



# BANK OF FINLAND

## MONTHLY BULLETIN

Vol. 36 No. 6

JUNE

1962

### RECENT DEVELOPMENTS

#### BUDGETARY POLICY

State finances ended in a deficit for 1961, compared with a moderately sized surplus the year before. The rise in revenue amounted to some 6 per cent only, partly attributable to a lowering of income tax rates and reductions in customs tariffs, whereas expenditure increased by 14 per cent, principally the result of expanding outlay on social services. Thus the starting-point for 1962 was essentially weaker than had been the case one year earlier.

In the budget for 1962 (see item in Bulletin Nos. 1—2, 1962), the increase in revenue could not be given too high an assessment, as it was expected that boom conditions would slacken, and no changes in rates were laid down. On the other hand, consumption expenditure was raised on the count of wages and salaries, and increases were similarly voted in transfer expenditure. The consequent deficit was formally covered by entering the amount of new borrowing as 77 000 million marks. This budget was accordingly approved although it was evident that new loans up to this amount could not be raised, and that the whole budget was in need of general revision. However, the formulation of the outlines for a new budgetary policy was left

to the Government to be built after the parliamentary elections. Before its resignation, the then Government issued in February the first supplementary budget, totalling 12 700 million marks; this had as aim only authorization of drawings against a special credit for purchases of military equipment.

The development for the first quarter of 1962 (see p. 8 of this Bulletin) shows that the revenue (excluding loans) was 12 per cent above the level for the first quarter of 1961. The increase was most marked in the yield from income tax, while customs revenue showed a further decrease. Expenditure (excluding redemptions) rose by 14 per cent. The item „other current expenditure” — including wages and salaries — grew by more than one fourth, while other current items — mainly in the nature of income transfer — moved upwards by 8 per cent only. On the capital account, the growth in real investments was likewise fairly well restrained. The use of specific employment grants was down by one-third. The total deficit came to only 3 300 million marks, compared with 6 200 million in January—March 1961.

***On page 18, Finland's Balance of Payments in 1961***

This improvement was entirely due to heavier net borrowing, which was 5 200 million marks more than in 1961. To make possible augmented sales of Government bonds, the terms offered to the public were improved. For loans with a variable rate of interest, a rate 3 per cent (last year  $2\frac{1}{4}$ ) higher than that paid for term deposits was offered; for bonds with a fixed rate,  $8\frac{1}{4}$  per cent ( $6\frac{3}{4}$ ) was decided upon.

The parliamentary elections were followed by a change of Government on March 13. One important duty of the newly formed Cabinet was that of adapting budgetary policy to the needs of over-all economic conditions. As was mentioned above, it was known beforehand that the budgeted amount of new loans could not be raised on the capital market without introducing serious disturbance into other sectors of the economy. The persistence of the general boom beyond expectations also necessitated a reappraisal of policy outlines.

In May, it was estimated that the need for new borrowing would actually amount to 50 000 million marks for the whole year, unless other revenue were increased, or expenditure cut. In order to eliminate the implied budgetary deficit, on May 22 the Government presented a new stabilisation programme which contained a number of measures; it was decided that the excise duty on tobacco would be stepped up from the beginning of June, and a proposal was made to the Diet that the duty on petrol be raised. Most important of all was the proposal to raise the company income tax rate from 38 to 50 per cent on this year's taxable income; this alone is estimated to yield an additional 7 500 million marks. The

Government further announced increases in the prices of liquor, and a rise in the tax on cars. With respect to expenditure, the Government intends to effect savings of up to 6 000 million marks by measures which include the slowing down the use of some building appropriations. As a whole, this stabilisation programme — already enforced in part by Government decree, partly dependent on the subsequent approval of the Diet — should improve the budgetary balance by about 19 000 million marks. The need for new loans will be consequently limited to 30 000 million marks.

This latter target seems to be a realistic one. By the middle of May, new bond loans had been sold for 13 000 million marks, to the extent of 10 000 million to the public and 3 000 million to the Post Office Savings Bank. Private credit institutions have not yet subscribed to Government bond loans. Their purchases of Government bonds have generally been considerable, and they hold a large amount of bonds which fall due within this year. Loan negotiations between the Treasury and the banks are currently in progress.

In introducing this fiscal programme, the Government, backed by an absolute majority in the Diet, is endeavouring to follow the lines set out in its declaration of policy, as well as to fulfil the recent promises made in connection with discussions on the interest rate (cf. leading article in the previous Bulletin). It is expected that the fiscal measures taken by the Government will help in restoring the balance in the over-all economy, so far characterised by excessive demand and deficit in the balance of payments.

*May 26, 1962.*

## BANK OF FINLAND

Mill. mk

|   | 1961    |          | 1962     |         |         |         |
|---|---------|----------|----------|---------|---------|---------|
|   | Dec. 30 | April 29 | April 30 | May 8   | May 15  | May 23  |
| <b>BALANCE SHEET</b>  |         |          |          |         |         |         |
| <b>Assets</b>   |         |          |          |         |         |         |
| <i>Ordinary note cover</i> .....                                  | 77 893  | 82 417   | 79 733   | 78 582  | 79 539  | 78 045  |
| Gold .....  | 10 417  | 9 030    | 13 668   | 13 668  | 13 668  | 13 668  |
| Foreign exchange .....  | 58 730  | 64 986   | 57 860   | 57 055  | 58 016  | 57 451  |
| Foreign bills .....   | 996     | 785      | 1 785    | 1 439   | 1 435   | 1 413   |
| Foreign bonds .....   | 7 750   | 7 616    | 6 420    | 6 420   | 6 420   | 5 513   |
| <i>Supplementary note cover</i> .....                             | 47 225  | 39 781   | 51 428   | 52 543  | 50 253  | 60 698  |
| Inland bills discounted   |         |          |          |         |         |         |
| In foreign currency .....   | 9 432   | 10 180   | 9 101    | 9 101   | 9 101   | 9 101   |
| In Finnish currency .....   | 7 083   | 8 660    | 3 579    | 3 584   | 3 583   | 3 597   |
| Rediscounted bills .....  | 29 460  | 18 441   | 38 748   | 39 858  | 37 569  | 48 000  |
| Treasury bond loan .....  | 1 250   | 2 500    | —        | —       | —       | —       |
| <i>Other assets</i> .....   | 6 236   | 8 834    | 5 106    | 3 173   | 3 207   | 4 015   |
| Finnish bonds .....   | 1 968   | 3 401    | 2 282    | 275     | 277     | 1 130   |
| Cheque accounts .....   | 608     | 670      | 411      | 504     | 522     | 462     |
| Finnish coin .....  | 755     | 838      | 1 040    | 1 014   | 1 024   | 1 035   |
| Other claims .....  | 2 905   | 3 925    | 1 373    | 1 380   | 1 384   | 1 388   |
| Total   | 131 354 | 131 032  | 136 267  | 134 298 | 132 999 | 142 758 |
| <b>Liabilities</b>  |         |          |          |         |         |         |
| <i>Notes in circulation</i> .....                                 | 83 706  | 75 252   | 79 470   | 79 197  | 78 695  | 78 692  |
| <i>Short-term liabilities</i> .....                               | 7 321   | 19 603   | 13 097   | 10 803  | 10 205  | 17 822  |
| Foreign exchange accounts .....                                   | 1 339   | 2 446    | 1 371    | 1 379   | 1 400   | 1 369   |
| Mark accounts of holders abroad .....                             | 3 768   | 4 251    | 3 357    | 3 354   | 3 346   | 3 292   |
| Cheque account of the Treasury .....                              | 108     | 11 092   | 6 853    | 2 044   | 2 116   | 9 500   |
| Cheque accounts of banks .....                                    | 566     | 642      | 512      | 2 865   | 2 169   | 2 544   |
| Other cheque accounts .....                                       | 184     | 235      | 210      | 207     | 206     | 222     |
| Other short-term liabilities .....                                | 1 356   | 937      | 794      | 954     | 968     | 895     |
| <i>Long-term liabilities</i> .....                                | 13 586  | 10 248   | 14 535   | 14 495  | 14 495  | 16 360  |
| Foreign .....   | 9 069   | 9 717    | 8 735    | 8 735   | 8 735   | 8 735   |
| Finnish .....   | 4 517   | 531      | 5 800    | 5 760   | 5 760   | 7 625   |
| <i>Equalisation accounts</i> .....                                | 9 522   | 9 320    | 11 261   | 11 873  | 11 634  | 11 846  |
| <i>Bank's own funds</i> .....                                     | 17 219  | 16 609   | 17 904   | 17 930  | 17 970  | 18 038  |
| Capital .....   | 10 000  | 10 000   | 10 000   | 10 000  | 10 000  | 10 000  |
| Reserve fund .....  | 5 176   | 5 176    | 6 198    | 6 198   | 6 198   | 6 198   |
| Profits undisposed .....  | —       | 814      | 1 022    | 1 022   | 1 022   | 1 022   |
| Earnings less expenses .....                                      | 2 043   | 619      | 684      | 710     | 750     | 818     |
| Total   | 131 354 | 131 032  | 136 267  | 134 298 | 132 999 | 142 758 |
| <b>STATEMENT OF NOTE ISSUE</b>                                    |         |          |          |         |         |         |
| <b>Right of note issue</b>  |         |          |          |         |         |         |
| <i>Ordinary cover</i> .....                                       | 77 893  | 82 417   | 79 733   | 78 582  | 79 539  | 78 045  |
| <i>Supplementary cover</i><br>(Upper limit 50 000 mill. mk) ..... | 47 225  | 39 781   | 50 000   | 50 000  | 50 000  | 50 000  |
| Total   | 125 118 | 122 198  | 129 733  | 128 582 | 129 539 | 128 045 |
| <b>Note issue</b>   |         |          |          |         |         |         |
| <i>Notes in circulation</i> .....                                 | 83 706  | 75 252   | 79 470   | 79 197  | 78 695  | 78 692  |
| <i>Short-term liabilities</i> .....                               | 7 321   | 19 603   | 13 097   | 10 803  | 10 205  | 17 822  |
| <i>Undrawn on cheque credits</i> .....                            | 885     | 727      | 417      | 324     | 306     | 366     |
| <i>Unused right of note issue</i> .....                           | 33 206  | 26 616   | 36 749   | 38 258  | 40 333  | 31 165  |
| Total   | 125 118 | 122 198  | 129 733  | 128 582 | 129 539 | 128 045 |

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

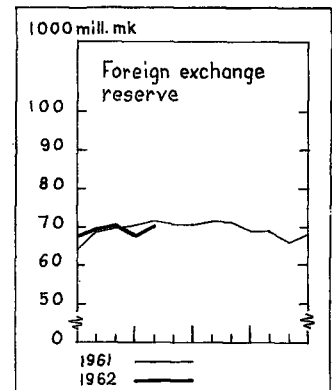
## BANK OF FINLAND

Mill. mk

| End of year and month | Gold and foreign accounts |  |                                |                      |                           |                            | Finnish credit institutions |                          |  |                                 |
|-----------------------|---------------------------|--|--------------------------------|----------------------|---------------------------|----------------------------|-----------------------------|--------------------------|--|---------------------------------|
|                       | 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) | Redis-counted bills         | Liabilities              |  | Net claims on the banks (7-8-9) |
|                       |                           |  |                                |                      |                           |                            |                             | Cheque accounts of banks | Account of the Mortgage Bank of Finland Oy |                                 |
|                       | 1                         | 2  | 3                              | 4                    | 5                         | 6                          | 7                           | 8                        | 9  | 10                              |
| 1953                  | 27 898                    | 8 737                                    | 19 161                         | 8 329                | 9 237                     | 18 253                     | 8 268                       | 2 157                    | —  | 6 111                           |
| 1954                  | 36 573                    | 7 017                                    | 29 556                         | 8 206                | 10 102                    | 27 660                     | 8 465                       | 2 187                    | —  | 6 278                           |
| 1955                  | 35 938                    | 3 855                                    | 32 083                         | 9 427                | 11 617                    | 29 893                     | 22 628                      | 8 383 <sup>1)</sup>      | —  | 14 245                          |
| 1956                  | 29 410                    | 4 601                                    | 24 809                         | 11 271               | 15 337                    | 20 743                     | 33 665                      | 1 167                    | 280  | 32 218                          |
| 1957                  | 38 429                    | 4 569                                    | 33 860                         | 17 642               | 20 185                    | 31 317                     | 24 912                      | 2 405                    | — 42                                       | 22 549                          |
| 1958                  | 57 558                    | 2 178                                    | 55 380                         | 12 619               | 16 013                    | 51 986                     | 18 707                      | 1 474                    | 2 080                                      | 15 153                          |
| 1959                  | 73 065                    | 2 116                                    | 70 949                         | 9 249                | 15 840                    | 64 358                     | 4 718                       | 3 856                    | 252  | 610                             |
| 1960                  | 68 602                    | 4 057                                    | 64 545                         | 6 703                | 14 271                    | 56 977                     | 20 514                      | 1 683                    | 158  | 18 673                          |
| 1961                  | 69 147                    | 1 339                                    | 67 808                         | 8 746                | 12 837                    | 63 717                     | 29 460                      | 4 909 <sup>2)</sup>      | 1 249                                      | 23 302                          |
| 1961                  |                           |  |                                |                      |                           |                            |                             |                          |  |                                 |
| March                 | 72 443                    | 2 115                                    | 70 328                         | 8 417                | 14 108                    | 64 637                     | 14 317                      | 313                      | 745  | 13 259                          |
| April                 | 74 016                    | 2 446                                    | 71 570                         | 8 401                | 13 968                    | 66 003                     | 18 441                      | 642                      | 865  | 16 934                          |
| May                   | 72 972                    | 2 305                                    | 70 667                         | 8 736                | 13 804                    | 65 599                     | 17 099                      | 702                      | 813  | 15 584                          |
| June                  | 72 440                    | 1 856                                    | 70 584                         | 8 475                | 13 564                    | 65 495                     | 18 277                      | 1 528 <sup>2)</sup>      | 741  | 16 008                          |
| July                  | 72 895                    | 1 500                                    | 71 395                         | 8 510                | 13 641                    | 66 264                     | 17 635                      | 563 <sup>2)</sup>        | 885  | 16 187                          |
| Aug.                  | 72 778                    | 1 555                                    | 71 223                         | 8 286                | 13 441                    | 66 068                     | 17 793                      | 2 120 <sup>2)</sup>      | 1 351                                      | 14 322                          |
| Sept.                 | 70 173                    | 1 611                                    | 68 562                         | 8 992                | 13 001                    | 64 553                     | 18 708                      | 2 531 <sup>2)</sup>      | 1 266                                      | 14 911                          |
| Oct.                  | 70 145                    | 1 662                                    | 68 483                         | 9 920                | 12 820                    | 65 583                     | 23 060                      | 2 187 <sup>2)</sup>      | 1 183                                      | 19 690                          |
| Nov.                  | 68 463                    | 1 561                                    | 66 902                         | 9 966                | 12 952                    | 63 916                     | 23 206                      | 4 557 <sup>2)</sup>      | 544  | 18 105                          |
| Dec.                  | 69 147                    | 1 339                                    | 67 808                         | 8 746                | 12 837                    | 63 717                     | 29 460                      | 4 909 <sup>2)</sup>      | 1 249                                      | 23 302                          |
| 1962                  |                           |  |                                |                      |                           |                            |                             |                          |  |                                 |
| Jan.                  | 70 242                    | 1 225                                    | 69 017                         | 9 079                | 12 444                    | 65 652                     | 26 891                      | 4 478 <sup>2)</sup>      | 1 261                                      | 21 152                          |
| Feb.                  | 71 466                    | 1 257                                    | 70 209                         | 9 076                | 12 288                    | 66 997                     | 29 048                      | 5 312 <sup>2)</sup>      | 1 314                                      | 22 422                          |
| March                 | 69 193                    | 1 387                                    | 67 806                         | 8 177                | 12 308                    | 63 675                     | 35 905                      | 5 788 <sup>2)</sup>      | 801  | 29 516                          |
| April                 | 71 528                    | 1 371                                    | 70 157                         | 8 205                | 12 092                    | 66 270                     | 38 748                      | 6 138 <sup>2)</sup>      | 769  | 31 841                          |

<sup>1)</sup> Including cash reserve accounts 6 677. <sup>2)</sup> Including cash reserve accounts.

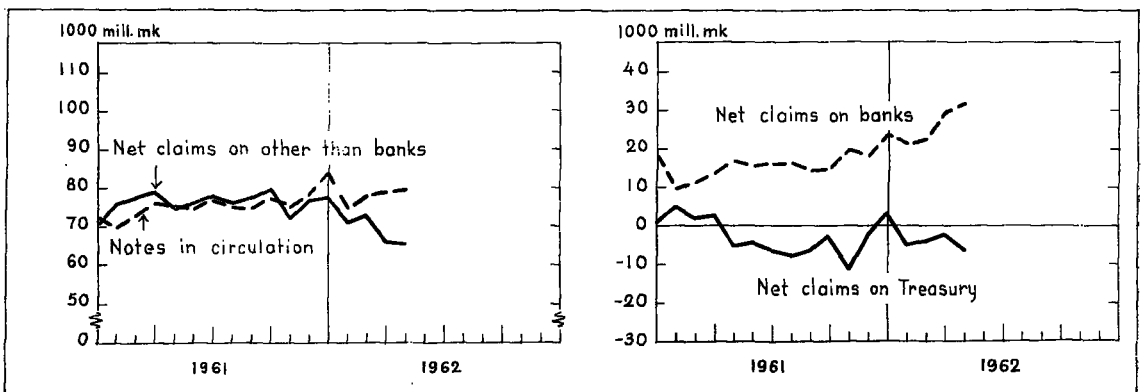
| Category of currency    | Foreign exchange reserve (col. 3 above) 1 000 mill. mk |         |         |          |          |
|-------------------------|--|---------|---------|----------|----------|
|                         | 1960   | 1961    | 1962    |          |          |
|                         | Dec. 31  | Dec. 30 | Feb. 28 | March 31 | April 30 |
| Gold .....              | 9.1  | 10.4    | 10.3    | 13.7     | 13.7     |
| Convertible .....       | 44.2   | 40.3    | 41.9    | 36.1     | 36.6     |
| Non-transferable EMA .. | 3.2  | 1.4     | 1.4     | 1.5      | 1.5      |
| Eastern Bloc .....      | 1.7  | 9.2     | 10.5    | 10.6     | 12.5     |
| Other .....             | 6.3  | 6.5     | 6.1     | 5.9      | 5.9      |
| Total                   | 64.5   | 67.8    | 70.2    | 67.8     | 70.2     |



**BANK OF FINLAND**

Mill. mk

| End of year and month | Treasury        |                              |                |           |                                      | Trade and industry               |                |             |                                  | Notes in circulation |
|-----------------------|-----------------|------------------------------|----------------|-----------|--------------------------------------|----------------------------------|----------------|-------------|----------------------------------|----------------------|
|                       | Bills and bonds | Advances for stand-by stocks | Liabilities    |           | Net claims on the Treasury (1+2-3-4) | Inland bills in Finnish currency | Other advances | Liabilities | Net claims on the public (6+7-8) |                      |
|                       |                 |                              | Cheque account | Long-term |                                      |                                  |                |             |                                  |                      |
|                       | 1               | 2                            | 3              | 4         | 5                                    | 6                                | 7              | 8           | 9                                | 10                   |
| 1953                  | 21 662          | —                            | 7 281          | —         | 14 381                               | 13 812                           | 7 405          | 2 314       | 18 903                           | 45 019               |
| 1954                  | 21 662          | —                            | 15 470         | —         | 6 192                                | 11 940                           | 6 895          | 791         | 18 044                           | 47 902               |
| 1955                  | 21 660          | —                            | 9 816          | 1 294     | 10 550                               | 14 437                           | 9 306          | 7 357       | 16 386                           | 55 883               |
| 1956                  | 19 160          | —                            | 10 550         | 2 310     | 6 300                                | 14 922                           | 10 547         | 5 205       | 20 264                           | 60 735               |
| 1957                  | 16 021          | —                            | 5 145          | 3 965     | 6 911                                | 12 909                           | 14 425         | 561         | 26 773                           | 60 640               |
| 1958                  | 9 033           | 4 335                        | 7 146          | 9 502     | -3 280                               | 8 823                            | 14 296         | 525         | 22 594                           | 65 075               |
| 1959                  | 10 326          | 6 786                        | 6 418          | 3 029     | 7 665                                | 3 888                            | 10 500         | 392         | 13 996                           | 69 435               |
| 1960                  | 3 750           | 3 581                        | 6 187          | 343       | 801                                  | 7 232                            | 10 948         | 350         | 17 830                           | 72 735               |
| 1961                  | 2 770           | 700                          | 108            | 114       | 3 248                                | 7 083                            | 10 725         | 291         | 17 517                           | 83 706               |
| 1961                  |                 |                              |                |           |                                      |                                  |                |             |                                  |                      |
| March                 | 2 500           | 3 593                        | 3 170          | 316       | 2 607                                | 8 424                            | 10 868         | 298         | 18 994                           | 75 994               |
| April                 | 2 500           | 3 607                        | 11 092         | 271       | -5 256                               | 8 660                            | 11 168         | 307         | 19 521                           | 75 252               |
| May                   | 2 500           | 607                          | 7 423          | 271       | -4 587                               | 9 592                            | 11 312         | 464         | 20 440                           | 74 836               |
| June                  | 2 500           | 607                          | 9 738          | 271       | -6 902                               | 11 386                           | 11 295         | 464         | 22 217                           | 76 991               |
| July                  | 2 500           | 607                          | 11 014         | 171       | -8 078                               | 11 628                           | 11 139         | 279         | 22 488                           | 75 098               |
| Aug.                  | 2 500           | 670                          | 9 345          | 171       | -6 346                               | 11 130                           | 11 028         | 407         | 21 751                           | 74 629               |
| Sept.                 | 1 250           | 700                          | 4 912          | 171       | -3 133                               | 10 743                           | 10 808         | 331         | 21 220                           | 77 363               |
| Oct.                  | 1 250           | 700                          | 13 173         | 171       | -11 394                              | 10 200                           | 10 686         | 410         | 20 476                           | 75 121               |
| Nov.                  | 1 250           | 700                          | 4 022          | 142       | -2 214                               | 9 298                            | 11 396         | 644         | 20 050                           | 78 119               |
| Dec.                  | 2 770           | 700                          | 108            | 114       | 3 248                                | 7 083                            | 10 725         | 291         | 17 517                           | 83 706               |
| 1962                  |                 |                              |                |           |                                      |                                  |                |             |                                  |                      |
| Jan.                  | 1 250           | 700                          | 7 028          | 114       | -5 192                               | 6 566                            | 10 714         | 226         | 17 054                           | 74 716               |
| Feb.                  | 1 250           | 700                          | 5 898          | 114       | -4 062                               | 5 789                            | 10 416         | 210         | 15 995                           | 77 821               |
| March                 | —               | 700                          | 2 776          | 114       | -2 190                               | 3 468                            | 10 374         | 242         | 13 600                           | 77 965               |
| April                 | —               | 700                          | 6 853          | 114       | -6 267                               | 3 579                            | 10 185         | 235         | 13 529                           | 79 470               |



## DEPOSITS BY THE PUBLIC - FOREIGN EXCHANGE RATES

Mill. mk

| End of year and month | Sight deposits        |                            |                      | Term deposits         |                  |  |                                   |  |                            | Total<br>(2+3+9) |
|-----------------------|-----------------------|----------------------------|----------------------|-----------------------|------------------|--|-----------------------------------|--|----------------------------|------------------|
|                       | Cheque accounts       |                            | Postal giro accounts | Commer-<br>cial banks | Savings<br>banks | Co-op.<br>credit<br>societies &<br>their cen-<br>tral bank | Post<br>Office<br>Savings<br>Bank | Savings<br>depart-<br>ments of<br>co-op.<br>stores | All credit<br>institutions |                  |
|                       | Commer-<br>cial banks | All credit<br>institutions |                      |                       |                  |  |                                   |  |                            |                  |
|                       | 1                     | 2                          | 3                    | 4                     | 5                | 6  | 7                                 | 8  | 9                          | 10               |
| 1950                  | 24 460                | 28 248                     | 10 537               | 36 579                | 39 366           | 20 175   | 13 892                            | 5 356  | 115 373                    | 154 158          |
| 1951                  | 42 768                | 48 063                     | 11 203               | 46 678                | 51 790           | 29 710   | 18 243                            | 8 443  | 154 870                    | 214 136          |
| 1952                  | 28 020                | 33 410                     | 10 765               | 59 742                | 65 344           | 37 223   | 23 562                            | 10 798   | 196 706                    | 240 881          |
| 1953                  | 32 112                | 37 907                     | 11 048               | 70 455                | 76 709           | 42 537   | 27 074                            | 11 951   | 228 762                    | 277 717          |
| 1954                  | 34 913                | 42 108                     | 13 451               | 83 444                | 92 174           | 52 050   | 30 079                            | 13 415   | 271 195                    | 326 754          |
| 1955                  | 36 588                | 44 281                     | 11 795               | 97 794                | 108 541          | 61 139   | 33 073                            | 15 255   | 315 842                    | 371 918          |
| 1956                  | 38 614                | 45 963                     | 15 265               | 96 807                | 112 402          | 63 531   | 34 162                            | 16 013   | 322 953                    | 384 181          |
| 1957                  | 37 708                | 46 138                     | 14 912               | 103 223               | 117 859          | 67 111   | 33 960                            | 16 823   | 339 009                    | 400 059          |
| 1958                  | 39 568                | 49 575                     | 18 277               | 122 256               | 131 260          | 74 272   | 38 167                            | 19 191   | 385 175                    | 453 027          |
| 1959                  | 55 749                | 67 809                     | 15 667               | 150 548               | 152 546          | 86 033   | 43 120                            | 21 913   | 454 189                    | 537 665          |
| 1960                  | 55 083                | 68 072                     | 15 060               | 181 355               | 179 859          | 105 250  | 48 524                            | 25 434   | 540 453                    | 623 585          |
| 1961*                 | 57 791                | 72 037                     | 15 947               | 210 591               | 207 989          | 124 099  | 55 817                            | 28 528   | 627 053                    | 715 037          |
| 1961*                 |                       |                            |                      |                       |                  |  |                                   |  |                            |                  |
| April                 | 50 428                | 63 898                     | 13 259               | 190 960               | 190 130          | 113 823  | 51 395                            | 26 802   | 573 141                    | 650 298          |
| May                   | 53 232                | 66 641                     | 14 377               | 193 505               | 191 939          | 114 856  | 51 519                            | 26 750   | 578 600                    | 659 618          |
| June                  | 54 622                | 67 048                     | 12 721               | 194 172               | 191 401          | 114 125  | 51 594                            | 26 514   | 577 828                    | 657 597          |
| July                  | 54 078                | 67 056                     | 13 475               | 195 154               | 192 526          | 114 687  | 52 188                            | 26 580   | 581 156                    | 661 687          |
| Aug.                  | 55 300                | 69 178                     | 13 440               | 196 578               | 194 204          | 115 946  | 52 674                            | 26 616   | 586 039                    | 668 657          |
| Sept.                 | 56 880                | 71 144                     | 14 432               | 197 276               | 196 064          | 116 790  | 52 922                            | 27 108   | 590 188                    | 675 764          |
| Oct.                  | 58 295                | 72 396                     | 13 805               | 198 558               | 197 797          | 117 742  | 53 277                            | 27 559   | 594 967                    | 681 168          |
| Nov.                  | 61 373                | 75 329                     | 14 842               | 200 520               | 200 071          | 119 287  | 53 578                            | 27 769   | 601 259                    | 691 430          |
| Dec.                  | 57 791                | 72 037                     | 15 947               | 210 591               | 207 989          | 124 099  | 55 817                            | 28 528   | 627 053                    | 715 037          |
| 1962*                 |                       |                            |                      |                       |                  |  |                                   |  |                            |                  |
| Jan.                  | 57 954                | 71 239                     | 16 026               | 211 911               | 208 998          | 125 177  | 56 976                            | 28 827   | 631 919                    | 719 184          |
| Feb.                  | 58 280                | 70 807                     | 19 668               | 213 987               | 212 064          | 127 448  | 58 030                            | 29 211   | 640 763                    | 731 238          |
| March                 | 55 164                | 68 713                     | 17 526               | 216 138               | 214 561          | 130 019  | 58 708                            | 29 561   | 649 006                    | 735 245          |
| April                 | 54 798                | 68 015                     | 17 446               | 217 176               | 214 927          | 130 386  | 58 586                            | 29 404   | 650 498                    | 735 959          |

| End of month | Index-<br>tied<br>depos-<br>its | High-<br>interest<br>depos-<br>its | Tax-<br>conces-<br>sion<br>accounts |
|--------------|---------------------------------|------------------------------------|-------------------------------------|
| 1961*        |                                 |                                    |                                     |
| Aug.         | 7 018                           | 46 277                             | 14 274                              |
| Sept.        | 6 061                           | 47 519                             | 14 272                              |
| Oct.         | 4 949                           | 49 097                             | 14 265                              |
| Nov.         | 4 385                           | 51 239                             | 14 261                              |
| Dec.         | 3 726                           | 52 892                             | 14 880                              |
| 1962*        |                                 |                                    |                                     |
| Jan.         | 3 448                           | 53 200                             | 14 856                              |
| Feb.         | 3 321                           | 53 651                             | 14 849                              |
| March        | 3 192                           | 54 128                             | 14 840                              |
| April        | 3 180                           | 54 721                             | 14 816                              |

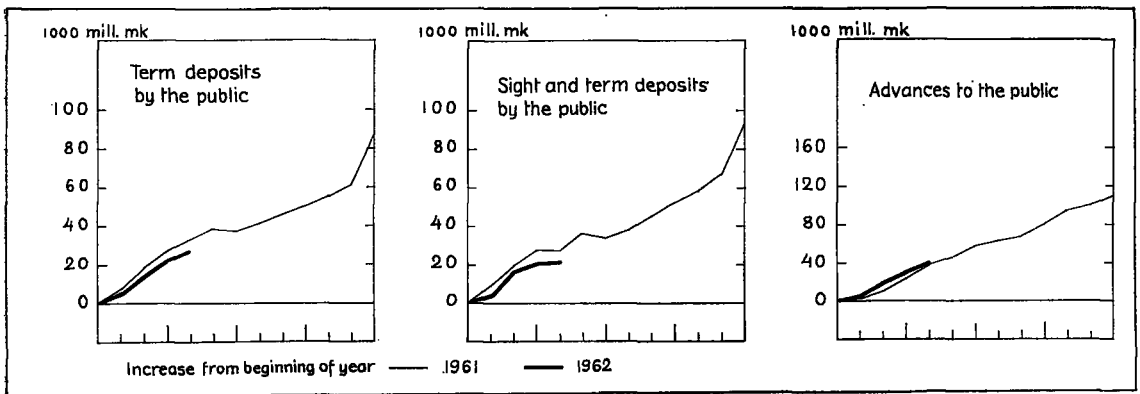
| Selling rates for foreign exchange |        |          |   |
|------------------------------------|--------|----------|---|
| April 26, 1962                     |        |          |   |
|                                    |        | mk       | mk  |
| New York ...                       | 1 \$   | 321: 90  | Zurich ..... 100 Fr 7 414: —                  |
| Montreal .....                     | 1 \$   | 306: 60  | Paris ..... 100 NF 6 573: —                   |
| London .....                       | 1 £    | 905: 50  | Rome ..... 100 Lit 51: 88                     |
| Stockholm ...                      | 100 Kr | 6 256: — | Vienna ... .. 100 S 1 248: —                  |
| Oslo .....                         | 100 Kr | 4 520: — | Lisbon ..... 100 Esc 1 130: —                 |
| Copenhagen ..                      | 100 Kr | 4 672: — | Reykjavik .... 100 Kr 749: —                  |
| Frankfurt o.M.                     | 100DM  | 8 052: — | Madrid ..... 100 Pta 542: —                   |
| Amsterdam ...                      | 100 Fl | 8 952: — | Prague, clear... 100 Kč 4 458: —              |
| Brussels .....                     | 100 Fr | 647: —   | Moscow, clear. <sup>1)</sup> 1 Rbl 356: 67    |
|                                    |        |          | Clearing dollars <sup>2)</sup> 1 Cl \$ 321: — |

<sup>1)</sup> Bucharest, Peking.<sup>2)</sup> Ankara, Athens, Belgrade, Berlin, Bogotá, Budapest, Sofia, Warsaw.

ADVANCES TO THE PUBLIC - MONEY SUPPLY

Mill. mk

| End of year and month | Granted by            |                  |                                |  |                   | Types of advances   |                   | Total<br>(1 to 5)<br>(6 and 7) | Money Supply |
|-----------------------|-----------------------|------------------|--------------------------------|--|-------------------|---------------------|-------------------|--------------------------------|--------------|
|                       | Commer-<br>cial banks | Savings<br>banks | Post Office<br>Savings<br>Bank | Co-op.<br>credit<br>societies &<br>their cen-<br>tral bank | Mortgage<br>banks | Loans<br>&<br>Bills | Cheque<br>credits |                                |              |
|                       | 1                     | 2                | 3                              | 4  | 5                 | 6                   | 7                 | 8                              | 9            |
| 1950                  | 67 438                | 35 511           | 4 507                          | 35 048   | 3 830             | 135 309             | 11 025            | 146 334                        | 67 975       |
| 1951                  | 85 578                | 45 554           | 8 508                          | 41 849   | 4 425             | 172 003             | 13 911            | 185 914                        | 98 877       |
| 1952                  | 104 881               | 59 824           | 13 402                         | 50 694   | 5 379             | 217 141             | 17 039            | 234 180                        | 87 480       |
| 1953                  | 105 659               | 70 511           | 18 782                         | 56 765   | 9 847             | 245 275             | 16 289            | 261 564                        | 92 122       |
| 1954                  | 128 955               | 82 447           | 22 123                         | 64 697   | 12 773            | 291 506             | 19 489            | 310 995                        | 99 557       |
| 1955                  | 155 436               | 96 454           | 24 866                         | 72 868   | 13 599            | 339 797             | 23 426            | 363 223                        | 104 298      |
| 1956                  | 162 663               | 102 830          | 26 232                         | 76 761   | 14 690            | 357 802             | 25 374            | 383 176                        | 116 001      |
| 1957                  | 160 379               | 106 639          | 26 047                         | 78 064   | 15 717            | 363 000             | 23 846            | 386 846                        | 117 065      |
| 1958                  | 174 542               | 115 481          | 29 027                         | 83 511   | 21 931            | 401 155             | 23 337            | 424 492                        | 130 226      |
| 1959                  | 209 686               | 132 725          | 33 138                         | 96 730   | 32 578            | 477 264             | 27 593            | 504 857                        | 144 835      |
| 1960                  | 260 460               | 154 935          | 39 495                         | 117 601  | 45 216            | 586 187             | 31 520            | 617 707                        | 149 461      |
| 1961*                 | 304 799               | 181 668          | 43 683                         | 146 114  | 51 517            | 692 627             | 35 154            | 727 781                        | 164 414      |
| 1961*                 |                       |                  |                                |  |                   |                     |                   |                                |              |
| April                 | 275 988               | 163 607          | 41 573                         | 127 376  | 47 481            | 620 354             | 35 671            | 656 025                        | 147 165      |
| May                   | 277 495               | 166 024          | 42 692                         | 129 738  | 47 410            | 629 938             | 33 421            | 663 359                        | 150 860      |
| June                  | 283 751               | 168 145          | 44 054                         | 130 671  | 48 214            | 639 955             | 34 880            | 674 835                        | 149 836      |
| July                  | 284 060               | 170 452          | 43 638                         | 133 639  | 48 438            | 644 770             | 35 457            | 680 227                        | 149 842      |
| Aug.                  | 284 452               | 173 104          | 44 196                         | 135 609  | 48 636            | 652 046             | 33 951            | 685 997                        | 151 305      |
| Sept.                 | 287 252               | 176 701          | 45 551                         | 138 513  | 49 443            | 663 829             | 33 631            | 697 460                        | 157 802      |
| Oct.                  | 293 898               | 179 294          | 46 044                         | 142 129  | 50 285            | 675 545             | 36 105            | 711 650                        | 155 353      |
| Nov.                  | 296 617               | 181 352          | 45 955                         | 142 347  | 52 198            | 685 091             | 33 378            | 718 469                        | 161 753      |
| Dec.                  | 304 799               | 181 668          | 43 683                         | 146 114  | 51 517            | 692 627             | 35 154            | 727 781                        | 164 414      |
| 1962*                 |                       |                  |                                |  |                   |                     |                   |                                |              |
| Jan.                  | 306 496               | 182 187          | 45 001                         | 146 504  | 52 139            | 696 434             | 35 893            | 732 327                        | 156 476      |
| Feb.                  | 313 721               | 184 461          | 46 966                         | 147 634  | 53 334            | 707 266             | 38 850            | 746 116                        | 161 057      |
| March                 | 319 279               | 185 589          | 46 981                         | 148 986  | 55 934            | 718 899             | 37 870            | 756 769                        | 157 517      |
| April                 | 323 486               | 188 131          | 47 156                         | 151 045  | 57 453            | 727 413             | 39 858            | 767 271                        | 158 147      |

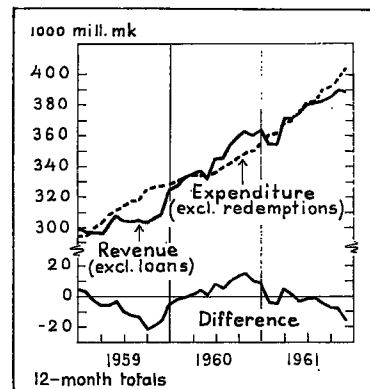


## STATE FINANCES

1000 mill. mk

| Revenue  | Jan. — Mar. |         | Expenditure  | Jan. — Mar. |       |
|--|-------------|---------|--|-------------|-------|
|  | 1961        | 1962    |  | 1961        | 1962  |
| Income and property tax (net) .....                                  | 18.2        | 23.8    | Interest on State debt .....   | 1.9         | 2.3   |
| Gross receipts .....   | (55.9)      | (60.7)  | Child allowances .....   | 5.2         | 6.3   |
| Refunds and communal income tax .....                                | (-37.7)     | (-36.9) | The State's share in national pensions .....   | 4.0         | 4.6   |
| Other direct taxes .....   | 0.2         | 0.3     | Compensations to war-disabled .....  | 4.4         | 2.7   |
| Purchase tax .....   | 20.2        | 23.2    | Transfer of employers' payments for national pensions to the National Pensions Institution ..... | 2.2         | 1.8   |
| Import duties .....  | 11.7        | 10.1    | Subsidies .....  | 8.4         | 7.0   |
| Revenue from Alcohol Monopoly .....                                  | 6.5         | 7.0     | Net payments on price equalisation by extra-budgetary funds .....                                | 0.4         | 0.4   |
| Excise duty on tobacco .....   | 4.6         | 5.2     | State aid to agriculture .....   | 0.8         | 1.5   |
| Excise duty on liquid fuel .....                                     | 3.0         | 3.5     | State aid to communal and private schools .....  | 9.2         | 11.4  |
| Other excise duties .....  | 1.3         | 1.4     | Net loss of State enterprises .....  | 0.2         | 1.5   |
| Tax on automobiles and motor cycles .....                            | 0.4         | 0.6     | Maintenance of roads .....   | 2.0         | 2.3   |
| Stamp duties .....   | 4.6         | 5.1     | Other current expenditure .....  | 27.1        | 34.1  |
| Employers' payments for child allowances and national pensions ..... | 7.3         | 8.2     | <b>Current expenditure</b> .....   | 65.8        | 75.9  |
| Net receipts of price equalisation by extra-budgetary funds .....    | —           | —       | Real investments .....   | 18.9        | 19.4  |
| Other revenue similar to taxes .....                                 | 1.0         | 1.1     | Other capital expenditure .....  | 9.3         | 12.2  |
| <b>Total taxes</b> .....   | 79.0        | 89.5    | <b>Capital expenditure</b> .....   | 28.2        | 31.6  |
| Interest and dividends .....   | 1.3         | 1.4     | <b>Total expenditure</b> .....   | 94.0        | 107.5 |
| Net profit of State enterprises .....                                | —           | —       | Redemption of external loans .....   | 1.1         | 0.9   |
| Other current revenue .....  | 3.1         | 4.2     | Redemption of internal loans .....   | 5.3         | 5.5   |
| <b>Current revenue</b> .....   | 83.4        | 95.1    | Redemption of indemnity bonds etc. .....   | 0.3         | 0.2   |
| Capital revenue proper .....   | 2.1         | 2.4     | Index premiums .....   | 0.4         | 0.4   |
| Decrease in inventories .....  | 2.2         | 0.8     | <b>Redemptions</b> .....   | 7.1         | 7.0   |
| <b>Capital revenue</b> .....   | 4.3         | 3.2     | <b>Total</b> .....   | 101.1       | 114.5 |
| <b>Total revenue</b> .....   | 87.7        | 98.3    |  |             |       |
| External loans .....   | 0.6         | 0.5     |  |             |       |
| Internal loans .....   | 7.6         | 12.9    |  |             |       |
| <b>Loans</b> .....   | 8.2         | 13.4    |  |             |       |
| <b>Short-term credit (increase +)</b> ..                             | - 1.0       | - 0.5   |  |             |       |
| <b>Deficit (+) or surplus (-)</b> .....                              | + 6.2       | + 3.3   |  |             |       |
| <b>Total</b> .....   | 101.1       | 114.5   |  |             |       |

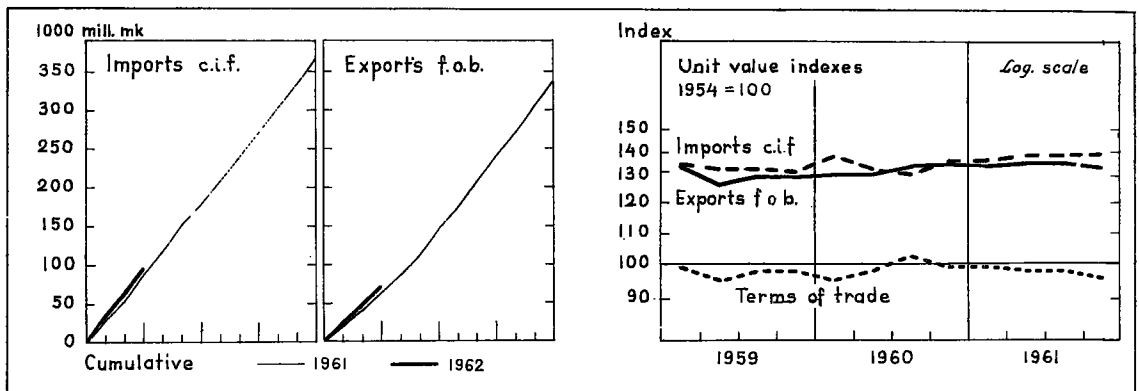
| Debt                      | 1959  | 1960  | 1961  | 1962  |       |       |        |
|---------------------------|-------|-------|-------|-------|-------|-------|--------|
|                           | Dec.  | Dec.  | Dec.* | Jan.  | Feb.  | March | April* |
| <b>External debt</b> ...  | 76.6  | 74.4  | 79.4  | 79.3  | 79.6  | 79.1  | 79.1   |
| Ordinary loans ...        | 72.2  | 74.4  | 75.7  | 81.4  | 82.4  | 83.1  | 82.8   |
| Indemnity bonds etc.      | 6.5   | 4.4   | 2.6   | 2.5   | 2.5   | 2.4   | 2.3    |
| Short-term credit ..      | 4.1   | 3.0   | 2.4   | 2.8   | 2.5   | 2.0   | 1.5    |
| Cash debt (net) ...       | -5.8  | -14.3 | ..    | -7.4  | -6.4  | -7.8  | ..     |
| <b>Internal debt</b> .... | 77.0  | 67.5  | ..    | 79.3  | 81.0  | 79.7  | ..     |
| <b>Total debt</b> .....   | 153.6 | 141.9 | ..    | 158.6 | 160.6 | 158.8 | ..     |
| Total debt, mill. \$      | 479.7 | 442.9 | ..    | 492.7 | 499.3 | 493.2 | ..     |





FOREIGN TRADE

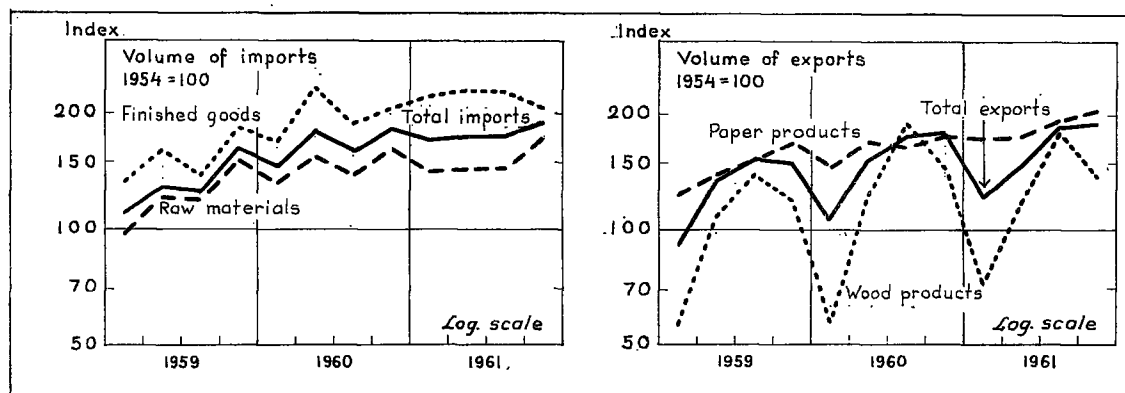
| Period      | Value, mill. mk     |                     |  | Unit value indexes 1954 = 100 |                             |                              |                               |   |                                   |                      |
|-------------|---------------------|---------------------|--|-------------------------------|-----------------------------|------------------------------|-------------------------------|---|-----------------------------------|----------------------|
|             | Imports<br>c. i. f. | Exports<br>f. o. b. | Surplus of<br>imports<br>(-) or exports<br>(+) | Articles of export f. o. b.   |                             |                              |                               |   | Articles<br>of import<br>c. i. f. | Terms<br>of<br>Trade |
|             |                     |                     |  | Total                         | Round<br>and hewn<br>timber | Wood<br>industry<br>products | Paper<br>industry<br>products | Metal, en-<br>gineering<br>industry<br>products |                                   |                      |
| 1953        | 121 860             | 131 555             | + 9 695  | 98                            | 111                         | 95                           | 91                            | 109   | 106                               | 92                   |
| 1954        | 152 137             | 156 618             | + 4 481  | 100                           | 100                         | 100                          | 100                           | 100   | 100                               | 100                  |
| 1955        | 176 960             | 181 259             | + 4 299  | 106                           | 110                         | 105                          | 105                           | 115   | 100                               | 106                  |
| 1956        | 203 558             | 177 987             | -25 571  | 106                           | 110                         | 104                          | 109                           | 106   | 105                               | 101                  |
| 1957        | 227 927             | 212 385             | -15 542  | 116                           | 118                         | 113                          | 119                           | 120   | 122                               | 95                   |
| 1958        | 233 302             | 247 934             | +14 632  | 138                           | 139                         | 133                          | 139                           | 153   | 140                               | 99                   |
| 1959        | 267 300             | 267 322             | + 22   | 130                           | 120                         | 121                          | 131                           | 152   | 133                               | 98                   |
| 1960        | 340 300             | 316 473             | -23 827  | 133                           | 123                         | 131                          | 132                           | 147   | 136                               | 98                   |
| 1961        | 368 255             | 337 404             | -30 851  | 135                           | 145                         | 134                          | 134                           | 140   | 137                               | 99                   |
| Jan. - Mar. |                     |                     |  |                               |                             |                              |                               |   |                                   |                      |
| 1960        | 75 895              | 54 538              | -21 357  |                               |                             |                              |                               |   |                                   |                      |
| 1961        | 87 899              | 63 792              | -24 107  |                               |                             |                              |                               |   |                                   |                      |
| 1962*       | 96 872              | 71 586              | -25 286  |                               |                             |                              |                               |   |                                   |                      |
| 1961        |                     |                     |  |                               |                             |                              |                               |   |                                   |                      |
| July        | 29 438              | 31 058              | + 1 620  | 136                           | 149                         | 135                          | 134                           | 147   | 136                               | 100                  |
| Aug.        | 29 705              | 32 951              | + 3 246  |                               |                             |                              |                               |   |                                   |                      |
| Sept.       | 31 541              | 33 417              | + 1 876  |                               |                             |                              |                               |   |                                   |                      |
| Oct.        | 31 284              | 32 393              | + 1 109  |                               |                             |                              |                               |   |                                   |                      |
| Nov.        | 33 354              | 34 845              | + 1 491  | 134                           | 144                         | 133                          | 133                           | 137   | 139                               | 96                   |
| Dec.        | 33 822              | 31 256              | - 2 566  |                               |                             |                              |                               |   |                                   |                      |
| 1962*       |                     |                     |  |                               |                             |                              |                               |   |                                   |                      |
| Jan.        | 32 179              | 24 012              | - 8 167  | 133                           | 145                         | 135                          | 128                           | 137   |                                   |                      |
| Feb.        | 30 691              | 23 062              | - 7 629  |                               |                             |                              |                               |   |                                   |                      |
| March       | 34 002              | 24 512              | - 9 490  |                               |                             |                              |                               |   |                                   |                      |



## FOREIGN TRADE BY MAIN GROUPS

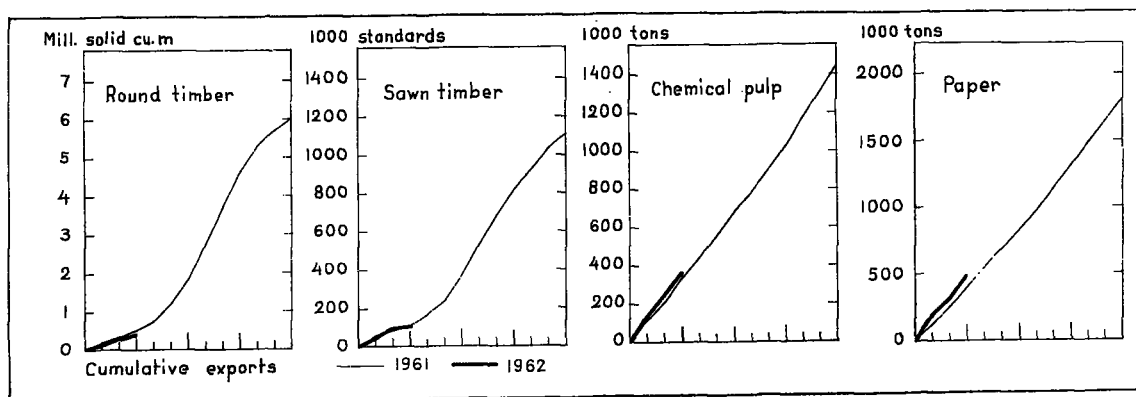
Mill. mk

| Period      | Imports, c. i. f.             |                      |                |                | Exports, f. o. b.     |                       |                        |                         |                                      |             |
|-------------|-------------------------------|----------------------|----------------|----------------|-----------------------|-----------------------|------------------------|-------------------------|--------------------------------------|-------------|
|             | Raw materials and accessories | Fuels and lubricants | Finished goods |                | Agricultural products | Round and hewn timber | Wood industry products | Paper industry products | Metal, engineering industry products | Other goods |
|             |                               |                      | Producer goods | Consumer goods |                       |                       |                        |                         |                                      |             |
| 1953        | 65 148                        | 15 879               | 24 029         | 16 804         | 4 719                 | 10 251                | 43 671                 | 47 926                  | 20 936                               | 4 052       |
| 1954        | 86 420                        | 17 337               | 28 797         | 19 581         | 5 152                 | 13 582                | 49 730                 | 61 662                  | 20 988                               | 5 504       |
| 1955        | 94 919                        | 21 540               | 34 225         | 26 276         | 3 880                 | 19 905                | 51 321                 | 75 793                  | 24 803                               | 5 557       |
| 1956        | 104 284                       | 27 464               | 43 357         | 28 453         | 6 206                 | 17 243                | 40 485                 | 81 780                  | 25 125                               | 7 148       |
| 1957        | 117 424                       | 40 238               | 41 353         | 28 912         | 10 169                | 17 095                | 48 287                 | 97 638                  | 30 433                               | 8 763       |
| 1958        | 119 502                       | 32 658               | 48 797         | 32 345         | 10 651                | 19 346                | 57 818                 | 115 173                 | 34 036                               | 10 910      |
| 1959        | 133 825                       | 28 118               | 67 536         | 37 821         | 14 855                | 16 290                | 63 662                 | 117 003                 | 44 147                               | 11 365      |
| 1960        | 166 264                       | 33 052               | 93 337         | 47 647         | 16 034                | 20 564                | 84 078                 | 133 714                 | 47 361                               | 14 722      |
| 1961*       | 169 908                       | 32 960               | 103 919        | 61 468         | 15 349                | 29 585                | 84 079                 | 153 910                 | 38 627                               | 15 854      |
| Jan. - Mar. |                               |                      |                |                |                       |                       |                        |                         |                                      |             |
| 1960        | 37 820                        | 7 128                | 20 329         | 10 618         | 4 073                 | 1 580                 | 8 713                  | 29 270                  | 8 477                                | 2 425       |
| 1961        | 39 920                        | 8 772                | 24 032         | 15 176         | 3 666                 | 2 486                 | 12 028                 | 35 678                  | 7 149                                | 2 785       |
| 1962*       | 44 755                        | 7 594                | 28 315         | 16 208         | 3 588                 | 2 341                 | 11 269                 | 38 838                  | 12 185                               | 3 365       |
| 1961*       |                               |                      |                |                |                       |                       |                        |                         |                                      |             |
| March       | 14 079                        | 3 853                | 9 639          | 5 502          | 792                   | 788                   | 3 719                  | 13 345                  | 2 645                                | 1 005       |
| April       | 13 149                        | 1 768                | 9 061          | 5 592          | 1 058                 | 1 203                 | 4 902                  | 11 233                  | 2 307                                | 867         |
| May         | 15 357                        | 2 183                | 9 863          | 6 405          | 1 203                 | 2 206                 | 5 612                  | 12 529                  | 2 709                                | 1 345       |
| June        | 12 577                        | 2 619                | 7 794          | 4 368          | 1 472                 | 3 082                 | 9 050                  | 12 569                  | 2 845                                | 1 499       |
| July        | 12 975                        | 1 989                | 9 723          | 4 751          | 797                   | 5 093                 | 10 726                 | 11 445                  | 1 372                                | 1 625       |
| Aug.        | 13 584                        | 2 567                | 9 243          | 4 311          | 1 207                 | 4 552                 | 10 323                 | 14 051                  | 1 563                                | 1 255       |
| Sept.       | 14 611                        | 2 778                | 9 475          | 4 677          | 1 621                 | 4 448                 | 8 996                  | 14 360                  | 2 329                                | 1 663       |
| Oct.        | 15 157                        | 2 916                | 8 473          | 4 738          | 1 216                 | 3 301                 | 8 030                  | 14 315                  | 3 747                                | 1 784       |
| Nov.        | 17 377                        | 2 465                | 7 948          | 5 564          | 910                   | 1 929                 | 8 084                  | 13 820                  | 8 613                                | 1 489       |
| Dec.        | 15 201                        | 4 903                | 7 832          | 5 886          | 2 199                 | 1 285                 | 6 328                  | 13 910                  | 5 993                                | 1 541       |
| 1962*       |                               |                      |                |                |                       |                       |                        |                         |                                      |             |
| Jan.        | 16 411                        | 2 144                | 8 319          | 5 305          | 807                   | 903                   | 4 784                  | 12 912                  | 3 571                                | 1 035       |
| Feb.        | 13 489                        | 2 440                | 9 872          | 4 890          | 1 707                 | 755                   | 3 448                  | 12 275                  | 3 826                                | 1 051       |
| March       | 14 855                        | 3 010                | 10 124         | 6 013          | 1 074                 | 683                   | 3 037                  | 13 651                  | 4 788                                | 1 279       |



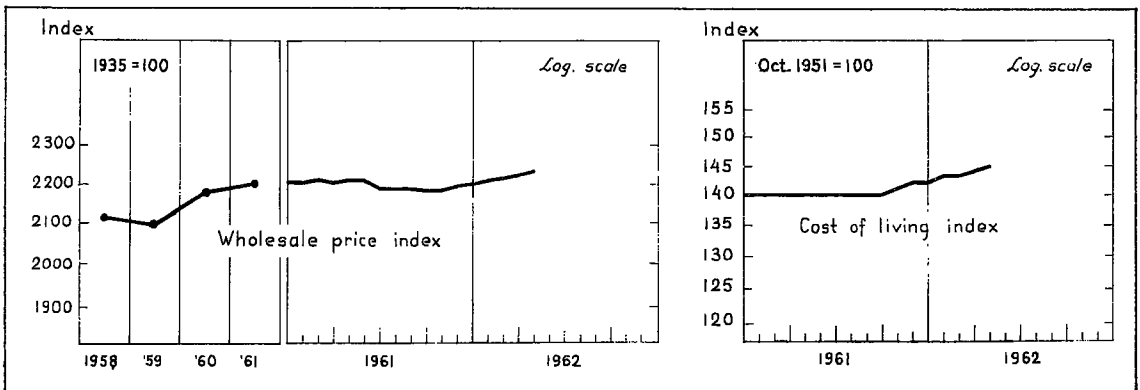
### EXPORTS OF SOME IMPORTANT ARTICLES

| Period      | Round timber<br>1 000<br>solid cu. m | Sawn timber<br>1 000<br>stds | Veneers and<br>plywood<br>1 000<br>cu. m | Mechanical<br>pulp<br>1 000<br>tons | Sulphite<br>pulp<br>1 000<br>tons | Sulphate<br>pulp<br>1 000<br>tons | Board<br>1 000<br>tons | Fibre<br>building<br>board<br>1 000<br>tons | Newsprint<br>1 000<br>tons | Paper,<br>all kinds<br>1 000<br>tons |
|-------------|--------------------------------------|------------------------------|--|-------------------------------------|-----------------------------------|-----------------------------------|------------------------|---|----------------------------|--------------------------------------|
| 1953        | 2 388                                | 688                          | 216                                      | 204                                 | 464                               | 323                               | 76                     | 45  | 402                        | 677                                  |
| 1954        | 3 620                                | 733                          | 298                                      | 193                                 | 580                               | 375                               | 101                    | 59  | 392                        | 751                                  |
| 1955        | 4 977                                | 786                          | 321                                      | 183                                 | 682                               | 447                               | 110                    | 61  | 470                        | 905                                  |
| 1956        | 4 424                                | 648                          | 230                                      | 186                                 | 679                               | 452                               | 106                    | 49  | 537                        | 997                                  |
| 1957        | 4 063                                | 719                          | 260                                      | 165                                 | 697                               | 474                               | 134                    | 60  | 551                        | 1 108                                |
| 1958        | 3 861                                | 762                          | 239                                      | 143                                 | 725                               | 476                               | 145                    | 83  | 585                        | 1 147                                |
| 1959        | 3 812                                | 950                          | 296                                      | 139                                 | 770                               | 549                               | 142                    | 110   | 576                        | 1 244                                |
| 1960        | 4 756                                | 1 137                        | 358                                      | 176                                 | 919                               | 500                               | 150                    | 128   | 691                        | 1 460                                |
| 1961*       | 5 955                                | 1 106                        | 329                                      | 160                                 | 872                               | 569                               | 154                    | 146   | 846                        | 1 806                                |
| Jan. - Mar. |                                      |                              |  |                                     |                                   |                                   |                        |   |                            |                                      |
| 1960        | 377                                  | 78                           | 83                                       | 36                                  | 215                               | 120                               | 36                     | 31  | 148                        | 306                                  |
| 1961        | 500                                  | 112                          | 95                                       | 36                                  | 218                               | 117                               | 38                     | 36  | 185                        | 410                                  |
| 1962*       | 435                                  | 106                          | 93                                       | 33                                  | 214                               | 147                               | 36                     | 40  | 231                        | 492                                  |
| 1961*       |                                      |                              |  |                                     |                                   |                                   |                        |   |                            |                                      |
| March       | 160                                  | 31                           | 30                                       | 12                                  | 82                                | 43                                | 15                     | 13  | 69                         | 154                                  |
| April       | 234                                  | 57                           | 26                                       | 11                                  | 60                                | 45                                | 12                     | 11  | 56                         | 129                                  |
| May         | 466                                  | 67                           | 26                                       | 20                                  | 74                                | 44                                | 13                     | 15  | 68                         | 142                                  |
| June        | 623                                  | 133                          | 19                                       | 16                                  | 74                                | 47                                | 11                     | 11  | 66                         | 140                                  |
| July        | 970                                  | 162                          | 20                                       | 10                                  | 61                                | 37                                | 12                     | 8   | 70                         | 143                                  |
| Aug.        | 952                                  | 151                          | 27                                       | 14                                  | 73                                | 49                                | 12                     | 12  | 77                         | 176                                  |
| Sept.       | 882                                  | 127                          | 26                                       | 14                                  | 80                                | 45                                | 14                     | 13  | 86                         | 172                                  |
| Oct.        | 689                                  | 106                          | 34                                       | 16                                  | 81                                | 66                                | 17                     | 13  | 81                         | 165                                  |
| Nov.        | 387                                  | 111                          | 29                                       | 12                                  | 71                                | 58                                | 12                     | 15  | 76                         | 165                                  |
| Dec.        | 252                                  | 80                           | 29                                       | 11                                  | 80                                | 61                                | 12                     | 12  | 81                         | 163                                  |
| 1962*       |                                      |                              |  |                                     |                                   |                                   |                        |   |                            |                                      |
| Jan.        | 165                                  | 52                           | 33                                       | 10                                  | 71                                | 54                                | 11                     | 14  | 84                         | 178                                  |
| Feb.        | 141                                  | 31                           | 31                                       | 10                                  | 75                                | 42                                | 11                     | 13  | 72                         | 141                                  |
| March       | 129                                  | 23                           | 29                                       | 13                                  | 68                                | 51                                | 14                     | 13  | 75                         | 173                                  |



## FOREIGN TRADE BY COUNTRIES

| Area and country             | Imports, c.i.f. |       |              |       |          | Exports, f.o.b. |       |              |       |          |
|------------------------------|-----------------|-------|--------------|-------|----------|-----------------|-------|--------------|-------|----------|
|                              | Whole year      |       | Jan. — March |       |          | Whole year      |       | Jan. — March |       |          |
|                              | 1960            | 1961* | 1961*        | 1962* |          | 1960            | 1961* | 1961*        | 1962* |          |
|                              | %               | %     | %            | %     | Mill. mk | %               | %     | %            | %     | Mill. mk |
| <b>Sterling area</b> .....   | 16.2            | 15.7  | 15.7         | 16.0  | 15 473   | 26.7            | 24.5  | 26.3         | 20.0  | 14 339   |
| United Kingdom .....         | 15.8            | 15.3  | 15.4         | 15.6  | 15 123   | 24.5            | 22.2  | 23.1         | 18.0  | 12 900   |
| <b>Other OECD countries</b>  |                 |       |              |       |          |                 |       |              |       |          |
| <b>in Europe</b> .....       | 53.6            | 55.4  | 53.8         | 58.6  | 56 811   | 41.0            | 46.4  | 44.0         | 42.5  | 30 453   |
| Austria .....                | 0.7             | 0.7   | 0.7          | 0.8   | 754      | 0.2             | 0.4   | 0.2          | 0.4   | 280      |
| Belgium-Luxembourg .....     | 3.1             | 2.6   | 2.3          | 2.5   | 2 398    | 3.7             | 3.9   | 3.1          | 2.9   | 2 077    |
| Denmark .....                | 2.6             | 3.2   | 3.8          | 3.1   | 2 997    | 3.5             | 3.5   | 3.2          | 3.3   | 2 378    |
| France .....                 | 5.8             | 5.0   | 4.6          | 6.1   | 5 911    | 4.7             | 5.2   | 5.1          | 4.8   | 3 451    |
| Western Germany .....        | 19.4            | 21.3  | 20.6         | 21.0  | 20 322   | 11.6            | 12.9  | 12.4         | 12.1  | 8 680    |
| Italy .....                  | 1.7             | 1.9   | 2.1          | 2.4   | 2 293    | 2.1             | 2.7   | 3.4          | 3.3   | 2 369    |
| Netherlands .....            | 4.6             | 4.0   | 4.0          | 4.4   | 4 249    | 6.1             | 6.3   | 5.5          | 5.6   | 3 977    |
| Norway .....                 | 1.6             | 1.5   | 1.4          | 1.9   | 1 834    | 1.3             | 1.9   | 1.6          | 1.5   | 1 046    |
| Portugal .....               | 0.2             | 0.1   | 0.2          | 0.2   | 206      | 0.1             | 0.1   | 0.1          | 0.1   | 55       |
| Spain .....                  | 0.7             | 0.5   | 0.5          | 0.4   | 438      | 0.2             | 0.5   | 0.6          | 0.9   | 653      |
| Sweden .....                 | 10.4            | 11.5  | 10.5         | 12.5  | 12 164   | 4.9             | 5.7   | 5.2          | 5.9   | 3 601    |
| Switzerland .....            | 2.2             | 2.4   | 2.5          | 2.5   | 2 459    | 0.6             | 1.0   | 0.7          | 0.6   | 438      |
| <b>Eastern Bloc</b> .....    | 20.6            | 19.2  | 20.3         | 16.1  | 15 561   | 19.5            | 18.0  | 16.9         | 22.1  | 15 843   |
| China .....                  | 0.2             | 0.1   | 0.2          | 0.1   | 105      | 0.7             | 0.6   | 0.5          | 0.7   | 494      |
| Czechoslovakia .....         | 1.1             | 1.0   | 0.9          | 0.8   | 739      | 0.9             | 1.1   | 0.9          | 1.2   | 866      |
| Eastern Germany .....        | 1.4             | 1.5   | 1.2          | 1.3   | 1 256    | 1.3             | 1.4   | 1.2          | 1.0   | 709      |
| Poland .....                 | 2.5             | 2.4   | 1.6          | 1.6   | 1 553    | 1.8             | 2.2   | 2.3          | 2.1   | 1 540    |
| Soviet Union .....           | 14.7            | 13.3  | 15.3         | 11.6  | 11 237   | 14.2            | 12.1  | 11.3         | 16.7  | 11 924   |
| <b>U.S. and Canada</b> ..... | 6.0             | 6.1   | 7.4          | 6.0   | 5 793    | 5.1             | 4.5   | 5.2          | 7.4   | 5 247    |
| United States .....          | 5.7             | 5.7   | 7.2          | 5.4   | 5 232    | 5.0             | 4.4   | 5.1          | 7.2   | 5 128    |
| <b>Latin America</b> .....   | 2.7             | 2.7   | 1.7          | 2.1   | 2 054    | 5.1             | 3.9   | 5.1          | 4.5   | 3 232    |
| Argentina .....              | 0.5             | 0.4   | 0.1          | 0.1   | 137      | 1.1             | 1.3   | 1.2          | 1.7   | 1 222    |
| Brazil .....                 | 1.8             | 1.6   | 1.2          | 1.2   | 1 199    | 2.9             | 1.5   | 2.7          | 1.5   | 1 064    |
| <b>Others</b> .....          | 0.9             | 1.0   | 1.1          | 1.2   | 1 180    | 2.6             | 2.7   | 2.5          | 3.5   | 2 472    |
| Grand total                  | 100.0           | 100.0 | 100.0        | 100.0 | 96 872   | 100.0           | 100.0 | 100.0        | 100.0 | 71 586   |
| of which                     |                 |       |              |       |          |                 |       |              |       |          |
| <b>EFTA countries</b> .....  | 33.5            | 34.7  | 34.5         | 36.7  | 35 537   | 34.9            | 34.7  | 34.1         | 28.9  | 20 698   |
| <b>EEC countries</b> .....   | 34.5            | 34.8  | 33.5         | 36.3  | 35 173   | 28.1            | 31.0  | 29.5         | 28.7  | 20 554   |



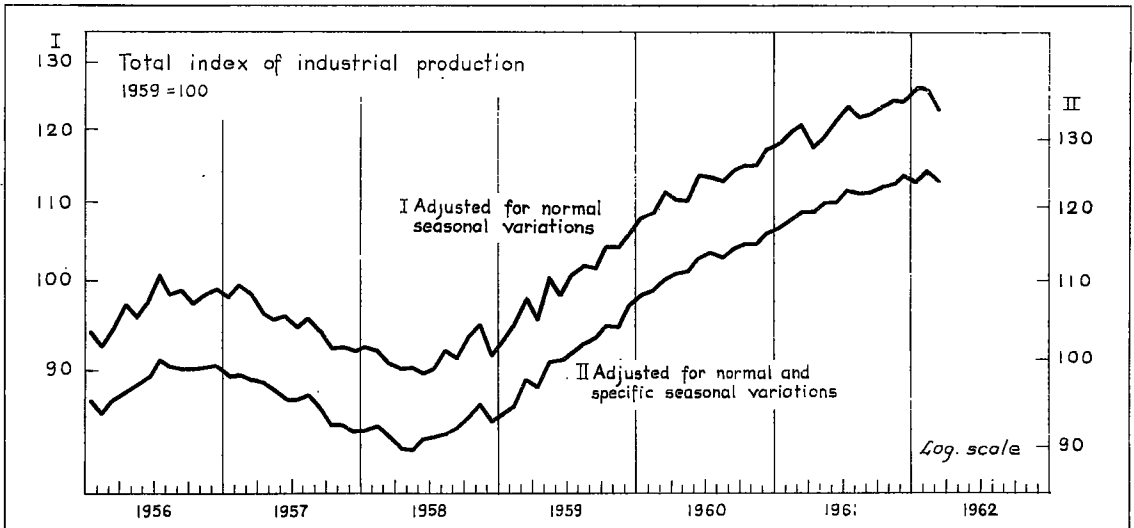
## PRICE INDEXES

| Period | Wholesale prices 1935 = 100 |               |                         |                      |                      |                | Building costs 1951 = 100 |                   |                                  |
|--------|-----------------------------|---------------|-------------------------|----------------------|----------------------|----------------|---------------------------|-------------------|----------------------------------|
|        | Total index                 | Finnish goods |                         |                      |                      | Imported goods | Total                     | Building material | Workers' average hourly earnings |
|        |                             | Total         | Products of agriculture | Products of forestry | Products of industry |                |                           |                   |                                  |
| 1959   | 2 096                       | 2 134         | 2 198                   | 3 060                | 1 801                | 2 016          | 118                       | 110               | 128                              |
| 1960   | 2 178                       | 2 253         | 2 338                   | 3 313                | 1 868                | 2 016          | 122                       | 114               | 135                              |
| 1961   | 2 196                       | 2 306         | 2 290                   | 3 561                | 1 888                | 1 960          | 128                       | 114               | 148                              |
| 1961   |                             |               |                         |                      |                      |                |                           |                   |                                  |
| April  | 2 206                       | 2 299         | 2 260                   | 3 564                | 1 884                | 2 009          | 127                       | 114               | 145                              |
| May    | 2 210                       | 2 303         | 2 266                   | 3 563                | 1 890                | 2 011          | 128                       | 114               | 147                              |
| June   | 2 188                       | 2 296         | 2 223                   | 3 565                | 1 890                | 1 958          | 128                       | 114               | 148                              |
| July   | 2 185                       | 2 308         | 2 294                   | 3 566                | 1 889                | 1 922          | 129                       | 114               | 154                              |
| Aug.   | 2 189                       | 2 313         | 2 309                   | 3 566                | 1 892                | 1 924          | 128                       | 114               | 150                              |
| Sept.  | 2 181                       | 2 305         | 2 265                   | 3 566                | 1 892                | 1 917          | 129                       | 114               | 151                              |
| Oct.   | 2 182                       | 2 310         | 2 268                   | 3 596                | 1 889                | 1 910          | 129                       | 114               | 151                              |
| Nov.   | 2 195                       | 2 323         | 2 333                   | 3 597                | 1 889                | 1 923          | 129                       | 114               | 152                              |
| Dec.   | 2 198                       | 2 327         | 2 357                   | 3 600                | 1 888                | 1 923          | 129                       | 114               | 152                              |
| 1962   |                             |               |                         |                      |                      |                |                           |                   |                                  |
| Jan.   | 2 206                       | 2 339         | 2 412                   | 3 597                | 1 890                | 1 924          | 129                       | 113               | 151                              |
| Feb.   | 2 214                       | 2 350         | 2 470                   | 3 597                | 1 891                | 1 923          | 130                       | 113               | 154                              |
| March  | 2 221                       | 2 354         | 2 471                   | 3 597                | 1 897                | 1 936          | 130                       | 114               | 153                              |
| April  | 2 231                       | 2 371         | 2 508                   | 3 623                | 1 905                | 1 931          | 130                       | 114               | 154                              |

| Period | Cost of living Oct. 1951 = 100 |             |      |                      |          |       | Consumer prices Oct.—Dec. 1957 = 100 |             |      |                      |          |       |
|--------|--------------------------------|-------------|------|----------------------|----------|-------|--------------------------------------|-------------|------|----------------------|----------|-------|
|        | Total                          | Food-stuffs | Rent | Heating and lighting | Clothing | Other | Total                                | Food-stuffs | Rent | Heating and lighting | Clothing | Other |
| 1959   | 134                            | 141         | 280  | 98                   | 85       | 134   | 105                                  | 103         | 104  | 95                   | 105      | 109   |
| 1960   | 138                            | 147         | 298  | 98                   | 86       | 136   | 108                                  | 108         | 110  | 95                   | 107      | 111   |
| 1961   | 141                            | 150         | 310  | 100                  | 87       | 137   | 110                                  | 110         | 115  | 97                   | 109      | 111   |
| 1961   |                                |             |      |                      |          |       |                                      |             |      |                      |          |       |
| April  | 140                            | 150         | 306  | 99                   | 87       | 136   | 110                                  | 111         | 113  | 97                   | 108      | 111   |
| May    | 140                            | 151         | 306  | 100                  | 87       | 136   | 110                                  | 111         | 113  | 97                   | 108      | 111   |
| June   | 140                            | 149         | 306  | 99                   | 87       | 136   | 110                                  | 109         | 113  | 97                   | 108      | 111   |
| July   | 140                            | 150         | 306  | 100                  | 87       | 136   | 110                                  | 110         | 114  | 97                   | 108      | 111   |
| Aug.   | 140                            | 149         | 306  | 100                  | 88       | 136   | 110                                  | 110         | 114  | 97                   | 109      | 111   |
| Sept.  | 140                            | 149         | 306  | 100                  | 88       | 138   | 110                                  | 109         | 114  | 97                   | 109      | 112   |
| Oct.   | 141                            | 148         | 322  | 100                  | 88       | 138   | 111                                  | 109         | 119  | 97                   | 109      | 112   |
| Nov.   | 142                            | 150         | 322  | 100                  | 88       | 138   | 111                                  | 110         | 119  | 98                   | 109      | 112   |
| Dec.   | 142                            | 150         | 322  | 101                  | 88       | 138   | 111                                  | 110         | 119  | 98                   | 109      | 112   |
| 1962   |                                |             |      |                      |          |       |                                      |             |      |                      |          |       |
| Jan.   | 143                            | 152         | 322  | 101                  | 88       | 139   | 112                                  | 112         | 119  | 98                   | 110      | 113   |
| Feb.   | 143                            | 152         | 322  | 102                  | 89       | 139   | 112                                  | 112         | 119  | 99                   | 110      | 113   |
| March  | 144                            | 154         | 322  | 102                  | 89       | 140   | 113                                  | 113         | 119  | 99                   | 111      | 114   |
| April  | 145                            | 155         | 322  | 102                  | 90       | 141   | 114                                  | 114         | 119  | 99                   | 111      | 115   |

**PRODUCTION - INTERNAL TRADE**

| Period            | Index of industrial production |                  |                      |                |                                  |                |                |       | Total, adjusted for normal seasonal variations | Commercial timber fellings<br>1 000 piled cu. m | Wholesale trade volume index<br>1954 = 100 |
|-------------------|--------------------------------|------------------|----------------------|----------------|----------------------------------|----------------|----------------|-------|--|---|--|
|                   | Total                          | Investment goods | Other producer goods | Consumer goods | Special indexes of manufacturing |                |                |       |  |   |  |
|                   |                                |                  |                      |                | Wood industry                    | Paper industry | Metal industry | Other |  |   |  |
| <b>1954 = 100</b> |                                |                  |                      |                |                                  |                |                |       |  |   |  |
| 1959              | 123                            | 118              | 125                  | 122            | 98                               | 144            | 120            | 120   | 123  | 38 100  | 121  |
| 1960*             | 140                            | 140              | 143                  | 134            | 122                              | 167            | 140            | 132   | 139  | 44 593  | 136  |
| 1961*             | 150                            | 150              | 154                  | 143            | 116                              | 192            | 149            | 139   | 150  | 49 004  | 150  |
| <b>1959 = 100</b> |                                |                  |                      |                |                                  |                |                |       |  |   |  |
| 1961*             | 121                            | 127              | 122                  | 117            | 119                              | 133            | 124            | 116   | 121  |   |  |
| 1961*             |                                |                  |                      |                |                                  |                |                |       |  |   |  |
| Feb.              | 117                            | 127              | 117                  | 112            | 124                              | 123            | 125            | 110   | 120  | 5 144   | 129  |
| March             | 129                            | 139              | 130                  | 123            | 144                              | 138            | 137            | 122   | 121  | 4 349   | 149  |
| April             | 119                            | 123              | 119                  | 117            | 126                              | 121            | 122            | 115   | 117  | 2 874   | 147  |
| May               | 123                            | 130              | 122                  | 123            | 125                              | 130            | 127            | 120   | 119  | 14 516  | 153  |
| June              | 117                            | 123              | 115                  | 119            | 126                              | 117            | 121            | 117   | 121  | 1 299   | 148  |
| July              | 93                             | 75               | 104                  | 81             | 123                              | 134            | 74             | 80    | 123  | 981   | 138  |
| Aug.              | 127                            | 120              | 126                  | 132            | 113                              | 142            | 117            | 129   | 122  | 1 981   | 164  |
| Sept.             | 128                            | 135              | 127                  | 126            | 112                              | 140            | 130            | 123   | 122  | 2 320   | 170  |
| Oct.              | 133                            | 141              | 135                  | 126            | 116                              | 148            | 136            | 129   | 123  | 3 026   | 163  |
| Nov.              | 134                            | 146              | 137                  | 123            | 105                              | 148            | 140            | 129   | 124  | 3 615   | 162  |
| Dec.              | 118                            | 133              | 119                  | 108            | 93                               | 125            | 130            | 109   | 124  | 4 052   | 167  |
| <b>1962*</b>      |                                |                  |                      |                |                                  |                |                |       |  |   |  |
| Jan.              | 128                            | 140              | 129                  | 118            | 111                              | 141            | 139            | 115   | 126  | 4 522   | 125  |
| Feb.              | 124                            | 135              | 125                  | 116            | 117                              | 135            | 133            | 114   | 126  | 5 600   | 140  |
| March             | 137                            | 149              | 138                  | 128            | 134                              | 151            | 148            | 126   | 123  | 5 509   | 158  |

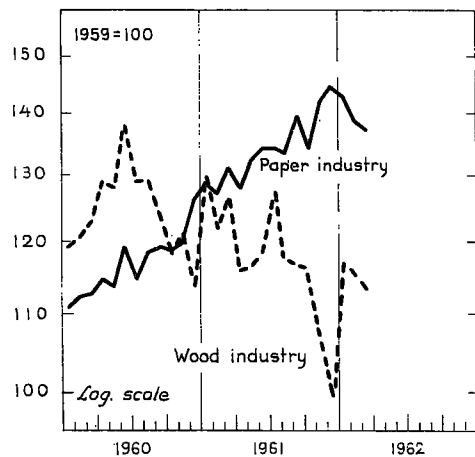
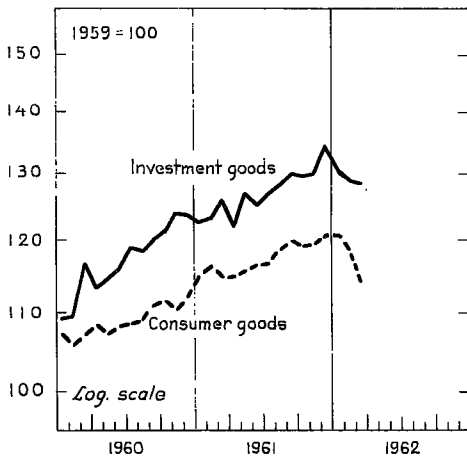


**BUILDING - WAGES - TRANSPORT - EMPLOYMENT**

| 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 |
| 1960*        | 22.28                            | 8.80            | 3.02           | 6.68                               | 2.76               | 22.39   | 116   | 111             | 108      | 117           |
| 1961*        | 24.95                            | 10.62           | 2.29           | 8.72                               | 2.56               | 23.63   | 125   | 117             | 120      | 126           |
| 1961*        |                                  |                 |                |                                    |                    |   |   |                 |          |               |
| Jan. - Mar.  | 4.88                             | 2.09            | 0.29           | 2.06                               | 0.32               | 21.17   | 122   | 117             | 114      | 124           |
| Apr. - June  | 4.11                             | 1.65            | 0.24           | 1.51                               | 0.53               | 27.67   | 124   | 115             | 121      | 126           |
| July - Sept. | 6.34                             | 2.41            | 0.68           | 1.71                               | 1.07               | 27.34   | 126   | 116             | 123      | 127           |
| Oct. - Dec.  | 9.62                             | 4.11            | 1.08           | 3.44                               | 0.64               | 23.63   | 127   | 120             | 124      | 127           |

| Period | Railways                      |      | Foreign shipping             |       |                                      |       | Employment    |       | Unemployment            |       |
|--------|-------------------------------|------|------------------------------|-------|--------------------------------------|-------|---------------|-------|-------------------------|-------|
|        | Goods trucks loaded Thousands |      | Vessels arrived with cargo — |       | Vessels departed 1 000 net reg. tons |       | 1 000 persons |       | % of total labour force |       |
|        | 1961                          | 1962 | 1961*                        | 1962* | 1961*                                | 1962* | 1960          | 1961* | 1960                    | 1961* |
| Jan.   | 134                           | 136  | 450                          | 509   | 412                                  | 475   | 1 751         | 1 803 | 2.6                     | 1.8   |
| Feb.   | 128                           | 125  | 321                          | 398   | 332                                  | 366   | 1 781         | 1 812 | 2.5                     | 1.5   |
| March  | 143                           | 146  | 386                          | 433   | 434                                  | 400   | 1 777         | 1 805 | 2.1                     | 1.5   |
| April  | 139                           | 135  | 422                          | 459   | 402                                  | 401   | 1 778         | 1 840 | 1.8                     | 1.4   |
| May    | 150                           |      | 591                          |       | 629                                  |       | 1 834         | 1 872 | 1.3                     | 0.9   |
| June   | 149                           |      | 729                          |       | 912                                  |       | 1 803         | 1 872 | 1.1                     | 1.0   |
| July   | 146                           |      | 752                          |       | 1060                                 |       | 1 698         | 1 777 | 0.9                     | 0.9   |
| Aug.   | 160                           |      | 779                          |       | 1023                                 |       | 1 769         | 1 864 | 0.9                     | 0.8   |
| Sept.  | 158                           |      | 594                          |       | 832                                  |       | 1 859         | 1 914 | 1.0                     | 0.7   |
| Oct.   | 160                           |      | 583                          |       | 714                                  |       | 1 851         | 1 906 | 0.9                     | 0.9   |
| Nov.   | 155                           |      | 572                          |       | 630                                  |       | 1 835         | 1 886 | 1.4                     | 1.0   |
| Dec.   | 125                           |      | 559                          |       | 533                                  |       | 1 812         | 1 869 | 1.5                     | 1.3   |

Some indexes of industrial production adjusted for normal seasonal variations



## EXPLANATIONS RELATING TO THE STATISTICAL SECTION

### 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. *Other foreign assets* = Foreign bills + Foreign bonds + Prepayments for exports. *Other foreign liabilities* = Mark accounts of holders abroad + Long-term foreign liabilities.

Page 5. *Treasury bills and bonds*: up to August 1953, bills, and thereafter Treasury bond loan + Treasury bill covering certain IMF and IBRD accounts (included in Other claims). *Trade and industry, Other advances* = Inland bills in foreign currency + Cheque accounts (assets) + Other claims excl. Treasury's IMF and IBRD bill, Prepayments for exports and Advances for stand-by stocks. *Liabilities* = Other short-term liabilities + Other cheque accounts + Deposits against import licences (in 1955—56) — Account of the Mortgage Bank of Finland Oy. — *Diagrams. Left: Net claims on other than banks* = Net foreign assets + Net claims on the Treasury + Net claims on the public + Finnish bonds + Finnish coin — Equalisation 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, high-interest deposits and tax - concession accounts* are included in term deposits.

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

### STATE FINANCES

Page 8. Official monthly figures adjusted by the Bank of Finland Institute for Economic Research. *Revenue and expenditure*: All extra-budgetary funds are included, and figures are reported on a payment basis. — Annual figures will be published in separate articles. *Debt*: Index-tied bond loans are given at their nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to the Post Office Savings Bank minus cash holdings (net) of State departments. In principle, the change in this item = surplus (deficit) in the table on revenue and expenditure. The small divergence is due to the fact that the adjustment of the monthly figures is not as accurate as that of the annual (December) figures. *Diagram*. The 12-month totals are plotted to the last month of the respective periods.

### FOREIGN TRADE

Pages 9—12. Figures supplied by the Board of Customs. *The unit value indexes* (p. 9): The indexes are calculated first according to the Laspeyres formula but at the end of each

year adjustments are made according to the Fisher formula, and the level of the quarterly indexes is corrected so that their arithmetic mean equals the annual index. Thus the series above and below the line are not fully comparable. Seasonal variations are not eliminated. Terms of trade: the ratio of export indexes to import indexes. *Foreign trade by countries* (p. 12): imports by countries of purchase, exports by countries of sale.

### PRICE INDEXES

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

### PRODUCTION — INTERNAL TRADE

Page 14. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The weight of each group represents the ratio of its value added to the total value added of industrial production in the base year; 1954=100 for 1959—1961, and 1959=100 from 1961. 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; for the method of calculation see Bulletin No. 8, 1961, p. 18. Commodities according to use: investment goods weight 14.3, other producer goods weight 57.0 and consumer goods weight 28.7. Special manufacturing indexes: wood industry ISIC no. 25, weight 6.6, paper industry no. 27, weight 13.1, metal industry nos. 34—38, weight 23.5, and other manufactures nos. 20—24, 26, 28—33, 39, weight 44.0. *Commercial timber fellings* calculated by the Ministry of Communications and Public Works. *Wholesale trade volume index*, calculated by the Ministry of Finance. Based on sales statistics compiled by the daily Uusi Suomi, covering about 50% of all internal wholesale trade. Price fluctuations have been eliminated by means of the revised wholesale price index.

### 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. *Employment 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. Employment represents the estimated average number of days worked. (See article in No. 10, 1960 of this Bulletin.)

### SYMBOLS USED

\* Preliminary    o 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 the Diet 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, 1962, to March 1, 1968, is Urho Kekkonen.

The Diet, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in the Diet elected in 1962 are as follows: Agrarians 53, People's Democrats 47, Social Democrats 38, Conservatives 32, Swedish Party 14, Finnish People's Party 13, Social Democratic League 2 and Liberal League 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 (1959), 2.3 % in the North and 9.2 % of the land as a whole. Of the land area 19.7 mill. ha (48.7 mill. acres), or 68.6 %, are covered by forests.

**OWNERSHIP OF LAND (1959):** The total land area was distributed among different classes of owners approximately as follows: private 56.2 %, State 34.4 %, joint stock companies etc. 8.2 %, communes 1.2 %.

### POPULATION

**NUMBER OF INHABITANTS (1960):** 4.5 million. Sweden 7.5, Switzerland 5.3, Denmark 4.6 and Norway 3.6 million.

**DENSITY OF POPULATION (1960):** In South Finland 25.0, in North Finland 4.1 and in the whole country an average of 14.7 inhabitants to the square kilometre.

**DISTRIBUTION BY AREA (1960):** 62 % of the population inhabit the rural areas, 38 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 453 000 inhabitants, Tampere (Tammerfors) 127 000, Turku (Åbo) 124 000.

**OCCUPATIONS (1950):** Agriculture and forestry 42 %, industry 29 %, commerce 7 %, transport and communications 6 %, services 9 %, other economic activities 1 %, economically inactive persons 6 %.

**LANGUAGE (1950):** Finnish speaking 91.1 %, Swedish speaking 8.6 %, others 0.3 %.

**EDUCATION (1961):** 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 teachers' training colleges, besides teacher-training departments in two of the universities.

**INCREASE OF POPULATION (1960):** births 18.4 ‰, deaths 8.9 ‰, increase 9.1 ‰. Deaths in France 11.4 ‰ and Great Britain 11.5 ‰.

### TRADE AND TRANSPORT

**NATIONAL INCOME (1960, in thousand million marks):** Gross domestic product at market prices 1 437 (excl. repairs and maintenance). Net domestic product at factor cost, by industrial origin: agriculture 134 (12 %), forestry and fishing 112 (9 %), manufacturing 361 (31 %), construction 116 (10 %), transport and communications 90 (8 %), commerce, banking and insurance 141 (12 %), general government 134 (12 %), other services 71 (6 %), total 1 159. Index of real domestic product 116 (1957 = 100).

**FOREST RESOURCES (1951—1953):** The growing stock comprised 1 493 million of solid cu. m incl. bark (52 660 million cu. ft), of which pine 43.7 % and spruce 35.7 %, the rest 20.6 % being leaf-trees, chiefly birch. Of the growing stock, 10 900 million cu. ft, 58.0 % of them pine, was up to the standard required for logs. The annual growth is 46 million solid cu. m green wood excl. bark (1 620 mill. cu. ft). The total removal in 1954 calculated according to the use of wood was 45 million cu. m (1 589 million cu. ft).

**AGRICULTURE (1959):** 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 98 for 1958 (1954 = 100). Measure of self-sufficiency in the crop year 1958/59: bread cereals 52 %, animal products 120 %.

**INDUSTRY (1959):** Gross value of industrial production 1 068 000 mill. marks, number of workers 303 000, salaried employees 59 000, motive power (1959) 3.0 mill. HP. Index of industrial production 123 for 1959 (1954 = 100).

**RAILWAYS (Jan. 1, 1962):** Length 5 387 km, of which 5 313 km are State and 74 km private railways. The gauge of State railways 1,524 m.

**MERCHANT FLEET (April 30, 1962):** Steamers 198 (294 985 gross reg. tons), motor vessels 265 (540 902 gross reg. tons), sailing vessels with auxiliary engines 78 (7 704 gross reg. tons). Total 541 (843 591 gross reg. tons).

**MOTOR VEHICLES (Dec. 31, 1961):** Private cars 208 700, lorries and delivery vans 73 800, buses 6 200, others 12 900. Total 301 600.

**AIR TRAFFIC (Dec. 31, 1961)** Number of aircraft in scheduled traffic 23, other aircraft 107. In 1961, 543 000 passengers were carried by the two Finnish companies; over 240 million passenger kilometres and 4.1 million ton kilometres of freight and mail were transported.

### 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. Since 1931, the redemption of bank notes in gold has been suspended. The currency unit is the mark (Finnish markka). Its official par value is 320 marks per one U.S. dollar. Finland has been a member of the International Monetary Fund since 1948.

**MUNICIPAL FINANCES.** In the finance accounts for 1958 expenditure amounted to 173 143 mill. marks. Total revenue was 168 199 million, of which income from taxation 86 041 million. The municipal income tax (non-progressive) averaged 11.64 % of the ratepayers' taxable income.

**THE CENTRAL BANK.** The Bank of Finland functions under the guarantee and supervision of the Diet. Its Board of Management is appointed by the President of the Republic; the Bank Supervisors, nine in number, are elected by the Diet. The Bank has a head office in Helsinki and 13 branches in other towns.

**OTHER CREDIT INSTITUTIONS (Dec. 31, 1961).** There are two big and three small commercial banks with in all 630 offices, 382 savings banks, 527 cooperative credit societies and their central bank, six mortgage societies, and POSB. The savings departments of the cooperative stores accept deposits from the public. The National Pensions Institution and sixty-five private insurance companies also grant credits.

**RATES OF INTEREST (April 28, 1962).** Bank of Finland discount rates 6—7 1/8 %. Other credit institutions: term deposits 4 1/8 % (12 months' deposits 5 %, index-tied deposits 4 %) and sight deposits in savings banks and cooperative credit societies 1/8 %; highest lending rate 8 %.

# FINLAND'S BALANCE OF PAYMENTS IN 1961

BY

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The brisk economic activity which prevailed in almost all branches during 1961 also characterised the foreign turnover of both merchandise and services. Especially in the early part of the year, exports had a markedly stimulating effect on production, but later there was a decline in the market for some goods, such as sawn timber for Western Europe. On the other hand, the increase in earnings created a demand for consumer goods which encouraged imports, particularly in the latter half of the year. There were also extensive imports of investment goods. The ensuing deficit in trade was not counter-balanced by services, and a considerable deficit remained in the balance

of payments. To a large extent, the imports of capital goods were financed by foreign loans, which played a greater role than in previous years. In addition, some of the commercial banks raised foreign capital by increasing their short-term liabilities. The inflow of capital in the form of long-term and short-term liabilities left a margin above the net expenditure, which allowed of a strengthening of the country's foreign exchange holdings.

## CURRENT TRANSACTIONS

For the last two years, the balance of goods and services, including transfer payments, was as follows:

|  | CURRENT TRANSACTIONS, in 1 000 mill. mk |              |              |              |              |              |
|--|---|--------------|--------------|--------------|--------------|--------------|
|  | 1960                                    |              |              | 1961         |              |              |
|  | Receipts                                | Payments     | Net receipts | Receipts     | Payments     | Net receipts |
| Merchandise .....                          | 316.8                                   | 341.0        | -24.2        | 337.6        | 369.6        | -32.0        |
| Non-monetary gold .....                    | —                                       | 0.1          | - 0.1        | —            | 0.0          | - 0.0        |
| Transportation <sup>1)</sup> .....         | 31.4                                    | 13.4         | +18.0        | 34.8         | 14.3         | +20.5        |
| Travel .....                               | 5.3                                     | 12.6         | - 7.3        | 6.1          | 15.6         | - 9.5        |
| Investment income .....                    | 2.9                                     | 4.6          | - 1.7        | 3.6          | 5.8          | - 2.2        |
| Government .....                           | 2.2                                     | 1.1          | + 1.1        | 2.4          | 1.5          | + 0.9        |
| Non-merchandise insurance <sup>1)</sup> .. | 7.3                                     | 8.0          | - 0.7        | 8.8          | 8.7          | + 0.1        |
| Miscellaneous services .....               | 8.2                                     | 7.5          | + 0.7        | 9.9          | 9.0          | + 0.9        |
| Transfer payments .....                    | 1.2                                     | 0.3          | + 0.9        | 1.2          | 0.5          | + 0.7        |
| <i>Total current transactions</i> .....    | <i>375.3</i>                            | <i>388.6</i> | <i>-13.3</i> | <i>404.4</i> | <i>425.0</i> | <i>-20.6</i> |
| Errors and omissions .....                 |   |              | + 2.9        |              |              | - 1.5        |

<sup>1)</sup> With effect from 1960, the insurance income on imports is recorded under transportation, and not under insurance as before.

The economic expansion of 1961 caused a pressure of demand on imports, particularly towards the end of the year. The volume of

imports of consumer goods increased by nearly one third on the 1960 figure, and as there was a slight drop in prices, their value

increased by 29 per cent. The value of the imports of investment goods showed an 11 per cent rise, the result of an increase in volume and an even more marked advance in prices. The total spent on foreign merchandise was 369 600 million marks, against 341 000 million the year before. The value of exports increased by close on 7 per cent, essentially because larger quantities of paper industry products were placed on the market at prices which were slightly more favourable than in 1960. Receipts of 337 600 million marks were recorded on merchandise account, against 316 800 million the year before. Pronounced trade activity brought in its train extensive employment of the merchant fleet and an increase in the gross freights earned despite somewhat lower freight rates. The expenditure by vessels abroad was smaller in proportion to earnings than recently. Investment income increased, chiefly comprising interest received on for-

foreign exchange holdings with the accumulation of larger reserves. Payments on this account principally consisted of interest on the long-term debt.

#### CAPITAL MOVEMENTS

The movement of capital during 1960 and 1961 is shown in the table below. The adoption of a new form of presentation renders difficult comparisons with pre-1960 data. Nevertheless, the change in system relates to the internal grouping of the items only, and not to the totals. The most important amendment concerns the State debt. Prior to 1960, Government loans also included Government guaranteed loans, whereas these are now entered as private or banking loans, whichever the case may be. Capital ownership is grouped into three main sectors, private enterprise, public administration (including local), and banking.

CAPITAL AND GOLD MOVEMENTS, in 1 000 mill. mk

|                                     | 1960   |             |            | 1961   |             |            |
|-------------------------------------|--------|-------------|------------|--------|-------------|------------|
|                                     | Assets | Liabilities | Net assets | Assets | Liabilities | Net assets |
| <i>Private</i> .....                | -1.3   | +10.9       | -12.2      | -1.6   | + 9.1       | -10.7      |
| Long-term capital                   |        |             |            |        |             |            |
| Loans drawn .....                   | —      | +10.9       | — 4.7      | —      | +13.5       | — 6.4      |
| Loans repaid .....                  | —      | - 6.2       | + 0.6      | —      | - 7.1       | — 0.8      |
| Other .....                         | -0.6   | - 1.2       | - 8.1      | -1.9   | - 1.1       | - 3.5      |
| Short-term capital .....            | -0.7   | + 7.4       |            | +0.3   | + 3.8       |            |
| <i>Public</i> .....                 | +3.9   | - 2.8       | + 6.7      | +1.2   | + 4.8       | - 3.6      |
| Loans drawn .....                   | —      | + 1.2       | + 2.8      | —      | + 8.8       | — 4.8      |
| Loans repaid .....                  | —      | - 4.0       | + 3.9      | —      | - 4.0       | + 1.2      |
| Other .....                         | +3.9   | —           |            | +1.2   | —           |            |
| <i>Banks</i> .....                  | +4.8   | + 9.7       | - 4.9      | +6.9   | +14.7       | - 7.8      |
| Loans drawn .....                   | —      | + 7.9       | - 6.6      | —      | + 7.5       | - 6.2      |
| Loans repaid .....                  | —      | - 1.3       | + 1.7      | —      | - 1.3       | -1.6       |
| Other .....                         | +4.8   | + 3.1       | -10.4      | +6.9   | + 8.5       | -22.1      |
| <i>Total capital and gold</i> ..... | +7.4   | +17.8       |            | +6.5   | +28.6       |            |

Imports were substantially financed by foreign credits, especially as regards the purchase of capital goods. Credits of this nature were easily available, and furthermore the prevailing stringency on the domestic money market encouraged the use of foreign

funds. Private long-term loans were drawn to an equivalent of 13 500 million marks; these consisted both of direct credits furnished by the suppliers of the goods, and of financial credits from some third party. Although the loans are here considered as

long-term, a major proportion matures within three to six years. „Short-term” refers only to those loans which run for a maximum of 12 months. The corresponding repayments of loans demanded a total of 7 100 million marks. Short-term private capital flowed in to a net amount of 3 500 million, chiefly in the form of prepayments received on exports. The short-term commercial credits received on imports were apparently much the same at the end of the year as at the beginning. Of the Government loans used, 6 200 million marks pertained to the rouble loan of 1959 and was used for the purchase of railway rails and defence equipment. Through a Swiss bank syndicate the Government also raised a bond loan equivalent to 2 200 million marks; this will run for 15 years at a rate of interest of 5 per cent, the proceeds being intended for the erection of hydro-electric stations in northern Finland. In the banking sector, the Mortgage Bank of Finland contributed with funds amounting to fully 5 200 million marks, drawn on its loans from the World Bank. The last of these loans was granted in 1961, for a term of 15 years at 5 ¾ per cent interest. The whole of its amount, 25 million dollars, is intended for the paper and pulp industry. The Mortgage Bank also drew 2 100 million on the loan granted by the Kreditanstalt für Wiederaufbau in 1959. The total inflow of borrowed capital to the country amounted to 29 800 million marks, or 50 per cent more than in 1960. Amortisation totalled 12 400 million.

The automatic or deliberate reaction of the banking sector to all the various foreign transactions is reflected in the movement of the short-term accounts of the banks. The aggregate short-term liabilities of all banks increased by 8 500 million marks, as by accepting deposits in foreign currencies the commercial banks increased their liabilities by 10 400 million. The Bank of Finland, on the other hand, reduced its liabilities by

3 200 million. Moreover, despite the considerable deficit in current transactions, the holdings of foreign assets and securities of the banks increased by 6 900 million marks, 4 600 million of this being in the Bank of Finland. However, the net foreign position of the banks was weakened.

#### THE BALANCE OF PAYMENTS IN 1957—1961

The following survey reviews the current transactions from 1957 to 1961. The figures are in 1 000 million marks.

|            | Receipts | Payments | Net receipts |
|------------|----------|----------|--------------|
| 1957 ..... | 260.4    | 262.2    | — 1.8        |
| 1958 ..... | 294.5    | 269.4    | + 25.1       |
| 1959 ..... | 318.5    | 309.1    | + 9.4        |
| 1960 ..... | 375.3    | 388.6    | —13.3        |
| 1961 ..... | 404.4    | 425.0    | —20.6        |

The comparability of the 1957 data and those for later years is vitiated by the devaluation of September 1957. Below, the corresponding dollar values are given, in million dollars.

|            | Receipts | Payments | Net receipts |
|------------|----------|----------|--------------|
| 1957 ..... | 1 008    | 1 020    | —12          |
| 1958 ..... | 918      | 839      | + 79         |
| 1959 ..... | 994      | 965      | + 29         |
| 1960 ..... | 1 173    | 1 215    | —42          |
| 1961 ..... | 1 264    | 1 328    | —64          |

The increase in receipts and payments has continued since the low point in 1958, payments at a faster rate, so that first the surplus diminished, later to turn into a growing deficit.

The relationship between the trade balance and the total balance of current transactions is shown by the following two series. A surplus in trade is augmented and a deficit in trade at least partly offset by the other current items which always show a final surplus.

|            | Merchandise | Other current items |
|------------|-------------|---------------------|
| 1957 ..... | —15.9       | + 14.1              |
| 1958 ..... | + 14.3      | + 10.8              |
| 1959 ..... | + 0.1       | + 9.3               |
| 1960 ..... | —24.2       | + 10.9              |
| 1961 ..... | —32.0       | + 11.4              |

In 1960, borrowing abroad gained considerably in importance, and in 1961 still much more credit was utilised. The following table illustrates the part played by foreign borrowing and redemption last year in comparison with preceding years.

|            | In 1 000 million marks |        | Equivalent in million dollars |        |
|------------|------------------------|--------|-------------------------------|--------|
|            | Drawn                  | Repaid | Drawn                         | Repaid |
| 1957 ..... | 8.2                    | 4.8    | 32                            | 19     |
| 1958 ..... | 10.3                   | 8.8    | 32                            | 27     |
| 1959 ..... | 12.2                   | 13.0   | 38                            | 41     |
| 1960 ..... | 20.0                   | 11.5   | 63                            | 36     |
| 1961 ..... | 29.8                   | 12.4   | 93                            | 39     |

At the end of 1961, the foreign long-term indebtedness amounted to 126 000 million marks, excluding the Government notes for 13 500 million marks which cover part of the subscription to the International Monetary Fund. Including these notes, by that date 21 300 million had been paid in subscriptions to the IMF and IBRD and its associated organisations. Short-term liabilities totalled 71 200 million marks, and short-term assets 130 000 million, including foreign bonds held. In addition private Finnish investments abroad had a value of about 1 900 million marks.

## ITEMS

**Trade agreement.** On March 29, 1962, an agreement was signed covering the exchange of goods between Finland and the People's Republic of China during the period from November 1, 1961 to October 31, 1962. Trade is fixed by quotas, and both exports and imports will amount to 7.8 million new roubles. Finland will export machinery and equipment for the paper industry, metal products, chemical pulp, paper and cardboard products, rayon staple fibre, plywood and copper etc. Finland's import list includes oil seeds, vegetable oils, soya, rice, tin, apples, tinned goods etc.

**New bond loan.** On May 17, the Government issued the second (1962) bond loan at a varying rate of interest for subscription by credit institutions. It amounts to 740 million marks. The bonds are dated June 1, 1962 and will mature in ten years. The interest rate is  $2\frac{3}{4}$  per cent above the general deposit rate of the two largest commercial banks. Amortisation and interest are tied to the cost of living index to the extent of 50 per cent. The bonds will be sold to the Post Office Savings Bank.

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# BANK OF FINLAND

## BOARD OF MANAGEMENT

KLAUS WARIS,  
*Governor*

ESKO K. LEINONEN

A. SIMONEN

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

REINO ROSSI

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*Credits*

PERTTI TAMMIVUORI  
*Administration*

EERO ASP,  
*Foreign affairs*

JOUKO J. VOUTILAINEN,  
*Foreign affairs; Information*

K. IGNATIUS,  
*Administration*

## HEADS OF DEPARTMENT

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*Personnel*

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*Foreign exchange  
(trade)*

P. BLOMQUIST,  
*Accounts*

P.-E. ÖSTERLUND,  
*Foreign exchange  
(services)*

A. KAJANTIE,  
*Control*

HELGE LINDSTRÖM,  
*Credits*

ARTHUR ASPELUND,  
*Cash*

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*Office*

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*Internal accounts*

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