



# BANK OF FINLAND

## MONTHLY BULLETIN

Vol. 41 No. 2

FEBRUARY

1967

### RECENT DEVELOPMENTS

#### FORESTRY IN 1966

The felling season July 1965—June 1966 started normally both for sawn timber and pulpwood, although the stumpage price recommendation of the Central Union of Agricultural Producers, representing the private forest owners, and the Central Association of Finnish Woodworking Industries expired at the beginning of July 1965 and no new recommendation was made. However, at the beginning of the season purchases of birch pulpwood were very small. In October a price recommendation for veneer birch was concluded, and this immediately resulted in a sharp rise in birch fellings. At the same time the Scandinavian paper producers decided to cut the prices of export cellulose to the level of the previous year because of their large stocks and to restrict cellulose production next year. In these circumstances the stumpage prices asked by forest owners were regarded as being too high by the woodworking industry and price negotiations were discontinued without any outcome at the end of October. Towards the end of November the prices offered by the buyers of coniferous wood decreased and there was a marked fall in pulpwood transactions. On the other hand the buyers of heavy timber were rather reluctant to purchase, since

transactions for delivery during the next shipping season were postponed to the end of the year. In consequence of these factors total commercial fellings excluding those of veneer logs remained considerably below the level of the previous season. The following table illustrates commercial fellings during the felling seasons 1964—65 and 1965—66.

		July 1964/ June 1965	July 1965/ June 1966	Per- centage change
Logs	Mill.cu.ft	386.4	312.6	—19
Sawlogs	"	330.6	249.4	—25
Veneer logs	"	41.1	50.6	+23
Pulpwood	Mill.piled cu.m	30.2	27.0	—11
Spruce pulpwood	"	12.4	11.1	—10
Pine pulpwood	"	9.8	9.1	—7
Birch pulpwood	"	5.2	4.8	—8
Firewood	"	2.6	1.9	—27
Total	Mill. cu.m	35.6	30.2	—15

The decrease in fellings by as much as 15 per cent was apparently caused mainly by the limited supply as a result of the diverging opinions over stumpage prices. The stumpage prices, given below, are weighted averages calculated by the Forestry Research Institute where the quantities sold in different municipalities have been used as

**On page 18, The Building Cost Index,  
1964 = 100**

weights; the prices for veneer birch and birch pulpwood, however, have been obtained from the information provided by the local forestry associations for the Central Union of Agricultural Producers.

		July 1964/ June 1965	July 1965/ June 1966	Per- centage change
Softwood logs	Fmk/cu.ft	1.65	1.53	— 7
Veneer birch	"	0.72	0.80	+11
Spruce pulpwood	Fmk/piled cu.m	16.31	15.48	— 5
Pine pulpwood	"	11.70	10.88	— 7
Birch pulpwood	"	4.00	3.60	—10
Birch firewood	"	3.66	3.38	— 8

It was rather difficult to reach a price recommendation for the felling season July 1966—June 1967. It was not until towards the end of October 1966 that this was done for pulpwood, and then it only concerned South Finland. According to the recommendation the prices of pulp softwood should be approximately the same as in November 1965. As a result of the most recent recommendation there is a welcome improvement in the estimation of prices, which enables the evaluation in the prices of the quality and size of the area marked for cutting. This provided a stimulus for the rationalisation of fellings. It is assumed that the supply of raw wood will be sufficient in this felling season not to restrict fellings.

Considered on the calendar year basis commercial fellings totalled 20 per cent less during the first eleven months of 1966 than in the corresponding period of the previous year; fellings of pulpwood decreased by 24 per cent in comparison with the previous year and those of logs by 15 per cent.

Firewood fellings increased by 12 per cent. The fellings of non-conifer pulpwood have been especially small, for there was a fall of 34 per cent in the period from January—November 1966 compared with the corresponding period in 1965; for spruce pulpwood and pine pulpwood the decrease was only 18 and 28 per cent respectively. Stocks of firewood were rather low at the beginning of the felling season, so it was natural to increase them before the winter. Large variations took place in the fellings of logs in 1966 compared with 1965. Early in the year the fellings decreased together with the fellings of pulpwood. Since May a sharp rise was recorded in the amount of fellings; the increase was about 30 per cent in May—November in comparison with the same period in 1965. This great annual variation is partly due to the fact that fellings of logs take place more and more in summer. On the other hand, sawlogs were probably used for paper manufacture. The following table illustrates commercial fellings in the first eleven months in 1965 and 1966.

		Jan- Nov 1965	Jan- Nov 1966	Per- centage change
Logs	Mill.cu.ft	346.4	292.9	—15
Sawlogs	"	292.1	234.8	—20
Veneer logs	"	41.9	46.4	+11
Pulpwood	Mill.piled cu.m	28.4	21.6	—24
Spruce pulpwood	"	11.4	9.3	—18
Pine pulpwood	"	9.4	6.8	—28
Birch pulpwood	"	5.3	3.4	—36
Firewood	"	1.7	1.9	+12
Total	Mill. cu.m	32.5	26.0	—20

January 25, 1967

## BANK OF FINLAND

Mill. mk

	1964	1965	1966	1967		
	Dec. 31	Dec. 31	Dec. 31	Jan. 7	Jan. 14	Jan. 23
<b>BALANCE SHEET</b>						
<b>Assets</b>						
<i>Ordinary note cover</i> .....	1 049.7	944.7	637.2	629.8	599.1	605.4
Gold .....	189.6	267.5	143.9	143.9	143.9	143.9
IMF gold tranche .....	—	45.6	100.0	100.0	100.0	100.0
Foreign exchange .....	783.8	547.8	312.0	304.1	272.0	278.7
Foreign bills .....	29.7	54.7	56.4	56.9	58.3	57.9
Foreign bonds .....	46.6	29.1	24.9	24.9	24.9	24.9
<i>Supplementary note cover</i> .....	570.7	712.1	1 063.7	956.3	877.0	910.8
Inland bills discounted						
In foreign currency .....	55.2	45.5	36.3	36.3	39.5	39.5
In Finnish currency .....	67.1	26.0	112.2	111.2	111.8	112.7
Rediscounted bills .....	448.4	640.6	915.2	808.8	725.7	758.6
<i>Other assets</i> .....	97.4	119.5	424.6	430.4	506.1	467.0
Finnish bonds .....	35.8	36.9	284.8	286.0	361.0	326.9
Cheque accounts .....	2.5	1.9	2.1	1.3	1.1	1.1
Finnish coin .....	3.8	6.2	11.7	12.3	13.6	14.5
Other claims .....	55.3	74.5	126.0	130.8	130.4	124.5
Total	1 717.8	1 776.3	2 125.5	2 016.5	1 982.2	1 983.2
<b>Liabilities</b>						
<i>Notes in circulation</i> .....	1 002.7	1 028.5	1 106.2	1 052.7	1 007.9	970.1
<i>Liabilities payable on demand</i> .....	186.8	98.3	179.6	119.4	144.2	199.8
Foreign exchange accounts .....	84.7	44.8	61.2	46.2	47.2	48.6
Mark accounts of holders abroad .....	28.5	10.9	16.2	16.6	16.1	13.2
Cheque accounts						
Treasury .....	5.4	1.1	39.8	0.8	0.7	15.4
Post Office Savings Bank .....	49.6	8.3	17.3	0.3	2.8	61.0
Private banks .....	16.4	11.9	13.8	23.8	56.5	40.3
Other .....	0.7	1.2	2.8	1.6	1.5	1.6
Other sight liabilities .....	1.5	20.1	28.5	30.1	19.4	19.7
<i>Term liabilities</i> .....	55.4	57.2	126.3	126.3	113.4	113.5
Foreign .....	54.3	45.6	84.6	84.6	84.6	84.6
Finnish .....	1.1	11.6	41.7	41.7	28.8	28.9
<i>Equalization accounts</i> .....	261.8	165.1	266.9	270.9	268.6	251.1
<i>Bank's own funds</i> .....	211.1	427.2	446.5	447.2	448.1	448.7
Capital .....	100.0	300.0	300.0	300.0	300.0	300.0
Reserve fund .....	84.8	97.9	112.6	129.5	129.5	129.5
Profits undisposed .....	—	—	—	16.9	16.9	16.9
Earnings less expenses .....	26.3	29.3	33.9	0.8	1.7	2.3
Total	1 717.8	1 776.3	2 125.5	2 016.5	1 982.2	1 983.2
<b>STATEMENT OF NOTE ISSUE</b>						
<b>Right of note issue</b>						
<i>Ordinary cover</i> .....	1 049.7	944.7	637.2	629.8	599.1	605.4
<i>Supplementary cover</i>						
(Upper limit 500 mill. mk; since Nov. 30. 1966, 700 mill. mk) .....	500.0	500.0	700.0	700.0	700.0	700.0
Total	1 549.7	1 444.7	1 337.2	1 329.8	1 299.1	1 305.4
<b>Note issue</b>						
<i>Notes in circulation</i> .....	1 002.7	1 028.5	1 106.2	1 052.7	1 007.9	970.1
<i>Liabilities payable on demand</i> .....	186.8	98.3	179.6	119.4	144.2	199.8
<i>Undrawn on cheque credits</i> .....	5.0	5.1	4.9	5.8	6.0	5.9
<i>Unused right of note issue</i> .....	355.2	312.8	46.5	151.9	141.0	129.6
Total	1 549.7	1 444.7	1 337.2	1 329.8	1 299.1	1 305.4

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

## BANK OF FINLAND

Mill. mk

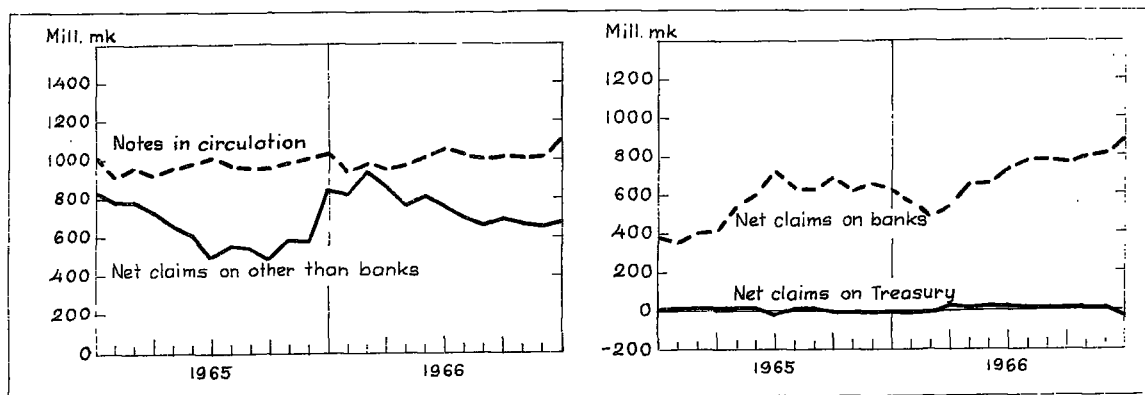
End of year and month	Gold and foreign accounts						Treasury			
	Gold and foreign exchange	Liabilities on foreign exchange accounts	Foreign exchange reserve (1-2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4-5)	Bills and bonds	Other claims, net	Liabilities, Cheque account	Net claims on the Treasury (7+8-9)
	1	2	3	4	5	6	7	8	9	10
1959	730.7	21.2	709.5	92.5	158.4	643.6	103.3	37.6	64.2	76.7
1960	686.0	40.6	645.4	67.0	142.7	569.7	37.5	32.4	61.9	8.0
1961	691.5	13.4	678.1	87.5	128.4	637.2	27.7	5.9	1.1	32.5
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
1965										
Nov.	756.4	97.2	659.2	78.3	60.1	677.4	—	1.1	1.2	— 2.3
Dec.	860.9	44.8	816.1	83.8	56.5	843.4	—	1.1	1.1	— 2.2
1966										
Jan.	861.5	42.3	819.2	82.6	56.3	845.5	—	1.1	1.6	— 2.7
Feb.	914.2	39.8	874.4	81.8	52.8	903.4	—	1.1	2.5	— 3.6
March	819.9	41.4	778.5	83.7	70.6	791.6	16.5	1.1	0.5	14.9
April	767.5	39.0	728.5	89.2	68.4	749.3	16.5	1.1	6.6	8.8
May	760.6	40.6	720.0	86.5	65.3	741.2	16.5	1.1	0.7	14.7
June	698.0	41.4	656.6	87.7	58.4	685.9	16.5	1.1	0.2	15.2
July	703.9	43.1	660.8	85.8	58.4	688.2	11.5	1.1	0.9	9.5
Aug.	657.9	38.6	619.3	84.4	58.2	645.5	11.5	1.1	3.1	7.3
Sept.	649.4	37.4	612.0	87.4	57.4	642.0	11.5	1.1	3.0	7.4
Oct.	617.5	35.7	581.8	87.8	55.1	614.5	11.5	1.1	3.5	6.9
Nov.	560.7	43.3	517.4	88.3	55.4	550.3	11.5	1.1	4.3	6.1
Dec.	555.9	61.2	494.7	81.3	100.8	475.2	11.5	1.1	39.8	— 29.4

	Foreign exchange situation, mill. mk							
	Net holdings, Dec. 31, 1965			Net holdings, Dec. 31, 1966			Change in	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Dec.	Jan.-Dec.
Gold .....	267	—	267	144	—	144	—18	—123
Convertible currencies .....	483	—155	328	274	—189	85	+84	—243
Other currencies .....	20	1	21	— 23	1	— 22	—90	— 43
IMF gold tranche .....	46	—	46	100	—	100	—	+ 54
Total .....	816	—154	662	495	—188	307	—24	—355

## 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	Post Office Savings Bank	Mortgage Bank of Finland Oy						
	1	2	3	4	5	6	7	8	9	10
1959	47.2	38.6	—	2.5	6.1	38.9	105.0	3.9	140.0	694.4
1960	205.1	16.8	—	1.6	186.7	72.3	109.5	3.5	178.3	727.4
1961	294.6	44.7 <sup>1)</sup>	4.4 <sup>1)</sup>	12.5	233.0	70.8	107.3	2.9	175.2	837.1
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
1965										
Nov.	657.7	3.6	5.9	0.0	648.2	34.5	135.3	32.5	137.3	1 001.8
Dec.	640.6	11.9	8.3	0.2	620.2	26.0	121.9	31.6	116.3	1 028.5
1966										
Jan.	569.7	12.1	3.9	1.2	552.5	24.8	136.5	59.4	101.9	943.1
Feb.	484.6	7.7	3.2	1.5	472.2	41.6	131.3	61.4	111.5	968.4
March	554.6	21.5	1.1	1.2	530.8	40.9	137.1	56.9	121.1	946.8
April	640.1	—12.6	5.2	2.7	644.8	44.3	122.4	55.2	111.5	962.4
May	664.8	10.8	0.9	1.8	651.3	43.3	116.7	53.1	106.9	1 019.1
June	766.3	29.5	4.7	2.3	729.8	41.2	156.5	52.7	145.0	1 046.7
July	781.7	10.6	1.5	2.4	767.2	42.2	146.7	52.4	136.5	1 031.8
Aug.	811.5	29.4	4.2	0.8	777.1	40.1	143.1	52.0	131.2	1 005.2
Sept.	781.5	10.4	8.4	0.8	761.9	53.7	164.0	52.7	165.0	1 017.2
Oct.	807.5	— 1.0	21.5	0.5	786.5	61.9	169.2	47.6	183.5	1 011.7
Nov.	848.7	— 0.5	44.4	0.3	804.5	62.0	175.1	44.6	192.5	1 016.5
Dec.	915.2	13.8	17.3	— 1.3	885.4	112.2	152.9	73.2	191.9	1 106.2

<sup>1)</sup> 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
1955	365.9	442.8	118.5	977.9	1 085.4	611.4	330.7	152.6	3 158.4	3 719.7
1956	386.1	459.6	138.4	968.1	1 124.0	635.3	341.6	160.1	3 229.5	3 827.5
1957	377.1	461.4	139.3	1 032.2	1 178.6	671.1	339.6	168.2	3 390.1	3 990.8
1958	395.7	495.8	167.7	1 222.6	1 312.6	742.7	381.7	191.9	3 851.8	4 515.3
1959	557.5	678.1	140.9	1 505.5	1 525.5	860.3	431.2	219.1	4 541.9	5 360.9
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
1965										
Nov.	674.2	852.0	266.6	3 017.2	2 858.6	1 887.2	743.4	351.3	8 857.8	9 976.4
Dec.	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*										
Jan.	652.2	813.8	305.1	3 181.5	2 990.0	1 989.7	787.7	360.2	9 309.3	10 428.2
Feb.	642.8	800.9	356.6	3 144.3	3 039.3	2 038.7	798.4	364.8	9 485.7	10 643.2
March	597.5	765.1	271.1	3 273.5	3 073.2	2 067.9	808.1	368.3	9 591.1	10 627.3
April	584.7	745.3	285.2	3 264.2	3 068.7	2 066.8	799.3	368.0	9 567.2	10 597.7
May	650.9	826.8	303.4	3 307.3	3 099.8	2 089.1	799.4	368.4	9 664.2	10 794.4
June	624.8	800.8	291.4	3 325.0	3 075.9	2 063.0	801.0	362.6	9 627.7	10 719.9
July	610.3	780.3	272.3	3 351.9	3 090.3	2 065.7	807.0	361.7	9 676.7	10 729.3
Aug.	628.6	818.0	268.2	3 373.5	3 122.8	2 085.9	813.3	360.8	9 756.5	10 842.7
Sept.	609.0	803.2	252.6	3 408.1	3 149.5	2 106.9	820.4	366.8	9 852.0	10 907.8
Oct.	558.5	737.1	280.0	3 428.0	3 179.6	2 109.0	831.3	370.7	9 918.7	10 935.8
Nov.	594.0	796.4	279.1	3 458.3	3 219.4	2 141.7	835.2	373.5	10 028.3	11 103.8

End of month	Index-tied deposits		High-interest deposits
	100 % clause	50 % clause	
1966*			
Jan.	1 648.9	68.5	729.8
Feb.	1 677.7	69.8	755.9
March	1 696.3	67.0	785.2
April	1 725.8	65.5	793.2
May	1 732.7	63.7	820.1
June	1 785.1	60.8	824.6
July	1 833.3	59.0	828.7
Aug.	1 884.2	57.1	831.4
Sept.	1 930.6	54.7	832.9
Oct.	2 000.1	44.8	831.4
Nov.	2 060.4	41.1	838.6

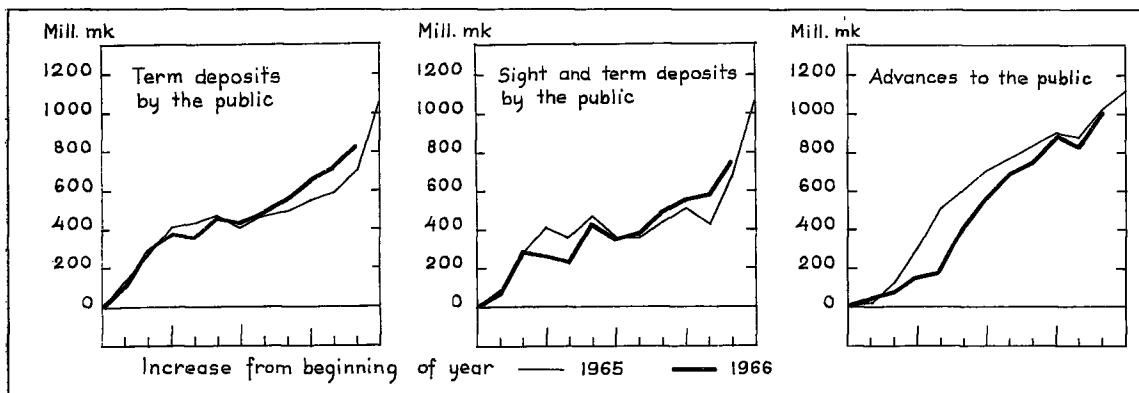
Selling rates for foreign exchange					
Jan. 25, 1966					
		mk	mk		
New York . . . . .	1 \$	3.224	Zurich . . . . . 100 Fr	74.50	
Montreal . . . . .	1 \$	2.990	Paris . . . . . 100 FF	65.15	
London . . . . .	1 £	9.000	Rome . . . . . 100 Lit	0.5160	
Stockholm . . . . .	100 Kr	62.36	Vienna . . . . . 100 S	12.47	
Oslo . . . . .	100 Kr	45.06	Lisbon . . . . . 100 Esc	11.22	
Copenhagen . . . . .	100 Kr	46.66	Reykjavik . . . . . 100 Kr	7.50	
Frankfurt o. M. . . . .	100 DM	81.09	Madrid . . . . . 100 Pta	5.40	
Amsterdam . . . . .	100 Fl	89.25	Moscow, clear. <sup>1)</sup>	1 Rbl	3.5667
Brussels . . . . .	100 Fr	6.455	Clearing dollars <sup>2)</sup>	1 Cl \$	3.21

<sup>1)</sup> Bucharest, Peking.<sup>2)</sup> Berlin, Bogota, Budapest, Prague, Sofia, Warsaw.

ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

End of year and month	Granted by					Types of advances		Total (1 to 5) (6 and 7)	Money Supply
	Commercial banks	Savings banks	Post Office Savings Bank	Co-op. credit societies & their central bank	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1955	1 554.4	964.5	248.7	728.7	136.0	3 398.0	234.3	3 632.3	1 043.0
1956	1 626.6	1 028.3	262.3	767.6	146.9	3 578.0	253.7	3 831.7	1 160.0
1957	1 603.8	1 066.4	260.5	780.6	157.2	3 630.0	238.5	3 868.5	1 170.7
1958	1 745.4	1 154.8	290.3	835.1	219.3	4 011.5	233.4	4 244.9	1 302.3
1959	2 096.9	1 327.2	331.4	967.3	325.8	4 772.7	275.9	5 048.6	1 448.4
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
1965									
Nov.	4 215.5	2 608.6	714.0	2 304.1	913.3	10 334.0	421.5	10 755.5	2 043.8
Dec.	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*									
Jan.	4 293.6	2 613.2	715.3	2 361.7	903.3	10 462.9	424.2	10 887.1	2 003.1
Feb.	4 310.7	2 630.2	721.9	2 376.4	900.3	10 486.8	452.7	10 939.5	2 079.8
March	4 345.7	2 643.8	731.0	2 389.9	897.5	10 541.0	466.9	11 007.9	1 935.4
April	4 373.1	2 666.5	737.6	2 363.8	892.9	10 539.0	494.9	11 033.9	1 949.9
May	4 490.5	2 699.3	735.7	2 441.5	899.1	10 781.9	484.2	11 266.1	2 102.4
June	4 575.7	2 716.4	751.5	2 473.9	905.2	10 924.2	498.5	11 422.7	2 074.4
July	4 641.9	2 745.9	756.3	2 486.0	908.6	11 033.0	505.7	11 538.7	2 067.6
Aug.	4 625.4	2 783.5	771.0	2 508.2	910.8	11 123.3	475.6	11 598.9	2 054.1
Sept.	4 683.7	2 831.3	781.1	2 521.5	914.8	11 247.7	484.7	11 732.4	2 030.8
Oct.	4 604.8	2 880.6	786.0	2 502.1	918.8	11 207.9	484.4	11 692.3	1 973.3
Nov.	4 745.0	2 919.3	787.0	2 554.6	918.7	11 448.4	476.2	11 924.6	2 047.2

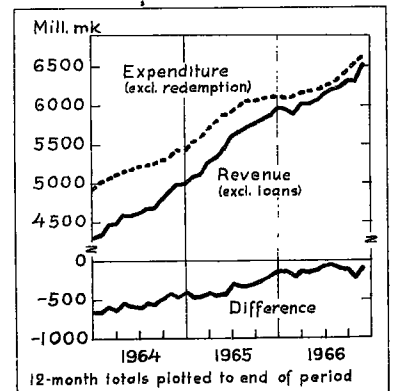


## STATE FINANCES

Mill. mk

Revenue	Jan.—Nov.		Expenditure	Jan.—Nov.	
	1965	1966		1965	1966
Income and property tax (net) .....	1 386	1 632	Interest on State debt .....	141	161
Gross receipts .....	(3 262)	(3 812)	Child allowances .....	302	299
Refunds and communal income tax .....	(-1 876)	(-2 180)	The State's share in national pensions .....	228	251
Other direct taxes .....	22	31	The State's share in national health insurance .....	..	57
Sales tax .....	1 257	1 278	Compensations to war-disabled ....	124	135
Import duties .....	477	466	Subsidies .....	553	546
Revenue from Alcohol Monopoly ..	394	434	Net payments of price equalization .....	0	54
Excise duty on tobacco .....	284	339	State aid to agriculture .....	62	53
Excise duty on liquid fuel .....	313	407	State aid to communal and private schools .....	458	499
Other excise duties .....	78	96	Net loss of State enterprises .....	35	67
Tax on automobiles and motor cycles .....	160	157	Maintenance of roads .....	145	154
Tax on motor vehicles .....	39	47	Other current expenditure .....	2 001	2 153
Stamp duties .....	151	156	<b>Current expenditure</b> .....	4 049	4 429
Employers' payments for child allowances .....	372	402	Real investments .....	1 076	1 117
Net receipts of price equalization by extra-budgetary funds .....	—	—	Other capital expenditure .....	453	536
Other revenue similar to taxes .....	73	81	<b>Capital expenditure</b> .....	1 529	1 653
<b>Total taxes</b> .....	5 006	5 526	<b>Total expenditure</b> .....	5 578	6 082
Interest and dividends .....	85	90	Redemption of external loans .....	84	81
Other current revenue .....	196	242	Redemption of internal loans .....	273	287
<b>Current revenue</b> .....	5 287	5 858	Redemption of indemnity bonds etc. ....	4	1
Capital revenue proper .....	142	144	Index premiums .....	22	15
Decrease in inventories .....	44	39	<b>Redemptions</b> .....	383	384
<b>Capital revenue</b> .....	186	183	<b>Total</b> .....	5 961	6 466
<b>Total revenue</b> .....	5 473	6 041			
External loans .....	70	70			
Internal loans .....	377	607			
<b>Loans</b> .....	447	677			
Short-term credit (increase +) ..	- 10	-314			
<b>Deficit (+) or surplus (-)</b> .....	+ 51	+ 62			
<b>Total</b> .....	5 961	6 466			

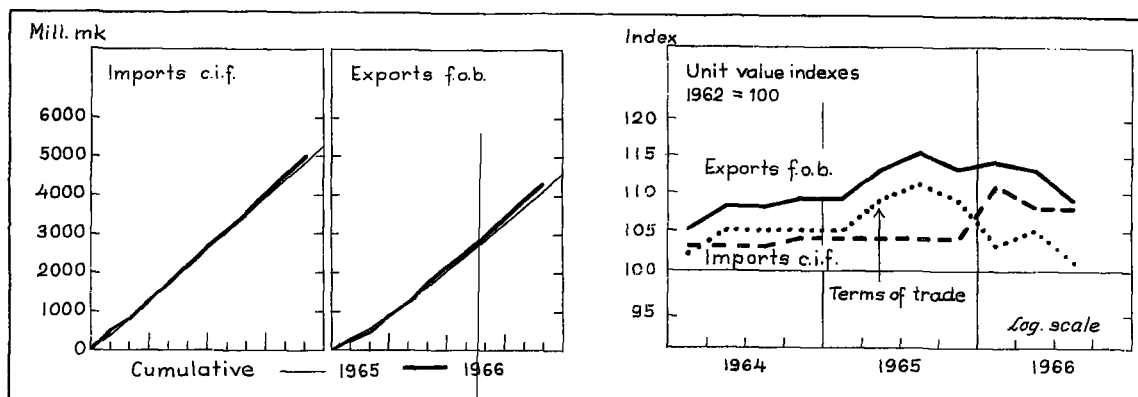
Debt	1963	1964	1965	1966		
	Dec.	Dec.	Dec.	Sept.	Oct.	Nov.*
<b>External debt</b> ....	963	1 184	1 175	1 335	1 344	1 328
Ordinary loans ....	1 109	1 205	1 431	1 731	1 727	1 750
Indemnity bonds etc.	11	7	203	123	113	102
Short-term credit ..	160	325	393	70	59	80
Cash debt (net) ....	78	23	-101	-32	-27	-29
<b>Internal debt</b> ....	1 358	1 560	1 926	1 892	1 872	1 903
<b>Total debt</b> .....	2 321	2 744	3 101	3 227	3 216	3 231
Total debt, mill. \$	720.8	852.8	961.8	1000.8	997.5	1002.3





FOREIGN TRADE

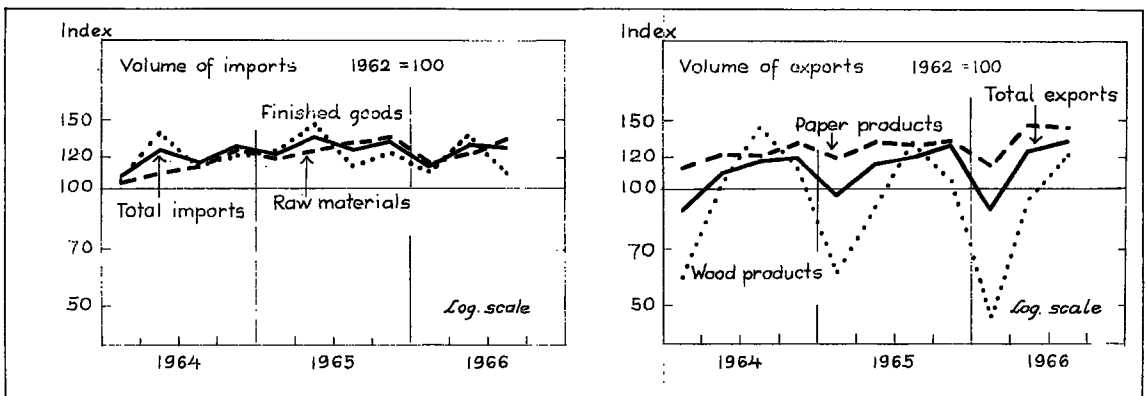
Period	Value mill, mk			Unit value indexes 1962 = 100						
	Imports c. i. f.	Exports f. o. b.	Surplus of imports (-) or exports (+)	Articles of export f. o. b.					Articles of import c. i. f.	Terms of Trade
				Total	Round and hewn timber	Wood industry products	Paper industry products	Metal, en- gineering industry products		
1961	3 690.2	3 374.0	-316.2	102	99	103	104	100	99	103
1962	3 928.7	3 533.1	-395.6	100	100	100	100	100	100	100
1963	3 866.9	3 678.0	-188.9	102	96	104	100	105	101	101
1964	4 816.5	4 131.9	-684.6	108	109	111	104	113	103	105
1965	5 266.1	4 566.0	-700.1	113	115	123	106	119	104	109
Jan.-Nov.										
1964	4 367.6	3 748.0	-619.6							
1965	4 797.3	4 094.1	-703.2							
1966*	4 967.6	4 299.8	-667.8							
1965										
Oct.	428.8	432.4	+ 3.6	113	113	124	107	120	104	109
Nov.	446.9	387.5	- 59.4							
Dec.	467.8	471.7	+ 3.9							
1966*										
Jan.	429.2	308.4	-120.8	114	127	126	105	118	111	103
Feb.	368.0	230.3	-137.7							
March	446.5	340.2	-106.3							
April	441.9	372.8	- 69.1	113	103	122	104	127	108	105
May	487.8	450.2	- 37.6							
June	459.9	424.3	- 35.6							
July	411.6	404.8	- 6.8	109	112	122	105	105	108	101
Aug.	437.5	419.8	- 17.7							
Sept.	504.9	450.9	- 54.0							
Oct.	489.0	460.6	- 28.4							
Nov.	491.3	437.5	- 53.8							



## FOREIGN TRADE BY MAIN GROUPS

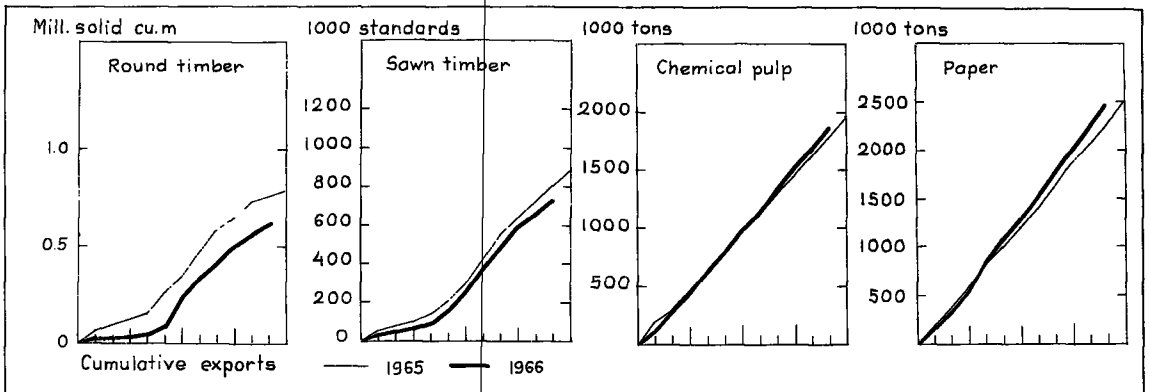
Mill. mk

Period	Imports, c. i. f.				Exports, f. o. b.					
	Raw materials and producer goods	Fuels and lubricants	Finished goods		Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods
			Investment goods	Consumer goods						
1961	1 711.2	329.9	1 034.4	614.7	153.5	295.8	840.8	1 539.1	386.3	158.5
1962	1 762.6	371.2	1 144.9	650.0	144.5	189.5	770.3	1 588.8	662.6	177.4
1963	1 827.5	373.3	1 004.3	661.8	164.8	112.8	811.8	1 752.2	613.8	222.6
1964	2 110.7	508.4	1 396.2	801.2	230.4	89.8	895.8	2 019.5	610.3	286.1
1965	2 362.4	514.7	1 511.4	877.6	251.8	60.3	919.8	2 165.6	800.3	368.2
Jan.-Nov.										
1964	1 906.8	456.9	1 274.9	729.0	201.9	84.9	820.6	1 839.4	544.2	257.0
1965	2 148.9	462.6	1 390.9	794.9	212.2	56.5	841.9	1 973.7	678.3	331.5
1966*	2 204.1	530.5	1 295.1	937.9	230.5	53.7	783.9	2 080.9	740.0	410.8
1965										
Nov.	200.0	44.3	124.8	77.8	13.8	3.4	75.3	181.0	76.8	37.2
Dec.	212.5	52.1	120.5	82.7	39.6	3.8	77.9	191.9	122.0	36.5
1966*										
Jan.	204.0	41.1	103.8	80.3	34.2	3.6	57.5	152.6	35.0	25.5
Feb.	158.1	38.7	100.7	70.5	16.1	1.0	27.8	133.7	31.8	19.9
March	182.0	37.5	129.2	97.8	33.4	0.6	29.4	189.6	55.4	31.8
April	188.5	38.2	128.3	86.9	14.7	2.5	45.8	217.2	63.0	29.6
May	203.9	40.2	150.7	93.0	26.0	5.0	84.9	192.5	107.4	34.4
June	177.6	54.1	151.0	77.2	19.1	9.0	91.9	197.5	61.1	45.7
July	199.6	36.2	99.9	75.9	14.0	6.8	102.6	186.1	63.0	32.3
Aug.	213.2	62.0	90.0	72.3	17.9	6.9	96.3	207.3	49.8	41.6
Sept.	221.8	67.9	120.8	94.4	20.0	7.9	88.8	205.1	80.5	48.6
Oct.	229.6	60.0	108.3	91.1	17.6	5.3	85.1	203.1	99.8	49.7
Nov.	225.8	54.6	112.4	98.5	17.5	5.1	73.8	196.2	93.2	51.7



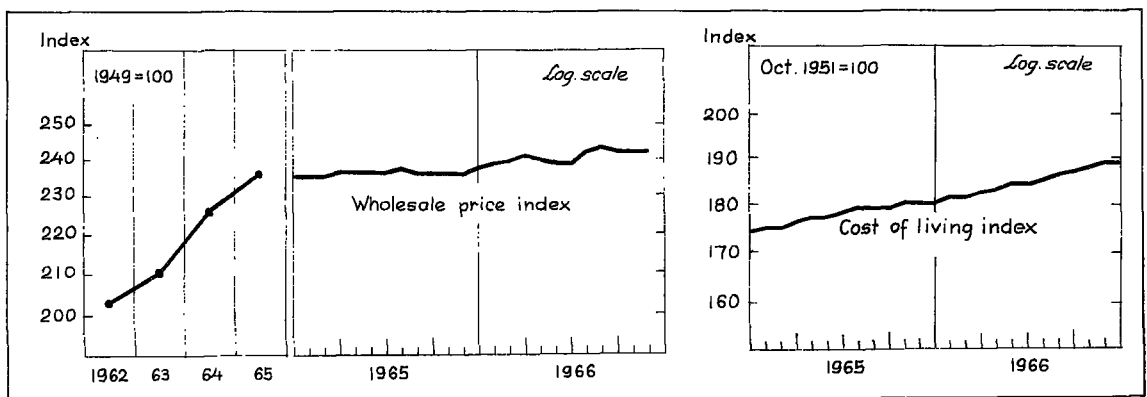
EXPORTS OF SOME IMPORTANT ARTICLES

Period	Round timber 1 000 solid cu. m	Sawn timber 1 000 stds	Veneers and plywood 1 000 cu. m	Mechanical pulp 1 000 tons	Sulphite pulp 1 000 tons	Sulphate pulp 1 000 tons	Board 1 000 tons	Fibre building board 1 000 tons	Newsprint 1 000 tons	Paper, all kinds 1 000 tons
1961	5 955	1 106	329	160	872	569	154	146	846	1 806
1962	3 681	1 010	357	150	828	731	153	152	870	1 980
1963	2 108	977	384	172	861	893	171	161	882	2 126
1964	1 320	990	440	175	971	980	194	165	989	2 309
1965	781	870	461	149	931	1 037	174	144	1 101	2 500
Jan.-Nov. 1964	1 261	917	396	158	892	886	166	150	897	2 117
1965	762	802	416	137	848	939	157	133	997	2 270
1966*	611	732	409	122	826	1 047	173	120	1 080	2 466
1965 Nov.	29	72	37	11	74	88	11	12	107	204
Dec.	22	65	45	12	83	98	17	10	104	230
1966* Jan.	18	44	42	9	76	76	12	11	78	182
Feb.	8	15	28	11	69	47	11	7	63	147
March	3	6	40	13	73	102	18	9	85	211
April	23	21	50	18	73	103	18	15	143	282
May	42	75	51	10	73	92	15	14	100	236
June	146	92	41	11	83	112	17	13	106	225
July	88	120	26	10	72	86	16	9	103	232
Aug.	83	106	36	10	79	112	18	9	107	244
Sept.	91	88	39	11	79	105	17	12	110	241
Oct.	59	87	31	10	78	104	16	12	96	239
Nov.	50	78	25	9	71	108	15	9	89	227



## FOREIGN TRADE BY COUNTRIES

Area and country	Imports, c. i. f.					Exports, f. o. b.				
	Whole year		Jan.-Nov,			Whole year		Jan.-Nov.		
	1964	1965	1965	1966*		1964	1965	1965	1966*	
	%	%	%	%	Mill. mk	%	%	%	%	Mill. mk
<b>Sterling area</b> .....	15.2	15.8	15.6	16.9	838.3	25.3	22.8	23.2	23.0	990.7
United Kingdom .....	14.8	15.3	15.1	16.3	809.9	23.0	20.7	21.1	20.9	900.6
<b>Other OECD countries</b>										
<b>in Europe</b> .....	52.7	55.5	55.6	53.8	2 671.8	45.9	44.8	45.1	47.0	2 018.6
Austria .....	0.7	0.8	0.8	0.9	42.4	0.4	0.2	0.2	0.4	18.9
Belgium-Luxembourg ....	2.0	2.2	2.2	1.9	95.7	3.5	3.3	3.3	3.1	133.9
Denmark .....	3.0	3.1	3.0	3.4	170.1	3.7	3.9	3.9	3.6	153.1
France .....	5.5	4.2	4.3	4.4	216.3	5.8	4.5	4.5	4.7	200.1
Western Germany .....	17.3	18.9	19.3	17.2	854.4	11.5	11.2	11.2	11.0	471.0
Italy .....	1.9	1.9	1.9	2.0	101.3	3.0	3.0	3.0	2.9	124.7
Netherlands .....	4.0	4.2	4.4	3.6	179.1	6.8	6.0	6.1	5.9	253.1
Norway .....	1.5	1.9	1.8	2.1	105.2	0.9	1.1	1.2	1.9	82.5
Portugal .....	0.2	0.2	0.2	0.4	17.8	0.1	0.2	0.2	0.4	16.8
Spain .....	0.5	0.5	0.5	0.4	18.7	0.9	1.1	1.1	1.1	49.2
Sweden .....	12.7	14.0	13.7	14.0	693.4	5.5	7.5	7.6	8.9	382.8
Switzerland .....	2.8	2.9	2.8	3.0	150.3	0.8	0.7	0.6	0.9	38.4
<b>Eastern Bloc</b> .....	22.5	18.9	18.9	19.1	949.2	17.4	21.0	20.3	18.0	774.6
China .....	0.4	0.3	0.4	0.4	23.3	0.5	0.6	0.6	0.6	27.6
Czechoslovakia .....	0.7	0.7	0.7	0.7	32.4	0.4	0.5	0.6	0.8	32.4
Eastern Germany .....	1.0	0.9	0.9	0.9	43.4	1.0	0.8	0.8	1.0	42.7
Poland .....	2.0	1.9	1.9	1.6	80.6	2.0	2.3	2.4	1.4	59.4
Soviet Union .....	17.6	14.4	14.4	14.8	735.1	12.0	15.9	15.0	13.4	577.8
<b>U.S. and Canada</b> .....	5.0	5.2	5.2	5.0	246.0	6.0	6.2	6.2	6.5	280.1
United States .....	4.8	5.0	5.0	4.6	230.2	5.8	6.0	6.0	6.3	272.6
<b>Latin America</b> .....	3.0	2.9	2.6	2.9	145.8	2.7	2.9	2.8	3.0	128.2
Argentina .....	0.3	0.3	0.3	0.3	14.7	0.8	0.9	1.0	1.1	45.0
Brazil .....	1.6	1.2	1.3	1.4	67.2	0.5	0.3	0.3	0.4	16.6
Colombia .....	0.6	0.6	0.5	0.7	35.2	0.5	0.7	0.7	0.6	27.6
<b>Other</b> .....	1.6	1.7	2.1	2.3	116.4	2.7	2.3	2.4	2.5	107.6
<b>Grand total</b> .....	100.0	100.0	100.0	100.0	4 967.5	100.0	100.0	100.0	100.0	4 299.8
of which										
<b>EFTA countries</b> .....	35.8	38.2	37.5	40.0	1 989.1	35.4	34.3	34.9	37.1	1 593.1
<b>EEC countries</b> .....	30.5	31.4	32.0	29.1	1 446.9	30.6	28.0	28.0	27.5	1 182.9



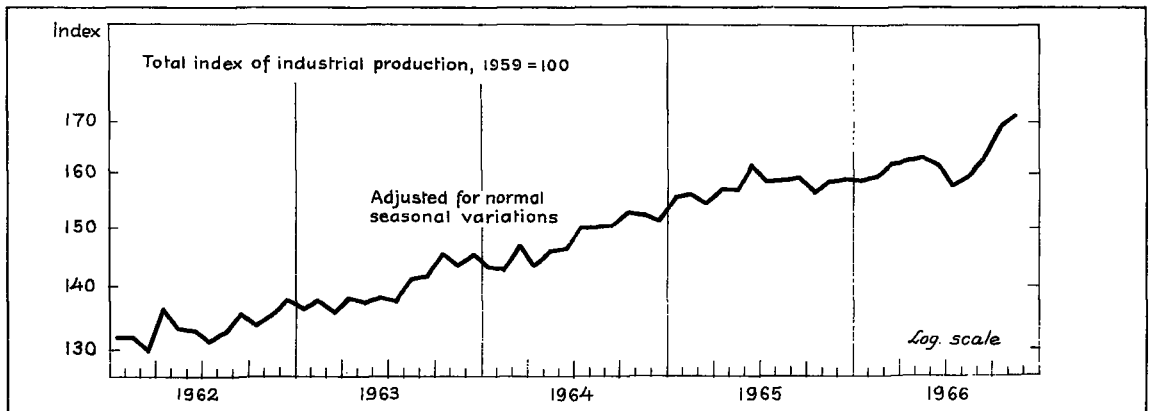
PRICE INDEXES

Period	Wholesale prices 1949 = 100									Building costs 1964 = 100		
	Total	Origin		Purpose			Stage of processing			Total	Wages in building trade	Building materials
		Domes- tic goods	Im- ported goods	Pro- ducer goods	Mach- inery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply processed goods	More elab- orately processed goods			
1964	226	231	210	228	214	227	250	218	218	100	100	100
1965	236	242	214	241	224	232	266	228	223	105	106	104
1966	..	..	..	..	..	..	..	..	..	108	112	104
1965 Dec.	237	243	213	242	227	231	266	229	224	105	106	104
1966 Jan.	238	244	213	243	227	234	269	230	224	105	107	103
Feb.	240	246	214	245	227	235	273	232	224	105	107	103
March	241	248	215	246	228	237	276	232	225	105	107	103
April	240	247	216	247	229	235	272	233	225	105	107	103
May	239	245	216	246	228	233	268	233	226	109	115	104
June	239	245	216	245	229	233	266	233	226	109	115	104
July	242	249	217	247	229	240	270	235	231	109	115	104
Aug.	243	250	218	246	229	243	274	234	231	109	115	104
Sept.	242	248	217	244	228	242	270	233	230	109	115	104
Oct.	242	248	215	244	229	242	270	233	230	109	115	104
Nov.	242	249	216	244	229	243	272	232	231	109	115	104
Dec.	..	..	..	..	..	..	..	..	..	109	115	104

Period	Cost of living Oct. 1951 = 100						Consumer prices Oct.—Dec. 1957 = 100					
	Total	Food- stuffs	Rent	Heating and lighting	Clothing	Other	Total	Food- stuffs	Rent	Heating and lighting	Clothing	Other
1964	170	184	364	114	107	164	133	135	135	110	132	134
1965	178	195	377	115	109	173	140	144	140	111	135	141
1966	185	202	392	119	111	182	145	149	145	116	138	148
1965 Dec.	180	197	387	115	110	176	142	145	143	112	136	144
1966 Jan.	181	197	387	115	110	177	142	145	143	112	136	145
Feb.	181	198	387	117	110	178	142	145	143	113	136	145
March	182	199	387	117	110	178	143	146	143	114	136	145
April	183	200	388	117	110	179	144	147	144	114	137	146
May	184	204	388	117	110	179	145	150	144	114	137	146
June	184	204	388	118	110	180	145	150	144	114	137	146
July	185	204	392	118	111	181	145	150	145	115	137	148
Aug.	186	204	392	118	112	183	146	150	145	114	139	149
Sept.	187	204	392	120	113	185	147	150	145	117	140	151
Oct.	188	203	401	124	113	186	147	149	149	120	140	152
Nov.	189	204	401	125	113	187	148	150	149	122	140	153
Dec.	189	205	401	126	113	189	149	150	149	122	140	154

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	Investment goods	Other producer goods	Consumer goods	Special indexes of manufacturing				Total, adjusted for normal seasonal variations		
					Wood industry	Paper industry	Metal industry	Other			
1963	138	144	141	131	121	155	140	133	140	47 780	169
1964	148	149	154	136	129	170	148	143	148	53 200	156
1965*	157	161	164	143	130	180	161	150	158	51 905	170
1965*											
April	154	159	159	143	142	170	158	149	157	5 674	188
May	161	161	168	146	145	188	163	152	157	11 698	181
June	150	164	151	143	131	151	162	148	161	2 162	164
July	121	98	132	105	116	176	98	113	159	1 400	155
Aug.	159	144	165	151	112	189	148	158	159	2 082	173
Sept.	171	178	176	156	128	196	177	164	159	2 844	186
Oct.	170	181	176	152	131	195	181	164	157	2 856	184
Nov.	168	173	174	153	119	182	172	166	159	3 317	181
Dec.	156	167	160	142	120	160	169	148	159	3 842	196
1966*											
Jan.	157	162	163	142	116	170	165	148	159	4 219	131
Feb.	157	162	163	144	125	175	166	149	160	4 742	148
March	179	184	186	164	151	205	185	171	162	4 198	175
April	160	157	162	155	139	170	157	161	163	3 177	174
May	167	161	172	157	136	188	161	165	163	12 681	180
June	157	155	157	156	125	171	154	161	162	2 305	174
July	118	70	131	104	98	184	78	115	157	910	157
Aug.	164	147	167	163	102	194	146	172	160	1 793	178
Sept.	175	171	179	167	124	203	172	173	163	2 630	199
Oct.	183	173	191	169	114	213	177	185	169	3 116	188
Nov.	181	173	188	168	106	205	177	186	171	3 048	188

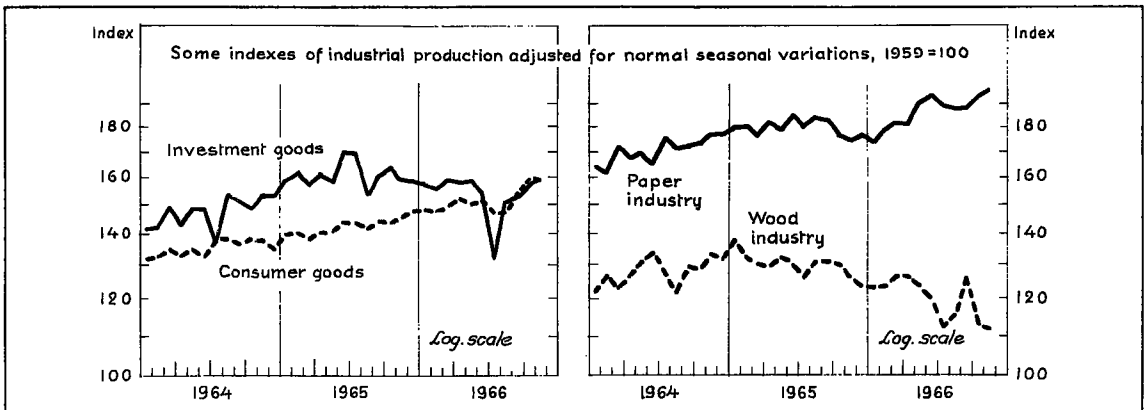


March 1963 figures are affected by strikes. Seasonally adjusted series are corrected for estimated strike effects.

**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		
								Agri-culture	Forestry	Manu-facturing
1963	25.16	12.81	2.29	6.62	2.44	26.28	145	136	144	143
1964	24.59	10.57	2.43	7.61	2.80	28.75	164	156	172	162
1965	27.04	10.96	2.58	9.20	3.12	31.31	179	177	188	176
1965										
Apr.-June	5.57	2.03	0.40	1.72	1.18	32.68	179	173	189	176
July-Sept.	7.15	2.57	0.97	2.27	0.87	35.65	180	177	195	176
Oct.-Dec.	9.76	4.43	0.98	3.44	0.57	31.31	180	180	180	177
1966*										
Jan.-Mar.	4.92	2.30	0.24	1.85	0.42	29.60	184	187	184	181
Apr.-June	4.55	1.99	0.41	1.34	0.55	35.78	188	200	187	185
July-Sept.	7.15	2.36	0.99	2.09	1.20	38.83	..	..	..	..

Period	Railways		Foreign shipping				Labour input		Unemployment	
	Goods trucks loaded Thousands		Vessels arrived with cargo — 1 000 net reg. tons				1 000 man-months		% of total labour force	
	1965	1966*	1965	1966*	1965	1966*	1965	1966*	1965	1966*
Jan.	118	118	689	724	548	560	1 877	1 896	2.0	2.2
Feb.	124	118	549	434	452	270	1 860	1 869	1.6	2.4
March	144	140	678	519	494	344	1 839	1 877	1.7	2.1
April	138	134	721	624	601	557	1 884	1 905	1.7	2.0
May	132	136	969	1 092	773	884	1 940	1 953	1.1	1.3
June	129	131	1 192	1 364	1 111	1 217	1 960	1 905	1.0	1.0
July	134	121	1 388	1 587	1 312	1 400	1 797	1 728	1.2	0.9
Aug.	138	138	1 351	1 366	1 251	1 287	1 893	1 833	1.2	1.1
Sept.	143	139	1 123	1 214	956	1 079	1 948	1 969	0.9	1.0
Oct.	139	140	1 090	1 091	868	867	1 946	1 955	1.2	1.2
Nov.	131	133	1 021	1 084	855	837	1 933	1 951	1.4	1.3
Dec.	115	120	905	995	769	815	1 888		2.1	



## 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 + Prepayments for exports. *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 — Finnish term liabilities (Treasury). *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, Prepayments for exports and Advances for stand-by stocks. *Liabilities* = Other cheque accounts + Other sight liabilities + Other Finnish term liabilities — Account of the Mortgage Bank of Finland Oy. — *Diagrams*. Left: *Net claims on other than banks* = Net foreign assets + Net claims on the Treasury + Net claims on the 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 monthly figures adjusted by the Bank of Finland Institute for Economic Research. *Revenue and expenditure*: All extra-budgetary funds are included, and figures are reported on a payment basis. — Annual figures will be published in separate articles. *Debt*: Index-tied bond loans are given at their nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to the Post Office Savings Bank minus cash holdings (net) of State departments. In principle, the change in this item = surplus (deficit) in the table on revenue and expenditure. The small divergence is due to the fact that the adjustment of the monthly figures is not as accurate as that of the annual (December) figures.

### FOREIGN TRADE

Pages 9—12. Figures supplied by the Board of Customs. *The unit value indexes* (p. 9): The indexes are calculated according to the Laspeyres formula. At the end of the year the arithmetic mean of the Laspeyres indexes corresponds to the annual level of the Fisher index formula. Seasonal variations are not eliminated. Terms of trade: the ratio of export indexes to import indexes. *Foreign trade by countries* (p. 12): imports by countries of purchase, exports by countries of sale.

### PRICE INDEXES

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

### PRODUCTION — INTERNAL TRADE

Page 14. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The weight of each group represents the ratio of its value added to the total value added of industrial production in the base year. The seasonally adjusted series is calculated by the Bank of Finland Institute for Economic Research on the basis of the index of industrial production per working day; for the method of calculation of series adjusted for normal and specific seasonal variations see Bulletin No. 8, 1961, p. 18. Other seasonally adjusted series are calculated 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 indexes: wood industry ISIC no. 25, weight 6.6, paper industry no. 27, weight 13.1, metal industry nos. 34—38, weight 23.5, and other manufactures nos. 20—24, 26, 28—33, 39, weight 44.0. *Commercial timber fellings* calculated by the Ministry of Communications and Public Works. Beginning June 1964 an additional series has been collected by a new sample method. As the compilation of old series has been ended, the figures since July 1965 have been calculated by extrapolating the level of old series with the percentage changes of the new series. These calculations have been made by the Bank of Finland Institute for Economic Research. *Wholesale trade volume index*, calculated by the Ministry of Finance. Based on sales statistics compiled by the daily Uusi Suomi, covering about 50 % of all internal wholesale trade. Price fluctuations have been eliminated by means of the revised wholesale price index.

### BUILDING — WAGES — EMPLOYMENT — TRANSPORT

Page 15. *Building* figures supplied by the Central Statistical Office. *Index of salary and wage earners' earnings* calculated by the Central Statistical Office. Beginning 1957, the weights employed are determined according to the structure of total earnings in 1957; for 1954—1956, the weights are in accordance with earnings in 1951. *Railway* figures supplied by the Board of Railways. *Shipping* figures supplied by the Shipping Board. *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, 1962, to March 1, 1968, 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: Social Democrats 55, Centre Party 49, People's Democrats 41, Conservatives 26, Swedish Party 12, Liberal Party 9, Social Democratic League 7 and Finnish Farmers' Party 1. After a change of parties by one member, the Centre Party now holds 50 seats and the Liberal Party 8 seats.

### 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 (1965): 4.6 million. Sweden 7.7, Switzerland 5.9, Denmark 4.8 and Norway 3.7 million.

DENSITY OF POPULATION (1965): In South Finland 25.7, in North Finland 4.2 and in the whole country an average of 15.1 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1965): 56 % of the population inhabit the rural areas, 44 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 505 900 inhabitants, Tampere (Tammerfors) 142 000, Turku (Åbo) 140 400.

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 (1965): 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 (1965): births 16.9 ‰, deaths 9.6 ‰, increase 6.1 ‰. Deaths in France 11.1 ‰ and Great Britain 11.5 ‰.

### TRADE AND TRANSPORT

NATIONAL INCOME (1965, in million marks) Gross domestic product at factor cost by industrial origin: agriculture 2 174 (9 %), forestry and fishing 2 087 (9 %), manufacturing 6 709 (29 %), construction 2 259 (10 %), transport and communication 1 672 (7 %), commerce, banking and insurance 3 036 (13 %), public administration 946 (4 %), other services 4 396 (19 %), total 23 279. Index of real domestic product 168 (1954 = 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 137 for 1965 (1954 = 100). Measure of self-sufficiency in bread cereals 91 % in the crop year 1964/65.

INDUSTRY (1963): Gross value of industrial production 15 500 mill. marks, number of workers 347 000, salaried employees 73 200, motive power (1963) 4.4 mill. HP. Index of industrial production 138 for 1963 (1959 = 100).

RAILWAYS (Jan. 1, 1966): Length 5 532 km, of which 5 458 km are State and 74 km private railways. The gauge of State railways 1,524 m.

MERCHANT FLEET (Dec. 31, 1966): Steamers 123 (211 426 gross reg. tons), motor vessels 393 (793 494 gross reg. tons), sailing vessels with auxiliary engines 25 (3 113 gross reg. tons). Total 541 (1 008 033 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1965): Passenger cars 454 300, lorries and vans 81 100, buses 7 000, others 3 600. Total 546 000.

SCHEDULED AIR TRAFFIC OF FINNISH COMPANIES (1965): Kilometres flown 13.0 million, passengers carried 721 451, passenger kilometres 370.5 million, and ton kilometres of freight and mail 7.0 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). On Jan. 1, 1963, the value of the mark was raised to one hundred times its former value. The official par value of the new unit is 3.20 marks to the U.S. dollar. Finland has been a member of the International Monetary Fund since 1948.

MUNICIPAL FINANCES. In the finance accounts for 1964 expenditure amounted to 3 179 mill. marks. Total revenue was 3 165 million, of which income from taxation 1 575 million. The municipal income tax (non-progressive) averaged 12.00 % 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, 1965) There are two big and four small commercial banks with in all 747 offices, 366 savings banks, 489 cooperative credit societies and their central bank, six mortgage societies, and POSB. The savings departments of the cooperative stores accept deposits from the public. The National Pension Institute and sixty-five private insurance companies also grant credits.

RATES OF INTEREST (June 1, 1966). Bank of Finland discount rates 6—7 ½ %. Other credit institutions: term deposits 4 ½ %, 12 months' deposits 6 %, 100 per cent index-tied deposits 3 %, 50 per cent index-tied deposits 4 %; highest lending rate 10 %.

# THE BUILDING COST INDEX, 1964 = 100

BY

EERO HEIKKONEN, Mag. Pol.

CHIEF ACTUARY OF THE CENTRAL STATISTICAL OFFICE

The new building cost index the publication of which starts this year is the third one in succession in Finland. The first index covers the years 1922—1951. The weights used in these calculations were based on the cost structure of three 5-6-storey stone apartment houses built in Helsinki in 1931—33. The base year was 1935. Up to 1939 the calculations were made on an annual basis; from that year onwards they were made on a quarterly basis. The publication of the index was started in 1942; up to this year the calculations were made retrospectively. The base year of the second building cost index, calculated on a monthly basis, is 1951; the weights are based on data concerning the building costs of five 4-storey stone apartment houses built in Helsinki in 1948—50.<sup>1</sup> At the beginning of 1955 the calculations of the index were transferred from the Bank of Finland to the Central Statistical Office. The results are published in the *Bulletin of Statistics*.

Both the calculators and the users of the building cost index are well aware that a revision of the index is necessary every 4—5 years. For various reasons the revision has, however, been postponed. The basic calculations for the new index and plans to calculate it continuously have been made by the Laboratory of Building Economy of the State Institute for Technical Research. In addition,

experts from the building firms and the Central Statistical Office have participated in compiling the index. Some aspects of the new building cost index are discussed in the following.

## GENERAL

The new building cost index is a Laspeyres price index with base period weights; the cost of labour, of raw materials and of using real capital are weighted together. The index thus represents the costs of the contractor excluding his profit and compensation for his own work. Also this new index illustrates the development of the building costs of an apartment house. Since e.g. the share of three-storey or higher stone apartment houses in the total cubic capacity of stone houses completed in 1964 was more than 45 per cent and their share in the cubic capacity of all houses completed that year was over 30 per cent, the new index may be regarded as a fairly good indicator of the development of building costs in house construction. Certain other calculations have also shown that the cost structure of the new building index is roughly the same as that of typical school and office buildings.

It is only in the city of Helsinki that the development of building costs and prices is recorded also by the new index. However, since the changes in the prices of building

---

1. The above building cost indices have been discussed in the 1942 and 1952 issues respectively of Series A of the publications issued by the Bank of Finland. (Published in Finnish and Swedish.)

materials are presumably similar throughout the country and also since the estimates of the development of labour input costs are based on the collective agreements, the new index may be regarded as showing the price development of house construction in the whole country. When the new index was being compiled, an effort was made to construct the sub-indices in such a way that with different combinations of these indices changes in the costs of production of other than apartment buildings can also be estimated. Even after the introduction of the new index the measurement of the development of building costs in Finland is still incomplete. The changes in the quality of buildings and the increase in productivity add to the measuring difficulties. Besides developing new indices an endeavour has also been made to improve the method of measurement by making use of the information on the actual building cost of separate buildings collected for the statistics on house construction.

However, an advantage of the new index is that the weight structure corresponds better to the prevailing situation than was the case in the previous index. The relationship between the cost of labour and that of materials especially has been adjusted; also, the choice of materials corresponds better to the present use. The share of special contracts and heating, piping and ventilation work in the new index accords with the present situation in house construction.

#### CHOICE OF WEIGHTS USED

The weights used in the calculation of the new index have been gradually arrived at in the following way. The starting point was the structure of costs of an apartment house completed in 1964. This is a four-storey house with 3 entrances, its cubic capacity is 10 000 cu.m. and the total floor area 2 200

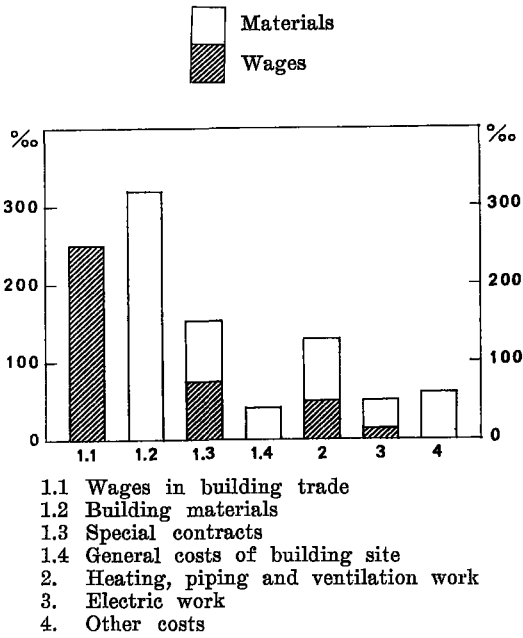
sq.m. The physical features of the house are roughly the same as those of an average apartment house completed in 1964. The weights were compared with the cost structure of some state subsidized ARAVA apartment houses completed at about the same time, together with that of different building firms according to the data collected by the Central Statistical Office, and information on total quantity produced and value of production of the most essential inputs in house construction. In this way an effort was made to eliminate random factors in the choice of weights and to enable the sub-indices to be used as components for other indices. The physical features of the ARAVA houses, used in the comparison, can compare quite well with those of the house upon which the index is based. However, data on the production of certain building materials and that from the balance sheets of building firms are not fully comparable with the above data, for they either represent total production or include all construction works. Therefore the information from these sources was mainly used in the calculation of weights of such sub-indices, the structure of which is presumably the same in all house construction.

#### THE WEIGHTS OF THE INDEX

The input items have been divided into homogeneous groups and the terms for building materials are the same as in the industrial statistics of Finland. Otherwise the grouping follows general practice.

Each sub-contract is divided into two components, the cost of labour and the cost of materials; the former also includes the salaries of administrative staff and the latter other overall costs in case the contract was to cover these expenses. Since the share of these costs in total costs is rather insignificant and they are hard to measure, their development has not been explicitly followed.

STRUCTURE OF THE NEW BUILDING COST INDEX



The appended table indicates the proportional weights of the cost of labour and the cost of materials in separate sub-indices. The building materials the price development of which is used in the calculation of the index are the most common ones for stone apartment houses. Some products, which are not usually employed in building apartment houses are, however, also included in the basic indices. This is so that they can be used in calculating total indices for other types of buildings where only the structure of weights has to be changed.

The above chart illustrates the structure of the index showing the main sub-indices divided into the cost of material and the cost of labour. It can be concluded that the share of the labour input on the building site in the total value of the building is 39 per cent in the new index. Due to rationalisation of building work this percentage share is lower than in the basic budget of the previous building cost index of 1951, where it was 42.

BASIC DATA AND CALCULATION OF THE INDEX

The development of the labour input costs in the index is followed according to the wage agreements concluded; the basic information is obtained both from the employers' representatives and from the actual agreements made. Data on the cost of materials is collected from wholesalers of building materials in Helsinki and, in principle, these prices, after normal average reductions, are used in the index.

The index is calculated by the Central Statistical Office from the beginning of 1967 and it is published monthly in the Bulletin of Statistics. The index numbers calculated on the basis of the revised weight system will be published retroactively for the years 1964—66. The index is based on data for the middle of each month. So e.g. the changes in wage agreements are taken into consideration in the index figures of each month if they have taken place on or by the 15th of the month.

STRUCTURE OF WEIGHTS OF THE BUILDING COST INDEX, 1964 = 100

Grouping of items	Proportional weight	Grouping of items	Proportional weight
Total cost	1000	1.214. Other clay, glass and stone products	8.5
1. Building work	760	1.22. Products of woodworking industry	134
1.1. Wages in building trade	251	1.221. Sawn timber	37
1.2. Building materials	319	1.222. Building plates	7
1.21. Clay, glass and stone products	140	1.223. Carpenter's products	90
1.211. Concrete products	112	1.23. Metal industry products	45
1.212. Brick industry products	8.5	1.3. Special contracts	152
1.213. Insulation	11		

Grouping of items	Proportional weight	Grouping of items	Proportional weight
1.31. Glass-fitting .....	6	2. Heating, piping and ventilation work ....	130
1.311. Wages of glass-fitters ..	1	2.1. Piping work .....	126
1.312. Window glass .....	5	2.1.1. Wages of the trade .....	44
1.32. Sheet metal work .....	8	2.1.2. Heaters and heating plants ....	37
1.321. Wages of sheet metal workers .....	—	2.1.3. Water pipes and sewers .....	39
1.322. Sheet metal .....	3	2.1.4. Pipe insulation .....	6
1.33. Water-proofing .....	2	2.1.4.1. Wages of insulation work ..	4
1.331. Wages of asphalt workers ..	0.5	2.1.4.2. Materials .....	2
1.332. Roof felts .....	1.5	2.2. Ventilation work .....	4
1.34. Painting .....	71	2.2.1. Wages of the trade .....	2
1.341. Wages of painters .....	43	2.2.2. Materials .....	2
1.342. Paints .....	28		
1.35. Floor work .....	20	3. Electric work .....	50
1.351. Wages of floor workers ..	5	3.1. Wages of electricians .....	15
1.352. Floor materials .....	15	3.2. Materials .....	35
1.36. Rock blasting and earthmoving work .....	12	3.2.1. Cables and leads .....	5
1.361. Wages of the trade ....	7	3.2.2. Centrals and switch boards ....	3
1.362. Material costs .....	5	3.2.3. Installation materials .....	4
1.37. Asphalt work .....	4	3.2.4. Kitchen machinery .....	16
1.371. Wages .....	1	3.2.5. Lighting appliances .....	5
1.372. Material .....	3	3.2.6. Low-current devices .....	2
1.38. Lifts .....	29		
3.1. Wages of electricians ..	17	4. Other costs .....	60
1.381. Lifts with machinery ..	12	4.1. Designing fees .....	36
1.4. General costs of building site .....	38	4.2. Construction time interest payments	24

BUILDING COST INDEX, 1964=100

Year and month	Total index	Building work	Wages in building trade	Building materials	Special contracts	General costs of building site	Heating piping and ventilation work	Electric work	Other costs
		(1.)	(1.1)	(1.2)	(1.3)	(1.4)	(2.)	(3.)	(4.)
1964									
I .....	95.4	95.4	92.1	97.0	96.5	99.2	94.6	96.3	95.3
II .....	97.6	97.6	97.6	97.2	98.1	99.2	97.4	97.6	97.6
III .....	98.8	98.9	99.8	98.0	99.4	99.2	97.9	99.5	98.7
IV .....	99.5	99.7	100.5	99.2	99.7	99.2	98.4	99.7	99.4
V .....	99.9	99.9	100.5	99.4	100.2	99.2	99.9	99.7	99.9
VI .....	100.2	100.2	100.5	100.0	100.4	99.2	100.3	99.7	100.2
VII .....	100.4	100.5	100.5	100.5	100.5	100.2	100.4	99.7	100.4
VIII .....	100.6	100.6	100.5	100.8	100.5	100.2	100.9	100.3	100.6
IX .....	100.7	100.6	100.5	100.9	100.5	100.2	101.2	101.1	100.8
X .....	102.2	102.1	102.7	102.2	101.3	101.4	102.8	101.8	102.2
XI .....	102.3	102.2	102.7	102.4	101.3	101.4	103.0	102.4	102.4
XII .....	102.4	102.3	102.7	102.4	101.6	101.4	103.2	102.2	102.5
I—XII .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1965									
I .....	104.4	104.3	106.4	103.1	103.6	102.9	105.2	103.4	104.9
II .....	104.4	104.3	106.4	103.1	103.7	102.9	105.3	103.4	104.9
III .....	104.7	104.6	106.4	103.7	103.7	102.9	105.3	103.2	105.4
IV .....	104.6	104.5	106.4	103.5	103.7	102.9	105.3	103.2	105.3
V .....	104.8	104.7	106.4	103.5	103.8	106.3	105.3	104.8	105.6
VI .....	105.0	104.8	106.4	103.8	104.1	106.3	105.3	104.8	106.3
VII .....	105.0	104.8	106.4	103.7	104.1	106.3	105.3	104.8	106.9
VIII .....	105.0	104.8	106.4	103.8	104.1	104.6	105.3	104.8	107.5
IX .....	105.1	104.8	106.4	103.8	104.1	106.3	105.6	104.8	107.5
X .....	105.1	104.8	106.4	103.8	104.1	106.3	105.6	104.8	108.1
XI .....	105.1	104.8	106.4	103.8	104.1	106.3	105.7	104.8	108.1
XII .....	105.1	104.8	106.4	103.7	104.1	106.3	105.7	104.8	108.1
I—XII .....	104.8	104.7	106.4	103.6	103.9	105.2	105.4	104.3	106.5

(Cont.)

1966									
I .....	105.0	104.6	106.6	102.8	104.5	106.3	105.8	104.8	108.0
II .....	105.1	104.7	106.6	103.1	104.8	106.3	106.0	104.8	108.1
III .....	105.2	104.8	106.6	103.2	104.9	106.3	106.0	106.4	108.3
IV .....	105.3	104.8	106.6	103.2	105.0	106.3	106.0	107.2	108.3
V .....	108.9	108.5	115.0	103.6	108.9	106.3	110.1	107.2	112.9
VI .....	109.0	108.6	115.0	103.7	109.1	106.3	110.2	107.2	113.1
VII .....	109.3	108.8	115.0	104.0	109.1	106.3	111.0	107.2	113.4
VIII .....	109.3	108.8	115.0	104.0	109.1	106.3	111.0	107.2	113.4
IX .....	109.2	108.8	115.0	104.0	109.1	106.3	110.7	107.2	113.3
X .....	109.3	108.9	115.0	104.3	109.1	106.3	110.8	107.2	113.4
XI .....	109.4	108.9	115.0	104.2	109.4	106.3	111.3	107.3	113.5
XII .....	109.4	108.9	115.0	104.2	109.4	106.3	111.3	106.9	113.5
I—XII .....	107.9	107.4	112.2	103.7	107.7	106.3	109.2	106.7	111.6

## ITEMS

**Finland raises \$12 000 000 in Europe.** On January 19, 1967, the Republic of Finland issued a bond loan of \$12 000 000 for public subscription in Europe. The underwriting syndicate is led by Banque Lambert S.C.S., Banque de Bruxelles S.A., Euramerica-Finanziaria Internazionale, S.p.A. and Pierson, Heldring & Pierson.

The bonds are to mature on January 15, 1977 and they have been issued at 98 per cent with interest at a rate of 7 ¼ per cent. The bonds will be redeemed by 10 equal annual sinking fund payments commencing January 15, 1968. The principal and the interest on the bonds are payable in U.S. currency.

The bonds are to be quoted on the Luxembourg and Amsterdam Stock Exchanges.

\*

**Youth savings campaign.** A law aimed at promoting saving by young people came into force on January 1, 1967 covering deposits made by persons between the ages of 15 and 29 during 1967—71. The law does not state that a young depositor has to have a personal income. If he deposits during eight months of one calendar year a minimum of 25 marks each month and does not withdraw these minimum amounts

by the end of that year he is entitled to participate in a draw. If he makes the above deposit he is allowed one ticket in the raffle. The draw for every calendar year takes place at the Treasury Office, the latest date being at the end of June of the following year. Prizes — paid from Government funds — are divided into five groups: 30 000 marks, 10 000 marks, 5 000 marks, 1 000 marks and 100 marks. The number of prizes in each group will be determined according to the total number of deposits. The total value of the prizes is at least one per cent of the minimum end-of-year amount of deposits made by those young depositors entitled to be included in the draw. A young depositor who has previously been included can take part again if he has not withdrawn the minimum deposits he has made earlier until the end of that calendar year when the drawing has last taken place, and in addition if he has deposited during eight months of that year a minimum of 25 marks each month.

\*

**Investment inquiry in October 1966.** Since autumn 1962 the Bank of Finland Institute for Economic Research has conducted semi-annual investigations into fixed investment

	Fixed investment Mill. mk		Percentage change
	1965	1966	1966/65
<i>Manufacturing</i>			
Machinery, equipment <sup>1</sup>	888	948	+ 7
Building .....	431	394	- 8
Other construction ...	109	104	- 4
Other .....	26	18	-30
Total	1 454	1 464	+ 1
<i>Total industry</i>			
Machinery, equipment <sup>1</sup>	996	1 071	+ 7
Building .....	461	426	- 7
Other construction ...	183	190	+ 4
Other .....	26	18	-30
Total	1 666	1 705	+ 2

1. Including motor cars and other means of transportation.

in industry. Questionnaires have been sent to nearly 700 undertakings, chosen by sample, and each time over 90 per cent of the questionnaires have been returned.

The above figures for 1966 are estimates given by firms in October 1966. Total industry, besides manufacturing, includes mining, electricity production, gas-works and waterworks, etc.

The figures received in October reveal that the vigorous growth in fixed capital formation that prevailed for the two previous years reached an end in 1966, when economic activity in general showed a marked deceleration. The downward trend of investment in the wood and paper industry that has occurred during the last few years, continued. On the contrary, there was still a considerable growth in investment in the metal industry, while in other manufacturing branches investments started to decrease. In mining and electricity investment remained at quite a high level. As a result of this, the growth in investment in total industry was somewhat greater than in manufacturing proper during 1966.

Since the prices of capital goods rose by some 4 per cent in 1966, the estimates given

here imply that, in real terms, investment in total industry remained on a slightly lower level than in 1965.

\*

**Supplementary budgets.** The third supplementary budget for 1966 was approved by Parliament in October. The revenue amounted to 23 million marks mainly due to expected additional yields of the higher excise duties on tobacco and liquid fuel. The expenditure was increased by 9 million marks.

The fourth and last supplementary budget which was approved in December added 273 million marks to expenditure. Of this amount 74 millions were granted for maintaining the level of employment. The building of the Saimaa canal necessitated 20 millions more for 1966. Further, an additional 25 million marks were appropriated to cover the deficit of the State Railways. The amendments in the National Pensions Act and the Health Insurance Act required 46 million marks. The payments for price equalization were increased by 15 millions, the subsidy for domestic sugar production by 13 millions and state aid to communal elementary schools by 11 millions.

The revenue side of the fourth supplementary budget amounted to 443 million marks. The main item was a loan of 300 millions granted by the Bank of Finland in December. The additions to the estimates of the yields of the sales tax and some duties were entered as more than 50 million marks. The revenue also includes 30 million marks in refunds for the 1965 excess payments of the State share in national health insurance.

The amount of the total budgeted expenditure for the year 1966 was 7 422 million marks and the revenue 7 523 million marks.

# BANK OF FINLAND

## BOARD OF MANAGEMENT

KLAUS WARIS,  
*Governor*

ESKO K. LEINONEN

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

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

REINO ROSSI

HEIKKI VALVANNE  
*ad int.*

## DIRECTORS

HEIKKI VALVANNE

JOUKO J. VOUTILAINEN

## SECRETARIES

U. A. VATANEN

PERTTI TAMMIVUORI

K. IGNATIUS

JORMA ARANKO  
*(On leave of absence)*

## HEADS OF DEPARTMENT

G. ENGBERG,  
*Personnel*

C. G. SUNDMAN,  
*Foreign exchange  
(trade)*

P. BLOMQUIST,  
*Central Accounting*

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

A. KAJANTIE,  
*Internal Audit*

HELGE LINDSTRÖM,  
*Credits*

A. NENONEN,  
*Foreign correspondence*

K. EIROLA,  
*Accounts*

EINO SUOMELA,  
*Office*

STIG TÖRNROTH,  
*Cash*

## INSTITUTE FOR ECONOMIC RESEARCH

TIMO HELELÄ,  
*Director*