agric. price subsidies | (645) | (706) |
| Customs duties & import charges | 466 | 392 | Child allowances | 309 | 322 |
| Export levy | 14 | 523 | Share in nat. pensions & health | | |
| Excise duty on tobacco | 404 | 428 | insurance | 351 | 409 |
| » » on liquid fuel | 477 | 516 | Other transfer expenditure | 678 | 922 |
| Other excise duties | 113 | 117 | <i>Total transfer expenditure</i> | 3 219 | 3 829 |
| Tax on autom. and motor cycles | 167 | 143 | Machinery & equipment | 225 | 297 |
| Stamp duties | 179 | 184 | House construction | 283 | 279 |
| Special diesel etc. vehicles tax | 74 | 60 | Land and waterway construction | 741 | 800 |
| Other taxes and similar revenue | 47 | 59 | <i>Total real investments</i> | 1 249 | 1 376 |
| Total taxes | 6 525 | 7 683 | Interest on State debt | 218 | 231 |
| Miscellaneous revenue | 387 | 477 | Index compensations | 18 | 30 |
| Interest, dividends etc. | 151 | 161 | Net deficit of State enterprises .. | 41 | 96 |
| Sales and depreciation of property .. | 62 | 70 | Other expenditure | 2 | 12 |
| Redemptions of loans granted | 157 | 177 | <i>Total other expenditure</i> | 279 | 369 |
| Total revenue | 7 282 | 8 568 | <i>Increase in inventories</i> | 38 | 6 |
| Foreign borrowing | 157 | 248 | <i>Lending</i> | 406 | 578 |
| Domestic borrowing | 446 | 656 | <i>Other financial investments</i> | 131 | 187 |
| Total borrowing | 603 | 904 | Total expenditure | 7 390 | 8 800 |
| Deficit (+) or surplus (-) | +82 | -40 | Redemption of foreign loans | 71 | 117 |
| Total | 7 967 | 9 432 | Redemption of domestic loans .. | 506 | 515 |
| | | | Total redemptions | 577 | 632 |
| | | | Total | 7 967 | 9 432 |

| Debt | 1966 | | 1967 | | 1968 | | 1969 | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------|
| | | | | | | | | |
| | Dec. | Dec. | Nov. | Dec. | Jan. | Feb. | March | April* |
| Foreign debt | 1 340 | 1 844 | 1 916 | 2 074 | 1 990 | 1 985 | 1 965 | 1 961 |
| Loans | 2 075 | 2 013 | 2 083 | 2 160 | 2 230 | 2 219 | 2 241 | 2 221 |
| Compensatory stock etc. | 96 | 5 | 5 | 5 | 5 | 4 | 4 | 4 |
| Short-term credit | 101 | 167 | 305 | 320 | 314 | 301 | 258 | 244 |
| Cash debt (net) | -85 | -12 | -368 | -256 | -273 | -165 | -290 | .. |
| Domestic debt | 2 187 | 2 173 | 2 025 | 2 229 | 2 276 | 2 359 | 2 213 | .. |
| Total debt | 3 527 | 4 017 | 3 941 | 4 303 | 4 266 | 4 344 | 4 178 | .. |
| Total debt, mill. \$ | 1 094 | 955 | 941 | 1 028 | 1 019 | 1 037 | 998 | .. |

BALANCE OF PAYMENTS

Mill. mk

| Period | Exports f.o.b. | Imports c.i.f. | Trade balance | Transportation, net | Travel, net | Other services, net | Balance of goods and services | Investment income, net | Transfer payments, net | Balance of current transactions |
|------------|-------------------|-------------------|------------------|------------------------|----------------|---------------------------|-------------------------------------|------------------------------|------------------------------|---------------------------------------|
| 1964 | 4 109 | 4 831 | -722 | +330 | -115 | + 42 | -465 | -101 | + 3 | -563 |
| 1965 | 4 542 | 5 287 | -745 | +341 | -108 | + 21 | -491 | -131 | + 15 | -607 |
| 1966 | 4 784 | 5 542 | -758 | +356 | - 96 | + 12 | -486 | -150 | + 3 | -633 |
| 1967 | 5 194 | 5 816 | -622 | +416 | - 88 | + 17 | -277 | -209 | - 3 | -489 |
| 1968* | 6 826 | 6 715 | +111 | +479 | - 8 | + 5 | +587 | -262 | - 5 | +320 |
| Jan.-Mar. | | | | | | | | | | |
| 1966 | 879 | 1 247 | -368 | + 72 | - 23 | + 10 | -309 | - 38 | + 0 | -347 |
| 1967 | 1 088 | 1 347 | -259 | + 98 | - 24 | - 2 | -187 | - 57 | - 1 | -245 |
| 1968 | 1 385 | 1 515 | -130 | +103 | - 16 | + 7 | - 36 | - 58 | + 1 | - 93 |
| Apr.-June | | | | | | | | | | |
| 1966 | 1 247 | 1 397 | -150 | +113 | - 31 | - 8 | - 76 | - 36 | - 2 | -114 |
| 1967 | 1 242 | 1 398 | -156 | + 97 | - 34 | + 6 | - 87 | - 39 | + 1 | -125 |
| 1968 | 1 808 | 1 829 | - 21 | +133 | - 12 | + 2 | +102 | - 67 | - 1 | + 34 |
| July-Sept. | | | | | | | | | | |
| 1966 | 1 275 | 1 359 | - 84 | + 73 | - 17 | + 1 | - 27 | - 40 | + 2 | - 65 |
| 1967 | 1 241 | 1 256 | - 15 | +114 | - 18 | - 3 | + 78 | - 63 | + 3 | + 18 |
| 1968 | 1 680 | 1 500 | +180 | +147 | + 32 | + 0 | +359 | - 67 | - 1 | +291 |
| Oct.-Dec. | | | | | | | | | | |
| 1966 | 1 383 | 1 539 | -156 | + 98 | - 25 | + 9 | - 74 | - 36 | + 3 | -107 |
| 1967 | 1 623 | 1 815 | -192 | +107 | - 12 | + 16 | - 81 | - 50 | - 6 | -137 |
| 1968 | 1 953 | 1 871 | + 82 | + 96 | - 12 | - 4 | +162 | - 70 | - 4 | + 88 |

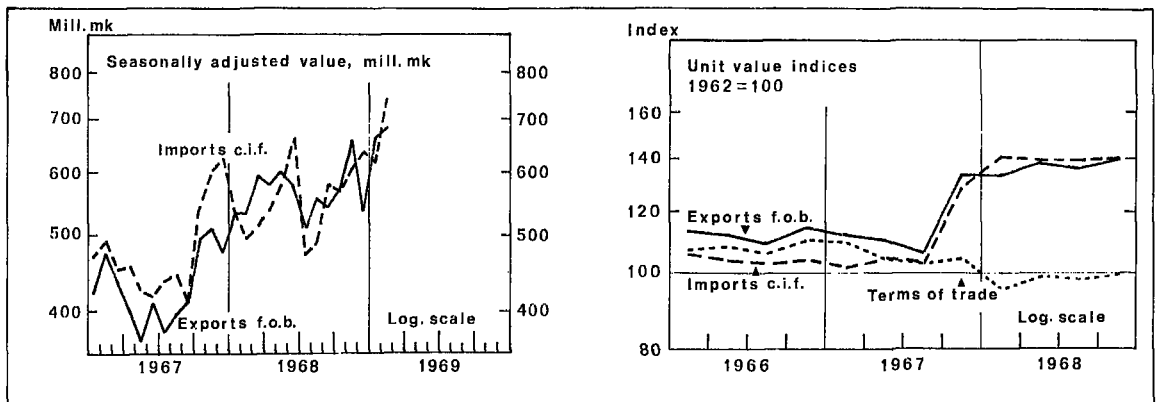
| Period | Drawings of long-term loans | Amortiza- tions of long-term loans | Long- term export credits, net | Miscella- neous long-term capital items, net ¹⁾ | Basic balance | Short-term import credits and pre- payments, net | Short-term export credits and pre- payments, net | Miscella- neous short- term capital items incl. errors and omissions | Over-all balance | Reserve movements | |
|------------|--------------------------------------|---|--|---|------------------|---|---|---|---------------------|--------------------|---|
| | | | | | | | | | | Bank of Finland | Other foreign exchange holders |
| 1964 | + 762 | -228 | - 31 | - 11 | - 71 | +112 | + 55 | + 83 | +179 | -179 | .. |
| 1965 | + 434 | -273 | - 66 | + 3 | -509 | +146 | + 34 | + 46 | -283 | +202 | + 81 |
| 1966 | + 518 | -271 | - 61 | - 32 | -479 | + 53 | -114 | +185 | -355 | +321 | + 34 |
| 1967 | + 910 | -406 | - 33 | + 13 | - 5 | -112 | - 56 | + 65 | -108 | + 84 | + 24 |
| 1968* | +1 245 | -868 | -167 | - 82 | +448 | +212 | - 97 | + 34 | +597 | -664 | + 67 |
| Jan.-Mar. | | | | | | | | | | | |
| 1966 | + 89 | - 60 | + 2 | - 15 | -331 | + 43 | +243 | + 12 | - 33 | + 38 | - 5 |
| 1967 | + 192 | - 66 | + 12 | + 5 | -102 | - 48 | + 85 | + 74 | + 9 | - 50 | + 41 |
| 1968 | + 214 | -140 | - 54 | + 4 | - 69 | +168 | +191 | + 24 | +314 | -401 | + 87 |
| Apr.-June | | | | | | | | | | | |
| 1966 | + 116 | - 52 | - 36 | + 3 | - 83 | + 19 | -114 | + 64 | -114 | +121 | - 7 |
| 1967 | + 315 | - 62 | + 2 | + 4 | +134 | + 44 | + 71 | -169 | + 80 | -105 | + 25 |
| 1968 | + 396 | -214 | - 18 | - 18 | +180 | +190 | -144 | - 56 | +170 | -233 | + 63 |
| July-Sept. | | | | | | | | | | | |
| 1966 | + 111 | - 67 | - 9 | + 20 | - 10 | - 3 | -121 | + 43 | - 91 | + 45 | + 46 |
| 1967 | + 251 | - 92 | - 13 | + 4 | +168 | - 95 | - 53 | + 38 | + 58 | - 77 | + 19 |
| 1968 | + 226 | -212 | - 14 | - 29 | +262 | - 98 | - 27 | - 25 | +112 | - 18 | - 94 |
| Oct.-Dec. | | | | | | | | | | | |
| 1966 | + 202 | - 92 | - 18 | - 40 | - 55 | - 6 | -122 | + 66 | -117 | +117 | ± 0 |
| 1967 | + 152 | -186 | - 34 | + 0 | -205 | - 13 | -159 | +122 | -255 | +316 | - 61 |
| 1968 | + 410 | -302 | - 81 | - 40 | + 75 | - 48 | -117 | + 91 | + 1 | - 12 | + 11 |

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

¹⁾ Including Direct investment net.

FOREIGN TRADE

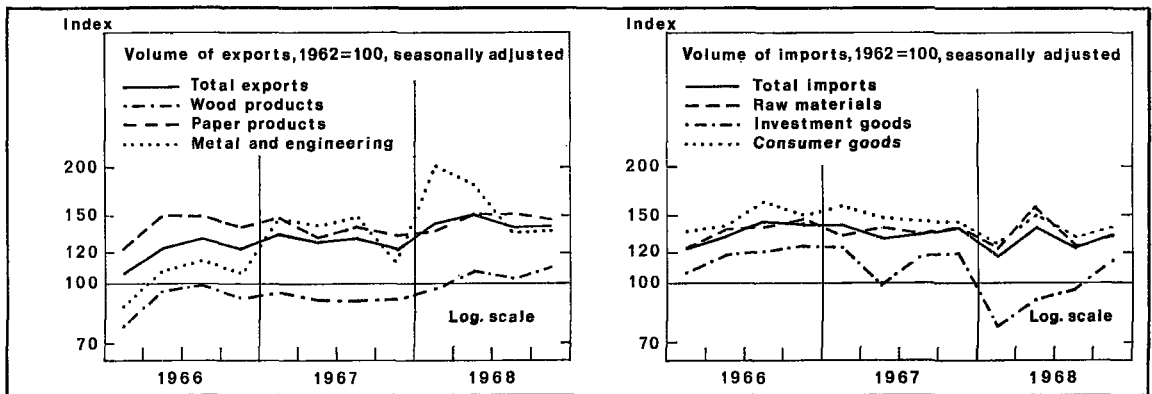
| Period | Value mill. mk | | | Unit value indices 1962 = 100 | | | | | | |
|-----------|---------------------|---------------------|--|-------------------------------|-----------------------------|------------------------------|-------------------------------|---|-----------------------------------|----------------------|
| | Exports f. o. b. | Imports c. i. f. | Surplus of exports (+) or imports (-) | Articles of export f. o. b. | | | | | Articles of import c. i. f. | Terms of Trade |
| | | | | Total | Round and hewn timber | Wood industry products | Paper industry products | Metal, en- gineering industry products | | |
| 1963 | 3 678.0 | 3 866.9 | -188.9 | 102 | 96 | 104 | 100 | 105 | 101 | 101 |
| 1964 | 4 131.9 | 4 816.5 | -684.6 | 108 | 109 | 111 | 104 | 113 | 103 | 105 |
| 1965 | 4 566.0 | 5 265.1 | -699.1 | 113 | 115 | 123 | 106 | 119 | 104 | 109 |
| 1966 | 4 816.9 | 5 524.4 | -707.5 | 112 | 112 | 122 | 105 | 119 | 104 | 108 |
| 1967 | 5 231.2 | 5 794.4 | -563.2 | 115 | 114 | 124 | 111 | 117 | 110 | 105 |
| 1968* | 6 874.2 | 6 710.9 | +163.3 | 137 | 122 | 144 | 131 | 147 | 138 | 99 |
| Jan.-Feb. | | | | | | | | | | |
| 1967 | 709.0 | 911.1 | -202.1 | | | | | | | |
| 1968* | 864.3 | 999.7 | -135.4 | | | | | | | |
| 1969* | 1 083.1 | 1 298.7 | -215.6 | | | | | | | |
| 1968* | | | | | | | | | | |
| Jan. | 465.0 | 534.3 | - 69.3 | 133 | 137 | 138 | 130 | 132 | 140 | 95 |
| Feb. | 399.3 | 465.4 | - 66.1 | | | | | | | |
| March | 537.1 | 510.0 | + 27.1 | | | | | | | |
| April | 557.3 | 556.3 | + 1.0 | 138 | 114 | 143 | 131 | 157 | 139 | 99 |
| May | 660.8 | 655.8 | + 5.0 | | | | | | | |
| June | 597.5 | 609.7 | - 12.2 | | | | | | | |
| July | 518.2 | 446.7 | + 71.5 | 136 | 133 | 144 | 131 | 136 | 139 | 98 |
| Aug. | 575.5 | 470.2 | +105.3 | | | | | | | |
| Sept. | 595.6 | 575.7 | + 19.9 | | | | | | | |
| Oct. | 668.2 | 590.0 | + 78.2 | 140 | 120 | 147 | 131 | 156 | 140 | 100 |
| Nov. | 682.4 | 609.4 | + 73.0 | | | | | | | |
| Dec. | 617.3 | 687.4 | - 70.1 | | | | | | | |
| 1969* | | | | | | | | | | |
| Jan. | 591.5 | 632.0 | - 40.5 | | | | | | | |
| Feb. | 491.6 | 666.7 | -175.1 | | | | | | | |



FOREIGN TRADE BY MAIN GROUPS

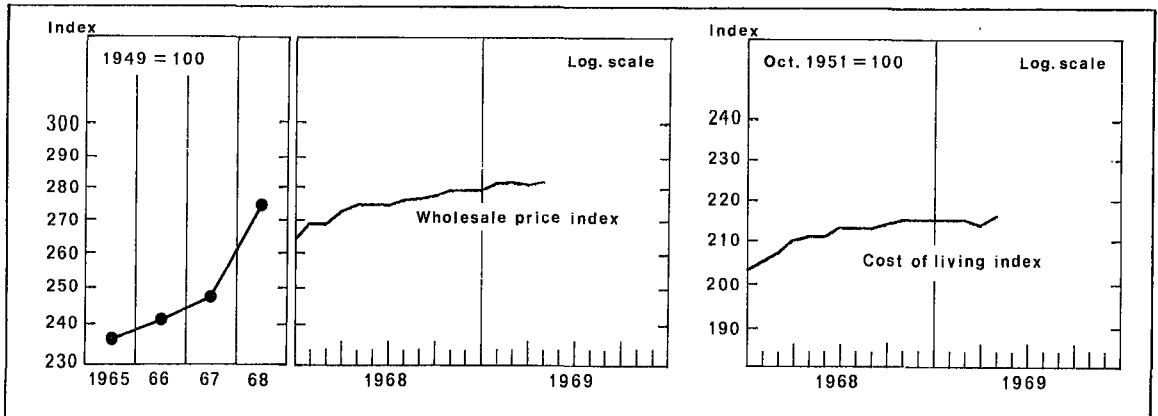
Mill. mk

| Period | Exports, f.o.b. | | | | | | Imports, c.i.f. | | | |
|-----------|-----------------------|-----------------------|------------------------|-------------------------|--------------------------------------|-------------|----------------------------------|----------------------|------------------|----------------|
| | Agricultural products | Round and hewn timber | Wood industry products | Paper industry products | Metal, engineering industry products | Other goods | Raw materials and producer goods | Fuels and lubricants | Finished goods | |
| | | | | | | | | | Investment goods | Consumer goods |
| 1963 | 164.8 | 112.8 | 811.8 | 1 752.2 | 613.8 | 222.6 | 1 827.5 | 373.3 | 1 004.3 | 661.8 |
| 1964 | 230.4 | 89.8 | 895.8 | 2 019.5 | 610.3 | 286.1 | 2 110.7 | 508.4 | 1 396.2 | 801.2 |
| 1965 | 251.8 | 60.3 | 919.8 | 2 165.6 | 800.3 | 368.2 | 2 362.4 | 514.7 | 1 511.4 | 876.6 |
| 1966 | 264.0 | 59.0 | 863.5 | 2 297.0 | 877.2 | 456.2 | 2 450.5 | 589.8 | 1 448.5 | 1 035.6 |
| 1967 | 261.4 | 54.3 | 865.7 | 2 384.5 | 1 080.6 | 584.7 | 2 545.9 | 668.2 | 1 462.8 | 1 117.5 |
| 1968* | 327.1 | 55.5 | 1 157.7 | 2 994.0 | 1 566.4 | 773.5 | 3 023.1 | 874.0 | 1 524.2 | 1 289.6 |
| Jan.-Feb. | | | | | | | | | | |
| 1967 | 41.7 | 4.3 | 93.5 | 369.1 | 133.1 | 67.3 | 379.8 | 100.9 | 248.6 | 181.8 |
| 1968* | 48.6 | 5.1 | 107.9 | 407.1 | 197.4 | 98.2 | 441.2 | 150.3 | 203.9 | 204.3 |
| 1969* | 60.6 | 5.2 | 145.0 | 483.5 | 250.2 | 138.6 | 509.8 | 220.5 | 337.2 | 231.2 |
| 1968* | | | | | | | | | | |
| Jan. | 35.1 | 4.0 | 66.2 | 205.4 | 105.7 | 48.6 | 236.1 | 96.0 | 103.4 | 98.8 |
| Feb. | 13.5 | 1.1 | 41.7 | 201.7 | 91.7 | 49.6 | 205.1 | 54.3 | 100.5 | 105.5 |
| March | 48.6 | 2.6 | 55.9 | 251.5 | 114.0 | 64.5 | 220.5 | 61.3 | 118.6 | 109.6 |
| April | 18.3 | 3.7 | 91.3 | 271.3 | 119.5 | 53.2 | 246.4 | 65.7 | 127.1 | 117.1 |
| May | 37.5 | 7.2 | 109.8 | 278.5 | 157.1 | 70.7 | 294.3 | 88.3 | 157.8 | 115.4 |
| June | 18.5 | 4.3 | 104.3 | 221.4 | 186.3 | 62.7 | 282.7 | 74.5 | 146.4 | 106.1 |
| July | 19.8 | 5.5 | 115.1 | 246.2 | 88.3 | 43.3 | 205.6 | 51.0 | 101.3 | 88.8 |
| Aug. | 26.0 | 7.0 | 119.6 | 263.6 | 92.6 | 66.7 | 217.9 | 76.3 | 96.4 | 79.6 |
| Sept. | 20.2 | 6.0 | 109.2 | 250.3 | 130.0 | 79.9 | 259.4 | 88.3 | 120.4 | 107.6 |
| Oct. | 24.1 | 6.4 | 119.5 | 283.8 | 150.8 | 83.6 | 270.9 | 61.3 | 137.9 | 119.9 |
| Nov. | 15.0 | 5.6 | 123.4 | 272.6 | 182.0 | 83.8 | 266.4 | 84.7 | 138.0 | 120.3 |
| Dec. | 50.5 | 2.1 | 101.7 | 247.7 | 148.4 | 66.9 | 317.8 | 72.3 | 176.4 | 120.9 |
| 1969* | | | | | | | | | | |
| Jan. | 46.3 | 2.4 | 91.9 | 257.8 | 126.8 | 66.3 | 259.3 | 111.9 | 138.6 | 122.2 |
| Feb. | 14.3 | 2.8 | 53.1 | 225.7 | 123.4 | 72.3 | 250.5 | 108.6 | 198.6 | 109.0 |



FOREIGN TRADE BY COUNTRIES

| Area and country | Exports, f. o. b. | | | | | Imports, c. i. f. | | | | |
|------------------------------|-------------------|-------|-------------|-------|----------|-------------------|-------|-------------|-------|----------|
| | Whole year | | Jan. — Feb. | | | Whole year | | Jan. — Feb. | | |
| | 1967 | 1968* | 1968* | 1969* | | 1967 | 1968* | 1968* | 1969* | |
| | % | % | % | % | Mill. mk | % | % | % | % | Mill. mk |
| Sterling area | 22.8 | 22.7 | 22.7 | 21.9 | 237.0 | 15.8 | 15.8 | 13.3 | 20.8 | 270.7 |
| United Kingdom | 20.9 | 20.6 | 21.2 | 19.8 | 214.1 | 15.2 | 15.3 | 13.0 | 20.2 | 262.0 |
| Other OECD countries | | | | | | | | | | |
| in Europe | 44.1 | 46.8 | 50.4 | 48.9 | 529.6 | 53.9 | 54.5 | 54.5 | 49.2 | 639.6 |
| Austria | 0.5 | 0.5 | 0.5 | 0.8 | 8.5 | 0.9 | 1.0 | 1.0 | 0.9 | 11.9 |
| Belgium-Luxembourg ... | 2.5 | 2.4 | 2.3 | 2.3 | 25.1 | 2.0 | 2.1 | 2.0 | 1.6 | 20.3 |
| Denmark | 3.8 | 3.7 | 3.5 | 3.8 | 41.0 | 3.3 | 3.6 | 3.6 | 3.0 | 38.3 |
| France | 4.2 | 4.0 | 4.4 | 4.5 | 48.4 | 3.7 | 3.6 | 3.6 | 2.9 | 37.8 |
| Western Germany | 8.6 | 10.5 | 9.7 | 10.8 | 116.6 | 16.2 | 15.5 | 15.3 | 13.5 | 175.0 |
| Italy | 3.1 | 3.0 | 2.9 | 2.5 | 27.3 | 2.0 | 2.2 | 2.2 | 2.1 | 27.4 |
| Netherlands | 5.1 | 4.6 | 5.3 | 4.4 | 47.4 | 3.8 | 3.6 | 3.4 | 3.3 | 43.0 |
| Norway | 2.4 | 2.6 | 6.3 | 2.0 | 21.9 | 2.3 | 2.4 | 2.4 | 2.2 | 28.9 |
| Portugal | 0.2 | 0.2 | 0.3 | 0.3 | 3.5 | 0.4 | 0.5 | 0.6 | 0.5 | 6.6 |
| Spain | 1.0 | 0.9 | 0.7 | 0.8 | 9.0 | 0.5 | 0.4 | 0.5 | 0.4 | 5.5 |
| Sweden | 9.7 | 10.9 | 10.9 | 12.6 | 136.9 | 15.4 | 15.9 | 15.9 | 15.8 | 205.2 |
| Switzerland | 1.0 | 1.5 | 1.6 | 1.9 | 20.2 | 3.0 | 3.3 | 3.4 | 2.8 | 36.8 |
| Eastern Bloc | 21.2 | 19.2 | 14.8 | 16.6 | 179.5 | 20.4 | 20.9 | 22.9 | 19.3 | 250.5 |
| China | 0.8 | 0.7 | 0.1 | 0.3 | 3.8 | 0.5 | 0.4 | 0.2 | 0.5 | 6.8 |
| Czechoslovakia | 0.4 | 0.5 | 0.4 | 0.6 | 6.4 | 0.6 | 0.7 | 0.9 | 0.5 | 6.1 |
| Eastern Germany | 0.7 | 0.6 | 0.5 | 0.4 | 4.0 | 0.9 | 0.9 | 1.0 | 0.6 | 8.2 |
| Poland | 1.4 | 1.2 | 0.6 | 1.9 | 20.7 | 1.6 | 1.6 | 1.1 | 1.0 | 13.0 |
| Soviet Union | 17.1 | 15.5 | 12.4 | 12.6 | 136.1 | 16.1 | 16.7 | 18.9 | 16.1 | 208.3 |
| U.S. and Canada | 6.0 | 6.1 | 7.0 | 5.6 | 61.3 | 4.1 | 3.7 | 4.4 | 5.7 | 73.9 |
| United States | 5.8 | 5.8 | 6.8 | 5.3 | 57.7 | 3.9 | 3.5 | 4.2 | 5.5 | 70.9 |
| Latin America | 2.9 | 2.9 | 2.9 | 4.0 | 43.0 | 2.7 | 2.6 | 2.3 | 2.4 | 30.8 |
| Argentina | 1.0 | 0.9 | 0.7 | 0.8 | 8.3 | 0.2 | 0.2 | 0.0 | 0.0 | 0.6 |
| Brazil | 0.8 | 0.7 | 0.6 | 0.6 | 6.1 | 1.2 | 1.0 | 1.3 | 1.1 | 13.8 |
| Colombia | 0.3 | 0.3 | 0.4 | 0.3 | 3.3 | 0.8 | 0.8 | 0.6 | 0.9 | 10.8 |
| Other | 3.0 | 2.3 | 2.2 | 3.0 | 32.7 | 3.1 | 2.5 | 2.6 | 2.6 | 33.2 |
| Grand total | 100.0 | 100.0 | 100.0 | 100.0 | 1 083.1 | 100.0 | 100.0 | 100.0 | 100.0 | 1 298.7 |
| of which | | | | | | | | | | |
| EFTA countries | 38.5 | 40.1 | 44.3 | 41.2 | 446.0 | 40.6 | 42.0 | 39.9 | 45.4 | 589.2 |
| EEC countries | 23.5 | 24.5 | 24.5 | 24.4 | 264.8 | 27.7 | 27.0 | 26.5 | 23.4 | 303.6 |



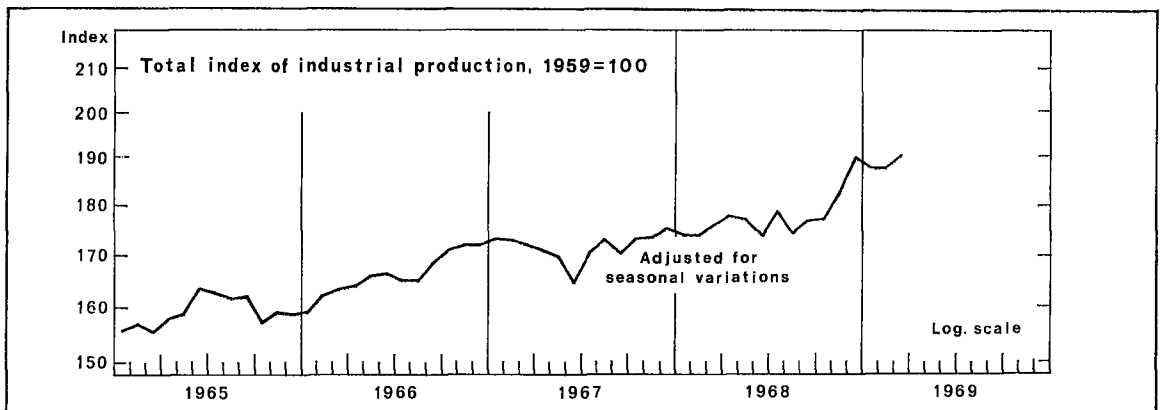
PRICE INDICES

| Period | Wholesale prices 1949 = 100 | | | | | | | | | Building costs 1964 = 100 | | |
|--------|-----------------------------|------------------------|------------------------|------------------------|--|------------------------|--|------------------------------|--|---------------------------|-------------------------|--------------------|
| | Total | Origin | | Purpose | | | Stage of processing | | | Total | Wages in building trade | Building materials |
| | | Domes- tic goods | Im- ported goods | Pro- ducer goods | Mach- inery & transport equipm. | Con- sumer goods | Raw materials and com- modities | Simply processed goods | More elab- orately processed goods | | | |
| 1966 | 241 | 247 | 216 | 245 | 228 | 238 | 271 | 233 | 228 | 108 | 106 | 104 |
| 1967 | 248 | 254 | 225 | 246 | 241 | 253 | 276 | 236 | 240 | 114 | 112 | 107 |
| 1968 | 275 | 280 | 259 | 271 | 276 | 281 | 301 | 264 | 268 | 126 | 133 | 115 |
| 1968 | | | | | | | | | | | | |
| April | 275 | 279 | 259 | 270 | 277 | 281 | 296 | 265 | 269 | 125 | 130 | 114 |
| May | 275 | 279 | 260 | 270 | 277 | 282 | 297 | 264 | 269 | 125 | 130 | 114 |
| June | 275 | 279 | 260 | 269 | 277 | 283 | 298 | 265 | 269 | 127 | 135 | 115 |
| July | 276 | 281 | 258 | 270 | 277 | 285 | 302 | 264 | 269 | 127 | 135 | 115 |
| Aug. | 277 | 282 | 258 | 271 | 277 | 285 | 303 | 263 | 270 | 127 | 135 | 115 |
| Sept. | 278 | 282 | 259 | 273 | 277 | 283 | 305 | 264 | 270 | 127 | 135 | 115 |
| Oct. | 279 | 284 | 260 | 275 | 277 | 284 | 309 | 266 | 270 | 127 | 135 | 115 |
| Nov. | 279 | 285 | 260 | 277 | 277 | 284 | 310 | 267 | 270 | 127 | 135 | 116 |
| Dec. | 279 | 284 | 260 | 277 | 277 | 283 | 309 | 267 | 269 | 127 | 135 | 116 |
| 1969 | | | | | | | | | | | | |
| Jan. | 281 | 285 | 263 | 277 | 285 | 284 | 311 | 268 | 271 | 129 | 139 | 116 |
| Feb. | 282 | 287 | 264 | 278 | 285 | 287 | 315 | 268 | 271 | 129 | 139 | 116 |
| March | 281 | 285 | 264 | 278 | 285 | 283 | 313 | 265 | 271 | 129 | 139 | 117 |
| April | 282 | 286 | 265 | 278 | 286 | 285 | 313 | 269 | 271 | 129 | 139 | 117 |

| Period | Cost of living Oct. 1951 = 100 | Con-sumer prices Oct.-Dec. 1957 = 100 | Consumer prices 1967 = 100 | | | | | | | | | |
|--------|--------------------------------|---------------------------------------|----------------------------|------|------------------------|------------------------|------|----------------------|---|---------|--------------------------|--------------------------|
| | | | Total | Food | Bever-ages and tobacco | Clothing and foot-wear | Rent | Heating and lighting | Furniture, household equip. and operation | Traffic | Education and recreation | Other goods and services |
| 1966 | 185 | 145 | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 1967 | 195 | 153 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 1968 | 212 | 166 | 109 | 111 | 110 | 106 | 107 | 108 | 109 | 110 | 108 | 109 |
| 1968 | | | | | | | | | | | | |
| April | 211 | 166 | 109 | 111 | 110 | 107 | 106 | 108 | 109 | 110 | 108 | 108 |
| May | 211 | 166 | 109 | 111 | 110 | 107 | 106 | 108 | 109 | 110 | 108 | 109 |
| June | 213 | 167 | 110 | 112 | 110 | 107 | 107 | 108 | 109 | 110 | 108 | 110 |
| July | 213 | 167 | 110 | 113 | 110 | 107 | 108 | 107 | 109 | 109 | 108 | 110 |
| Aug. | 213 | 168 | 110 | 113 | 110 | 107 | 108 | 107 | 110 | 109 | 108 | 110 |
| Sept. | 214 | 168 | 110 | 113 | 110 | 107 | 108 | 108 | 110 | 109 | 108 | 110 |
| Oct. | 215 | 168 | 111 | 114 | 110 | 108 | 109 | 109 | 110 | 109 | 108 | 110 |
| Nov. | 215 | 168 | 111 | 114 | 110 | 108 | 109 | 109 | 110 | 109 | 109 | 110 |
| Dec. | 215 | 168 | 111 | 114 | 110 | 108 | 109 | 109 | 110 | 109 | 109 | 110 |
| 1969 | | | | | | | | | | | | |
| Jan. | 215 | 169 | 111 | 114 | 111 | 108 | 110 | 110 | 110 | 109 | 109 | 111 |
| Feb. | 215 | 169 | 111 | 114 | 111 | 108 | 110 | 110 | 110 | 109 | 109 | 111 |
| March | 214 | 168 | 110 | 112 | 111 | 108 | 110 | 110 | 110 | 109 | 110 | 111 |
| April | 216 | 170 | 111 | 115 | 111 | 108 | 111 | 109 | 110 | 109 | 110 | 111 |

PRODUCTION—INTERNAL TRADE

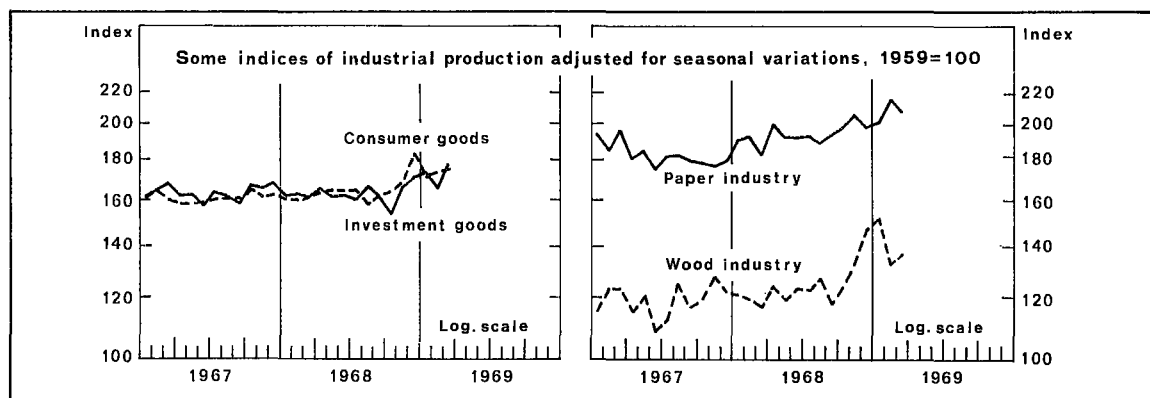
| Period | Index of industrial production 1959 = 100 | | | | | | | | | Commer- cial timber fellings 1 000 piled cu. m | Wholesale trade volume index 1954 = 100 |
|--------|---|--------------------------|----------------------------|-------------------|----------------------------------|-------------------|-------------------|-------|--|--|---|
| | Total | Invest- ment goods | Other producer goods | Consumer goods | Special indices of manufacturing | | | | Total, adjusted for normal seasonal variations | | |
| | | | | | Wood industry | Paper industry | Metal industry | Other | | | |
| 1966 | 167 | 160 | 175 | 151 | 121 | 191 | 163 | 165 | 166 | 46 507 | 174 |
| 1967* | 171 | 164 | 178 | 161 | 119 | 182 | 166 | 175 | 172 | 44 963 | 181 |
| 1968* | 177 | 163 | 185 | 164 | 124 | 193 | 168 | 179 | 178 | 47 733 | 176 |
| 1967* | | | | | | | | | | | |
| Aug. | 175 | 153 | 179 | 174 | 112 | 188 | 158 | 186 | 173 | 1 978 | 189 |
| Sept. | 178 | 169 | 183 | 171 | 117 | 189 | 170 | 183 | 170 | 2 488 | 197 |
| Oct. | 191 | 190 | 196 | 182 | 120 | 194 | 190 | 199 | 173 | 3 166 | 223 |
| Nov. | 186 | 183 | 194 | 170 | 122 | 181 | 185 | 193 | 174 | 2 969 | 184 |
| Dec. | 165 | 167 | 173 | 148 | 108 | 164 | 167 | 164 | 175 | 3 389 | 182 |
| 1968* | | | | | | | | | | | |
| Jan. | 181 | 175 | 189 | 165 | 119 | 193 | 180 | 176 | 174 | 3 509 | 137 |
| Feb. | 179 | 180 | 188 | 162 | 132 | 192 | 184 | 175 | 174 | 4 977 | 158 |
| March | 187 | 184 | 197 | 170 | 135 | 203 | 188 | 185 | 176 | 4 898 | 164 |
| April | 178 | 167 | 184 | 168 | 140 | 185 | 174 | 181 | 178 | 4 384 | 174 |
| May | 186 | 173 | 194 | 178 | 142 | 199 | 178 | 192 | 177 | 10 331 | 188 |
| June | 154 | 145 | 157 | 152 | 106 | 151 | 146 | 165 | 174 | 1 875 | 157 |
| July | 133 | 81 | 146 | 120 | 105 | 189 | 86 | 134 | 179 | 955 | 169 |
| Aug. | 174 | 154 | 180 | 169 | 112 | 195 | 158 | 181 | 174 | 1 751 | 190 |
| Sept. | 182 | 167 | 191 | 168 | 115 | 203 | 174 | 183 | 177 | 2 279 | 193 |
| Oct. | 200 | 183 | 208 | 188 | 129 | 216 | 190 | 206 | 177 | 3 353 | 204 |
| Nov. | 194 | 182 | 205 | 174 | 125 | 209 | 189 | 195 | 182 | 3 880 | 184 |
| Dec. | 176 | 163 | 186 | 158 | 122 | 180 | 170 | 176 | 190 | 5 541 | 192 |
| 1969* | | | | | | | | | | | |
| Jan. | 196 | 187 | 206 | 177 | 149 | 204 | 192 | 191 | 188 | 8 134 | 159 |
| Feb. | 186 | 176 | 196 | 168 | 141 | 207 | 184 | 179 | 187 | 8 834 | 168 |
| March | 206 | 204 | 216 | 185 | 158 | 230 | 205 | 199 | 190 | 9 647 | 192 |



BUILDING — WAGES — TRANSPORT — EMPLOYMENT

| Period | Buildings completed, mill. cu. m | | | | | Buildings under construction at end of period mill. cu. m | Index of salary and wage earners' earnings 1957 = 100 | | | |
|------------|----------------------------------|-----------------|----------------|------------------------------------|--------------------|---|---|-----------------|----------|---------------|
| | Total | Dwelling houses | Farm buildings | Commercial and industrial premises | Official buildings | | All salary and wage earners | Wage earners in | | |
| | | | | | | | | Agriculture | Forestry | Manufacturing |
| 1966 | 26.54 | 11.26 | 2.80 | 8.19 | 3.00 | 36.34 | 191 | 198 | 200 | 191 |
| 1967 | 31.34 | 12.42 | 2.93 | 10.83 | 3.49 | 31.55 | 207 | 216 | 217 | 207 |
| 1968* | .. | .. | .. | .. | .. | .. | 231 | 232 | 252 | 229 |
| 1967 | | | | | | | | | | |
| Apr.-June | 7.60 | 2.62 | 0.54 | 3.35 | 0.69 | 34.14 | 207 | 217 | 230 | 207 |
| July-Sept. | 8.46 | 2.71 | 0.92 | 2.44 | 1.79 | 33.00 | 209 | 214 | 229 | 210 |
| Oct.-Dec. | 8.69 | 4.46 | 1.10 | 2.16 | 0.45 | 31.55 | 210 | 223 | 232 | 211 |
| 1968* | | | | | | | | | | |
| Jan.-Mar. | 4.85 | 2.19 | 0.24 | 1.84 | 0.41 | 29.62 | 221 | 226 | 217 | 224 |
| Apr.-June | 6.16 | 2.54 | 0.51 | 1.88 | 0.82 | 33.70 | 224 | 229 | 224 | 229 |
| July-Sept. | 7.65 | 3.17 | 0.89 | 1.88 | 1.07 | 34.29 | 230 | 234 | 237 | 235 |
| Oct.-Dec. | .. | .. | .. | .. | .. | .. | 236 | 235 | 271 | 235 |

| Period | Railways | | Foreign shipping | | | | Labour input | | Unemployment | |
|--------|-------------------------------|-------|------------------------------------|-------|--------------------------------|-------|------------------|-------|-------------------------|-------|
| | Goods trucks loaded Thousands | | Vessels arrived with cargo — 1 000 | | Vessels departed net reg. tons | | 1 000 man-months | | % of total labour force | |
| | 1968 | 1969* | 1968* | 1969* | 1968* | 1969* | 1968* | 1969* | 1968* | 1969* |
| Jan. | 114 | 115 | 885 | 893 | 772 | 797 | 1 792 | 1 794 | 5.8 | 4.6 |
| Feb. | 115 | 113 | 723 | 695 | 603 | 607 | 1 772 | 1 768 | 5.3 | 4.3 |
| March | 129 | 131 | 777 | 766 | 687 | 695 | 1 767 | 1 764 | 5.0 | 4.0 |
| April | 128 | 121 | 995 | 910 | 767 | 792 | 1 763 | | 4.8 | |
| May | 125 | | 1 233 | | 1 109 | | 1 814 | | 3.5 | |
| June | 103 | | 1 466 | | 1 263 | | 1 774 | | 3.6 | |
| July | 123 | | 1 703 | | 1 540 | | 1 553 | | 3.6 | |
| Aug. | 124 | | 1 608 | | 1 495 | | 1 683 | | 3.2 | |
| Sept. | 120 | | 1 345 | | 1 106 | | 1 773 | | 3.2 | |
| Oct. | 133 | | 1 359 | | 1 005 | | 1 804 | | 3.2 | |
| Nov. | 125 | | 1 372 | | 968 | | 1 824 | | 3.6 | |
| Dec. | 104 | | 1 197 | | 864 | | 1 824 | | 4.0 | |



EXPLANATIONS RELATING TO THE STATISTICAL SECTION

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

BANK OF FINLAND

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

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

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

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

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

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

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

STATE FINANCES

Page 8. Official figures computed by the Economic Department of the Ministry of Finance. First date of publication: Bulletin No. 8, 1968. Revenue and expenditure: Extra-budgetary funds and the aggregated net current deficit of State enterprises are included. Figures are reported on a cash payment basis. Debt: Foreign debt includes promissory notes given to international organizations. Index-tied bond loans are taken at nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to the Post Office Savings Bank less cash holdings (net) of State departments and funds.

BALANCE OF PAYMENTS

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

FOREIGN TRADE

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

PRICE INDICES

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

PRODUCTION — INTERNAL TRADE

Page 14. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The seasonally adjusted series is calculated by the Bank of Finland Institute for Economic Research on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: investment goods weight 14.3, other producer goods weight 57.0 and consumer goods weight 28.7. Special manufacturing indices: wood industry ISIC no. 25, weight 6.6, paper industry no. 27, weight 13.1, metal industry nos. 34—38, weight 23.5, and other manufactures nos. 29—24, 26, 28—33, 39, weight 44.0. *Commercial timber fellings* compiled by the Ministry of Communications and Public Works. Since July 1965 figures have been adjusted by the Bank of Finland Institute for Economic Research. *Wholesale trade volume index* calculated by the Ministry of Finance.

BUILDING — WAGES — EMPLOYMENT — TRANSPORT

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

SYMBOLS USED

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

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

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

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

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

LAND

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

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

POPULATION

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

DENSITY OF POPULATION (1967): In South Finland 26.0, in North Finland 4.3 and in the whole country an average of 15.3 inhabitants to the square kilometre.

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

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

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

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

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

TRADE AND TRANSPORT

NATIONAL INCOME (1967, in million marks) Gross domestic product at factor cost by industrial origin: agriculture 2 295 (9 %), forestry and fishing 1 798 (7 %), manufacturing 7 907 (30 %), construction 2 544 (9 %), transport and communication 1 920 (7 %), commerce, banking and insurance 3 507 (13 %), public administration 1 221 (4 %), other services 5 494 (21 %), total 26 686. Index of real domestic product 109 (1964 = 100).

FOREST RESOURCES (1960—1963): The growing stock comprised 1 410 million of solid cu. m incl. bark (49 797 million

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

AGRICULTURE (1960): Cultivated land 2.6 million hectares of which holdings of less than 5 ha. amount to 17 %, 5 to 15 ha. 48 %, 15 to 50 ha. 30 % and more than 50 ha. 5 %. Number of holdings 388 000, of which 184 000 are of more than 5 ha. Index of agricultural production 100 for 1968 (1964 = 100). Measure of self-sufficiency in bread cereals 81 % in the crop year 1967/68.

INDUSTRY (1966): Gross value of industrial production 20 900 mill. marks, number of workers 356 100, salaried employees 84 200, motive power (1966) 4.2 mill. kW. Index of industrial production 171 for 1967 (1959 = 100).

RAILWAYS (Jan. 1, 1969): Length 5 709 km, of which 5 680 km are State and 29 km private railways.

MERCHANT FLEET (April 30, 1969): Steamers 73 (98 962 gross reg. tons), motor vessels 419 (1 043 854 gross reg. tons), sailing vessels with auxiliary engines 13 (1 608 gross reg. tons). Total 505 (1 144 424 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1968): Passenger cars 580 700, lorries and vans 92 600, buses 7 700, others 4 400. Total 685 400.

SCHEDULED AIR TRAFFIC OF FINNISH COMPANIES (1968): Kilometres flown 14.7 million, passengers carried 895 700, passenger kilometres 439.0 million, and ton kilometres of freight and mail 7.6 million.

FINANCE AND BANKING

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

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

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

OTHER CREDIT INSTITUTIONS (Dec. 31, 1968) There are two big and four small commercial banks with in all 822 offices, 350 savings banks, 470 cooperative credit societies and their central bank, six mortgage societies, and POSB. The consumer cooperative societies accept deposits from their members. The National Pension Institute and sixtytwo private insurance companies also grant credits.

RATES OF INTEREST (March 1, 1969). Bank of Finland discount rates 6—7 ½ %. Other credit institutions: term deposits 4 %, 6 months' deposits 4 ½ %, 12 months' deposits 5 %, 24 months' deposits 6 %; highest lending rate 10 %.

ASPECTS OF ECONOMIC PLANNING IN FINLAND

By

HENRI J. VARTIAINEN, D. Pol. Sc.

HEAD OF DEPARTMENT AT THE BANK OF FINLAND INSTITUTE FOR ECONOMIC RESEARCH

The Finnish economy is characteristic of a "mixed" market economy, in which output and incomes are basically determined by supply and demand but where a large public sector, comprehensive industrial and social legislation and a fiscal policy aiming at both economic growth and a redistribution of income, regulate economic activities to a large extent. In managing the economy there are several problems which call for a conscious effort of macroeconomic planning if an effective use of the country's physical and human resources is to be ensured.

THE NEED FOR PLANNING

From the point of view of production, a long-term reappraisal is needed of the country's raw material base and industrial future. Forest resources form the traditional backbone of the economy, but they are physically limited, and their use and reproduction must therefore be economized as far as possible. To forestall a misallocation of investment a clear indication must be given of alternative industries offering sufficient scope for expansion in terms of high productivity, employment effects and international markets.

A comprehensive set of the society's objectives must first be mapped out in order to determine the volume and allocation of investments the economy can afford. In addition to those aims concerned with cus-

tomary aspects of the standard of living, distinct recognition must be given to questions of environment, the preservation of nature and pollution.

Aims such as education and research must be planned and determined outside the market process. Market forces may, in addition, be unable to maintain equilibrium in the labour market in view of the structural changes the economy is to undergo, and neither are they able to eliminate the existing disparities between geographical regions. Plans are therefore required which allow for the absorption of labour released from primary industries, while at the same time meeting the requirements of economic efficiency.

Foreign trade injects an element of uncertainty into the management of the economy: cyclical fluctuations of foreign origin have a rather severe effect in Finland, and a periodically strained balance of payments may dominate economic policy decisions. A stable element is provided, on the other hand, by bilateral trade, primarily with the Soviet Union. It is one aspect of planning to attempt to minimize the vulnerability of the economy to the whims of foreign demand, and to consolidate the existing bilateral trade agreements into a programme for economic growth. In a wider context, the task of planning is to devise strategies which allow for a smooth adjustment to the international

integration and division of labour. Maintaining a foothold under conditions of international competition poses macro- as well as micro-obligations on the government, interest groups and entrepreneurs alike.

In view of the structural changes required to speed up economic growth, the domestic rate of saving must be supplemented by the import of foreign capital. This flow of finance must be utilized rationally and directed into projects which will later lend support to the balance of payments.

There is hardly any disagreement as to the general need for planning, and it is therefore superfluous to pursue the whole list of standard arguments for planing — or for at least rational foresight. There are, however, practical problems.

POSTWAR EXPERIENCE

Until the early 1960's attempts at planning fiscal and economic policy hardly warranted the epithet of macroeconomic planning. Fiscal policy functioned in the normal way through the annual budget procedure. Co-operation between the public and private sectors took place on an ad hoc basis through various committees and boards. There were in existence Economic Councils, advisory bodies representing the Government, the Central Bank, private interests and experts, whose mandate and organization had been revised from time to time. Such a council or a corresponding committee had often been set up to work out stabilization programmes or specific solutions to imminent economic problems.

A first attempt at longer term fiscal planning was made in 1962, when a governmental committee issued a five-year plan for state finances to serve as a guideline for budgetary policy. The practical implications of this recommendation were small initially, but the work was nevertheless continued in the ministry of finance. Today five-year

plans are worked out regularly in all the government departments. The emphasis is placed on investigating inputs, outputs and efficiency in various governmental functions, and to plan ahead the fiscal need for funds.

The renewal of the Economic Council's mandate in 1962 relieved the council of day-to-day problems and entrusted it with the specific task of working on long and medium-term macroeconomic planning. The secretariat of the Council has so far produced several five-year forecasts for the economy, showing the different outcomes that would result from policy variations or assumed alternative developments in the exogenous variables, and it has also begun the preliminary work for long term forecasting.

Discussion of and interest in planning and strategy has been generally in the lime-light during the current decade. Manufacturing industries have had their marketing studies, larger towns have drawn up their five-year guidelines and municipalities their investment programmes. New posts have been created in the civil service to cope with the need for planning in different departments and regions. The vision of a co-ordinated whole had, however, still to come.

NEW ALLEYS EXPLORED

In the spring of 1968 a government committee presented its report on "The organization of economic and social planning in Finland". This committee divided the pertinent field into five sections: economic, social and cultural planning, physical planning (land) and administration. It suggested that a central organization for planning be established under the prime minister, and that the individual sector planning should take place in the respective ministries. The central organ would acquire the necessary information and prepare the total plan in two stages before presenting it to the Government for approval and execution. The

committee interpreted planning as a central government activity only and did not dwell in detail on questions of co-ordination and co-operation with the private and local sectors, or on parliamentary assent.

A working group had also been set up by the Economic Council to investigate the general setting of macroeconomic planning in Finland. The group was given the broad mandate of presenting its views on the nature of macroeconomic planning and its social and political implications in Finnish conditions. On this basis, it was to report on suitable forms and methods of planning and propose requisite measures. The report, called "Macroeconomic planning in Finland and guidelines for its development", came out late in 1968.

This report emphasized that the problems of economic planning are not solved once and for all by setting up a rigid system or organization. The creation of an atmosphere favourable to rational foresight and planned strategies is more important than the pursuance of a technical, predetermined plan for steering the economy. The forms and methods of planning must be subjected to a critical review from time to time to remove the observed deficiencies and to adjust them to changing circumstances.

An organized system must, however, be constructed to serve three main purposes. First there must be a staff to chart the objectives, prepare the actual forecasts and alternatives and present them to the authorities for their decision. Secondly the system must incorporate such institutional channels as are necessary to facilitate co-operation between different sectors and to connect the planning organ to the decisionmaking bodies. Lastly, the system must be able to produce the relevant statistical information.

The central question in planning concerns its coverage and its binding force on the economic subjects involved. Having reviewed

various alternatives, the working group proposed that the planning system be set up on as wide a basis of participation as possible, rather in line with the French planning system. This was considered compatible with the existing democratic institutions of the country. Planning would be the direct obligation of the public sector, but for other parties, although of course committed by virtue of their participation, planning would rather serve as a guide to market development than as an obligatory course of action. The central government would be responsible for the organization, research and development involved, but the process of outlining the objectives and preparing, approving and executing the plans would be the joint venture of all the parties concerned.

The working group consulted experts in political affairs to gain some insight into the political consequences of increased planning along these lines. It was conjectured that the existence of several strong centres of power, and decisionmaking thus decentralized, would be a guarantee against unwarranted shifts of power, even though the influence of the central government would be bound to increase to some extent. Some means must be found to ensure a proper role for Parliament, and careful attention must be paid to the grounds on which the organs, councils and so on are staffed by representatives of different social groups or by experts.

The co-ordination of planning at different levels poses an intricate question, to which the working group has been, as yet, unable to formulate a clear-cut solution. Sectoral planning may conflict with regional aims. The local governments have traditionally enjoyed a rather strong autonomy in financial matters. Economic regions, on the contrary, have existed so far only in the administrative sense. There has been some

(unco-ordinated) physical regional planning, initially on a voluntary basis but obligatory since the beginning of 1969. — As the system of local administration is presently under revision, the working group could only express the hope that workable solutions to problems of co-ordination and decision-making be sought in this connection. With regard to sectorial planning, it suggested that joint co-operative working groups be set up to carry out the sub-level planning work.

The report pointed out that an effective economic policy needs more analytical knowledge of economic phenomena than is currently available. This includes the study of investment criteria, the functioning of the financial market, and the effects of fiscal and monetary measures on the economy. It is further necessary to investigate whether such separate activities as e.g. anti-monopoly policy and restrictive trade practices legislation serve the aims of economic resource allocation efficiently.

The working group outlined a hierarchy of planning from the long term towards the short. In the long run it is important to visualize the objectives of the society for 10—20 years ahead and to present the broad outlines of the strategies required. The objectives must be interpreted more widely than simply increasing national income as it is statistically measured currently. Long-term indicative planning provides the framework for medium-term programmes, where the conditions for fiscal policy are laid down and market predictions made. The objectives of the economy can be taken as given, and attention is paid to the allocation of resources and any necessary structural changes. Medium-term planning presents capacity

targets for short-term planning, which is equivalent to fiscal and monetary policy for stabilization purposes.

BUILDING IT UP

The report pointed out that competent personnel must be made available by the relevant training for the expanding tasks of regional, sectorial and central planning ahead. This subject could be incorporated into the study programmes of academic and research institutes, or it might even be given separate facilities.

The system must be built up gradually — with a minimum of precommitment — as experience and knowledge increases. The working group scheduled a timetable for the measures that should be taken over a five years' period. Preliminary work is to be done in 1969/70: studies will be initiated and sectorial planning can begin. By 1971/72 the system can be revised and developed in the light of the experience gained. The complicated question of regional co-ordination may have to wait for definite guidelines until 1972/73. It should be mentioned in passing that a new committee was recently set up to cope with the problems of co-ordinating planning between the local sectors and the central government.

It should further be mentioned that sectorial planning has so far got off to a good start in the various government departments. Several of the provinces have also acquired regional planning staff. According to a recent report (May 1969) by the Regional Development Board, the first task of regional planning is to produce estimates of what the regions desire and their potential, so that such regional aspects can be incorporated into planning at a national level.

ITEMS

Finland raises DM 75 million in the Federal Republic of Germany. On May 5, 1969, the Republic of Finland signed an agreement for a bond issue of DM 75 million, to be offered for public subscription in the Federal Republic of Germany. The offer has been underwritten by a consortium headed by Dresdner Bank AG.

The loan is current for a period of 15 years, with interest at a rate of 7 per cent payable semi-annually. The bonds will be redeemed with effect from May 2, 1973, by annual instalments of DM 6 250 000. The price of issue is 99 per cent. The bonds are quoted on the Hamburg, Düsseldorf and Frankfurt on Main Stock Exchanges.

*

Domestic bond issues. The Government has announced the following three bond issues for public subscription.

The 1969 issue of 7½ per cent bonds to the value of 33 million marks. The bonds are dated March 20 and will mature in four years.

The 1969 II issue of 7½ per cent bonds amounting to 160 million marks. The currency period is four years starting from May 2.

The 1969 II issue of 8 per cent bonds of 20 million marks. The bonds are dated May 2 and will run for a period of ten years.

The Government has also authorized the following private bond issues.

The Industrial Mortgage Bank of Finland Ltd has been authorized to make two issues of 50 and 12 million respectively. The loan period of the 50 million issue is ten years starting from April 21, 1969 and the rate of interest is 7¾ per cent. The bonds of the 12 million issue are dated April 15 and will run for a period of ten years at a rate of 8 per cent.

The Land and Industry Real Estate Bank Ltd makes two issues of 10 and 9 million respectively. The bonds of the 10 million issue are dated March 15 and will run for ten years at a rate of 7¾ per cent. Those of the 9 million loan are dated April 15 and will also run for ten years. The rate of interest is 8 per cent.

The Real Estate Bank in Finland Ltd has been authorized to make an issue of 12 million marks. The bonds are dated April 15 and will mature in ten years. The rate of interest is 8 per cent.

Rauma-Repola Oy (wood manufacturing industry, engineering works, shipyards) has been authorized to make an issue of 15 million marks. The bonds will mature on September 15, 1979 and the rate of interest is 7½ per cent.

Upo Osakeyhtiö (metal factory and foundry) has been authorized to make an issue to the value of 10 million marks. The currency period is ten years starting from March 31, 1969. The rate of interest is 8½ per cent.

The rate of issue of all the loans listed here is 100 per cent.

*

Publications of the Bank of Finland. The 1968 issue of Series A of the publications issued by the Bank of Finland Institute for Economic Research has appeared in Finnish and Swedish. It contains the following articles: Finland's Balance of Payments 1957—1967, by Reino Airikkala; Finnish Commodity Imports 1958—1967 — with Emphasis on Cyclical, Structural and Forecasting Aspects, by Ralf Pauli; Some Aspects of the Tariff Reductions, by Pekka Korpinen; SDR — a New Factor in the International Payments System, by Gustav

Mattson; Credit Volume Statistics 1958—1967, by Ulla Bredenberg.

In Series B, the following new publication has appeared: 31, Ahti Molander, A Study of Prices, Wages and Employment in Finland, 1957—1966. Doctoral thesis, published in English. Helsinki 1969, 119 pp.

*

Bank of Finland Institute for Economic Research. Mr Pertti Kukkonen, D. Pol. Sc. has been appointed Head of Department of the Institute from June 1, 1969.

Mr Markku Puntila, D. Pol. Sc. has been simultaneously appointed Head of Department ad int. of the Institute from July 1, 1969.

BANK OF FINLAND

BOARD OF MANAGEMENT

MAUNO KOIVISTO,
Governor (Absent as Prime Minister)

REINO ROSSI,
*Deputy Governor,
present Acting Governor*

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

HEIKKI VALVANNE

ESKO K. LEINONEN

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

JOUKO J. VOUTILAINEN
ad int.

DIRECTORS

JOUKO J. VOUTILAINEN

TIMO HELELÄ

JORMA ARANKO

SENIOR OFFICIALS

PERTTI TAMMIVUORI,
Administration

A. KAJANTIE,
Internal Audit

A. NENONEN,
Foreign correspondence

K. IGNATIUS,
Personnel

P.-E. ÖSTERLUND,
Foreign payments control

HELGE LINDSTRÖM,
Credits

K. EIROLA,
*Automatic Data
Processing*

HINO SUOMBLA,
Office

STIG TÖRNROTH,
Cash

INSTITUTE FOR ECONOMIC RESEARCH

LAURI KORPELAINEN,
Director

HENRI J. VARTIAINEN,
Head of department

PERTTI KUKKONEN,
Head of department