



BANK OF FINLAND

MONTHLY BULLETIN

Vol. 31 No. 3

MARCH

1957

RECENT DEVELOPMENTS

BALANCE OF PAYMENTS

Although the economic outcome of several of the foreign services for 1956 is not known as yet, it is evident that the great excess of imports, 25 600 mill. marks, also caused a surplus of expenditure in the total current balance of payments for the first time for many years. In addition; some of the services usually result in an excess of expenditure, such as that relating to interest and similar payments, the net amount of which was some 2 000 million marks. Foreign travel is estimated to have cost nearly 2 000 million more than it produced. The most important of the factors as yet unknown is the income arising from transportation, in particular the receipts of the merchant fleet. For 1955 it was estimated at 13 900 million marks net, in 1956 it should have been roughly 15 000 million. The total deficit of the current balance of payments is estimated at about 15 000 million marks.

Long-term borrowing continued on a moderate scale. In 1956 the total amount drawn was 6 400 million marks. A proportion of this sum had in previous years been granted by the IBRD and the USSR; an additional official loan of \$15 million, equivalent to 3 500 million marks, was received from the IBRD for electric power development. Two State-owned companies had at their disposal considerable amounts in

dollars, French francs and DM. The private loans utilised consisted chiefly of medium-term credits on ships purchased from abroad. The repayments on old loans amounted to 4 900 million marks. In addition to this, the Government repurchased 1 200 million marks in gold and dollars from the IMF. Including some minor items, the total long-term capital movement provided a surplus of 900 million marks.

Most of the surplus of current expenditure had thus to be covered by short-term capital. The foreign assets of the country were reduced by 13 100 million marks in all, most of the reduction relating to the foreign exchange reserves of the banks, funds which were either at their disposal or had been committed for special purposes. Foreign liabilities, on the other hand, rose by 4 200 million marks. This does not take into account the changes in ordinary commercial claims and liabilities.

THE FOREIGN PAYMENTS POSITION

The gold and foreign exchange reserve of the Bank of Finland, which had been growing since 1953, was in 1956 reduced by 7 300 mill. marks. At the same time, the

On page 18, Finland's Foreign Trade in 1956

composition of the reserve changed considerably, as is seen in the table below.

GOLD AND FOREIGN EXCHANGE RESERVE OF THE
BANK OF FINLAND, 1 000 MILL. MK

	1954	End of	
		1955	1956
Gold and US dollars	13.6	15.6	19.0
EPU currencies	16.5	16.6	6.4
Eastern Bloc currencies ..	2.1	2.4	2.5
Other currencies	— 2.7	— 2.5	— 3.1
Total	29.5	32.1	24.8

The weakening of the exchange situation was contributed to both by a decrease in export earnings and by an increase in payments for imports. In currencies other than those of the Eastern Bloc, export receipts amounted to 126 000 mill. marks, or 10 000 million less than in 1955. Although licensing for imports was restricted by almost twice as much, that is to say by 17 000 million on the 1955 figure, payments for imports amounted to 124 000 mill. marks, or a full 6 000 million more than for 1955. This increase was mainly due to the fact that as regards the payments in connection with the ample grants of licences in 1955, when export receipts were high, a considerable proportion was not effected until 1956. On the other hand, as a result of the curtailment of import licensing, the stock of outstanding licences, which had grown in 1955 by 19 000 mill. marks, in 1956 decreased by more than 3 000 million.

As regards Eastern Bloc currencies, the change was inconsiderable: receipts for exports amounted to nearly 49 000 mill. marks, and payments for imports to nearly 48 000 million, both categories exceeding the corresponding figures for 1955 by a full 1 000 mill. marks.

During the current year, the situation has been growing still more strained. This relates, above all, to the principal Western currencies, that is to say dollars and the currencies of the Western European arbi-

trage scheme; as far as these are concerned import licensing will, for several reasons, have to be kept far below the 1956 level. Without undue weakening of the payments position, imports can no longer be financed by drawing on the exchange reserves, and as a consequence expenditure in these currencies should this year remain within the limits imposed by current receipts. Estimates, based on the data available at present, indicate that export earnings in principal Western currencies will fall short by some 6 per cent of last year's figure. Moreover, whereas in 1956, mainly for reasons which are non-recurrent, more than 6 000 mill. marks in these currencies was obtained from other currency areas, during 1957 such transactions are likely to result in a net outflow of principal Western currencies. On the other hand, net expenditure on the amortisation of foreign loans and on services is estimated to exceed by some 4 000 million the corresponding amount for 1956.

Thus, according to present estimates, 82 000 mill. marks of the export earnings in principal Western currencies will be available for financing imports, or 25 000 million less than in 1956. Provided that the rate at which licences are used remains more or less the same as was the case last year, and that new licensing is distributed over the year roughly in the same proportion as are the receipts for exports, the maintenance of the exchange reserve at the level of December 1956 will allow import licences in principal Western currencies to be granted during the current year to an amount of some 80 000 mill. marks, or 28 per cent less than in 1956. It should be noted, however, that the import licensing during 1957, as outlined above, cannot prevent the use of last year's licences from causing a considerable, though temporary, decrease in exchange reserves in the spring.

March 20, 1957

BANK OF FINLAND

Mill. mk

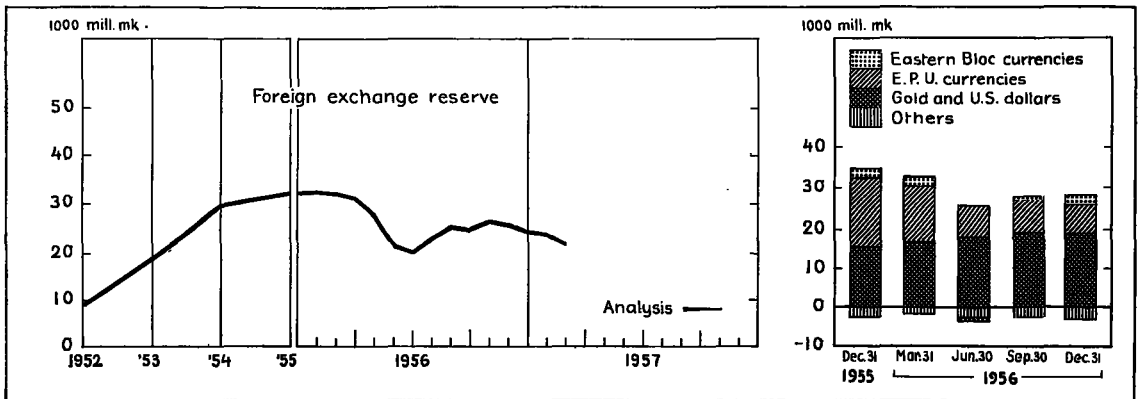
	1956		1957			
	Feb. 29	Dec. 31	Feb. 8	Feb. 15	Feb. 23	Feb. 28
BALANCE SHEET						
Assets						
<i>Ordinary note cover</i>	38 641	32 300	31 336	30 524	29 609	29 119
Gold	7 849	7 849	7 849	7 849	7 849	7 849
Foreign exchange	28 232	21 561	20 597	19 785	18 870	18 380
Foreign bills	115	115	115	115	115	115
Foreign bonds	2 445	2 775	2 775	2 775	2 775	2 775
<i>Supplementary note cover</i>	68 928	75 453	64 385	66 147	68 324	69 752
Inland bills discounted						
In foreign currency	8 751	9 366	9 423	9 436	9 440	9 460
In Finnish currency	16 626	14 922	15 675	15 789	15 611	15 755
Rediscounted bills	23 551	33 665	21 787	23 422	25 773	27 037
Treasury bond loan	20 000	17 500	17 500	17 500	17 500	17 500
<i>Other assets</i>	12 261	13 370	12 850	12 933	13 547	13 155
Finnish bonds	1 888	1 794	1 753	1 753	1 756	1 756
Cheque accounts	419	862	453	490	1 024	580
Finnish coin	330	354	426	422	401	396
Other claims	9 624	10 360	10 218	10 268	10 366	10 423
Total	119 830	121 123	108 571	109 604	111 480	112 026
Liabilities						
<i>Notes in circulation</i>	53 870	60 735	55 127	56 339	56 897	58 245
<i>Short-term liabilities</i>	24 030	24 725	17 087	16 737	17 788	16 755
Foreign exchange accounts	3 982	4 601	3 967	3 832	4 056	4 089
Mark accounts of holders abroad	4 324	7 047	6 883	7 199	7 169	7 169
Cheque account of the Treasury	14 292	10 550	4 193	4 318	5 731	4 103
Cheque accounts of banks	723	1 167	1 057	414	—	553
Other cheque accounts	153	367	288	281	229	201
Other short-term liabilities	556	993	699	693	603	640
<i>Long-term liabilities</i>	23 853	14 725	14 837	14 764	14 718	14 772
Foreign	8 023	8 290	8 374	8 387	8 386	8 405
Finnish	15 830	6 435	6 463	6 377	6 332	6 367
<i>Equalisation accounts</i>	6 123	8 074	8 396	8 596	8 874	9 020
<i>Bank's own funds</i>	11 954	12 864	13 124	13 168	13 203	13 234
Capital	10 000	10 000	10 000	10 000	10 000	10 000
Reserve fund	806	812	1 838	1 838	1 838	1 838
Profits undisposed	806	—	1 026	1 026	1 026	1 026
Earnings less expenses	342	2 052	260	304	339	370
Total	119 830	121 123	108 571	109 604	111 480	112 026
STATEMENT OF NOTE ISSUE						
Right of note issue						
<i>Ordinary cover</i>	38 641	32 300	31 336	30 524	29 609	29 119
<i>Supplementary cover</i> (Upper limit 58 000 mill. mk)	58 000	58 000	58 000	58 000	58 000	58 000
Total	96 641	90 300	89 336	88 524	87 609	87 119
Note issue						
<i>Notes in circulation</i>	53 870	60 735	55 127	56 339	56 897	58 245
<i>Short-term liabilities</i>	24 030	24 725	17 087	16 737	17 788	16 755
Undrawn on cheque credits	555	316	721	678	628	594
<i>Unused right of note issue</i>	18 186	4 524	16 401	14 770	12 296	11 525
Total	96 641	90 300	89 336	88 524	87 609	87 119

Lowest discount rate since April 19, 1956, 6 1/2 per cent

BANK OF FINLAND

Mill. mk

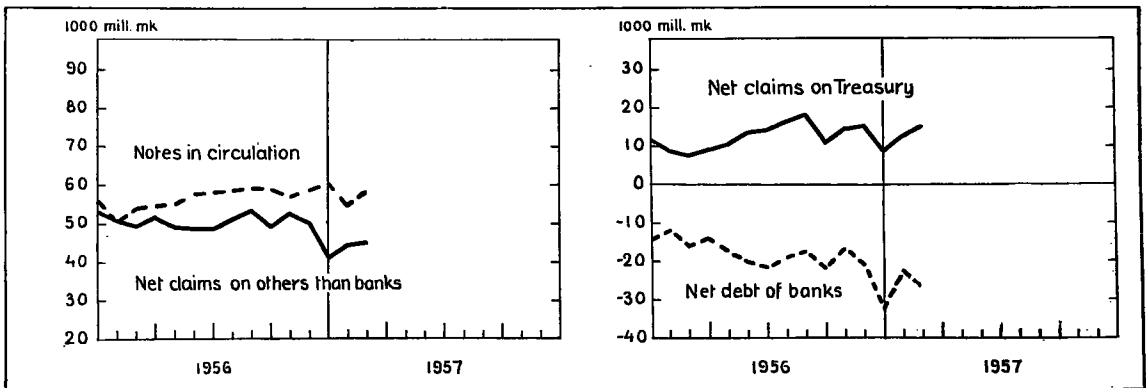
End of year and month	Gold and foreign accounts						Finnish credit institutions				
	Gold and foreign exchange	Liabilities on foreign exchange accounts	Foreign exchange reserve (1-2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4-5)	Redis-counted bills	Liabilities		Net claims on the banks (7-8-9)	
	1	2	3	4	5	6	7	Cash reserve accounts	Cheque accounts of banks	10	
1950	10 959	8 170	2 789	—	4 807	-2 018	6 913	—	—	552	7 465
1951	34 317	3 594	30 723	—	3 693	27 030	16	—	—	218	234
1952	22 099	13 141	8 958	—	5 524	3 434	17 217	—	—	2 088	15 129
1953	27 898	8 737	19 161	209	9 237	10 133	8 268	—	—	2 157	6 111
1954	36 573	7 017	29 556	972	10 102	20 426	8 465	—	—	2 187	6 278
1955	35 938	3 855	32 083	2 376	11 617	22 842	22 628	6 677	—	1 706	14 245
1956	29 410	4 601	24 809	2 890	15 337	12 362	33 665	—	—	1 167	32 498
1955											
Nov.	38 899	4 166	34 733	2 468	11 528	25 673	10 007	6 176	—	748	3 083
Dec.	35 938	3 855	32 083	2 376	11 617	22 842	22 628	6 677	—	1 706	14 245
1956											
Jan.	36 958	4 464	32 494	2 560	12 312	22 742	19 096	6 689	—	486	11 921
Feb.	36 081	3 982	32 099	2 560	12 347	22 312	23 551	6 607	—	723	16 221
March	34 309	3 296	31 013	2 560	12 404	21 169	20 086	5 983	—	135	13 968
April	31 086	3 937	27 149	2 560	12 400	17 309	24 790	7 062	—	530	17 198
May	27 877	6 031	21 845	2 560	12 694	11 712	27 236	6 373	—	665	20 198
June	28 020	7 547	20 473	2 560	13 387	9 646	27 283	5 622	—	507	21 154
July	29 148	6 080	23 063	2 560	13 681	11 947	26 918	7 046	—	812	19 060
Aug.	31 221	5 745	25 476	2 560	13 726	14 310	23 513	5 497	—	690	17 326
Sept.	30 613	5 475	25 138	2 560	14 355	13 343	27 223	4 671	—	782	21 770
Oct.	30 519	3 801	26 718	3 022	14 773	14 967	20 892	3 960	—	447	16 485
Nov.	29 676	3 682	25 994	3 022	15 003	14 013	25 177	3 755	—	464	20 958
Dec.	29 410	4 601	24 809	2 890	15 337	12 362	33 665	—	—	1 167	32 498
1957											
Jan.	28 587	4 528	24 059	2 890	15 212	11 737	23 188	—	—	472	22 716
Feb.	26 229	4 089	22 140	2 890	15 574	9 456	27 037	—	—	553	26 484



BANK OF FINLAND

Mill. mk

End of year and month	Treasury			Trade and industry						Notes in circulation
	Bills and bonds	Cheque account	Net claims on the Treasury (1-2)	Inland bills in Finnish currency	Other advances	Total advances (4+5)	Deposits against import licences	Other liabilities	Net claims on the public (6-7-8)	
	1	2	3	4	5	6	7	8	9	10
1950	19 730	34	19 696	13 516	5 470	18 986	—	263	18 723	34 383
1951	8 685	—	8 685	11 567	6 193	17 760	—	301	17 459	44 774
1952	14 738	—	14 738	14 678	12 696	27 374	—	2 185	25 189	46 153
1953	21 662	7 281	14 381	13 812	15 525	29 337	—	2 314	27 023	45 019
1954	21 662	15 470	6 192	11 940	14 129	26 069	—	791	25 278	47 902
1955	21 660	9 816	11 844	14 437	16 357	30 794	6 578	779	23 437	55 883
1956	19 160	10 550	8 610	14 922	18 928	33 850	4 125	1 360	28 365	60 735
1955										
Nov.	21 660	9 627	12 033	13 563	17 748	31 311	5 105	872	25 334	53 493
Dec.	21 660	9 816	11 844	14 437	16 357	30 794	6 578	779	23 437	55 883
1956										
Jan.	21 660	12 905	8 755	15 204	16 845	32 049	7 476	844	23 729	50 539
Feb.	21 660	14 292	7 368	16 626	17 134	33 760	7 929	709	25 122	53 870
March	20 410	11 521	8 889	18 992	17 501	36 493	8 131	997	27 365	54 252
April	20 410	10 162	10 248	19 782	18 210	37 992	8 753	1 192	28 047	54 951
May	20 410	6 940	13 470	20 588	20 005	40 593	9 290	1 279	30 024	57 361
June	20 410	6 284	14 126	19 985	22 082	42 067	9 541	1 100	31 426	57 911
July	20 410	4 327	16 083	18 763	21 923	40 686	9 674	1 124	29 888	58 281
Aug.	20 410	2 292	18 118	17 025	21 530	38 555	9 288	1 127	28 140	58 927
Sept.	19 160	8 310	10 850	16 600	21 763	38 363	4 885	948	32 530	58 831
Oct.	19 160	4 906	14 254	16 517	20 138	36 655	4 325	1 235	31 095	56 795
Nov.	19 160	4 091	15 069	15 958	19 260	35 218	4 349	1 470	29 399	58 468
Dec.	19 160	10 550	8 610	14 922	18 928	33 850	4 125	1 360	28 365	60 735
1957										
Jan.	19 160	6 420	12 740	15 427	18 294	33 721	4 151	1 060	28 510	54 160
Feb.	19 160	4 103	15 057	15 755	18 803	34 558	4 057	841	29 660	58 245



DEPOSITS BY THE PUBLIC - FOREIGN EXCHANGE RATES

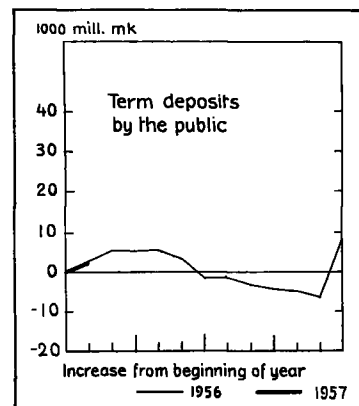
Mill. mk

End of year and month	Sight deposits			Term deposits						Total (2+3+9)
	Cheque accounts		Postal giro accounts	Commer- cial banks	Savings banks	Co-op. credit societies & their cen- tral bank	Post Office Savings Bank	Savings depart- ments of co-op. stores	All credit institutions	
	Commer- cial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
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	45 936	15 265	96 807	112 505	63 589	34 162	16 013	323 114	384 315
1955										
Oct.	37 908	45 561	9 709	91 287	101 316	57 674	31 890	14 534	296 751	352 021
Nov.	38 521	45 887	8 718	91 516	102 211	57 927	32 074	14 608	298 384	352 989
Dec.	36 588	44 281	11 795	97 794	108 541	61 140	33 073	15 255	315 842	371 918
1956*										
Jan.	35 193	42 006	8 710	98 543	109 552	61 507	33 598	15 563	318 801	369 517
Feb.	32 805	39 429	9 634	98 990	110 233	62 204	34 292	15 762	321 519	370 582
March	35 545	42 643	12 629	98 745	110 080	62 567	34 002	15 805	321 237	376 509
April	33 982	41 093	9 634	98 564	110 268	62 778	33 842	15 832	321 322	372 049
May	33 620	40 799	9 669	97 684	109 704	62 476	33 401	15 691	318 994	369 462
June	39 536	47 256	11 068	96 287	108 087	61 561	32 983	15 409	314 365	372 689
July	37 040	45 098	9 583	95 701	108 382	61 779	33 136	15 362	314 398	369 079
Aug.	34 995	43 119	7 618	94 685	107 983	61 586	33 096	15 284	312 672	363 409
Sept.	36 666	43 786	15 675	94 176	107 675	61 159	33 209	15 253	311 510	370 971
Oct.	40 382	48 603	8 877	93 059	107 979	61 218	33 170	15 380	310 844	368 324
Nov.	38 283	45 619	9 043	91 960	107 641	61 128	33 001	15 380	309 148	363 810
Dec.	38 614	45 936	15 265	96 807	112 505	63 589	34 162	16 013	323 114	384 315
1957*										
Jan.	36 315	43 381	9 491	97 684	113 247	64 187	34 489	16 347	325 991	378 863

Selling rates for foreign exchange

February 28, 1956

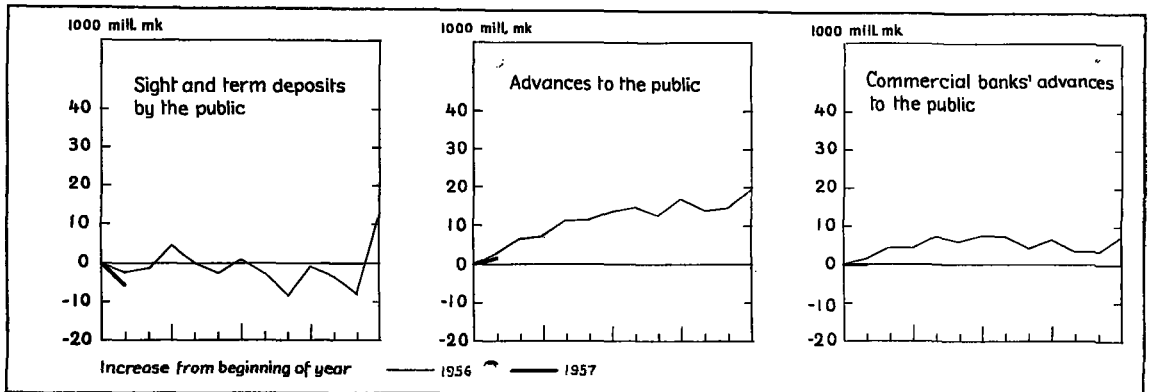
		mk			mk
New York	1 \$	231	Zürich	1 Fr	52.80
London	1 £	648	Frankfurt a/M . .	1 DM	55.15
Stockholm	1 Kr	44.69	Prague	1 Kz	32.08
Copenhagen	1 Kr	33.39	Vienna	1 Sch	8.90
Oslo	1 Kr	32.38	Lisbon	1 Es	8.04
Paris	1 Fr	0.66	Montreal	1 \$	238
Brussels	1 Fr	4.607	Moscow, clear. . .	1 Rbl.	57.75
Amsterdam	1 G	60.73			



ADVANCES TO THE PUBLIC

Mill. mk

End of year and month	Granted by					Types of advances			Total (1 to 5) (6 to 8)
	Commer- cial banks	Savings banks	Post Office Savings Bank	Co-op. credit societies & their central bank	Mortgage banks	Loans	Bills	Cheque credits	
	1	2	3	4	5	6	7	8	9
1950	67 438	35 511	4 507	35 048	3 830	97 375	37 934	11 025	146 334
1951	85 578	45 554	8 508	41 849	4 425	117 358	54 645	13 911	185 914
1952	104 881	59 824	13 402	50 694	5 379	147 035	70 106	17 039	234 180
1953	105 659	70 511	18 782	56 765	9 847	177 703	67 572	16 289	261 564
1954	128 955	82 448	22 123	64 697	12 773	212 306	79 200	19 489	310 995
1955	155 436	96 454	24 866	72 868	13 599	245 674	94 123	23 426	363 223
1956*	162 663	102 812	26 232	76 047	14 691	260 496	96 621	25 328	382 445
1955 Oct.	145 683	94 363	24 518	71 050	13 648	239 583	88 291	21 388	349 262
Nov.	146 531	95 477	24 804	71 453	13 766	242 132	88 475	21 424	352 031
Dec.	155 436	96 454	24 866	72 868	13 599	245 674	94 123	23 426	363 223
1956* Jan.	157 132	97 784	24 893	72 824	13 607	246 784	95 688	23 768	366 240
Feb.	159 944	98 334	24 994	73 114	13 626	248 233	96 773	25 006	370 012
March	159 981	98 709	25 374	72 720	13 562	249 322	96 593	24 431	370 346
April	162 745	99 408	25 532	73 313	13 380	250 775	98 366	25 237	374 378
May	161 545	99 897	25 637	74 094	13 382	251 782	98 817	23 956	374 555
June	163 175	99 764	25 791	74 598	13 411	251 893	99 537	25 309	376 739
July	162 798	100 253	25 929	74 966	13 992	253 567	101 125	23 246	377 938
Aug.	159 760	100 951	26 210	74 978	14 059	255 663	98 018	22 277	375 958
Sept.	161 927	101 902	26 345	75 559	14 446	257 649	97 181	25 349	380 179
Oct.	158 945	102 418	25 940	75 244	14 646	258 633	96 134	22 426	377 193
Nov.	158 723	102 795	26 206	75 482	14 781	260 214	94 706	23 067	377 987
Dec.	162 663	102 812	26 232	76 047	14 691	260 496	96 621	25 328	382 445
1957* Jan.	162 519	103 529	26 291	76 913	14 762	261 165	97 901	24 948	384 014

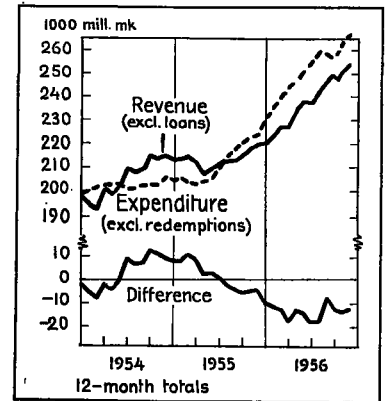


STATE FINANCES

1000 mill. mk

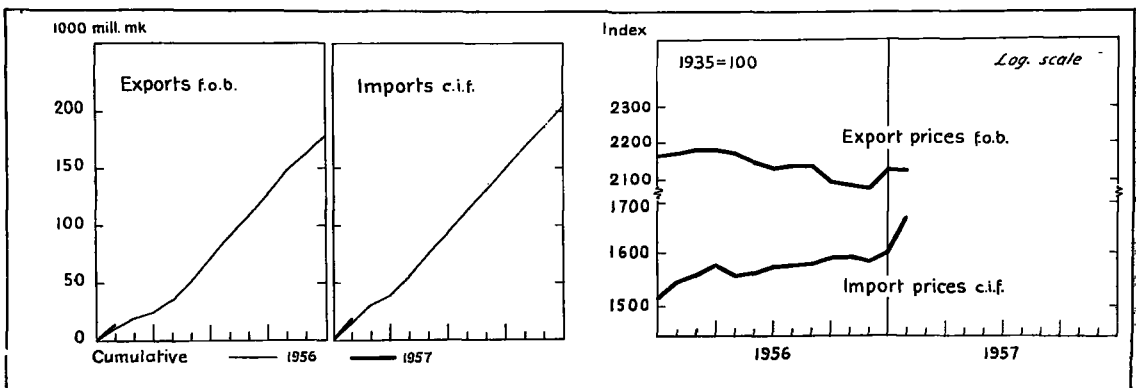
Revenue	Jan.—Nov.		Expenditure	Jan.—Nov.	
	1955	1956		1955	1956
Income and property tax (net)	46.9	54.4	Interest on State debt	4.8	5.0
Gross receipts	(80.5)	(94.2)	Child allowances	19.5	19.8
Refunds and communal income tax	(-33.6)	(-39.8)	Old age allowances	2.3	2.0
Other direct taxes	0.9	0.8	Compensations to war-disabled	5.8	7.1
Purchase tax	43.5	53.6	Transfer of employers' payments for national pensions to National Pensions Fund	3.0	3.7
Import duties	23.4	36.1	Subsidies	21.6	30.8
Revenue from Alcohol Monopoly	16.6	17.6	Payments by Price Equalisation Fund	3.0	8.9
Excise duty on tobacco	10.1	12.0	State aid to agriculture	4.5	4.4
Other excise duties	3.7	3.8	State aid to communal and private schools	12.4	17.2
Stamp duties	7.4	8.1	Net loss of State enterprises	—	2.2
Employers' payments for child allowances and national pensions	18.3	19.1	Maintenance of roads	4.9	5.6
Receipts of Price Equalisation Fund	9.1	7.6	Other current expenditure	57.6	71.4
Other revenue similar to taxes	3.2	3.4	Current expenditure	139.4	178.1
Total taxes	183.1	216.5	Real investments	27.8	35.3
Interest and dividends	2.5	2.8	(of which: unemployment grants) ..	(12.5)	(17.2)
Other current revenue	5.6	6.6	Other capital expenditure	26.1	28.2
Net profit of State enterprises	0.0	—	Capital expenditure	53.9	63.5
Current revenue	191.2	225.9	Total expenditure	193.3	241.6
Capital revenue: proper	4.0	3.8	Redemption of external loans	2.1	1.7
Decrease in inventories	2.0	2.3	Redemption of internal loans	3.8	4.1
Capital revenue	6.0	6.1	Redemption of indemnity bonds etc.	2.6	0.8
Total revenue	197.2	232.0	Index premiums	8.7	0.2
External loans	2.6	1.6	Redemptions	17.2	6.8
Internal loans	8.9	10.6			
Loans	11.5	12.2			
Bills (increase +)	-0.5	—			
Deficit (+) or surplus (-)	+2.3	+4.2			
Total	210.5	248.4	Total	210.5	248.4

Debt	1953	1954	1955	1956		1957	
	Dec.	Dec.	Dec.	Nov.	Dec. *	Jan.	Feb.
External debt	65.0	62.1	61.3	61.5	61.9	61.5	60.8
Ordinary loans	31.3	36.1	43.0	49.4	50.6	49.3	49.1
Indemnity bonds etc. ..	10.2	8.8	6.8	7.0	7.1	7.2	7.2
Bills	3.4	0.5	—	—	—	—	—
Cash debt (net)	11.3	4.3	5.9	11.3	..	..	..
Internal debt	56.2	49.7	55.7	67.7	..	..	..
Total debt	121.2	111.8	117.0	129.2	..	..	..
Total debt, mill. \$	524.7	484.0	506.3	559.3	..	..	..



FOREIGN TRADE

Period	Value, mill. mk			Imports by main groups, mill. mk				Price indices 1935 = 100	
	Imports c. i. f.	Exports f. o. b.	Surplus of imports (-) or exports (+)	Raw materials	Machinery	Foodstuffs	Other consumer goods	Articles of import c. i. f.	Articles of export f. o. b.
1949	66 278	65 606	- 672	30 248	15 191	9 370	11 469	1 063	1 201
1950	89 148	81 479	- 7 669	38 214	19 218	16 786	14 930	1 366	1 420
1951	155 464	186 883	+31 419	75 568	32 358	24 402	23 136	1 878	2 955
1952	182 186	156 829	-25 357	75 493	49 006	32 600	25 087	1 801	2 410
1953	121 860	131 555	+ 9 695	48 898	31 760	26 791	14 411	1 590	1 944
1954	152 137	156 618	+ 4 481	67 103	39 412	27 082	18 540	1 550	2 074
1955	176 960	181 259	+ 4 299	76 121	46 902	30 912	23 025	1 510	2 175
1956*	203 558	177 987	-25 571	87 401	59 431	30 039	26 687	1 572	2 134
1955									
Oct.	16 082	19 211	+ 3 129	7 119	4 170	2 718	2 075	1 516	2 159
Nov.	14 972	15 431	+ 459	6 502	3 826	2 650	1 994	1 519	2 170
Dec.	18 417	15 606	- 2 811	7 252	4 929	3 529	2 707	1 513	2 164
1956*									
Jan.	16 079	11 881	- 4 198	6 493	5 162	2 449	1 975	1 540	2 169
Feb.	14 629	7 458	- 7 171	6 012	4 611	2 159	1 847	1 557	2 178
March	7 826	5 467	- 2 359	2 758	3 295	1 024	749	1 575	2 180
April	15 769	9 979	- 5 790	6 027	4 454	2 521	2 767	1 557	2 169
May	19 739	16 159	- 3 580	8 137	5 369	3 525	2 708	1 559	2 145
June	18 907	19 801	+ 894	8 222	5 887	2 514	2 284	1 572	2 130
July	18 458	19 617	+ 1 159	7 356	6 568	2 166	2 368	1 575	2 131
Aug.	19 067	18 399	- 668	8 139	5 625	2 857	2 446	1 577	2 132
Sept.	17 502	17 763	+ 261	8 344	4 865	1 838	2 455	1 587	2 093
Oct.	20 149	20 600	+ 451	9 091	4 918	3 517	2 623	1 587	2 084
Nov.	18 251	14 836	- 3 415	8 406	4 549	2 907	2 389	1 583	2 073
Dec.	17 182	16 027	- 1 155	8 416	4 128	2 562	2 076	1 597	2 122
1957*									
Jan.	19 085	13 332	- 5 753	..	..	..	..	1 668	2 122



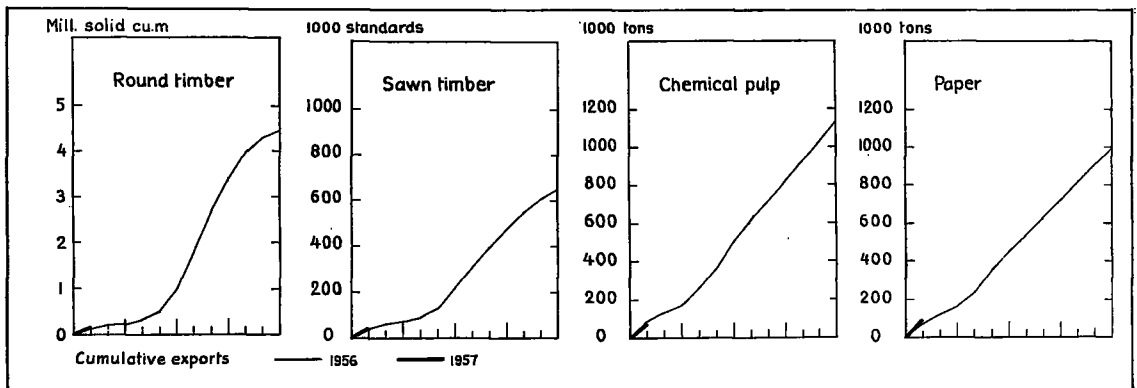
FOREIGN TRADE BY CLASSES OF GOODS

Mill. mk

Classes of goods	Imports c. i. f.				Exports f. o. b.			
	Whole year		January		Whole year		January	
	1955	1956	1956	1957	1955	1956	1956	1957
Dairy produce, eggs, honey	1 988	216	111	4	2 380	4 606	165	569
Other animal products, live animals ..	1 068	882	60	72	341	159	14	12
Vegetables	423	185	20	11	0	2	—	—
Edible fruit	3 915	4 692	501	538	16	9	1	—
Coffee, tea, spices	8 247	8 377	441	479	—	0	0	—
Cereals, milling products	10 570	11 257	1 299	1 115	1	5	—	—
Certain seeds and fruit, plants for industrial purposes	1 565	1 176	60	306	110	224	79	48
Raw materials for tanning and dyeing	108	99	7	8	2	0	—	0
Animal and vegetable fats	2 191	2 229	171	356	118	486	0	58
Meat and fish products	549	719	92	80	0	1	—	1
Sugar, sweets	3 812	3 661	224	211	20	29	1	1
Beverages, vinegars	654	945	122	54	141	155	0	—
Fodder	2 357	3 581	628	362	—	—	—	—
Tobacco	1 598	1 642	143	146	0	0	—	—
Minerals, ore	2 250	2 465	128	226	1 776	2 805	34	80
Mineral fuel and oils	22 321	28 051	1 469	3 233	13	17	0	—
Chemical and pharmaceutical products	7 210	7 830	720	830	332	507	34	42
Tanning and dyeing extracts, varnishes	2 041	2 177	162	167	3	18	7	0
Casein, albumen, glues	643	554	83	71	0	2	0	—
Fertilizers	3 129	3 524	211	266	0	0	—	—
Hides, skins, leather and furs; manufactures thereof	2 148	2 531	155	238	872	1 039	64	47
Rubber and rubber articles	3 100	3 771	281	449	23	20	0	1
Wood and wood products	587	539	53	66	69 917	56 668	3 383	3 330
Woodpulp	31	40	—	20	36 778	38 017	3 039	3 007
Board, paper, manufactures therefrom	238	293	20	24	40 329	44 816	3 135	4 059
Textile materials, textile goods	21 209	23 246	2 020	2 357	1 996	2 027	158	135
Footwear	57	72	3	2	45	37	0	1
Articles of stone and of other mineral material, glass	1 413	1 336	107	105	642	654	56	40
Base metals; manufactures therefrom	23 561	26 564	1 556	3 022	2 768	3 934	239	239
Machinery, apparatus	16 211	21 026	1 460	1 662	6 452	6 144	402	398
Electric machinery and apparatus ...	6 847	8 413	708	932	743	617	121	25
Transport material	17 706	22 669	2 508	921	14 589	14 139	902	1 188
Instruments, clocks and watches, musical instruments	2 181	2 948	174	228	72	126	10	19
All others	5 032	5 846	382	524	780	724	37	32
Total	176 960	203 558	16 079	19 085	181 259	177 987	11 881	13 332

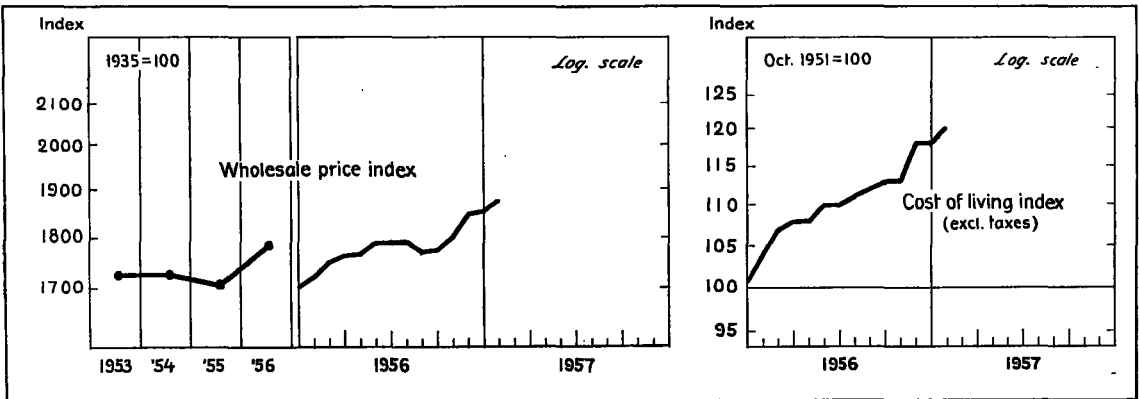
EXPORTS OF SOME IMPORTANT ARTICLES

Period	Round timber	Sawn timber	Veneers and plywood	Mechanical pulp	Sulphite pulp	Sulphate pulp	Board	Fibre building board	Newsprint	Paper, all kinds
	1 000 solid cu. m	1 000 stds	1 000 cu. m	1 000 tons	1 000 tons	1 000 tons	1 000 tons	1 000 tons	1 000 tons	1 000 tons
1949	2 251	607	208	160	449	311	61	31	348	455
1950	3 266	683	195	177	513	365	89	50	379	506
1951	5 305	875	279	210	594	388	97	68	382	605
1952	5 112	611	222	143	477	245	65	44	392	569
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	185	680	452	105	48	537	998
1955										
Sept.	771	101	26	9	53	30	10	5	42	81
Oct.	633	96	27	17	55	37	9	6	48	88
Nov.	418	64	28	16	60	40	9	6	48	88
Dec.	215	51	24	14	60	41	8	5	40	78
1956*										
Jan.	139	40	21	14	57	37	9	5	35	69
Feb.	58	24	10	8	28	15	6	2	26	52
March	35	8	8	8	19	16	4	2	24	40
April	101	16	22	12	57	29	11	3	34	67
May	166	45	26	22	68	38	10	6	74	125
June	511	85	23	23	75	64	8	5	49	94
July	803	90	22	20	68	38	8	5	50	89
Aug.	856	91	15	14	55	45	9	2	51	94
Sept.	732	81	18	13	62	42	9	4	46	89
Oct.	581	71	22	23	69	41	10	5	50	92
Nov.	308	53	21	12	53	40	10	5	50	94
Dec.	134	44	22	16	69	47	11	4	48	93
1957*										
Jan.	160	48	19	12	56	36	10	6	49	89



FOREIGN TRADE BY COUNTRIES

Area and country	Imports c. i. f.					Exports f. o. b.				
	Whole year		January			Whole year		January		
	1955	1956	1956*	1957*		1955	1956	1956*	1957*	
	%	%	%	%	Mill. mk	%	%	%	%	Mill. mk
Sterling area	20.9	21.3	20.8	20.9	3 984	27.3	25.2	26.0	25.8	3 437
United Kingdom	20.3	20.4	19.9	20.0	3 817	24.0	21.4	22.3	23.9	3 187
Other OEEC countries ..	36.4	39.1	44.3	39.6	7 554	32.4	31.4	26.7	29.7	3 959
Belgium-Luxembourg	3.0	3.0	3.1	3.9	752	3.5	4.4	2.3	3.8	512
Denmark	3.6	2.6	4.2	2.8	530	3.0	2.5	2.1	2.7	358
France	6.0	5.8	7.0	5.8	1 105	4.7	5.3	5.2	3.9	519
Western Germany	9.0	11.8	11.0	11.4	2 175	9.1	8.7	7.5	9.6	1 281
Italy	1.1	1.4	1.2	1.5	281	1.2	1.4	1.0	1.1	149
Netherlands	3.6	4.0	3.0	3.3	626	4.4	3.6	2.9	3.4	448
Norway	2.2	1.8	5.3	1.4	271	1.3	0.6	0.7	0.3	39
Sweden	4.9	5.4	4.7	5.2	1 000	1.9	2.2	2.3	2.6	344
Switzerland	1.3	1.8	3.1	1.6	298	0.9	0.6	0.1	0.7	97
Turkey	0.5	0.4	0.4	0.5	98	1.0	0.7	1.3	0.5	62
Eastern Bloc	27.1	25.0	20.5	23.6	4 510	25.7	27.7	27.7	28.3	3 768
China	0.5	0.3	0.0	0.0	9	1.6	1.0	0.8	2.3	303
Czechoslovakia	2.7	2.4	1.1	3.4	657	1.0	1.3	0.9	0.2	25
Eastern Germany	2.7	2.3	2.1	2.1	390	2.2	2.2	2.4	1.1	147
Poland	4.8	4.4	3.3	2.0	384	2.0	2.3	1.3	5.7	758
Soviet Union	14.7	13.9	11.6	13.8	2 629	17.5	19.2	20.6	18.6	2 485
U.S. and Canada	5.4	6.7	6.1	8.6	1 635	5.8	6.7	6.0	6.1	819
United States	5.2	6.5	6.1	8.3	1 585	5.7	6.7	6.0	6.0	804
Latin America	7.4	5.6	5.6	4.4	843	5.5	5.7	8.1	5.5	729
Argentina	2.9	1.6	2.8	2.1	396	2.2	1.5	1.5	1.3	177
Brazil	4.1	3.3	2.4	1.8	341	2.6	2.9	3.9	3.3	437
Others	2.8	2.3	2.7	2.9	559	3.3	3.3	5.5	4.6	620
Grand total	100.0	100.0	100.0	100.0	19 085	100.0	100.0	100.0	100.0	13 332



PRICE INDICES

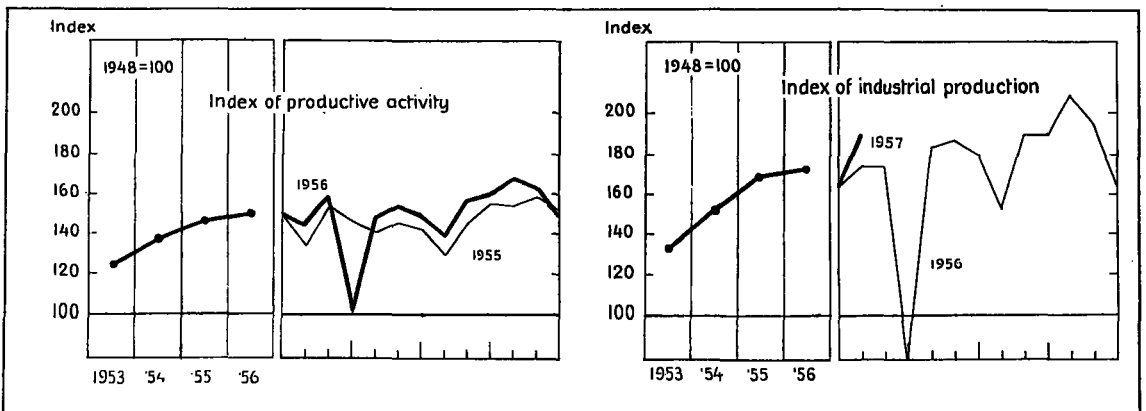
Period	Wholesale prices 1935=100						Cost of living 1935=100		
	Total index	Finnish goods				Imported goods	Total	Rent	Taxes
		Total	Products of agriculture	Products of forestry	Products of industry				
1949	1 098	1 099	1 136	1 431	980	1 092	871	201	1 875
1950	1 265	1 287	1 378	1 664	1 131	1 222	992	248	1 987
1951	1 809	1 886	1 617	3 103	1 561	1 646	1 156	360	2 270
1952	1 793	1 892	1 752	3 056	1 545	1 581	1 203	438	2 509
1953	1 727	1 840	1 730	2 857	1 532	1 486	1 219	569	2 395
1954	1 724	1 841	1 728	2 941	1 506	1 475	1 199	703	2 051
1955	1 707	1 822	1 773	3 040	1 426	1 462	1 158	761	1 970
1956	1 785	1 869	1 926	2 975	1 478	1 605	1 293	909	1 901
1956									
Aug.	1 771	1 854	1 852	2 959	1 482	1 593	1 296	898	1 790
Sept.	1 774	1 856	1 887	2 914	1 490	1 599	1 311	898	1 790
Oct.	1 804	1 872	1 926	2 914	1 503	1 659	1 338	938	2 234
Nov.	1 849	1 890	1 985	2 869	1 530	1 762	1 394	948	2 234
Dec.	1 855	1 897	2 000	2 884	1 530	1 767	1 392	948	2 234
1957									
Jan.	1 877	1 908	2 048	2 884	1 533	1 811	1 409	1 070	2 108

Period	Cost of living Oct. 1951=100						Building costs 1951=100		
	Total	Foodstuffs	Rent	Heating and lighting	Clothing	Others	Total	Building material	Workers' average hourly earnings
1953	103	109	137	89	85	103	101	101	99
1954	103	106	169	82	83	102	101	98	105
1955	100	102	183	83	73	101	103	96	113
1956	111	117	218	95	76	108	109	101	123
1956									
May	110	116	215	94	75	105	108	101	118
June	110	116	215	95	75	108	110	103	123
July	111	116	215	95	75	109	111	103	126
Aug.	112	117	215	96	77	110	112	103	129
Sept.	113	119	215	97	78	111	113	103	131
Oct.	113	118	225	97	79	111	114	102	134
Nov.	118	128	228	97	79	111	113	103	130
Dec.	118	128	228	97	79	111	112	103	128
1957									
Jan.	120	128	257	97	79	112	112	103	126

PRODUCTION - INTERNAL TRADE - WORK CESSATIONS

Period	Index of industrial production ¹⁾ 1948 = 100						Commercial timber fellings 1 000 piled cu. m	Milk received by dairies 1 000 tons	Wholesale trade volume index ²⁾ 1954 = 100	Working-days lost in work cessations Thousands
	Total	Home market industry		Export industry						
		Total	Metal industry	Total	Paper industry	Wood industry				
1950	113	115	96	107	111	102	25 770	1 245	81	4 644
1951	131	133	122	126	130	120	36 070	1 447	85	324
1952	125	133	121	108	112	102	35 079	1 560	92	54
1953	133	140	120	116	121	108	29 170	1 657	93	64
1954	152	158	140	140	151	124	35 370	1 703	100	116
1955	169	175	157	154	173	126	38 600	1 709	116	344
1956	173	180	158	155	185	111	36 623	2 037*	121	6 970
1955										
June	167	176	156	148	162	129	1 014	174	118	10
July	135	127	97	150	169	123	1 220	182	107	4
Aug.	174	181	156	158	184	120	1 287	156	122	2
Sept.	184	193	167	164	187	129	1 589	138	130	12
Oct.	186	193	177	170	196	132	2 237	123	128	8
Nov.	184	195	175	160	191	112	3 000	121	128	2
Dec.	164	174	163	142	167	105	3 540	133	128	2
1956										
Jan.	174	179	169	160	191	113	4 275	146*	93	6
Feb.	174	181	170	157	189	109	4 176	141*	102	1
March	80	91	69	57	61	52	3 450	149*	91	6 945
April	184	192	171	166	187	135	2 399	180*	124	4
May	187	194	165	171	190	143	8 083	208*	138	—
June	180	190	169	159	179	132	1 131	215*	124	—
July	153	145	113	168	196	125	1 156	204*	119	1
Aug.	190	197	164	174	209	124	1 659	186*	139	1
Sept.	190	198	174	174	207	126	1 758	162*	132	1
Oct.	209	219	192	185	220	134	2 463	148*	136	4
Nov.	194	206	178	168	210	107	2 786	143*	137	6
Dec.	164	173	156	142	181	87	3 287	155*	118	1
1957										
Jan.	190	199	182	170	212	108	4 284	..	..	2

¹⁾ Figures for 1955 and 1956 revised but not final.
²⁾ Converted from 1948 = 100.



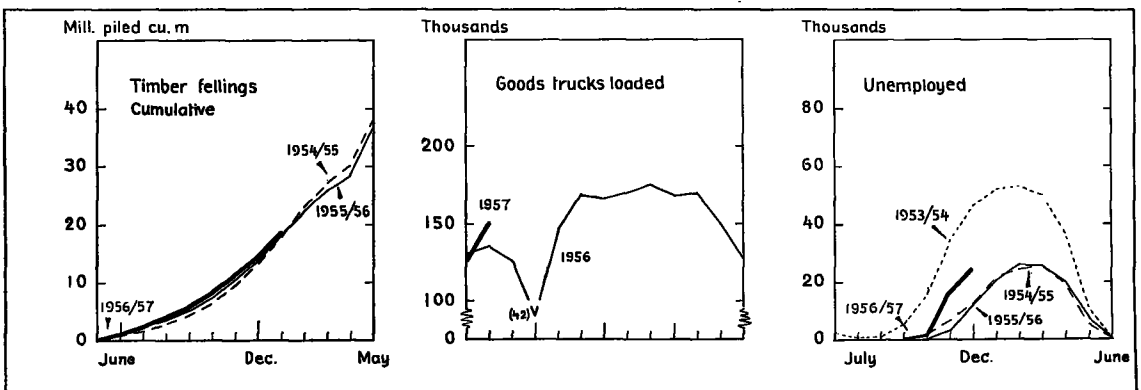
BUILDING - WAGES - EMPLOYMENT - TRANSPORT

Period	Buildings completed ¹⁾ , mill. cu. m					Buildings under construction at end of period ¹⁾ mill. cu. m	Wages ²⁾ July-Dec. 1951 = 100		Index of working hours in industry
	Total	Dwelling houses	Farm buildings	Commercial and industrial premises	Official buildings		Industrial workers	Forest workers	
1954	22.02	9.36	5.24	3.54	2.87	22.85	106	95	..
1955	20.25	9.47	4.29	3.12	2.29	23.75	111	115	..
1956*	19.54	8.73	2.77	4.51	2.24	28.75	..	125	..
1955 Oct.-Dec.	8.25	3.94	2.00	1.05	0.83	23.75	113	119	102.0
1956 Jan.-Mar.	3.45*	1.71*	0.15*	1.10*	0.35*	23.86*	113	119	104.2
Apr.-June	3.76*	1.52*	0.38*	1.08*	0.51*	25.39*	127	122	104.2
July-Sept.	5.19*	2.16*	0.81*	1.01*	0.77*	29.68*	128	129	103.3
Oct.-Dec.	7.14*	3.34*	1.43*	1.32*	0.61*	28.75*	..	130	101.1

Period	Railways		Foreign shipping				Unemployed at end of month			
	Goods trucks loaded Thousands		Vessels arrived with cargo — 1 000 net reg. tons		Vessels departed		Registered		On relief work, %	
	1956	1957	1956	1957*	1956	1957*	1955	1956	1955	1956
Jan.	136	151	284	373	299	310	21 165	20 583	76.5	78.7
Feb.	126		154		142		24 305	25 751	86.5	84.1
March	42		74		53		26 053	26 047	91.1	89.1
April	147		225		188		19 434	19 992	92.0	94.4
May	168		419		370		5 008	7 231	92.2	98.9
June	166		410		551		—	—	—	—
July	170		470		679		—	—	—	—
Aug.	175		445		701		—	—	—	—
Sept.	168		384		609		—	—	—	—
Oct.	170		436		568		164	1 711	47.0	50.5
Nov.	151		426		434		3 337	15 924	51.9	61.8
Dec.	127		438		354		12 259	24 057	64.2	69.4

¹⁾ Quarterly figures incomplete; those given for the previous year are adjusted so as to be comparable with the figures for the latest corresponding quarters.

²⁾ Revised series.



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. *Other foreign liabilities* = Mark accounts of holders abroad + Long-term foreign liabilities. *Cash reserve accounts* consist of deposits made by the banks and tied by special conditions. Included in Long-term Finnish 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. *Deposits against import licences* = importers' obligatory deposits of 10% of the value of the goods for which they have received import licences (from April 4, up to June 1, 20%, for goods for which licensing is not automatic). Included in Long-term Finnish liabilities. *Other liabilities* = Other short-term liabilities + Other cheque accounts. — *Diagrams*. Left: *Net claims on others than banks* = Net foreign assets + Net claims on the Treasury + Net claims on the public + Finnish bonds + Finnish coin — (Long-term Finnish liabilities — Cash reserve accounts — Deposits against import licences) — Equalisation accounts. Right: *Net debt of banks* = net claims on banks, plotted as negative figures in order that their dependence on Net claims on others than banks might be more clearly evident.

DEPOSITS BY THE PUBLIC — ADVANCES TO THE PUBLIC

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.

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 of State departments. The change in this item = surplus (deficit) in the table on revenue and expenditure. *Diagram*. The 12-month totals are plotted to the last month of the respective periods.

SYMBOLS USED

* Preliminary o Less than half the final digit shown
.. 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.

FOREIGN TRADE

Pages 9—12. Figures supplied by the Board of Customs, except for the price indices (p. 9), which are calculated by the Central Statistical Office. Foreign trade by countries (p. 12): imports by countries of purchase, exports by countries of sale.

PRICE INDICES

Page 13. *Wholesale price index* and *Building cost index* calculated by the Central Statistical Office. *Cost of living indices* calculated by the Ministry for Social Affairs. The series based on Oct. 1951 does not include direct taxes.

PRODUCTION — INTERNAL TRADE — WORK CESSATIONS

Page 14. *Index of industrial production* calculated by the Central Statistical Office. It is based on net values of industrial production at constant prices. Unadjusted for seasonal variations. Weights: Home market industry 69.5, of which metal industry 28.2, export industry 30.5, of which paper industry 18.0 and wood industry 12.5; total industry 100.0. *Commercial timber fellings* calculated by the Ministry of Communications and Public Works. *Milk received by dairies* calculated by the Board of Agriculture. Figures cover about 50—60% of the total milk production. The share of the dairies having grown over the last few years, this series does not correctly reflect the development of total milk production during a prolonged period. *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 wholesale price index so revised that the combined weight of wood and paper products has been reduced from 17.6 to 3.2. *Working days lost in work cessations* calculated by the Ministry for Social Affairs. *Diagram*. Left: *Index of productive activity* calculated by the periodical Mercator. It comprises all sectors of the economy. Annual averages are revised according to national income figures.

BUILDING — WAGES — EMPLOYMENT — TRANSPORT

Page 15. *Building* figures supplied by the Central Statistical Office. *Wages of industrial workers* (average hourly earnings) calculated by the Ministry for Social Affairs. *Wages of forest workers* (average daily earnings) monthly figures supplied by the Ministry for Social Affairs, changed to quarterly index. *Index of working hours in industry* calculated by the Ministry for Social Affairs. The index is based on the number of working hours during the corresponding quarter of the previous year. *Railway* figures supplied by the Board of Railways. *Shipping* figures supplied by the Shipping Board. *Unemployment* figures supplied by the Ministry of Communications and Public Works.

More detailed statistical information about Finland is obtained from the Finnish Official Statistics: Statistical Yearbook of Finland, Bulletin of Statistics (monthly), Foreign Trade (yearly and monthly), Bank Statistics concerning commercial banks and mortgage institutions (yearly and monthly).

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, 1956, to March 1, 1962, is Urho Kaleva Kekkonen.

The Diet, comprising 200 members, is elected by universal suffrage. The number of seats of the different parties in the Diet elected in 1954 are as follows: Social Democrats 54, Agrarians 53, People's Democrats 43, Conservatives 24, Swedish Party 13, Finnish People's Party 13.

LAND

THE AREA is 337 009 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total area 9.4 % are inland waters. On an average 13.9 % of the land in the South of Finland is cultivated (1950), 1.9 % in the North and 8.0 % of the land as a whole. Of the land area 21.8 mill. ha (53.9 mill. acres), or 71.6 %, are covered by forests.

OWNERSHIP OF LAND (1950): The total land area was distributed among different classes of owners approximately as follows: private 56.9 %, State 35.0 %, joint stock companies etc. 6.4 %, communes 1.7 %.

POPULATION

NUMBER OF INHABITANTS (1955): 4.3 millions. Sweden (1954) 7.2, Switzerland (1954) 5.0, Denmark (1954) 4.4 and Norway (1954) 3.4 millions.

DENSITY OF POPULATION (1955): In South Finland 23.7, in North Finland 3.8 and in the whole country an average of 13.9 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1955): 65.8 % of the population inhabit the rural areas, 34.2 % the towns and market towns. The largest towns are (1956): Helsinki (Helsingfors), the capital, 412 200 inhabitants, Turku (Åbo) 112 800, Tampere (Tammerfors) 114 200.

OCCUPATION (1950): Agriculture and forestry 42 %, industry 29 %, commerce 7 %, transport and communication 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 (1955): Practically all persons over 15 years of age are literate. There are three universities (the oldest founded in 1640) and 12 colleges of university standard.

INCREASE OF POPULATION (1954): Births 21.5 ‰, deaths 9.1 ‰, increase 12.1 ‰. Deaths in France (1954) 12.0 ‰ and in Great Britain (1954) 11.4 ‰.

TRADE AND COMMUNICATIONS

NATIONAL INCOME (1955, in thousand million marks): Gross national income at market price 985. Net national product at factor cost, by industrial origin: agriculture 89 (12 %), forestry and fishing 96 (13 %), manufacturing 250 (33 %), construction 69 (9 %), transport and communications 55 (7 %), commerce, banking and insurance 93 (12 %), public activities 72 (9 %), other services 45 (6 %), total 770. Volume index 143 (1948 = 100).

FOREST RESOURCES (1951—1953): The growing stock comprised 1 491 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 (1950): Cultivated land 2.4 million hectares of which holdings of less than 5 ha amount to 18 %, 5 to 15 ha 45 %, 15 to 50 ha 32 % and more than 50 ha 5 %. Number of holdings 287 000, of which 130 000 are of more than 5 ha. Index of agricultural production 101 for 1955 (1938 = 100). Measure of self-sufficiency in the crop year 1954/55: bread cereals 48 %, fertilizers 49 %, dairy products 102 %, meat 104 %, fodder 92 %.

INDUSTRY (1954): Gross value of industrial production 580 000 mill. marks, number of workers 288 000, administrative employees 46 000, motive power (1953) 1.9 mill. HP. Index of industrial production 200 for 1954 (1938 = 100).

RAILWAYS (1955): Length 5 046 km, of which 4 859 km are State and 187 km private railways. The gauge of State railways 1 524 m.

MERCHANT FLEET (Sept. 1, 1956): Steamers 293 (414 000 gross reg. tons), motor vessels 169 (309 000 gross reg. tons), sailing vessels with auxiliary engines 116 (12 000 gross reg. tons). Total 578 (735 000 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1956): Passenger cars 102 400, lorries and delivery vans 61 500, buses 4 900, others 2 700. Total 171 500.

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 marka). Its official par value is 230 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 1954 expenditure amounted to 111 000 mill. marks. Total revenue was 111 000 million, of which income from taxation 56 000 million. The municipal income tax (non-progressive) averaged 11.08 % 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 12 branch offices in other towns.

OTHER CREDIT INSTITUTIONS (1955). There are three big and three small commercial banks with in all 520 offices, 421 savings banks, 594 co-operative credit societies and their central bank, six mortgage societies, and the Post Office Savings Bank. The savings departments of the co-operative stores accept deposits from the public.

RATES OF INTEREST. (January 1, 1957). Bank of Finland: discount rates 6 ½—8 %. Other credit institutions: term deposits 5 ¼ % (index-tied 4 ¼ %) and sight deposits 1—1 ½ %; lending rate 8 % in general.

FINLAND'S FOREIGN TRADE IN 1956

BY

T. G. MATHELIN, MAG. PHIL.

HEAD OF THE STATISTICAL BUREAU OF THE BOARD OF CUSTOMS

Following upon three years of favourable trade conditions, there occurred a change for the worse in 1956. The background to this phenomenon should be sought in the deterioration of the international market during the course of the year. The principal reasons for the change in the situation, as far as Finland was concerned, were the reduction in the sales of wood products and the drop in prices.

The following figures illustrate the course of foreign trade in comparison with the corresponding figures for 1955.

	1955 Mill. mk	1956 Mill. mk
Exports (f. o. b.)	181 259	177 987
Imports (c. i. f.)	176 960	203 558
Surplus of imports	- 4 299	25 571

Exports were thus reduced by 3 300 million marks, whereas imports increased by fully 26 600 million. The balance of trade, which had recorded for 1955 a surplus of exports amounting to 4 300 million marks, now showed a deficit of 25 600 million.

EXPORTS

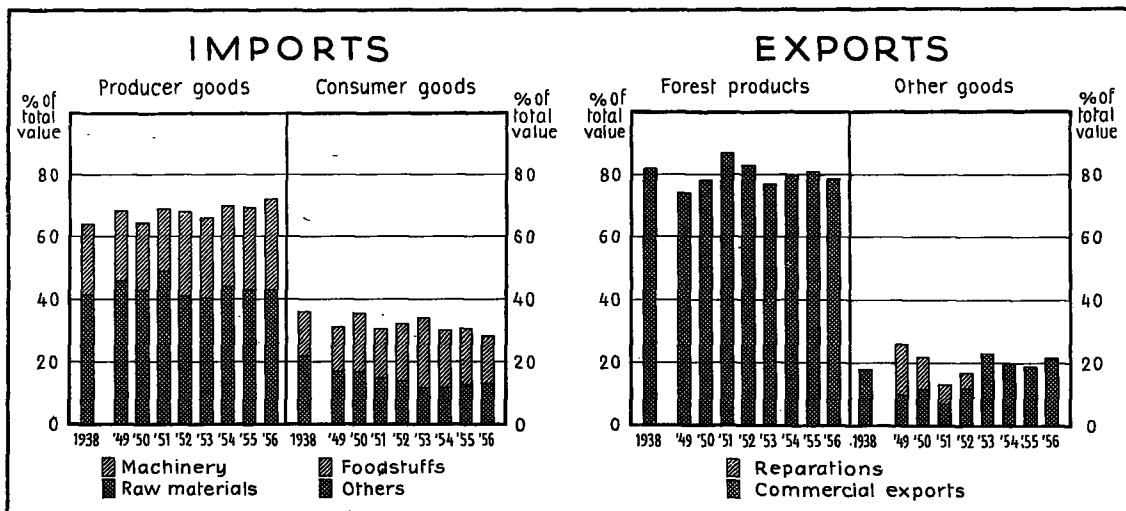
The total value of exports showed little decrease on 1955, that is not quite 2 per cent. Nevertheless, the volume of exports increased by 1 point, the index attaining a new record level of 129 (1935 = 100). The explanation of this divergence lies in a slight fall in the average level of export prices, that is to say from 2 265 to 2 212 points (1935 = 100).¹⁾

¹⁾ Unit value index calculated by the Board of Customs.

The composition of exports, compared with the corresponding categories for 1955, is shown in the following table.

	1955 Mill. mk	1956 Mill. mk
Wood and wood products	69 917	56 668
Paper industry products	77 107	82 832
Forest products, total	147 024	139 500
Engineering and shipbuilding products	22 035	21 155
Animal foodstuffs	2 612	4 672
Other goods	9 588	12 660
Total exports	181 259	177 987

The total value of exports of wood and wood products decreased by approximately 13 300 million marks; their prices fell 4.7 per cent, while the quantities exported were reduced by more than 14 per cent. The decline in these exports was to some extent compensated for by the growth in exports of products of the paper industry. According to the above figures, the export value of the latter increased by 5 700 million marks. Prices for paper products rose by about 4 per cent. As concerns the quantities exported, however, there was an increase of about 3 per cent. As a result of this development, the export value of forest products dropped by 7 500 million marks in total. At the same time, their proportion to the total value of exports decreased from 81.1 to 78.5 per cent. In particular, as had been the case in the previous year, there was a favourable trend in the class of product in the paper industry, seeing that products of a higher stage of manufacture were well represented. As regards wood and wood



products, the position was not equally favourable in this respect. The continued heavy exports of pulpwood are especially striking.

Among other exports, engineering and shipbuilding are of very considerable importance. Since the war these branches of industry have expanded very much. The engineering industry, which in the main works for the home market, has also embarked on considerable exports, principally of the products of heavy industry. The shipbuilding industry has to a large extent been working for some years with a view to exporting. The combined exports of these branches diminished by 880 million marks from 1955, and their proportion to the total value of exports also declined slightly, that is from 12.2 to 11.9 per cent. In 1956, various kinds of vessels constituted almost two-thirds of these exports. Exports of animal foodstuffs, which at present are represented by the disposal abroad of the surplus production of butter and cheese, increased by about 2 000 million marks. However, these exports were only 2.6 per cent of the total exports. All other exports, which consist mostly of industrial output, in addition to various ores, increased by

3 000 million marks. The proportion of this class of goods to the value of all exports also rose from 5.3 to 7.1 per cent.

The quantities of the principal goods exported in 1955 and 1956 were as follows.

	1955	1956
	000's omitted	
Cheese, kgs	11 566	12 484
Roundwood, cu. m	4 977	4 424
Sawn lumber, stds	786	648
Prefabricated buildings, sq. m	296	263
Veneers and plywood, cu. m	321	230
Fibreboard, kgs	61 152	49 281
Mechanical pulp, kgs ¹⁾	182 841	185 520
Sulphite cellulose, kgs ¹⁾	682 015	678 812
Sulphate cellulose, kgs ¹⁾	446 790	452 290
Board and cardboard, kgs	109 568	105 538
Newsprint, kgs	470 070	536 868
Printing paper, other qualities, kgs	124 040	147 942
Wrapping paper, kgs	293 796	297 597
Paper bags, kgs	14 433	15 800
Artificial fibres, kgs	11 293	11 962
Iron ore, kgs	280 943	317 160
Pig iron, kgs	15 622	1 870
Copper, raw, kgs	1 305	1 336
Copper products, kgs	7 003	8 741
Wire and cables, insulated, kgs	725	462
Machinery, electrical and other, kgs	21 779	22 692
Vessels	237 ²⁾	385 ²⁾

Exports of wood and wood products fell off generally. The decrease was least in the case of roundwood. Exports of prefabricated

1) Dry weight.
2) Units.

houses, which had still amounted to 733 000 sq. m in 1954, have definitely lost their importance as a result of the subsequent decline in deliveries to the USSR. Exports of sawn goods were exceptionally low. However, the largest proportionate reduction occurred in the case of plywood, for which in preceding years there had been a very lively demand. Exports of fibreboard also fell off very considerably. There were no great changes in the exports of mechanical and chemical pulp and of cardboard, but as regards the exports of the most important qualities of paper, such as newsprint, other printing paper and wrapping paper, a very considerable increase is visible. Exports of paper bags also grew. Exports of iron ore from the Otanmäki mine, started in 1954, increased even further. Copper products, consisting principally of uninsulated cables, were exported on a considerable scale, but exports of insulated wire and cables were reduced. The export value of electrical and other machinery decreased from 7 200 million to 6 800 million marks and the value of exported vessels from 14 300 million to 13 900 million marks.

IMPORTS

The value of imports increased by exactly 15 per cent on the figure for 1955. As a slight rise occurred in import prices, the volume of imports did not grow as much as did their value, the increase being about 13.6 per cent. Thus imports were larger than ever before. By reason of the unfavourable trend of prices such heavy imports proved dearer than had formerly been the case, for the terms of trade, i. e., the ratio of export prices to import prices, which according to the unit value indices (1935 = 100) stood at 139 points in 1955, dropped to 134 points in 1956, which is, indeed, still high.

The general composition of imports will be seen in the following figures.

	1955	1956
Raw materials and semimanufactured goods	Mill. mk 76 121	Mill. mk 87 401
Machinery and vehicles etc. ..	46 902	59 431
Food, drink and tobacco	30 912	30 039
Other consumer goods	23 025	26 687
Total imports	176 960	203 558

Among producer goods, imports of machinery and means of transport increased in particular, the increase amounting to 12 500 million marks, or nearly 27 per cent. Imports of raw materials, the greater part of which was based on automatic licensing, increased by only 11 300 million marks, or 15 per cent. Altogether, imports of producer goods grew by 23 800 million marks, or 21 per cent. Among consumer goods imports of food, drink and tobacco decreased, but the imports of other consumer goods increased. As regards the whole of the category the increase amounted to 2 800 million marks, or 5 per cent. In consequence of this trend, the proportion of producer goods to total imports increased, from 69.5 to 72.1 per cent, and the proportion of consumer goods was reduced from 30.5 to 27.9 per cent. Thus the composition of imports was quite exceptionally favourable.

The quantities of the principal goods imported are illustrated in the following table.

	1955	1956
	1000 kgs	1000 kgs
Raw coffee	29 786	32 649
Wheat, grain	261 434	276 105
Rye, grain	112 125	124 970
Sugar	153 929	140 732
Raw tobacco	5 115	5 330
Nitrogenous fertilisers	87 892	110 038
Phosphatic fertilisers	231 261	243 649
Potassic fertilisers	96 510	111 620
Oil cakes and groats	89 968	134 321
Raw cotton	14 632	14 927
Wool	5 407	5 996
Cotton fabrics	2 685	2 991
Woollen fabrics	1 316	1 519
Coal	2 076 438	1 995 384
Coke	431 152	515 256
Fuel oil etc.	652 606	908 120

	1955	1956		Imports	Exports
	1000 kgs	1000 kgs		Mill. mk	Mill. mk
Petrol	492 832 ¹⁾	480 583 ¹⁾	United Kingdom	41 575	38 157
Iron and steel bars	114 586	110 751	USSR	28 327	34 162
Iron and steel sheets and plates	154 600	165 335	Western Germany	23 990	15 401
Generators, motors and other electrical machinery	4 337	4 358	United States	13 221	11 854
Automobiles and chassis ..	26 345 ²⁾	30 172 ²⁾	France	11 711	9 410
Tractors	10 361 ²⁾	10 179 ²⁾	Sweden	10 996	3 839
			Netherlands	8 164	6 450
			Belgium-Luxembourg	6 043	7 821
			Poland	8 914	4 025
			Brazil	6 774	5 773
			Denmark	5 387	4 417
			Eastern Germany	4 627	3 894
			Czechoslovakia	4 945	2 225
			Argentina	3 255	2 625

1) 1 000 litres.

2) Units.

The imports of all raw materials employed in agriculture, such as fertilisers and artificial fodder, increased, in some cases to a great extent. As far as fossil fuel is concerned, imports of coal and coke diminished to some extent, but the imports of fuel oil and gas oil increased greatly. As regards the raw materials employed in industry, raw cotton, wool, and iron and steel sheets and plates record a considerable increase, whereas the imports of iron and steel bars show a small decrease. In the class of machinery, the imports of tractors decreased slightly, but the imports of automobiles and chassis units increased to a great extent. Among food, drink and tobacco, a slight drop is recorded for sugar only, while raw coffee, wheat, rye and raw tobacco showed an increase. Amongst other consumer goods, the imports of cotton fabrics decreased slightly, but those of woollen fabrics increased considerably.

TRADE WITH DIFFERENT COUNTRIES

The geographical distribution of trade is illustrated by the following table, in which the countries are classified according to the total value of trade with them.

These 14 countries represent about 87 per cent of all imports, and about 84 per cent of all exports during 1956. Although exports to the United Kingdom were considerably

reduced, that country easily retained its traditional leading position among Finland's trade partners; its share in total trade was 20.9 per cent in 1956 and 22.2 per cent in 1955. In consequence of the large growth of imports, the balance of trade, which had regularly evidenced a big surplus of exports to the United Kingdom, produced an exceptional final figure with a surplus of imports for 1956. The second largest trade partner was the USSR, the trade with which recorded a considerable surplus of exports. Of this surplus, part has been settled by means of tripartite agreements, providing for deliveries from other Eastern Bloc countries, while part has been paid for in Western currencies by the USSR. In the connection, it should be stated that the countries of the Eastern Bloc, including China, accounted in all for 26.4 per cent of Finland's foreign trade in 1956, the ratio for the previous year having been 26.1 per cent. The USSR by itself represented 16.4 per cent of the total trade in 1956, in comparison with 16.1 per cent in 1955. The share of Western Germany was 10.3 per cent (9.0), of the United States 6.6 per cent (5.5) and of France 5.5 per cent (5.3). Trade with all of the countries enumerated in the table, with the exclusion of the USSR and Belgium-Luxembourg, showed a surplus of imports.

ITEMS

Repurchase from the IMF. In February Finland repurchased from the International Monetary Fund, with gold and dollars, 770 million marks (US \$3.3 mill.). Thus the Fund's holdings of Finnish currency were reduced to 75 per cent of 38 million dollars, Finland's quota in the Fund.

*

The Stock Exchange. In 1956 the turnover on the Helsinki Stock Exchange amounted to 3 553 mill. marks. This is the highest annual turnover recorded, and it exceeds by 54 per cent the corresponding figure for last year. Sales of industrial shares totalled 2 237 mill. marks (1 555 mill. in 1955), of bank shares 593 mill. marks (400 mill.), of subscription rights 428 mill. marks (73 mill.) and of other shares and bonds 295 mill. marks (284 mill.).

The rise in the prices of industrial shares, which began in the summer of 1954, continued until last August, when the index (Unitas, 1948 = 100) reached its maximum at 679. The subsequent decline brought down the index to 534 at the end of the year, which figure was 14 per cent higher than the corresponding figure for 1955. The rise during the first half-year may be explained by the numerous free issues of industrial shares and by the interest in real investments, which arose in consequence of the increased inflationary pressure. The fall in prices during the latter half of the year probably had its origin,

amongst other things, in a general shortage of money, the weakening of export conditions, the reduction of free issues of shares, and uncertainty as to how the wage negotiations in progress would influence the profitability of industry.

The prices of bank shares began to decline in February 1956. By the end of the year, their index had decreased to 142, or 10 per cent below their level at the end of 1955. This was evidently due to the fact that expectations with regard to dividends were reduced as deposits decreased and the banks had to resort to expensive rediscounting, and also to a considerable increase in the supply of bank shares following the redemption of the certificates of the dissolved Holding Company.

At the end of 1956 the index of all share prices was 461, or 12 per cent higher than one year previously.

During the first two months of the current year, the stock market was comparatively dull, but towards the end of February, the demand for industrial shares grew to such an extent that the average index for February rose to 539. The corresponding index of bank shares was 141, and that of all shares 465.

*

Foreign travel. The appreciable increase in foreign travel in recent years is illustrated by the following table, which shows the number of foreigners and Finns arriving in Finland.

Year	Foreigners		Finns		Total
	Number	%	Number	%	Number
1938	94 000	66.6	47 200	33.4	141 200
1950	66 000	37.3	110 900	62.7	176 900
1951	73 100	30.8	164 200	69.2	237 300
1952	144 200	44.6	179 000	55.4	323 200
1953	140 000	37.5	233 400	62.5	373 400
1954	182 000	40.1	271 400	59.9	453 400
1955	235 200	42.9	313 500	57.1	548 700
1956	240 400	43.8	308 100	56.2	548 500

In 1956, the number of foreigners visiting Finland was higher than it had been in any previous year, and was about four times as high as in 1950. Their percentual share has grown continuously, the peak for 1952 being a temporary phenomenon, ascribable to the Olympic Games.

In recent years, Scandinavians have formed the majority of visitors, in 1956, for instance, being 75.6 per cent, as against 44.6 per cent in 1938. Of the foreigners arriving during 1956, 65.9 per cent were Swedes, 6.8 per cent Norwegians, 6.5 per cent Germans, 3.9 per cent Americans, 3.5 per cent Russians, 2.9 per cent Danes, 2.7 per cent British and 7.8 per cent other nationalities.

Prior to the war, the greater part of the travellers arrived by sea, but in recent years the relative importance of sea traffic has been decreasing. In 1956, 52.3 per cent of all travellers arrived by land, 31.1 per cent by sea, and 16.6 per cent by air.

*

Motor vehicles in use. The number of motor vehicles registered at the end of 1955 and of 1956 was as follows.

	1955	1956
Passenger cars	85 448	102 371
Lorries	38 259	45 373
Delivery vans	11 852	16 172
Buses	4 458	4 927
Others	1 559	2 704
Total	141 576	171 547

At the end of last year, there were about 40 units to every 1 000 of the population. In comparison with the figures for 1946, the number of passenger cars was about 12-fold, that of lorries about 3-fold, and that of all motor vehicles about 5.5-fold. Despite this great increase, the number of imported and home-produced units has failed to meet the need, so that the motor vehicles in use in Finland are comparatively old, 31 per cent of the total stock being 7 years of age or more.

Imports of passenger cars totalled 20 800 in 1956 (16 200 in 1955), and those of other categories and chassis 9 300 (10 000). Of this total, 51.1 per cent (46.2) were supplied by Western Europe, 45.9 per cent (46.6) by Eastern Bloc countries, and 2.1 per cent (5.7) by the USA.

The motor cycles numbered 69 500 at the end of 1956, or some 12 300 more than they had one year previously.

*

Bank of Finland Institute for Economic Research. At the beginning of the year, Dr Reino Rossi was appointed Professor at the Helsinki School of Economics, and terminated his appointment with the Bank on 28th February. Dr Heikki Valvanne has been acting as Head of the Institute with effect from the beginning of March.

BANK OF FINLAND

BOARD OF MANAGEMENT

R. v. FIBANDT,
Governor

KLAUS WARIS,
Deputy Governor

K. T. JUTILA

ESKO K. LEINONEN

C. G. SUNDMAN,
ad int.

HEADS OF DEPARTMENT

HEIKKI VALVANNE, *ad int.*,
*Institute for
Economic Research*

G. ENGBERG,
Personnel

C. G. SUNDMAN,
Foreign currency

P. BLOMQUIST,
Accounts and Personnel

P.-E. ÖSTERLUND,
Foreign currency

A. KAJANTIE,
*Documentary credits
and Control*

J. HELANDER,
Foreign currency control

ARTHUR ASPELUND,
Cash

EINO JUSSILA,
Office

HELGE LINDSTRÖM,
Credits

A. NENONEN,
Foreign correspondence