



BANK OF FINLAND

MONTHLY BULLETIN

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MAY

1969

Forestry in 1967—1968

The peak in fellings of the current decade was reached in the season July 1964—June 1965 when the volume of commercial fellings¹⁾ amounted to as much as 35.6 mill. cu.m. (solid measure excl. bark). In the following three felling seasons commercial fellings totalled approximately 30 mill.cu.m. each season. A new recovery began in the autumn of 1968 and it has been estimated that in 1968/69 the level of the previous felling season will be exceeded by more than one tenth.

The cyclical development in commercial fellings is basically dependent on the demand for exports of wood and paper industry products. Moreover short-term variations in fellings depend on changes in the industry's stocks of raw wood as well as on the outcome of negotiations concerning stumpage prices. As regards seasonal variations in fellings, efforts have been made in recent years to distribute fellings more evenly over the whole year instead of concentrating them heavily in the winter months.

The recession experienced by the most important export countries and the excess capacity of the forestry industry in the main producing countries made it difficult for Finland to export wood-processing in-

dustry products in 1967. The volume of exports of both wood and paper industry products was less in 1967 than in the previous year. A marked acceleration in export demand did not commence until the opening months of 1968.

At the beginning of the felling season 1967/68 the industry's stocks of sawlogs and pulpwood were somewhat smaller than a year earlier. In the first months of the season commercial fellings slightly exceeded those of the previous year. As no joint price recommendation for pulpwood was reached by the forest-owners and the buyers, fellings in November—December 1967 did not reach the level of 1966. This trend continued in the latter half of the felling season, the prevailing level of stumpage prices being lower than the previous season. There was a decline in the fellings of all raw wood qualities with the exception of sawlogs and birch pulpwood. The stocks of the latter had been sharply reduced at the turn of the year as it has been used more and more to replace conifer pulpwood. The total decline in market fellings in the felling season 1967/68 was 2 per cent as can be seen from the following table which illustrates commercial fellings during the felling seasons 1966—67 and 1967—68.

¹⁾ For definition, see note at the end of the article.

On page 18, Finland's Foreign Trade in 1968

| | | July 1966— June 1967 | July 1967— June 1968 | Percentage change |
|---|------------------------|-------------------------|-------------------------|----------------------|
| Logs | Mill.cu.ft. | 334.6 | 335.7 | + 0 |
| Sawlogs | " | 269.0 | 275.4 | + 2 |
| Veneer logs | " | 51.7 | 48.7 | - 6 |
| Pulpwood | Mill.piled. cu.m. | 25.0 | 24.7 | - 1 |
| Spruce pulpwood | " | 11.2 | 10.2 | - 9 |
| Pine pulpwood | " | 8.2 | 7.6 | - 7 |
| Hardwood | " | 3.7 | 5.4 | + 47 |
| Firewood | " | 3.2 | 2.1 | - 33 |
| Total Mill.cu.m. (solid measure, excl, bark) | | 30.4 | 29.7 | - 2 |

With the exception of birch pulpwood and birch firewood stumpage prices were considerably lower during the season 1967/68 than in the previous year. The fall in prices was sharpest for conifer pulpwood. The average decline in stumpage prices, (weighted by the respective quantities of fellings) was about 14 per cent.

At the beginning of the 1968/69 felling season the industry's raw wood stocks — excluding birch pulpwood — were smaller than the previous year. As the export demand for wood-processing industry products had accelerated and the competitive position of the forestry sector had improved as the result of devaluation and reductions in the export levies, an agreement was reached between the sellers and the buyers in which the recommended stumpage prices were higher than the previous year. As in the previous year, the price recommendation for veneer birch was concluded by spring 1968, but an unanimous decision on pulpwood

was not achieved until the end of August (See Item in Bulletin 10/68). An agreed price recommendation on log prices was reached within the areas of four forestry associations.

Fellings of logs have, since the beginning of the season, substantially exceeded those of the previous year. The delay in reaching a price recommendation noticeably affected the volume of pulpwood fellings, which was as much as 7 per cent less in July — September 1968 than in the corresponding period of 1967. There was, however, a considerable increase in fellings in November and December; although the growth rate decreased considerably thereafter, total fellings were in July 1968 — February 1969 almost 23 per cent above the corresponding level for the previous season. [The following table illustrates fellings from July to February in the felling seasons 1967/68 and 1968/69.

| | | July 1967— February 1968 | July 1968— February 1969 | Percentage change |
|---|------------------------|-----------------------------|-----------------------------|----------------------|
| Logs | Mill.cu.ft. | 185.1 | 245.2 | + 32 |
| Sawlogs | " | 142.4 | 194.8 | + 37 |
| Veneer logs | " | 37.4 | 45.9 | + 23 |
| Pulpwood | Mill.piled. cu.m. | 14.0 | 16.7 | + 19 |
| Spruce pulpwood | " | 5.7 | 6.8 | + 19 |
| Pine pulpwood | " | 4.3 | 5.1 | + 17 |
| Hardwood | " | 3.1 | 4.5 | + 44 |
| Firewood | " | 1.2 | 0.7 | - 40 |
| Total Mill.cu.m. (solid measure, excl, bark) | | 16.5 | 20.3 | + 23 |

Stumpage prices, which were at a peak for the decade in 1964/65, displayed a rather sharply declining trend in the follow-

ing three felling seasons. Average stumpage prices were almost 30 per cent lower in

(continued on page 23)

BANK OF FINLAND

Mill. mk

| | 1968 | | 1969 | | | |
|---|---------|----------|----------|---------|----------|----------|
| | Dec. 31 | March 30 | March 31 | April 8 | April 15 | April 23 |
| BALANCE SHEET | | | | | | |
| Assets | | | | | | |
| <i>Ordinary note cover</i> | I 477.4 | I 196.8 | I 597.0 | I 570.7 | I 563.2 | I 582.2 |
| Gold | 189.5 | 187.8 | 189.2 | 189.2 | 189.2 | 189.2 |
| IMF gold tranche | — | — | 131.2 | 131.2 | 131.2 | 131.2 |
| Foreign exchange | I 163.0 | 907.6 | I 146.2 | I 118.9 | I 108.3 | I 123.8 |
| Foreign bills | 76.1 | 72.0 | 74.9 | 75.9 | 79.0 | 82.5 |
| Foreign bonds | 48.8 | 29.4 | 55.5 | 55.5 | 55.5 | 55.5 |
| <i>Supplementary note cover</i> | 790.3 | 886.6 | 594.1 | 583.5 | 525.0 | 613.5 |
| Inland bills discounted | | | | | | |
| In foreign currency | 25.1 | 52.3 | 25.1 | 25.1 | 23.3 | 22.6 |
| In Finnish currency | 147.5 | 137.3 | 129.2 | 98.4 | 98.1 | 95.6 |
| Rediscounted bills | 617.7 | 697.0 | 439.8 | 460.0 | 403.6 | 495.3 |
| <i>Other assets</i> | 470.5 | 583.1 | 396.2 | 447.9 | 471.0 | 412.7 |
| Finnish bonds | 135.7 | 352.1 | 23.5 | 66.2 | 101.3 | 41.8 |
| Cheque accounts | 1.9 | 3.8 | 5.8 | 18.0 | 8.2 | 10.5 |
| Finnish coin | 11.7 | 20.7 | 17.1 | 16.2 | 16.4 | 16.7 |
| Other claims | 321.2 | 206.5 | 349.8 | 347.5 | 345.1 | 343.7 |
| Total | 2 738.2 | 2 666.5 | 2 587.3 | 2 602.1 | 2 559.2 | 2 608.4 |
| Liabilities | | | | | | |
| <i>Notes in circulation</i> | I 159.6 | 979.1 | I 064.0 | I 080.8 | I 048.9 | I 042.8 |
| <i>Liabilities payable on demand</i> | 136.5 | 108.2 | 70.4 | 68.6 | 65.6 | 120.0 |
| Foreign exchange accounts | 62.1 | 67.9 | 41.3 | 41.0 | 41.8 | 43.0 |
| Mark accounts of holders abroad | 12.4 | 10.2 | 8.9 | 8.8 | 8.6 | 8.7 |
| Cheque accounts | | | | | | |
| Treasury | 3.0 | 5.0 | 1.9 | 0.9 | 0.1 | 17.6 |
| Post Office Savings Bank | 3.4 | 3.9 | 2.3 | 3.5 | 0.5 | 33.4 |
| Private banks | 39.2 | 8.0 | — | — | — | — |
| Other | 2.2 | 1.8 | 3.4 | 2.3 | 2.1 | 2.3 |
| Other sight liabilities | 14.2 | 11.4 | 12.6 | 12.1 | 12.5 | 15.0 |
| <i>Term liabilities</i> | 546.4 | 716.0 | 541.9 | 543.8 | 539.7 | 542.4 |
| Foreign | 21.4 | 339.3 | 21.7 | 21.7 | 19.2 | 19.0 |
| Finnish | 525.0 | 376.7 | 520.2 | 522.1 | 520.5 | 523.4 |
| <i>Equalization accounts</i> | 400.3 | 381.8 | 403.0 | 399.9 | 394.5 | 392.1 |
| <i>Bank's own funds</i> | 495.4 | 481.4 | 508.0 | 509.0 | 510.5 | 511.1 |
| Capital | 300.0 | 300.0 | 300.0 | 300.0 | 300.0 | 300.0 |
| Reserve fund | 150.0 | 150.0 | 172.7 | 172.7 | 172.7 | 172.7 |
| Profits undisposed | — | 20.4 | 22.7 | 22.7 | 22.7 | 22.7 |
| Net profit | 45.4 | — | — | — | — | — |
| Earnings less expenses | — | 11.0 | 12.6 | 13.6 | 15.1 | 15.7 |
| Total | 2 738.2 | 2 666.5 | 2 587.3 | 2 602.1 | 2 559.2 | 2 608.4 |
| STATEMENT OF NOTE ISSUE | | | | | | |
| Right of note issue | | | | | | |
| Ordinary cover | I 477.4 | I 196.8 | I 597.0 | I 570.7 | I 563.2 | I 582.2 |
| Supplementary cover | | | | | | |
| (Upper limit 500 mill. mk; from Nov. 30, 1966 to Dec. 31, 1968, 700 mill. mk) | 700.0 | 700.0 | 500.0 | 500.0 | 500.0 | 500.0 |
| Total | 2 177.4 | 1 896.8 | 2 097.0 | 2 070.7 | 2 063.2 | 2 082.2 |
| Note issue | | | | | | |
| Notes in circulation | I 159.6 | 979.1 | I 064.0 | I 080.8 | I 048.9 | I 042.8 |
| Liabilities payable on demand | 136.5 | 108.2 | 70.4 | 68.6 | 65.6 | 120.0 |
| Undrawn on cheque credits | 5.6 | 3.7 | 5.3 | 4.5 | 4.5 | 4.6 |
| Unused right of note issue | 875.7 | 805.8 | 957.3 | 916.8 | 944.2 | 914.8 |
| Total | 2 177.4 | 1 896.8 | 2 097.0 | 2 070.7 | 2 063.2 | 2 082.2 |

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

BANK OF FINLAND

Mill. mk

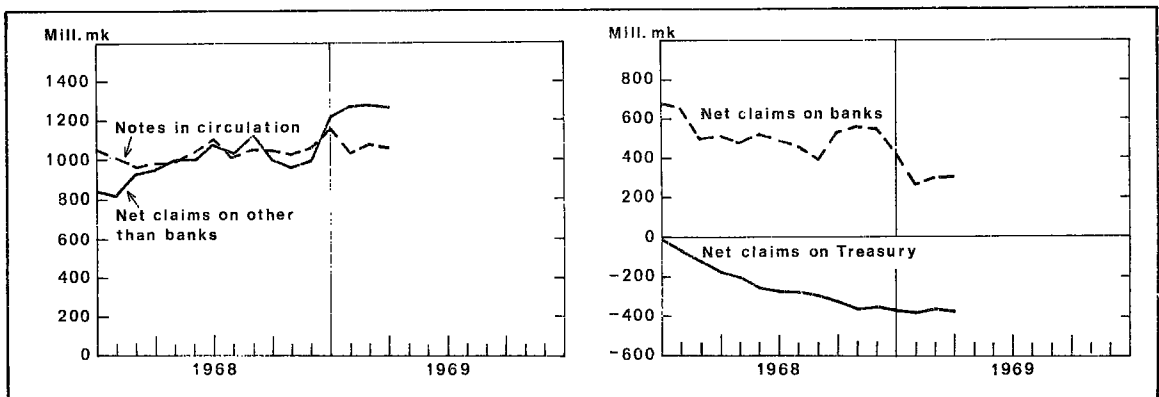
| End of year and month | Gold and foreign accounts | | | | | | Treasury | | | |
|-----------------------|---------------------------|--|--------------------------------|----------------------|---------------------------|----------------------------|-----------------|-------------------|-----------------------------|------------------------------------|
| | Gold and foreign exchange | Liabilities on foreign exchange accounts | Foreign exchange reserve (1-2) | Other foreign assets | Other foreign liabilities | Net foreign assets (3+4-5) | Bills and bonds | Other claims, net | Liabilities, Cheque account | Net claims on the Treasury (7+8-9) |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1962 | 637.7 | 17.1 | 620.6 | 67.7 | 114.9 | 573.4 | — | 28.9 | 5.5 | 23.4 |
| 1963 | 752.2 | 18.2 | 734.0 | 65.6 | 100.5 | 699.1 | — | 18.9 | 0.2 | 18.7 |
| 1964 | 973.4 | 84.7 | 888.7 | 76.3 | 82.8 | 882.2 | — | 8.9 | 5.4 | 3.5 |
| 1965 | 860.9 | 44.8 | 816.1 | 83.8 | 56.5 | 843.4 | — | 1.1 | 1.1 | — 2.2 |
| 1966 | 555.9 | 61.2 | 494.7 | 81.3 | 100.8 | 475.2 | 11.5 | — 1.1 | 39.8 | — 29.4 |
| 1967 | 701.1 | 74.7 | 626.4 | 97.7 | 353.6 | 370.5 | 8.3 | — 14.8 | 4.4 | — 10.9 |
| 1968 | 1 352.5 | 62.1 | 1 290.4 | 124.9 | 33.8 | 1 381.5 | 6.7 | — 361.0 | 3.0 | — 357.3 |
| 1968 | | | | | | | | | | |
| Feb. | 996.4 | 66.1 | 930.3 | 98.5 | 349.3 | 679.5 | 4.1 | — 118.2 | 2.7 | — 116.8 |
| March | 1 095.4 | 67.9 | 1 027.5 | 101.4 | 349.5 | 779.4 | 4.1 | — 164.4 | 5.0 | — 165.3 |
| April | 1 193.6 | 73.4 | 1 120.2 | 127.3 | 347.2 | 900.3 | 4.1 | — 201.4 | 3.0 | — 200.3 |
| May | 1 235.0 | 81.5 | 1 153.5 | 127.2 | 346.3 | 934.4 | 4.1 | — 249.7 | 0.7 | — 246.3 |
| June | 1 346.4 | 86.1 | 1 260.3 | 124.5 | 303.5 | 1 081.3 | 6.7 | — 276.9 | 0.0 | — 270.2 |
| July | 1 361.9 | 69.9 | 1 292.0 | 120.5 | 172.9 | 1 239.6 | 6.7 | — 277.1 | 2.6 | — 273.0 |
| Aug. | 1 337.0 | 72.7 | 1 264.3 | 117.5 | 173.1 | 1 208.7 | 6.7 | — 297.2 | 0.1 | — 290.6 |
| Sept. | 1 340.0 | 62.0 | 1 278.0 | 119.5 | 172.6 | 1 224.9 | 6.7 | — 329.1 | 1.0 | — 323.4 |
| Oct. | 1 383.1 | 59.8 | 1 323.3 | 123.9 | 169.9 | 1 277.3 | 6.7 | — 350.8 | 11.1 | — 355.2 |
| Nov. | 1 386.1 | 57.5 | 1 328.6 | 122.7 | 169.6 | 1 281.7 | 6.7 | — 358.5 | 2.4 | — 354.2 |
| Dec. | 1 352.5 | 62.1 | 1 290.4 | 124.9 | 33.8 | 1 381.5 | 6.7 | — 361.0 | 3.0 | — 357.3 |
| 1969 | | | | | | | | | | |
| Jan. | 1 448.8 | 62.7 | 1 386.1 | 122.9 | 30.4 | 1 478.6 | 4.2 | — 378.7 | 0.7 | — 375.2 |
| Feb. | 1 468.9 | 45.4 | 1 423.5 | 116.6 | 30.1 | 1 510.0 | 2.5 | — 365.1 | 2.7 | — 365.3 |
| March | 1 466.6 | 41.3 | 1 425.3 | 130.4 | 30.6 | 1 525.1 | 2.5 | — 367.1 | 1.9 | — 366.5 |

| | Foreign exchange situation, mill. mk | | | | | | | |
|------------------------------|--------------------------------------|-------|-------|-----------------------------|-------|-------|-----------|-----------|
| | Net holdings, Dec. 31, 1968 | | | Net holdings March 31, 1969 | | | Change in | |
| | Bank of Finland | Other | Total | Bank of Finland | Other | Total | March | Jan.-Mar. |
| | | | | | | | | |
| Gold | 190 | — | 190 | 189 | — | 189 | — | — 1 |
| IMF gold tranche | — | — | — | 131 | — | 131 | + 131 | + 131 |
| Convertible currencies | 1 113 | — 368 | 745 | 1 014 | — 333 | 681 | — 188 | — 64 |
| Other currencies | — 13 | 5 | — 8 | 91 | 7 | 98 | + 23 | + 106 |
| Total | 1 290 | — 363 | 927 | 1 425 | — 326 | 1 099 | — 34 | + 172 |

BANK OF FINLAND

Mill. mk

| End of year and month | Finnish credit institutions | | | | | Other | | | | Notes in circulation |
|-----------------------|-----------------------------|------------------------------|--|-----------------------------|-----------------------------------|----------------------------------|----------------|-------------|---|----------------------|
| | Redis-counted bills | Liabilities, Cheque accounts | | | Net claims on the banks (1-2-3-4) | Inland bills in Finnish currency | Other advances | Liabilities | Net claims on the rest of economy (6+7-8) | |
| | | Private banks ¹⁾ | Post Office Savings Bank ¹⁾ | Mortgage Bank of Finland Oy | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1962 | 401.2 | — 4.0 | 53.3 | 0.8 | 351.1 | 33.5 | 99.6 | 4.1 | 129.0 | 774.4 |
| 1963 | 325.3 | 1.3 | 3.0 | 1.2 | 319.8 | 57.2 | 94.4 | 1.7 | 149.9 | 943.7 |
| 1964 | 448.4 | 16.4 | 49.6 | 0.6 | 381.8 | 67.1 | 103.0 | 1.6 | 168.5 | 1 002.7 |
| 1965 | 640.6 | 11.9 | 8.3 | 0.2 | 620.2 | 26.0 | 121.9 | 31.6 | 116.3 | 1 028.5 |
| 1966 | 915.2 | 13.8 | 17.3 | — 1.3 | 885.4 | 112.2 | 152.9 | 73.2 | 191.9 | 1 106.2 |
| 1967 | 867.5 | 154.7 | 34.5 | + 0.0 | 678.3 | 140.7 | 439.1 | 56.0 | 523.8 | 1 052.1 |
| 1968 | 617.7 | 163.3 | 16.3 | 1.6 | 436.5 | 147.5 | 341.5 | 41.8 | 447.2 | 1 159.6 |
| 1968 | | | | | | | | | | |
| Feb. | 682.9 | 163.8 | 18.4 | 0.1 | 500.6 | 136.5 | 283.6 | 49.1 | 371.0 | 956.6 |
| March | 697.0 | 167.4 | 21.2 | 0.2 | 508.2 | 137.3 | 258.5 | 48.6 | 347.2 | 979.1 |
| April | 653.4 | 156.3 | 19.6 | + 0.0 | 477.5 | 141.0 | 229.0 | 49.9 | 320.1 | 990.1 |
| May | 701.7 | 160.8 | 17.4 | 0.3 | 523.2 | 131.8 | 228.3 | 50.9 | 309.2 | 1 035.7 |
| June | 694.8 | 180.5 | 20.3 | 0.1 | 493.9 | 133.5 | 223.7 | 44.9 | 312.3 | 1 101.5 |
| July | 645.0 | 167.0 | 20.2 | 0.2 | 457.6 | 133.5 | 218.7 | 45.1 | 307.1 | 1 017.0 |
| Aug. | 619.2 | 202.3 | 17.6 | + 0.0 | 399.3 | 135.9 | 249.8 | 42.3 | 343.4 | 1 054.0 |
| Sept. | 677.2 | 132.6 | 18.0 | 0.2 | 526.4 | 139.1 | 259.4 | 42.2 | 356.3 | 1 046.4 |
| Oct. | 734.7 | 148.7 | 25.7 | — 0.0 | 560.3 | 131.4 | 288.1 | 42.0 | 377.5 | 1 035.0 |
| Nov. | 719.9 | 130.4 | 35.0 | 0.1 | 554.4 | 132.1 | 323.7 | 41.3 | 414.5 | 1 058.5 |
| Dec. | 617.7 | 163.3 | 16.3 | 1.6 | 436.5 | 147.5 | 341.5 | 41.8 | 447.2 | 1 159.6 |
| 1969 | | | | | | | | | | |
| Jan. | 452.0 | 169.5 | 18.1 | + 0.0 | 264.4 | 129.4 | 352.7 | 37.3 | 444.8 | 1 039.3 |
| Feb. | 438.1 | 123.5 | 14.3 | + 0.0 | 300.3 | 134.0 | 379.3 | 32.8 | 480.5 | 1 080.3 |
| March | 439.8 | 120.5 | 15.2 | 1.5 | 302.6 | 129.2 | 374.6 | 30.6 | 473.2 | 1 064.0 |

¹⁾ Including cash reserve accounts.

DEPOSITS BY THE PUBLIC — FOREIGN EXCHANGE RATES

Mill. mk

| End of year and month | Sight deposits | | | Term deposits | | | | | | Total (2+3+9) |
|-----------------------|-----------------------|----------------------------|----------------------|-----------------------|------------------|--|-----------------------------------|--|----------------------------|---------------|
| | Cheque accounts | | Postal giro accounts | 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 |
| 1960 | 550.8 | 680.7 | 135.9 | 1 813.6 | 1 768.6 | 1 052.5 | 485.2 | 254.3 | 5 404.5 | 6 221.1 |
| 1961 | 577.9 | 720.8 | 143.8 | 2 105.9 | 2 079.6 | 1 241.0 | 558.2 | 285.3 | 6 270.3 | 7 134.9 |
| 1962 | 649.0 | 800.8 | 168.5 | 2 270.4 | 2 210.8 | 1 325.5 | 606.6 | 293.2 | 6 706.7 | 7 676.0 |
| 1963 | 715.3 | 876.0 | 250.3 | 2 441.0 | 2 336.6 | 1 448.0 | 648.5 | 310.7 | 7 185.0 | 8 311.3 |
| 1964 | 683.3 | 855.4 | 296.5 | 2 816.7 | 2 614.7 | 1 681.4 | 713.8 | 331.4 | 8 158.2 | 9 310.1 |
| 1965 | 665.7 | 843.7 | 309.4 | 3 160.1 | 2 954.4 | 1 953.5 | 773.2 | 357.2 | 9 198.6 | 10 351.7 |
| 1966 | 625.5 | 849.4 | 318.0 | 3 637.2 | 3 329.9 | 2 225.8 | 863.6 | 380.7 | 10 437.3 | 11 604.7 |
| 1967 | 649.8 | 834.0 | 340.9 | 4 080.8 | 3 644.6 | 2 439.7 | 941.2 | 431.3 | 11 537.9 | 12 712.8 |
| 1968* | 832.7 | 1 086.5 | 428.4 | 4 580.7 | 3 969.8 | 2 699.5 | 1 027.2 | 465.0 | 12 742.5 | 14 257.4 |
| 1968* | | | | | | | | | | |
| Feb. | 672.5 | 841.1 | 407.1 | 4 148.5 | 3 704.1 | 2 475.8 | 967.4 | 421.8 | 11 717.9 | 12 966.1 |
| March | 664.0 | 837.9 | 353.5 | 4 167.7 | 3 736.9 | 2 498.4 | 978.0 | 421.1 | 11 802.3 | 12 993.7 |
| April | 674.9 | 852.2 | 454.4 | 4 209.9 | 3 750.5 | 2 525.0 | 979.0 | 420.9 | 11 885.5 | 13 192.1 |
| May | 697.3 | 890.9 | 403.6 | 4 212.2 | 3 758.5 | 2 520.6 | 972.0 | 417.5 | 11 881.0 | 13 175.5 |
| June | 668.8 | 856.9 | 425.7 | 4 249.2 | 3 740.9 | 2 510.6 | 965.4 | 414.7 | 11 881.0 | 13 163.6 |
| July | 758.1 | 959.7 | 381.9 | 4 262.5 | 3 747.5 | 2 518.8 | 966.8 | 414.4 | 11 910.2 | 13 251.8 |
| Aug. | 761.7 | 970.7 | 361.8 | 4 289.7 | 3 779.4 | 2 547.3 | 968.0 | 414.4 | 11 999.1 | 13 331.6 |
| Sept. | 785.6 | 1 001.3 | 388.1 | 4 319.2 | 3 806.3 | 2 569.3 | 973.2 | 425.3 | 12 093.5 | 13 482.9 |
| Oct. | 761.5 | 978.1 | 369.0 | 4 335.6 | 3 813.4 | 2 580.3 | 977.2 | 430.5 | 12 137.3 | 13 484.4 |
| Nov. | 752.7 | 967.8 | 365.6 | 4 374.3 | 3 858.2 | 2 608.9 | 985.4 | 440.4 | 12 277.5 | 13 610.9 |
| Dec. | 832.7 | 1 086.5 | 428.4 | 4 580.7 | 3 969.8 | 2 699.5 | 1 027.2 | 465.0 | 12 742.5 | 14 257.4 |
| 1969* | | | | | | | | | | |
| Jan. | 869.0 | 1 091.8 | 434.8 | 4 578.8 | 3 997.8 | 2 735.8 | 1 037.8 | 470.5 | 12 821.0 | 14 347.6 |
| Feb. | 894.5 | 1 109.7 | 461.3 | 4 598.5 | 4 031.8 | 2 775.1 | 1 051.0 | 475.5 | 12 932.3 | 14 503.3 |
| March | 923.0 | 1 163.0 | 426.7 | 4 636.9 | 4 045.0 | 2 798.6 | 1 058.5 | 478.2 | 13 017.6 | 14 607.3 |

| End of month | 100 % Index-tied deposits | Long-term deposits 6, 12 and 24 months |
|--------------|---------------------------------|---|
| 1968* | | |
| May | 3 909.7 | 973.8 |
| June | 3 612.1 | 1 244.9 |
| July | 3 349.7 | 1 489.8 |
| Aug. | 3 159.1 | 1 659.9 |
| Sept. | 2 935.0 | 1 860.3 |
| Oct. | 2 400.7 | 2 225.5 |
| Nov. | 1 892.3 | 2 637.7 |
| Dec. | 1 410.4 | 3 085.1 |
| 1969* | | |
| Jan. | 723.3 | 3 699.1 |
| Feb. | 92.8 | 4 359.4 |
| March | 13.9 | 4 558.4 |

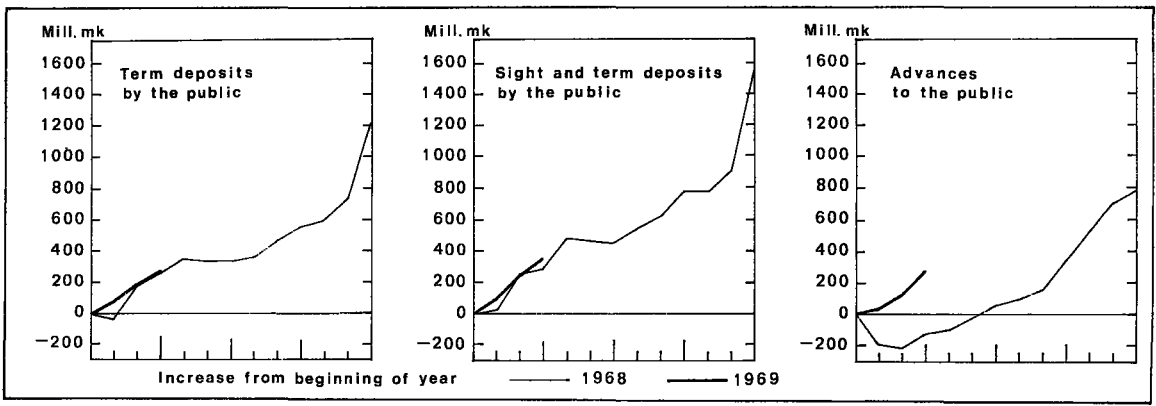
| Selling rates for foreign exchange | | | |
|------------------------------------|--------|---------|--|
| April 24, 1969 | | | |
| | | mk | mk |
| New York | 1 \$ | 4.1870 | Zurich 100 Fr 97.00 |
| Montreal | 1 \$ | 3.8940 | Paris 100 FF 84.25 |
| London | 1 £ | 10.0050 | Rome 100 Lit 0.6700 |
| Stockholm .. | 100 Kr | 81.06 | Vienna 100 S 16.18 |
| Oslo | 100 Kr | 58.64 | Lisbon 100 Esc 14.71 |
| Copenhagen .. | 100 Kr | 55.59 | Reykjavik 100 Kr 4.76 |
| Frankfurt o. M. | 100 DM | 104.70 | Madrid 100 Pta 6.02 |
| Amsterdam .. | 100 Fl | 115.45 | Moscow, clear. ¹⁾ 1 Rbl 4.6799 |
| Brussels | 100 Fr | 8.3500 | Clearing dollars ²⁾ 1 Cl \$ 4.212 |

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

ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

| End of year and month | Granted by | | | | | Types of advances | | Total (1 to 5) (6 and 7) | Money Supply |
|-----------------------|-----------------------|------------------|--------------------------------|--|-------------------|---------------------|-------------------|--------------------------|--------------|
| | Commer- cial banks | Savings banks | Post Office Savings Bank | Co-op. credit societies & their cen- tral bank | Mortgage banks | Loans & Bills | Cheque credits | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1960 | 2 604.6 | 1 549.3 | 395.0 | 1 176.0 | 452.2 | 5 861.9 | 315.2 | 6 177.1 | 1 494.6 |
| 1961 | 3 048.0 | 1 817.6 | 436.8 | 1 462.7 | 515.2 | 6 928.2 | 352.1 | 7 280.3 | 1 646.1 |
| 1962 | 3 299.9 | 2 018.5 | 508.7 | 1 600.6 | 614.7 | 7 680.8 | 361.6 | 8 042.4 | 1 722.5 |
| 1963 | 3 472.5 | 2 134.5 | 544.0 | 1 757.7 | 664.3 | 8 226.2 | 346.8 | 8 573.0 | 1 986.5 |
| 1964 | 3 916.4 | 2 318.0 | 607.7 | 2 057.5 | 829.4 | 9 320.5 | 408.5 | 9 729.0 | 2 042.5 |
| 1965 | 4 279.6 | 2 609.2 | 716.5 | 2 348.4 | 899.4 | 10 439.6 | 413.5 | 10 853.1 | 2 085.0 |
| 1966 | 4 867.7 | 2 951.4 | 783.9 | 2 598.7 | 908.8 | 11 630.7 | 479.8 | 12 110.5 | 2 213.7 |
| 1967 | 5 203.7 | 3 247.7 | 869.0 | 2 779.5 | 1 026.9 | 12 598.9 | 527.9 | 13 126.8 | 2 183.1 |
| 1968* | 5 593.3 | 3 442.9 | 940.3 | 2 873.6 | 1 053.0 | 13 415.9 | 487.2 | 13 903.1 | 2 671.2 |
| 1968* | | | | | | | | | |
| Feb. | 5 130.9 | 3 242.3 | 890.8 | 2 632.7 | 1 019.0 | 12 413.6 | 502.1 | 12 915.7 | 2 174.9 |
| March | 5 201.6 | 3 241.8 | 903.8 | 2 629.7 | 1 017.3 | 12 441.3 | 552.9 | 12 994.2 | 2 151.4 |
| April | 5 198.9 | 3 261.1 | 914.8 | 2 645.4 | 1 006.3 | 12 528.7 | 497.8 | 13 026.5 | 2 275.6 |
| May | 5 235.3 | 3 287.3 | 915.5 | 2 661.0 | 1 004.5 | 12 610.5 | 493.1 | 13 103.6 | 2 268.2 |
| June | 5 288.9 | 3 297.0 | 920.8 | 2 679.2 | 999.9 | 12 646.8 | 539.0 | 13 185.8 | 2 316.8 |
| July | 5 270.7 | 3 312.1 | 932.5 | 2 701.2 | 999.2 | 12 715.1 | 500.6 | 13 215.7 | 2 315.4 |
| Aug. | 5 296.4 | 3 341.7 | 928.3 | 2 724.0 | 997.1 | 12 791.6 | 495.9 | 13 287.5 | 2 308.4 |
| Sept. | 5 388.6 | 3 372.4 | 930.8 | 2 775.5 | 998.6 | 12 951.6 | 514.3 | 13 465.9 | 2 378.9 |
| Oct. | 5 424.2 | 3 413.2 | 927.2 | 2 813.0 | 1 074.9 | 13 145.8 | 506.7 | 13 652.5 | 2 320.8 |
| Nov. | 5 528.9 | 3 446.3 | 930.6 | 2 845.1 | 1 073.3 | 13 282.8 | 541.4 | 13 824.2 | 2 362.8 |
| Dec. | 5 593.3 | 3 442.9 | 940.3 | 2 873.6 | 1 053.0 | 13 415.9 | 487.2 | 13 903.1 | 2 671.2 |
| 1969 | | | | | | | | | |
| Jan. | 5 590.6 | 3 450.3 | 950.6 | 2 888.7 | 1 051.4 | 13 430.2 | 501.4 | 13 931.6 | 2 497.5 |
| Feb. | 5 645.7 | 3 474.7 | 951.5 | 2 907.1 | 1 045.5 | 13 479.2 | 545.3 | 14 024.5 | 2 604.3 |
| March | 5 704.5 | 3 491.0 | 958.5 | 2 920.4 | 1 106.1 | 13 638.4 | 542.1 | 14 180.5 | 2 554.9 |



STATE FINANCES

Mill. mk

| Revenue | 1967 | 1968 | Expenditure | 1967 | 1968 |
|--|----------|-------------|---|-------|-------------|
| | | Jan. - Nov. | | | Jan. - Nov. |
| Income and property tax (net) | 1 685 | 2 170 | Wages, salaries, pensions etc. | 1 266 | 1 358 |
| Gross receipts | (4 965) | (4 832) | Repair and maintenance | 239 | 227 |
| Refunds & local authorities | (-3 280) | (-2 662) | Other consumption expenditure .. | 563 | 605 |
| Other taxes on income and property | 40 | 39 | <i>Total consumption expenditure</i> | 2 068 | 2 190 |
| Employers' child allowance payments | 486 | 489 | State aid to local authorities | 1 015 | 1 157 |
| Sales tax | 1 908 | 1 873 | State aid to industries | 866 | 817 |
| Revenue from Alcohol Monopoly .. | 465 | 456 | of which: agric. price subsidies | (645) | (623) |
| Customs duties & import charges | 466 | 354 | Child allowances | 309 | 302 |
| Export levy | 14 | 496 | Share in nat. pensions & health | | |
| Excise duty on tobacco | 404 | 382 | insurance | 351 | 373 |
| » » on liquid fuel | 477 | 476 | Other transfer expenditure | 678 | 760 |
| Other excise duties | 113 | 106 | <i>Total transfer expenditure</i> | 3 219 | 3 409 |
| Tax on autom. and motor cycles | 167 | 133 | Machinery & equipment | 225 | 249 |
| Stamp duties | 179 | 166 | House construction | 283 | 243 |
| Special diesel etc. vehicles tax | 74 | 38 | Land and waterway construction | 741 | 726 |
| Other taxes and similar revenue | 47 | 52 | <i>Total real investments</i> | 1 249 | 1 218 |
| Total taxes | 6 525 | 7 230 | Interest on State debt | 218 | 190 |
| Miscellaneous revenue | 387 | 405 | Index compensations | 18 | 28 |
| Interest, dividends etc. | 151 | 122 | Net deficit of State enterprises .. | 41 | 83 |
| Sales and depreciation of property .. | 62 | 59 | Other expenditure | 2 | 1 |
| Redemptions of loans granted | 157 | 132 | <i>Total other expenditure</i> | 279 | 302 |
| Total revenue | 7 282 | 7 948 | <i>Increase in inventories</i> | 38 | - 6 |
| Foreign borrowing | 157 | 165 | <i>Lending</i> | 406 | 536 |
| Domestic borrowing | 446 | 567 | <i>Other financial investments</i> | 131 | 171 |
| Total borrowing | 603 | 732 | Total expenditure | 7 390 | 7 820 |
| Deficit (+) or surplus (-) | +82 | -263 | Redemption of foreign loans | 71 | 99 |
| | | | Redemption of domestic loans .. | 506 | 498 |
| | | | Total redemptions | 577 | 597 |
| Total | 7 967 | 8 417 | Total | 7 967 | 8 417 |

| Debt | 1966 | 1967 | 1968 | | | 1969 | | |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|--------|
| | Dec. | Dec. | Oct. | Nov. | Dec. | Jan.* | Feb.* | March* |
| Foreign debt | 1 340 | 1 844 | 1 912 | 1 916 | 2 074 | 1 990 | 1 985 | 1 965 |
| Loans | 2 075 | 2 013 | 2 045 | 2 083 | 2 160 | 2 230 | 2 219 | 2 241 |
| Compensatory stock etc. | 96 | 5 | 5 | 5 | 5 | 5 | 4 | 4 |
| Short-term credit | 101 | 167 | 310 | 305 | 320 | 314 | 301 | 258 |
| Cash debt (net) | -85 | -12 | -366 | -368 | -256 | .. | .. | .. |
| Domestic debt | 2 187 | 2 173 | 1 994 | 2 025 | 2 229 | .. | .. | .. |
| Total debt | 3 527 | 4 017 | 3 906 | 3 941 | 4 303 | .. | .. | .. |
| Total debt, mill. \$ | 1 094 | 955 | 933 | 941 | 1 028 | .. | .. | .. |

BALANCE OF PAYMENTS

Mill. mk

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

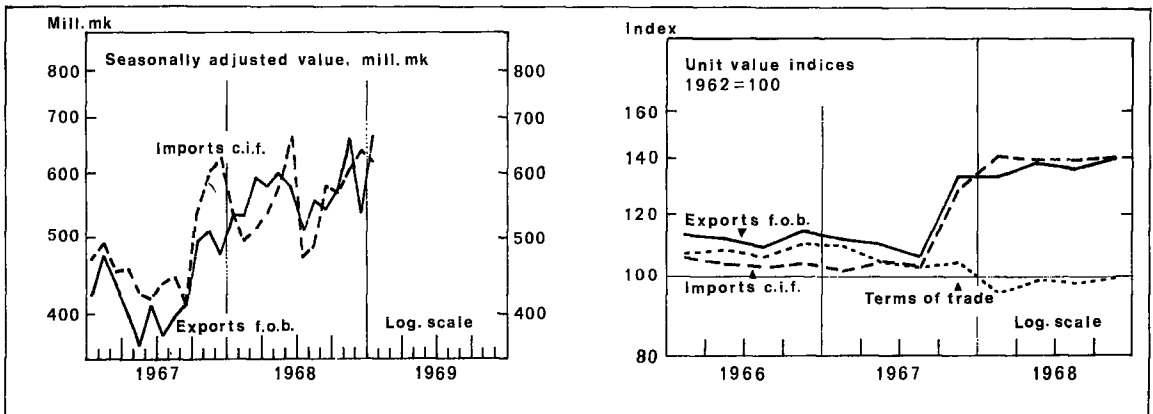
| Period | Drawings of long-term loans | Amortiza- tions of long-term loans | Long- term export credits, net | Miscella- neous long-term capital items, net ¹⁾ | Basic balance | Short-term import credits and pre- payments, net | Short-term export credits and pre- payments, net | Miscella- neous short-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

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

¹⁾ Including Direct investment net.

FOREIGN TRADE

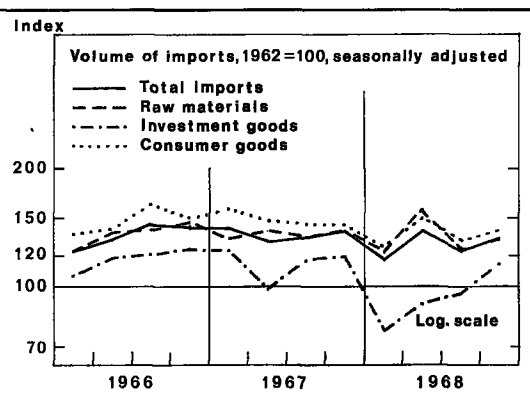
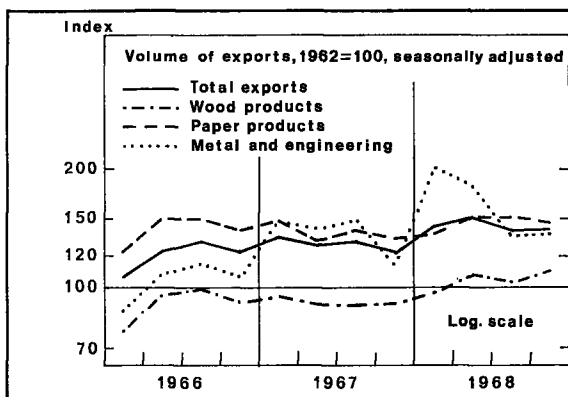
| Period | Value mill. mk | | | Unit value indices 1962 = 100 | | | | | | |
|--------|---------------------|---------------------|--|-------------------------------|-----------------------------|------------------------------|-------------------------------|---|-----------------------------------|----------------------|
| | Exports f. o. b. | Imports c. i. f. | Surplus of exports (+) or imports (-) | Articles of export f. o. b. | | | | | Articles of import c. i. f. | Terms of Trade |
| | | | | Total | Round and hewn timber | Wood industry products | Paper industry products | Metal, en- gineering industry products | | |
| 1963 | 3 678.0 | 3 866.9 | -188.9 | 102 | 96 | 104 | 100 | 105 | 101 | 101 |
| 1964 | 4 131.9 | 4 816.5 | -684.6 | 108 | 109 | 111 | 104 | 113 | 103 | 105 |
| 1965 | 4 566.0 | 5 265.1 | -699.1 | 113 | 115 | 123 | 106 | 119 | 104 | 109 |
| 1966 | 4 816.9 | 5 524.4 | -707.5 | 112 | 112 | 122 | 105 | 119 | 104 | 108 |
| 1967 | 5 231.2 | 5 794.4 | -563.2 | 115 | 114 | 124 | 111 | 117 | 110 | 105 |
| 1968* | 6 870.3 | 6 693.8 | +176.5 | 137 | 122 | 144 | 131 | 147 | 138 | 99 |
| 1967 | | | | | | | | | | |
| Oct. | 561.6 | 541.5 | + 20.1 | 133 | 133 | 140 | 127 | 141 | 128 | 104 |
| Nov. | 529.9 | 615.8 | - 85.9 | | | | | | | |
| Dec. | 542.3 | 649.3 | -107.0 | | | | | | | |
| 1968* | | | | | | | | | | |
| Jan. | 465.0 | 534.3 | - 69.3 | 133 | 137 | 138 | 130 | 132 | 140 | 95 |
| Feb. | 399.3 | 465.4 | - 66.1 | | | | | | | |
| March | 537.1 | 510.0 | + 27.1 | | | | | | | |
| April | 557.3 | 556.3 | + 1.0 | 138 | 114 | 143 | 131 | 157 | 139 | 99 |
| May | 660.8 | 655.8 | + 5.0 | | | | | | | |
| June | 597.5 | 609.7 | - 12.2 | | | | | | | |
| July | 518.2 | 446.7 | + 71.5 | 136 | 133 | 144 | 131 | 136 | 139 | 98 |
| Aug. | 575.5 | 470.2 | +105.3 | | | | | | | |
| Sept. | 595.6 | 575.7 | + 19.9 | | | | | | | |
| Oct. | 668.2 | 590.1 | + 78.1 | 140 | 120 | 147 | 131 | 156 | 140 | 100 |
| Nov. | 682.4 | 609.4 | + 73.0 | | | | | | | |
| Dec. | 613.4 | 670.2 | - 56.8 | | | | | | | |
| 1969* | | | | | | | | | | |
| Jan. | 591.5 | 632.0 | -40.5 | | | | | | | |



FOREIGN TRADE BY MAIN GROUPS

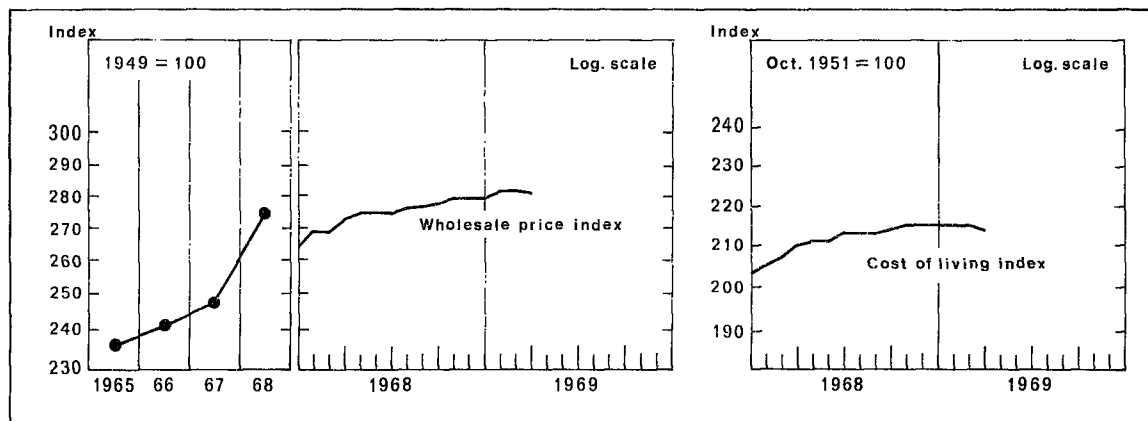
Mill. mk

| Period | Exports, f.o.b. | | | | | | Imports, c.i.f. | | | |
|--------|-----------------------|-----------------------|------------------------|-------------------------|--------------------------------------|-------------|----------------------------------|----------------------|------------------|----------------|
| | Agricultural products | Round and hewn timber | Wood industry products | Paper industry products | Metal, engineering industry products | Other goods | Raw materials and producer goods | Fuels and lubricants | Finished goods | |
| | | | | | | | | | Investment goods | Consumer goods |
| 1963 | 164.8 | 112.8 | 811.8 | 1 752.2 | 613.8 | 222.6 | 1 827.5 | 373.3 | 1 004.3 | 661.8 |
| 1964 | 230.4 | 89.8 | 895.8 | 2 019.5 | 610.3 | 286.1 | 2 110.7 | 508.4 | 1 396.2 | 801.2 |
| 1965 | 251.8 | 60.3 | 919.8 | 2 165.6 | 800.3 | 368.2 | 2 362.4 | 514.7 | 1 511.4 | 876.6 |
| 1966 | 264.0 | 59.0 | 863.5 | 2 297.0 | 877.2 | 456.2 | 2 450.5 | 589.8 | 1 448.5 | 1 035.6 |
| 1967 | 261.4 | 54.3 | 865.7 | 2 384.5 | 1 080.6 | 584.7 | 2 545.9 | 668.2 | 1 462.8 | 1 117.5 |
| 1968* | 323.7 | 55.5 | 1 157.7 | 2 994.0 | 1 565.9 | 773.5 | 3 006.8 | 873.7 | 1 523.9 | 1 289.4 |
| 1967 | | | | | | | | | | |
| Oct. | 25.4 | 5.5 | 91.5 | 228.0 | 137.6 | 73.6 | 252.7 | 61.3 | 119.2 | 108.3 |
| Nov. | 19.5 | 4.1 | 96.3 | 231.1 | 120.2 | 58.7 | 289.0 | 86.1 | 119.0 | 121.7 |
| Dec. | 42.0 | 3.1 | 79.0 | 243.0 | 108.9 | 66.3 | 268.3 | 75.9 | 186.8 | 118.3 |
| 1968* | | | | | | | | | | |
| Jan. | 35.1 | 4.0 | 66.2 | 205.4 | 105.7 | 48.6 | 236.1 | 96.0 | 103.4 | 98.8 |
| Feb. | 13.5 | 1.1 | 41.7 | 201.7 | 91.7 | 49.6 | 205.1 | 54.3 | 100.5 | 105.5 |
| March | 48.6 | 2.6 | 55.9 | 251.5 | 114.0 | 64.5 | 220.5 | 61.3 | 118.6 | 109.6 |
| April | 18.3 | 3.7 | 91.3 | 271.3 | 119.5 | 53.2 | 246.4 | 65.7 | 127.1 | 117.1 |
| May | 37.5 | 7.2 | 109.8 | 278.5 | 157.1 | 70.7 | 294.3 | 88.3 | 157.8 | 115.4 |
| June | 18.5 | 4.3 | 104.3 | 221.4 | 186.3 | 62.7 | 282.7 | 74.5 | 146.4 | 106.1 |
| July | 19.8 | 5.5 | 115.1 | 246.2 | 88.3 | 43.3 | 205.6 | 51.0 | 101.3 | 88.8 |
| Aug. | 26.0 | 7.0 | 119.6 | 263.6 | 92.6 | 66.7 | 217.9 | 76.4 | 96.3 | 79.6 |
| Sept. | 20.2 | 6.0 | 109.2 | 250.3 | 130.0 | 79.9 | 259.4 | 88.3 | 120.4 | 107.6 |
| Oct. | 24.1 | 6.4 | 119.5 | 283.8 | 150.8 | 83.6 | 270.9 | 61.3 | 138.0 | 119.9 |
| Nov. | 15.0 | 5.6 | 123.4 | 272.6 | 182.0 | 83.8 | 266.4 | 84.7 | 138.0 | 120.3 |
| Dec. | 47.1 | 2.1 | 101.7 | 247.7 | 147.9 | 66.9 | 301.5 | 71.9 | 176.1 | 120.7 |
| 1969* | | | | | | | | | | |
| Jan. | 46.3 | 2.4 | 91.9 | 257.8 | 126.8 | 66.3 | 259.3 | 111.9 | 138.6 | 122.2 |



FOREIGN TRADE BY COUNTRIES

| Area and country | Exports, f. o. b. | | | | | Imports, c. i. f. | | | | |
|------------------------------|-------------------|-------|---------|-------|----------|-------------------|-------|---------|-------|----------|
| | Whole year | | January | | | Whole year | | January | | |
| | 1967 | 1968* | 1968* | 1969* | Mill. mk | 1967 | 1968* | 1968* | 1969* | Mill. mk |
| Sterling area | 22.8 | 22.7 | 22.8 | 23.8 | 140.8 | 15.8 | 15.8 | 12.2 | 22.5 | 142.2 |
| United Kingdom | 20.9 | 20.6 | 21.6 | 21.7 | 128.3 | 15.2 | 15.3 | 12.0 | 22.2 | 140.3 |
| Other OECD countries | | | | | | | | | | |
| in Europe | 44.1 | 46.8 | 52.8 | 49.9 | 295.1 | 53.9 | 54.5 | 52.4 | 48.0 | 303.1 |
| Austria | 0.5 | 0.5 | 0.6 | 1.0 | 6.0 | 0.9 | 1.0 | 1.0 | 0.9 | 5.6 |
| Belgium-Luxembourg | 2.5 | 2.4 | 2.5 | 2.4 | 14.3 | 2.0 | 2.1 | 2.0 | 1.4 | 8.9 |
| Denmark | 3.8 | 3.7 | 3.3 | 3.5 | 20.7 | 3.3 | 3.6 | 2.8 | 3.0 | 18.9 |
| France | 4.2 | 4.0 | 4.7 | 4.6 | 26.9 | 3.7 | 3.6 | 3.8 | 3.2 | 20.2 |
| Western Germany | 8.6 | 10.5 | 10.6 | 11.7 | 69.0 | 16.2 | 15.5 | 15.7 | 14.7 | 93.2 |
| Italy | 3.1 | 3.0 | 3.2 | 2.9 | 17.3 | 2.0 | 2.2 | 2.0 | 2.2 | 13.6 |
| Netherlands | 5.1 | 4.6 | 6.1 | 4.3 | 25.3 | 3.8 | 3.6 | 3.1 | 3.5 | 22.0 |
| Norway | 2.4 | 2.6 | 6.1 | 1.9 | 11.5 | 2.3 | 2.4 | 2.3 | 2.3 | 14.2 |
| Portugal | 0.2 | 0.2 | 0.4 | 0.3 | 1.8 | 0.4 | 0.5 | 0.5 | 0.4 | 2.8 |
| Spain | 1.0 | 0.9 | 0.5 | 0.8 | 4.5 | 0.5 | 0.4 | 0.5 | 0.5 | 3.6 |
| Sweden | 9.7 | 10.9 | 10.3 | 12.0 | 71.2 | 15.4 | 15.9 | 14.8 | 12.7 | 80.5 |
| Switzerland | 1.0 | 1.5 | 2.1 | 2.2 | 12.8 | 3.0 | 3.3 | 3.2 | 2.8 | 17.4 |
| Eastern Bloc | 21.2 | 19.2 | 10.3 | 14.3 | 84.3 | 20.4 | 20.9 | 26.4 | 19.8 | 125.2 |
| China | 0.8 | 0.7 | — | 0.6 | 3.8 | 0.5 | 0.4 | 0.2 | 0.2 | 1.2 |
| Czechoslovakia | 0.4 | 0.5 | 0.2 | 0.5 | 3.1 | 0.6 | 0.7 | 1.0 | 0.7 | 4.3 |
| Eastern Germany | 0.7 | 0.6 | 0.4 | 0.4 | 2.4 | 0.9 | 0.9 | 1.1 | 0.8 | 5.2 |
| Poland | 1.4 | 1.2 | 0.6 | 1.4 | 7.9 | 1.6 | 1.6 | 1.1 | 1.4 | 8.8 |
| Soviet Union | 17.1 | 15.5 | 8.2 | 11.0 | 64.9 | 16.1 | 16.7 | 21.9 | 16.0 | 101.5 |
| U.S. and Canada | 6.0 | 6.1 | 8.5 | 6.6 | 39.0 | 4.1 | 3.7 | 4.6 | 3.8 | 24.0 |
| United States | 5.8 | 5.8 | 8.3 | 6.3 | 37.5 | 3.9 | 3.5 | 4.4 | 3.6 | 22.7 |
| Latin America | 2.9 | 2.9 | 3.5 | 2.1 | 12.6 | 2.7 | 2.6 | 2.1 | 3.3 | 20.9 |
| Argentina | 1.0 | 0.9 | 0.7 | 0.8 | 4.8 | 0.2 | 0.2 | 0.1 | 0.1 | 0.4 |
| Brazil | 0.8 | 0.7 | 0.9 | 0.4 | 2.6 | 1.2 | 1.0 | 1.3 | 1.9 | 12.1 |
| Colombia | 0.3 | 0.3 | 0.5 | 0.4 | 2.3 | 0.8 | 0.8 | 0.5 | 1.0 | 6.6 |
| Other | 3.0 | 2.3 | 2.1 | 3.3 | 19.7 | 3.1 | 2.5 | 2.3 | 2.6 | 16.6 |
| Grand total | 100.0 | 100.0 | 100.0 | 100.0 | 591.5 | 100.0 | 100.0 | 100.0 | 100.0 | 632.0 |
| of which | | | | | | | | | | |
| EFTA countries | 38.5 | 40.1 | 44.4 | 42.7 | 252.4 | 40.6 | 42.0 | 36.6 | 44.2 | 279.5 |
| EEC countries | 23.5 | 24.5 | 27.1 | 25.8 | 152.9 | 27.7 | 27.0 | 26.5 | 25.0 | 157.9 |



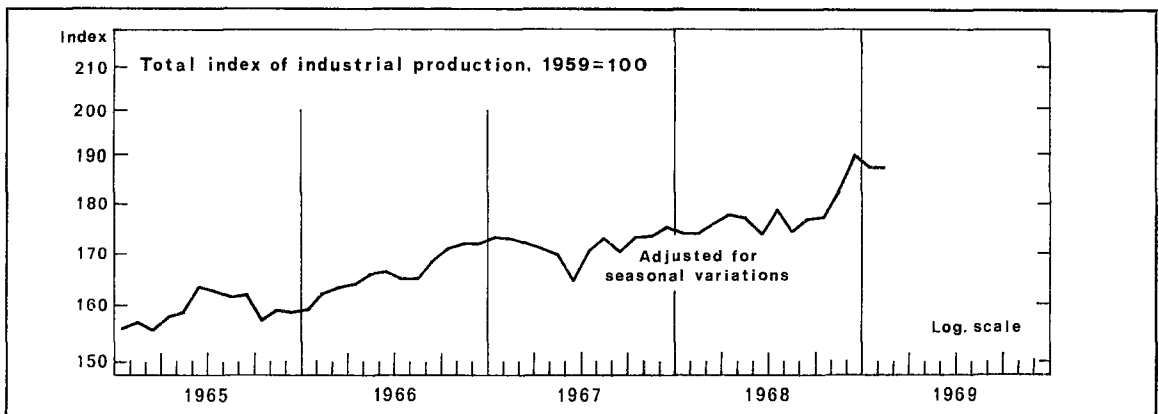
PRICE INDICES

| Period | Wholesale prices 1949 = 100 | | | | | | | | | Building costs 1964 = 100 | | |
|--------|-----------------------------|------------------------|------------------------|------------------------|--|------------------------|--|------------------------------|--|---------------------------|-------------------------|--------------------|
| | Total | Origin | | Purpose | | | Stage of processing | | | Total | Wages in building trade | Building materials |
| | | Domes- tic goods | Im- ported goods | Pro- ducer goods | Machin- ery & transport equipm. | Con- sumer goods | Raw materials and com- modities | Simply processed goods | More elab- orately processed goods | | | |
| 1966 | 241 | 247 | 216 | 245 | 228 | 238 | 271 | 233 | 228 | 108 | 106 | 104 |
| 1967 | 248 | 254 | 225 | 246 | 241 | 253 | 276 | 236 | 240 | 114 | 112 | 107 |
| 1968 | 275 | 280 | 259 | 271 | 276 | 281 | 301 | 264 | 268 | 126 | 133 | 115 |
| 1968 | | | | | | | | | | | | |
| March | 273 | 277 | 256 | 267 | 276 | 279 | 295 | 262 | 266 | 125 | 130 | 114 |
| April | 275 | 279 | 259 | 270 | 277 | 281 | 296 | 265 | 269 | 125 | 130 | 114 |
| May | 275 | 279 | 260 | 270 | 277 | 282 | 297 | 264 | 269 | 125 | 130 | 114 |
| June | 275 | 279 | 260 | 269 | 277 | 283 | 298 | 265 | 269 | 127 | 135 | 115 |
| July | 276 | 281 | 258 | 270 | 277 | 285 | 302 | 264 | 269 | 127 | 135 | 115 |
| Aug. | 277 | 282 | 258 | 271 | 277 | 285 | 303 | 263 | 270 | 127 | 135 | 115 |
| Sept. | 278 | 282 | 259 | 273 | 277 | 283 | 305 | 264 | 270 | 127 | 135 | 115 |
| Oct. | 279 | 284 | 260 | 275 | 277 | 284 | 309 | 266 | 270 | 127 | 135 | 115 |
| Nov. | 279 | 285 | 260 | 277 | 277 | 284 | 310 | 267 | 270 | 127 | 135 | 116 |
| Dec. | 279 | 284 | 260 | 277 | 277 | 283 | 309 | 267 | 269 | 127 | 135 | 116 |
| 1969 | | | | | | | | | | | | |
| Jan. | 281 | 285 | 263 | 277 | 285 | 284 | 311 | 268 | 271 | 129 | 139 | 116 |
| Feb. | 282 | 287 | 264 | 278 | 285 | 287 | 315 | 268 | 271 | 129 | 139 | 116 |
| March | 281 | 285 | 264 | 278 | 285 | 283 | 313 | 265 | 271 | 129 | 139 | 117 |

| Period | Cost of living Oct. 1951 = 100 | Con- sumer prices Oct.-Dec. 1957 = 100 | Consumer prices 1967 = 100 | | | | | | | | | |
|--------|--------------------------------|--|----------------------------|------|-------------------------------|-------------------------------|------|----------------------------|---|---------|--------------------------------|-----------------------------------|
| | | | Total | Food | Bever- ages and tobacco | Clothing and foot- wear | Rent | Heating and lighting | Furniture, household equip. and operation | Traffic | Education and recreation | Other goods and services |
| 1966 | 185 | 145 | .. | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| 1967 | 195 | 153 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 1968 | 212 | 166 | 109 | 111 | 110 | 106 | 107 | 108 | 109 | 110 | 108 | 109 |
| 1968 | | | | | | | | | | | | |
| March | 210 | 165 | 108 | 109 | 110 | 105 | 107 | 108 | 108 | 110 | 107 | 107 |
| April | 211 | 166 | 109 | 111 | 110 | 107 | 106 | 108 | 109 | 110 | 108 | 108 |
| May | 211 | 166 | 109 | 111 | 110 | 107 | 106 | 108 | 109 | 110 | 108 | 108 |
| June | 213 | 167 | 110 | 112 | 110 | 107 | 107 | 108 | 109 | 110 | 108 | 109 |
| July | 213 | 167 | 110 | 113 | 110 | 107 | 108 | 107 | 109 | 109 | 108 | 110 |
| Aug. | 213 | 168 | 110 | 113 | 110 | 107 | 108 | 107 | 110 | 109 | 108 | 110 |
| Sept. | 214 | 168 | 110 | 113 | 110 | 107 | 108 | 108 | 110 | 109 | 108 | 110 |
| Oct. | 215 | 168 | 111 | 114 | 110 | 108 | 109 | 109 | 110 | 109 | 108 | 110 |
| Nov. | 215 | 168 | 111 | 114 | 110 | 108 | 109 | 109 | 110 | 109 | 108 | 110 |
| Dec. | 215 | 168 | 111 | 114 | 110 | 108 | 109 | 109 | 110 | 109 | 109 | 110 |
| 1969 | | | | | | | | | | | | |
| Jan. | 215 | 169 | 111 | 114 | 111 | 108 | 110 | 110 | 110 | 109 | | |
| Feb. | 215 | 169 | 111 | 114 | 111 | 108 | 110 | 110 | 110 | 109 | 109 | 111 |
| March | 214 | 168 | 110 | 112 | 111 | 108 | 110 | 110 | 110 | 109 | 110 | 111 |

PRODUCTION — INTERNAL TRADE

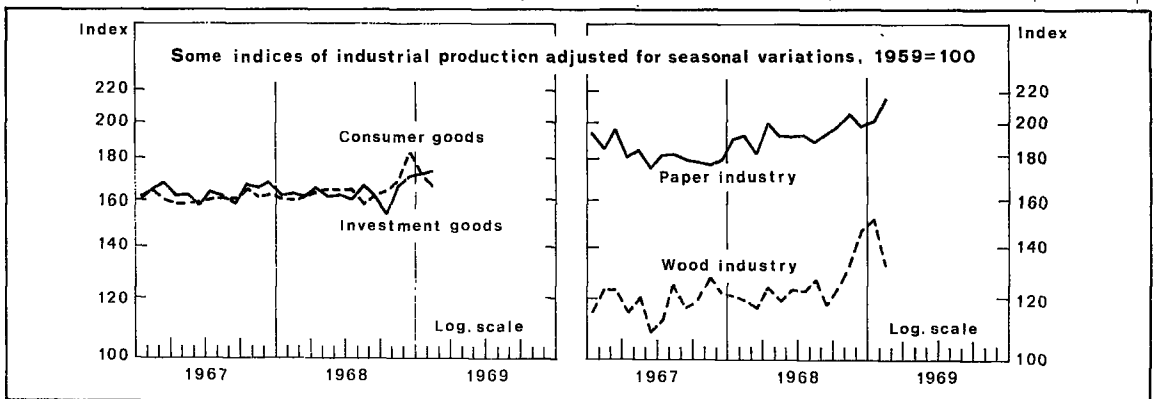
| Period | Index of industrial production 1959 = 100 | | | | | | | | | Commercial timber fellings 1 000 piled cu. m | Wholesale trade volume index 1954 = 100 |
|--------|---|--------------------------|----------------------------|-------------------|----------------------------------|-------------------|-------------------|-------|--|---|---|
| | Total | Invest- ment goods | Other producer goods | Consumer goods | Special indices of manufacturing | | | | Total, adjusted for normal seasonal variations | | |
| | | | | | Wood industry | Paper industry | Metal industry | Other | | | |
| 1966 | 167 | 160 | 175 | 151 | 121 | 191 | 163 | 165 | 166 | 46 507 | 174 |
| 1967* | 171 | 164 | 178 | 161 | 119 | 182 | 166 | 175 | 172 | 44 963 | 181 |
| 1968* | 177 | 163 | 185 | 164 | 124 | 193 | 168 | 179 | 178 | 47 733 | 176 |
| 1967* | | | | | | | | | | | |
| July | 124 | 79 | 137 | 112 | 92 | 177 | 77 | 127 | 171 | 955 | 159 |
| Aug. | 175 | 153 | 179 | 174 | 112 | 188 | 158 | 186 | 173 | 1 978 | 189 |
| Sept. | 178 | 169 | 183 | 171 | 117 | 189 | 170 | 183 | 170 | 2 488 | 197 |
| Oct. | 191 | 190 | 196 | 182 | 120 | 194 | 190 | 199 | 173 | 3 166 | 223 |
| Nov. | 186 | 183 | 194 | 170 | 122 | 181 | 185 | 193 | 174 | 2 969 | 184 |
| Dec. | 165 | 167 | 173 | 148 | 108 | 164 | 167 | 164 | 175 | 3 389 | 182 |
| 1968* | | | | | | | | | | | |
| Jan. | 181 | 175 | 189 | 165 | 119 | 193 | 180 | 176 | 174 | 3 509 | 137 |
| Feb. | 179 | 180 | 188 | 162 | 132 | 192 | 184 | 175 | 174 | 4 977 | 158 |
| March | 187 | 184 | 197 | 170 | 135 | 203 | 188 | 185 | 176 | 4 898 | 164 |
| April | 178 | 167 | 184 | 168 | 140 | 185 | 174 | 181 | 178 | 4 384 | 174 |
| May | 186 | 173 | 194 | 178 | 142 | 199 | 178 | 192 | 177 | 10 331 | 188 |
| June | 154 | 145 | 157 | 152 | 106 | 151 | 146 | 165 | 174 | 1 875 | 157 |
| July | 133 | 81 | 146 | 120 | 105 | 189 | 86 | 134 | 179 | 955 | 169 |
| Aug. | 174 | 154 | 180 | 169 | 112 | 195 | 158 | 181 | 174 | 1 751 | 190 |
| Sept. | 182 | 167 | 191 | 168 | 115 | 203 | 174 | 183 | 177 | 2 279 | 193 |
| Oct. | 200 | 183 | 208 | 188 | 129 | 216 | 190 | 206 | 177 | 3 353 | 204 |
| Nov. | 194 | 182 | 205 | 174 | 125 | 209 | 189 | 195 | 182 | 3 880 | 184 |
| Dec. | 176 | 163 | 186 | 158 | 122 | 180 | 170 | 176 | 190 | 5 541 | 192 |
| 1969* | | | | | | | | | | | |
| Jan. | 195 | 186 | 206 | 177 | 149 | 204 | 191 | 191 | 188 | 8 134 | 159 |
| Feb. | 185 | 176 | 195 | 168 | 141 | 207 | 184 | 178 | 187 | 8 834 | 168 |



BUILDING — WAGES — TRANSPORT — EMPLOYMENT

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

| Period | Railways | | Foreign shipping | | | | Labour input | | Unemployment | |
|--------|-------------------------------|-------|--|-------|------------------|-------|------------------|-------|-------------------------|-------|
| | Goods trucks loaded Thousands | | Vessels arrived with cargo — 1 000 net reg. tons | | Vessels departed | | 1 000 man-months | | % of total labour force | |
| | 1968 | 1969* | 1968* | 1969* | 1968* | 1969* | 1968* | 1969* | 1968* | 1969* |
| Jan. | 114 | 115 | 885 | 893 | 772 | 797 | 1 792 | 1 795 | 5.8 | 4.6 |
| Feb. | 115 | 113 | 723 | 695 | 603 | 607 | 1 772 | | 5.3 | |
| March | 129 | 131 | 777 | 766 | 687 | 695 | 1 767 | | 5.0 | |
| April | 128 | | 995 | | 767 | | 1 763 | | 4.8 | |
| May | 125 | | 1 233 | | 1 109 | | 1 814 | | 3.5 | |
| June | 103 | | 1 466 | | 1 263 | | 1 774 | | 3.6 | |
| July | 123 | | 1 703 | | 1 540 | | 1 553 | | 3.6 | |
| Aug. | 124 | | 1 608 | | 1 495 | | 1 683 | | 3.2 | |
| Sept. | 120 | | 1 345 | | 1 106 | | 1 773 | | 3.2 | |
| Oct. | 133 | | 1 359 | | 1 005 | | 1 804 | | 3.2 | |
| Nov. | 125 | | 1 372 | | 968 | | 1 824 | | 3.6 | |
| Dec. | 104 | | 1 197 | | 864 | | 1 824 | | 4.0 | |



EXPLANATIONS RELATING TO THE STATISTICAL SECTION

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

BANK OF FINLAND

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

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

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

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

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

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

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

STATE FINANCES

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

BALANCE OF PAYMENTS

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

FOREIGN TRADE

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

PRICE INDICES

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

PRODUCTION — INTERNAL TRADE

Page 14. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The seasonally adjusted series is calculated by the Bank of Finland Institute for Economic Research on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: investment goods weight 14.3, other producer goods weight 57.0 and consumer goods weight 28.7. Special manufacturing indices: wood industry ISIC no. 25, weight 6.6, paper industry no. 27, weight 13.1, metal industry nos. 34—38, weight 23.5, and other manufactures nos. 20—24, 26, 28—33, 39, weight 44.0. *Commercial timber fellings* compiled by the Ministry of Communications and Public Works. Since July 1965 figures have been adjusted by the Bank of Finland Institute for Economic Research. *Wholesale trade volume index* calculated by the Ministry of Finance.

BUILDING — WAGES — EMPLOYMENT — TRANSPORT

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

SYMBOLS USED

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

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

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

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

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

LAND

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

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

POPULATION

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

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

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

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

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

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

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

TRADE AND TRANSPORT

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

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

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

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

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

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

MERCHANT FLEET (March 31, 1969): Steamers 76 (106 438 gross reg. tons), motor vessels 416 (1 034 252 gross reg. tons), sailing vessels with auxiliary engines 14 (1 776 gross reg. tons). Total 506 (1 142 466 gross reg. tons).

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

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

FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). From Oct. 12, 1967, the par value of the mark has been changed from 0.277771 grams of fine gold per mark (equivalent to 3.20 marks per U.S. dollar) to 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per U.S. dollar). Finland has been a member of the International Monetary Fund since 1948.

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

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

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

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

FINLAND'S FOREIGN TRADE IN 1968

By

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INTERNATIONAL BACKGROUND

1968 proved to be a much better year for world trade than had generally been expected. Total exports and imports of the OECD-countries increased by 12 per cent in value, i.e. by twice as much as the previous year and even more than in the record year of 1964 when the increase was 10 per cent. This considerable increase was above all traceable to the extraordinarily strong import demand of the USA, Western Germany and the United Kingdom. As a result an export-induced cyclical upswing was generated in several countries. In 1968 the rise in the aggregate output of the industrial countries was more than 5 per cent and thus exceeded the average rate of growth of recent years. The corresponding figure for 1967 was 3 per cent.

In the United Kingdom and Western Germany, the two most important Western export markets for Finland, the rate of growth of GNP accelerated markedly. In France and Italy there was a slight decline in the growth rate. In Sweden a faster rate of growth was resumed in the latter part of the year, but the increase in GNP over the year as a whole was still moderate at 3.5 per cent. In the United States the rate of growth of GNP doubled over the previous year and was thus 5 per cent.

The favourable development of production and trade took place against the back-

ground of a particularly unstable international currency scene. Disequilibrium between surplus and deficit countries was further accentuated and the world economy hit by two serious foreign exchange crises, one in March unleashed by the continuous dollar outflow and the other in November when confidence in the French franc was still weak and speculation in a possible revaluation of the deutschemark reached its height.

FOREIGN TRADE AND ECONOMIC DEVELOPMENT IN FINLAND

The devaluation of the Finnish mark in October 1967 was a significant factor influencing foreign trade in 1968. Foreign exchange rates were raised, in terms of domestic currency, by 31 per cent but the effective change was about 26 per cent when the devaluation of the pound sterling and the other currencies which followed in its wake are taken into consideration. When comparing the average prices in 1968 and 1967 it must be borne in mind that slightly less than 20 per cent of the rise in the value of commodity trade in terms of marks is ascribable to calculation factors as devaluation also increased prices for two and a half months in 1967.

In 1968 import prices expressed in domestic currency rose by approximately 19 per cent, which exactly corresponds to the

calculated devaluation effect. It can therefore be concluded that the corresponding 1968 dollar prices were on the whole the same as in 1967, i.e. foreign producers were not, at least not to any appreciable degree, willing to lower their prices. Neither does it seem that there occurred on the demand side a shift to a less expensive assortment of commodities which would have appeared in the statistics as a downward slide in prices.

The initial rise in export prices expressed in domestic currency did not wholly correspond to the pure devaluation effect, but was roughly 5 percentage units smaller. In the second, third and last quarters of 1968 there took place, however, a recovery in this respect as the price level of metal and woodworking industry products showed a tendency to rise. The average level of export prices in terms of domestic currency was thus nearly 18 per cent above the average level in 1967.

We might ask why Finnish exporters did not lower their prices to a greater extent than was the case in order to increase their market share. First the immediate benefits of the devaluation in terms of improved international competitive position were restricted by an export levy averaging 11 per cent at the beginning and 4 per cent at the end of 1968. Furthermore, the scope for price policy with regard to paper and pulp is largely defined in cooperation with other Nordic producers.

The volume of Finnish exports increased by approximately 12 per cent in 1968 reflecting a simultaneous recovery of economic activity in Finland's four most important Western export markets, i.e. the United Kingdom, Sweden, Western Germany and the United States. These countries take nearly one half of Finnish export products. Consequently exports to market economies increased by roughly 15 per cent in real

terms, while those to centrally planned economies remained at the same level as the previous year. In 1967 when the growth rate of GNP in industrial countries was the lowest since the recession in 1958 there was on the other hand a substantial increase in bilateral deliveries, whereas the increase in exports to the West was negligible.

As a result of the change in relative prices in favour of domestic producers and the slow recuperation of the domestic economy, import demand remained weak throughout 1968. The volume of imports in fact decreased by approximately 3 per cent. There was a shift in the composition of imports, typical of a recession, towards raw materials and semi-finished products. There was in addition a slight increase in imports of raw materials and fuels while imports of finished goods decreased markedly.

A devaluation is, typically, accompanied by a deterioration in the terms of trade. In Finland, the deterioration has been very modest. Preliminary unit value indices of exports and imports point to a 3 per cent deterioration between 1967 and 1968.

According to the most recent figures, in 1968 the value of Finnish exports amounted to 6 874 million marks, or to 31 per cent more than in 1967. The value of imports totalled 6 711 million marks, or 16 per cent more than in 1967. Thus foreign trade resulted in a surplus, for the first time in the 1960's, of 163 million marks as against a deficit 563 million marks in 1967. It can therefore be asserted that the effects of devaluation and of the stabilization measures undertaken in connection with it have proved to be favourable. The favourable influence of devaluation was reinforced by the unexpected strong international upswing and the slow recovery of growth in the domestic economy. [The surplus accruing from multilateral trade was no less than

250 million marks but there was a deficit of 87 million marks in bilateral trade. (See table 1)

TABLE 1. BALANCE OF TRADE IN 1962—1968,
EXPORTS FOB — IMPORTS CIF ¹⁾

| | Million marks | | |
|------------|-----------------|--------------------|-------------|
| | Bilateral trade | Multilateral trade | Total trade |
| 1962 | — 57 | — 453 | — 396 |
| 1963 | — 54 | — 135 | — 189 |
| 1964 | — 353 | — 331 | — 684 |
| 1965 | — 6 | — 693 | — 699 |
| 1966 | — 181 | — 526 | — 707 |
| 1967 | — 97 | — 466 | — 563 |
| 1968 | — 87 | + 250 | + 163 |

¹⁾ Exports by countries of sale, imports by countries of purchase.

EXPORTS

The seasonally adjusted volume index for total exports rose sharply in the first quarter of 1968 and remained high in the second. Due to a setback in the third quarter the volume index fell and was thus 5 per cent smaller in the second half of the year than in the first.

The share in total exports of wood based products, i.e. round and hewn timber and wood and paper industry products, continued to fall. In 1968 their share was 61 per cent as against 63 per cent the previous year. At the beginning of the decade their share was more than three quarters (see table 2). This gradual shift in importance towards metal and engineering industry goods and consumer goods has taken place in spite of reasonable rates of growth in the export of wood based products, which have averaged 7 per cent, compared with 10 per cent for total exports.

In 1968 the volume of exports of paper increased by nearly 10 per cent against a fall of 2.5 per cent in 1967. The demand for newsprint increased only slightly, but the demand of paper manufactures increased the more notably, indicative of a long-run structural shift. The increase was markedly higher for EEC countries than for EFTA

TABLE 2. THE STRUCTURE OF FOREIGN TRADE BY
COMMODITY GROUPS, AVERAGE IN 1959—1961,
1967 AND 1968

| | Average in | | |
|----------------------------|------------|-------|-------|
| | 1959—1961 | 1967 | 1968 |
| | Per cent | | |
| <i>Exports</i> | | | |
| Agricultural products | 5.1 | 5.0 | 4.7 |
| Round and hewn timber .. | 7.1 | 1.0 | 0.8 |
| Wood industry products | 25.1 | 16.6 | 16.9 |
| Paper industry products | 43.9 | 45.6 | 43.6 |
| Metal and engineering in- | | | |
| dustry products | 14.3 | 20.6 | 22.8 |
| "New exports" | 4.5 | 11.2 | 11.2 |
| | 100.0 | 100.0 | 100.0 |
| <i>Imports</i> | | | |
| Raw materials | 48.5 | 43.9 | 44.9 |
| Fuels and lubricants | 9.7 | 11.5 | 13.1 |
| Investment goods | 24.4 | 21.5 | 19.8 |
| Consumer goods | 14.9 | 19.3 | 19.3 |
| Passenger cars | 2.5 | 3.8 | 2.9 |
| | 100.0 | 100.0 | 100.0 |

countries. The demand for pulp, on the other hand, was particularly keen in the EFTA countries resulting in a 7 per cent increase in total. On the supply side there was capacity available for expansion as there had been a setback in exports of pulp and paper in the previous year and domestic demand remained weak throughout 1968.

A distinct recovery was noticeable in the European sawn goods market last year following the downward trend of the last two or three years. This development is also reflected in the Finnish export figures. The contraction in exports of sawn goods which has continued since the beginning of the 1960's, except for a minor break in 1964, came to an end in 1968, at least temporarily, as there was a good 14 per cent increase from 745 000 stds. to 850 000 stds. This rise was, however, partly due to an incidental delay in shipments around the turn of the year, induced by exceptionally uncertain price expectations. In the spring of 1968 foreign currency prices settled down somewhat below the pre-devaluation level. In the third quarter prices started to rise and at the end of the year

they were slightly above the price level which had prevailed before the devaluation but still a good way below the peak level of 1965.

The value of metal industry products rose by 45 per cent on the previous year suggesting an increase in real terms of nearly 20 per cent as against 26 per cent in 1967. Owing to the aforementioned insensibility of Finnish bilateral trade to general business cycles, the share of the Eastern Bloc fell from 45 to 41 per cent, while the share of the EFTA and EEC countries rose from 43 to 52 per cent. The value of metal industry product exports to Western Germany more than doubled, to the United Kingdom almost doubled and to Sweden grew by four fifths. Indeed, the value of metal industry products going to Sweden, the most important purchaser country in the West, was last year more than one half of the value of deliveries to the Soviet Union, our traditional purchaser country of metal industry products. The export value of ships increased by one half. The same is valid for the exports of machines while exports of metals as such grew somewhat less.

The value of the remaining group of industrial exports, often called the "new exports", increased by 32 per cent. As might be supposed the reductions in foreign currency prices were more notable for these commodities than for exports in general, the increase in volume having been estimated at nearly 20 per cent. In recent years the increase has been between 20 and 30 per cent.

In 1968 the share of agricultural products in total exports fell below 5 per cent. Deliveries of the traditional products, butter and cheese, measured in tons, increased only marginally. The quantities remained roughly at the level which has prevailed

throughout the 1960's. Exports of eggs, which have been growing in recent years, fell by 15 per cent. The steadily rising trend in the export of furs, almost exclusively of mink, continued in 1968. The increase was about 70 per cent in value expanding the share of furs in agricultural exports to over one third. As a whole, the volume of agricultural exports remained roughly on the same level as in the previous year.

IMPORTS

Import demand remained slack throughout 1968. The volume index of imports fluctuated vigorously, however, from quarter to quarter reflecting uncertainty about the timing of the domestic upswing which was already in sight. High import prices, furthermore, made importers reluctant to restore stock positions particularly if there were hopes of price reductions.

The volume of imports of raw materials was roughly the same size as in the previous two years. According to preliminary estimates the volume increased by 2 per cent against a decrease of 1 per cent in 1967. Import expenditure on raw materials grew, however, by 19 per cent suggesting a rise in the average price level of 16.5 per cent. Among those branches of industry requiring raw materials from abroad there was a distinct increase in demand from the chemical industry and agriculture. Imports of raw materials for the foodstuffs industry decreased substantially and for the metal industry moderately. Imports of raw materials for other branches of industry were of about the same size as the previous year. Imports of raw materials accounted for 45 per cent of total imports, or one percentage unit more than in 1967 (see table 2). This typical recession effect has possibly been reinforced by a lower degree of substitu-

tability between foreign and domestic output within the group of raw materials as compared with finished goods.

The volume of imports of fuels and lubricants also increased in 1968 although by less than the average long-term rate. The increase was about 5 per cent against an increase of 7.5 per cent in 1967. The structural shift towards liquid fuel continued in 1968.

For the third year in succession the volume of imports of investment goods dropped — in 1968 by 10 per cent. The decline in private investment activity was 6 per cent. According to past experience, cyclical quantity variations are far more pronounced in imports of investment goods than in other import categories.

The volume of imports of consumer goods, excluding passenger cars, decreased by approximately 5 per cent over 1967. The volume of imports of non-durable consumer goods was only slightly smaller than in 1967, whereas the decline was more notable for durable consumer goods. The decline was particularly marked in textiles, machines and metal goods. For the third year

in succession the number of imported passenger cars fell. In 1968 the number of imported passenger cars was only 50 000, i.e. only one half of the number imported in 1965.

THE REGIONAL PATTERN

In 1968 the long-run regional shift in trade in favour of the EFTA countries continued. The share in total imports of the EEC countries decreased but, in opposition to developments of recent years, the share in total exports to the EEC countries increased. (See table on page 12 for relative shares of trade blocs and some selected countries.) There was a 39 per cent increase in Finland's exports to the EFTA countries while imports from them grew by 20 per cent. The increase in exports to the EEC countries was 37 per cent, whereas imports grew by no more than 12 per cent. Finland's deliveries to the Eastern Bloc advanced by 17 per cent and imports by 22 per cent. Exports to other countries increased by 25 per cent against a rise in imports of only 7 per cent.

ITEMS

Trade agreement. On April 22, 1969, an agreement was signed between Finland and *the People's Republic of China* regulating the exchange of goods for 1969. Each country will deliver goods up to the value of 62 million marks. In 1968 Finnish exports to the People's Republic of China amounted to 48.3 mill. marks and imports to 28.7 million.

According to the agreement the Finnish export list includes cellulose, paper and board products, urea, machines, appliances and instruments, shipbuilding products, rayon, veneer and copper products. The

import list comprises soya beans and other beans, vegetable oils and oil seeds, chemicals and pharmaceuticals, households equipment, handicraft products and china ware.

*

The collection of the export levy has been terminated. In accordance with paragraph 3 of the Export Levy Act, in force from October 21, 1967 until December 31, 1969, the collection of the export levy has been terminated by decree. No levy has to be paid on goods exported from the country on or after April 29, 1969.

Initially the export levy was 14 per cent of the export price of goods. It has, however, been gradually reduced, the last occasion being January 1969 when the average levy fell to about 2 per cent. For these reductions as well as for the Export Levy Act see front article in Bulletin No. 12, 1967, Items in Bulletins No. 11, 1967, and 1, 3 and 10, 1968, and 1 and 2, 1969.

By the end of April, the inflow of export levy funds on a special State account at the Bank of Finland amounted to 641 million marks. Of this 271 million marks had been used for the purposes stipulated in the Act. As the levy was to be paid within two months after clearance at the customs, it is estimated that total funds accruing from the export levy will be approximately 660 million marks.

(continued from page 2)

1967/68 than three years earlier. The increases in stumpage prices effected at the beginning of the prevailing felling season involve a rise of about 24 per cent on the previous season. The present level of stump-

age prices is, however, about 13 per cent lower than in 1964/65. Changes in the stumpage prices of different kinds of wood are illustrated in the table below.

| Felling season | Price | | | Percentage change | | |
|--|---------|-----------|--------------------|-------------------|-----------|---------|
| | 1967—68 | 1968—69 * | 1967—68 1964—65 | 1968—69 * | 1968—69 * | 1967—68 |
| 1) Softwood logs, mk/cu.ft | 1.18 | 1.38 | — 28 | — 16 | | + 17 |
| 2) Veneer birch, mk/cu.ft | 0.79 | 0.90 | + 10 | + 25 | | + 14 |
| 1) Spruce pulpwood, mk/piled cu.m. unpeeled | 9.55 | 11.40 | — 33 | — 20 | | + 19 |
| 1) Pine pulpwood mk/piled cu.m. unpeeled | 5.52 | 8.70 | — 46 | — 15 | | + 58 |
| 2) Birch pulpwood mk/piled cu.m. unpeeled | 2.70 | 3.30 | — 23 | — 6 | | + 22 |
| 1) Birch Firewood mk/piled cu.m. unpeeled | 3.31 | 3.60 | — 10 | — 2 | | + 9 |

1) Information obtained from the Forestry Research Institute.

2) " " " the Central Union of the Agricultural Producers.

Note.

Commercial fellings account for slightly more than three-quarters of total fellings. Commercial fellings include fellings of industrial wood for use in industry or communications or for exportation as well as fellings for firewood contracted by industrial buyers. Figures for commercial fellings are collected on a monthly basis. The bulk of the remaining fellings consists of firewood for the private sector. The volume of these fellings has declined steadily and is now slightly

less than 10 mill.cu.m. Figures for these fellings are derived from special studies of wood utilization. The raw wood from commercial fellings (excl. firewood) is almost entirely used as raw material in the industry, the wood industry taking about two-fifths and the paper industry roughly three-fifths. Exports of round wood have decreased sharply during this decade and are no more than approximately 0.5 cu.m. per annum. (The industry has even used 1.5—2 mill.cu.m. of imported roundwood annually in the last few years.)

April 24, 1969

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