



BANK OF FINLAND

MONTHLY BULLETIN

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1967

FOREIGN TRADE

The total value of Finnish exports in January—July 1967 was 2 720 million marks or 7.5 per cent higher than the corresponding figure last year. As the total value of imports in the same period was 3 137 million marks, an increase of 3 per cent, the balance of trade in January—July 1967 showed a deficit of 417 million marks, as against 514 million marks recorded in the corresponding period last year. Not since 1963 has the deficit accumulated during the first seven months of the year been smaller than for this year.

The growth of exports in the first part of the year was mainly ascribable to exports of metal industry products, particularly ship deliveries to the USSR. At the same time the market prospects of the wood and paper industry products have been weak owing to the slow down prevailing in the western countries important to Finnish exports. The growth of imports has been primarily checked by the slackening of productive activity since early spring and by a resultant deceleration in the growth of domestic demand. On the other hand it is not yet possible to estimate how far the cash payment regulations, extended in April to cover one fifth of Finnish imports, have affected the growth of imports.

The temporary upswing around the turn of the year of the exports of wood and paper industry products was followed by a relapse in the second quarter. The export value of

VALUE OF EXPORTS AND IMPORTS MILLION MARKS

	1966 January—July	1967 January—July	Change in value per cent
<i>Exports (fob)</i>	<i>2 531</i>	<i>2 720</i>	<i>7</i>
Agricultural products ..	158	141	— 10
Round and hewn timber	29	29	± 0
Wood industry products	440	434	— 1
Paper industry products	1 269	1 299	2
Metal and engineering industry products	417	524	26
Other goods	219	293	34
<i>Imports (cif)</i>	<i>3 045</i>	<i>3 137</i>	<i>3</i>
Raw materials and accessories	1 314	1 338	2
Fuels and lubricants ..	236	340	19
Finished producer goods	685	700	2
Finished consumer goods	582	604	4
Passenger cars	179	155	— 13
<i>Balance of trade</i>	<i>— 514</i>	<i>— 417</i>	

wood and paper industry products was consequently no more than 1.4 per cent higher than in the corresponding period last year. In particular the market situation for wood industry products has been deteriorating due to the low level of building activity and the simultaneous reduction in stocks in the United Kingdom, the main purchaser country of Finnish wood industry products. The difficulties of disposing of pulp and paper products are by no means a problem for the Finnish paper industry alone but rather a feature which has already for some time characterized the world market for paper industry products.

**On page 18, National Income of Finland,
1964—1966**

Mainly as a result of the ship deliveries to the Soviet Union the export value of metal industry products exceeded by 26 per cent the corresponding figure last year. The favourable development of the largest remaining group of exports (see "other goods" in the above table), which includes chemicals, clothes, shoes, furniture, ceramics and food-stuffs, does not show any signs of levelling off.

Although the monthly import figures since May have been below the corresponding figures for last year, there was still an increase of 3 per cent, referred to above for the whole period under review. Approximately one half of the increase was due to a rise in prices, mainly in those of raw materials and producer goods. The value of imports of raw materials and producer goods, accounting for almost one half of total imports, rose by 2 per cent. The increase was greatest in the building and chemical industries while there was a substantial drop in imports of raw materials for agriculture. Imports of fuels and

lubricants which in the past few years have risen sharply do not yet show any signs of levelling off. The increase in value was 19 per cent.

In the last few months of the period reviewed the increase in imports of machinery and equipment has as a result of the decreased investment activity ceased completely so that the import value for the whole period is only 2 per cent higher than the corresponding value last year.

The gradual slow down in economic activity as well as the measures carried out by the Finnish authorities to damp down the growth rate of consumer demand and especially that of import demand show up in the figures for the imports of consumer goods in that the increase was only 4 per cent (excluding passenger cars) compared to 14 per cent in the previous year. The value of imports of passenger cars decreased by 14 per cent.

September 22, 1967

BANK OF FINLAND

Mill. mk

	1966		1967			
	Dec. 31	Aug. 31	Aug. 31	Sept. 8	Sept. 15	Sept. 22
BALANCE SHEET						
Assets						
<i>Ordinary note cover</i>	637.2	742.3	813.6	780.2	762.9	808.4
Gold	143.9	177.3	149.8	149.8	149.8	149.8
IMF gold tranche	100.0	100.0	—	—	—	—
Foreign exchange	312.0	380.6	587.1	553.1	536.0	581.7
Foreign bills	56.4	56.5	56.4	57.0	56.5	56.3
Foreign bonds	24.9	27.9	20.3	20.3	20.6	20.6
<i>Supplementary note cover</i>	1 063.7	892.5	903.1	839.4	882.4	927.5
Inland bills discounted						
In foreign currency	36.3	40.9	45.4	45.4	45.4	45.4
In Finnish currency	112.2	40.1	85.1	86.1	87.1	90.0
Rediscouted bills	915.2	811.5	772.6	707.9	749.9	792.1
<i>Other assets</i>	424.6	225.7	454.3	502.2	490.5	467.1
Finnish bonds	284.8	101.6	259.3	308.0	296.3	276.4
Cheque accounts	2.1	2.7	3.6	3.2	3.2	3.6
Finnish coin	11.7	10.4	15.3	15.6	16.0	16.0
Other claims	126.0	111.0	176.1	175.4	175.0	171.1
Total	2 125.5	1 860.5	2 171.0	2 121.8	2 135.8	2 203.0
Liabilities						
<i>Notes in circulation</i>	1 106.2	1 005.2	1 000.9	992.1	995.5	1 022.6
<i>Liabilities payable on demand</i>	179.6	113.3	145.1	99.6	89.2	126.4
Foreign exchange accounts	61.2	38.6	49.1	51.7	52.0	52.5
Mark accounts of holders abroad	16.2	17.2	13.8	13.6	13.6	13.5
Cheque accounts						
Treasury	39.8	3.1	23.6	4.7	0.5	15.2
Post Office Savings Bank	17.3	4.2	36.9	9.1	2.2	25.7
Private banks	13.8	19.4	1.6	0.2	1.2	—
Other	2.8	1.0	1.6	1.6	1.4	1.4
Other sight liabilities	28.5	19.8	18.5	18.7	18.3	18.1
<i>Term liabilities</i>	126.3	74.1	350.0	350.0	373.2	373.2
Foreign	84.6	41.0	204.0	204.0	204.0	204.0
Finnish	41.7	33.1	146.0	146.0	169.2	169.2
<i>Equalization accounts</i>	266.9	234.8	223.4	227.7	224.5	226.0
<i>Bank's own funds</i>	446.5	433.1	451.6	452.4	453.4	454.8
Capital	300.0	300.0	300.0	300.0	300.0	300.0
Reserve fund	112.6	112.6	129.5	129.5	129.5	129.5
Profits undisposed	—	—	—	—	—	—
Earnings less expenses	33.9	20.5	22.1	22.9	23.9	25.3
Total	2 125.5	1 860.5	2 171.0	2 121.8	2 135.8	2 203.0
STATEMENT OF NOTE ISSUE						
Right of note issue						
<i>Ordinary cover</i>	637.2	742.3	813.6	780.2	762.9	808.4
<i>Supplementary cover</i> (Upper limit 500 mill. mk; since Nov. 30, 1966, 700 mill. mk)	700.0	500.0	700.0	700.0	700.0	700.0
Total	1 337.2	1 242.3	1 513.6	1 480.2	1 462.9	1 508.4
Note issue						
Notes in circulation	1 106.2	1 005.2	1 000.9	992.1	995.5	1 022.6
Liabilities payable on demand	179.6	113.3	145.1	99.6	89.2	126.4
Undrawn on cheque credits	4.9	4.3	3.5	3.8	3.8	3.9
Unused right of note issue	46.5	119.5	364.1	384.7	374.4	355.5
Total	1 337.2	1 242.3	1 513.6	1 480.2	1 462.9	1 508.4

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
1966										
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
1967										
Jan.	602.7	46.1	556.6	82.5	97.8	541.3	8.3	— 1.1	1.1	6.1
Feb.	619.5	47.2	572.3	78.6	98.0	552.9	8.3	— 1.1	0.3	6.9
March	595.3	49.9	545.4	77.4	97.8	525.0	8.3	— 1.1	2.4	4.8
April	714.6	60.8	653.8	79.5	171.9	561.4	8.3	— 1.1	1.3	5.9
May	699.3	60.7	638.6	75.3	171.9	542.0	8.3	— 1.1	4.9	2.3
June	700.6	50.8	649.8	75.2	217.5	507.5	8.3	— 1.1	2.3	4.9
July	772.0	51.0	721.0	77.8	217.4	581.4	8.3	— 1.1	4.9	2.3
Aug.	736.9	49.1	687.8	76.7	217.8	546.7	8.3	— 1.1	23.6	—16.4

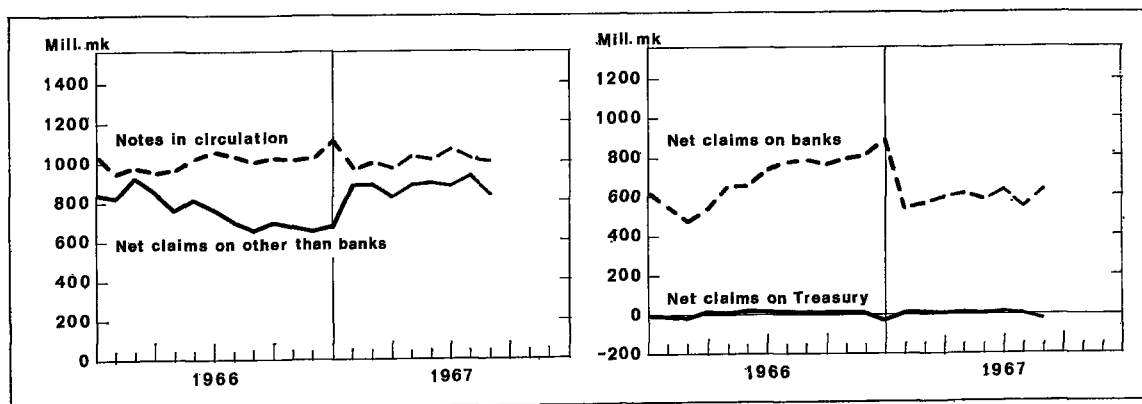
	Foreign exchange situation, mill. mk							
	Net holdings, Dec. 31, 1966			Net holdings, Aug. 31, 1967			Change in	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Aug.	Jan.-Aug.
Gold	144	—	144	150	—	150	—	+ 6
Convertible currencies	274	—189	85	337	—240	97	—22	+ 12
Other currencies	— 23	1	— 22	201	3	204	—12	+226
IMF gold tranche	100	—	100	—	—	—	—	—100
<i>Total</i>	495	—188	307	688	—237	451	—34	+144

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
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	4.4	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
1966										
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
1967										
Jan.	611.1	73.4	5.3	— 1.2	533.6	106.8	157.0	57.7	206.1	968.7
Feb.	637.9	64.5	14.7	— 0.7	559.4	88.0	152.5	55.4	185.1	991.7
March	728.5	101.4	29.7	— 1.0	598.4	98.2	158.1	59.9	196.4	964.9
April	753.2	115.6	28.8	— 1.3	610.1	107.9	155.7	60.0	203.6	1 033.5
May	774.2	120.7	75.6	— 5.0	582.9	95.8	166.8	60.8	201.8	1 010.6
June	775.1	125.4	22.7	— 1.3	628.3	82.3	203.8	58.5	227.6	1 062.1
July	761.6	79.2	143.8	+ 0.0	538.6	85.3	214.9	55.1	245.1	1 019.8
Aug.	772.6	93.7	54.2	0.1	624.6	85.1	216.8	55.5	246.4	1 000.9

¹⁾ Including cash reserve accounts in 1961 and from February 1967.



DEPOSITS BY THE PUBLIC — FOREIGN EXCHANGE RATES

Mill. mk

End of year and month	Sight deposits			Term deposits						Total (2+3+9)
	Cheque accounts		Postal giro accounts	Commercial banks	Savings banks	Co-op. credit societies & their central bank	Post Office Savings Bank	Savings departments of co-op. stores	All credit institutions	
	Commercial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
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
1966*	625.5	850.2	318.0	3 637.2	3 338.3	2 224.9	863.6	380.7	10 444.9	11 613.1
1966*										
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
Dec.	625.5	850.2	318.0	3 637.2	3 338.3	2 224.9	863.6	380.7	10 444.9	11 613.1
1967*										
Jan.	655.4	832.5	325.4	3 671.0	3 372.9	2 250.3	883.8	384.8	10 563.1	11 721.0
Feb.	649.8	823.8	381.9	3 700.9	3 413.2	2 275.9	897.9	389.1	10 677.2	11 882.9
March	616.5	801.3	340.1	3 723.5	3 448.5	2 312.3	906.8	399.1	10 783.2	11 924.6
April	559.8	731.8	351.6	3 758.3	3 466.1	2 323.7	908.0	394.2	10 850.5	11 933.9
May	596.1	777.8	337.6	3 782.6	3 596.1	2 348.4	908.3	392.1	10 928.7	12 044.1
June	548.1	720.5	361.6	3 766.3	3 463.5	2 306.2	906.1	387.2	10 829.5	11 911.6
July	581.9	755.5	316.5	3 775.0	3 464.2	2 316.0	908.5	386.0	10 849.9	11 921.9
Aug.	601.9	789.1	295.9	3 808.2	3 491.9	2 328.2	910.3	385.4	10 924.2	12 009.2

End of month	Index-tied deposits		High-interest deposits
	100 % clause	50 % clause	
1966*			
Oct.	2 000.1	44.8	831.4
Nov.	2 060.4	41.1	838.6
Dec.	2 184.4	31.9	836.7
1967*			
Jan.	2 340.9	25.9	834.5
Feb.	2 426.3	19.0	816.1
March	2 543.1	13.9	796.8
April	2 636.1	8.6	780.0
May	2 748.4	1.1	748.5
June	2 810.1	0.2	731.5
July	2 891.9	0.2	711.1
Aug.	2 961.7	—	699.2

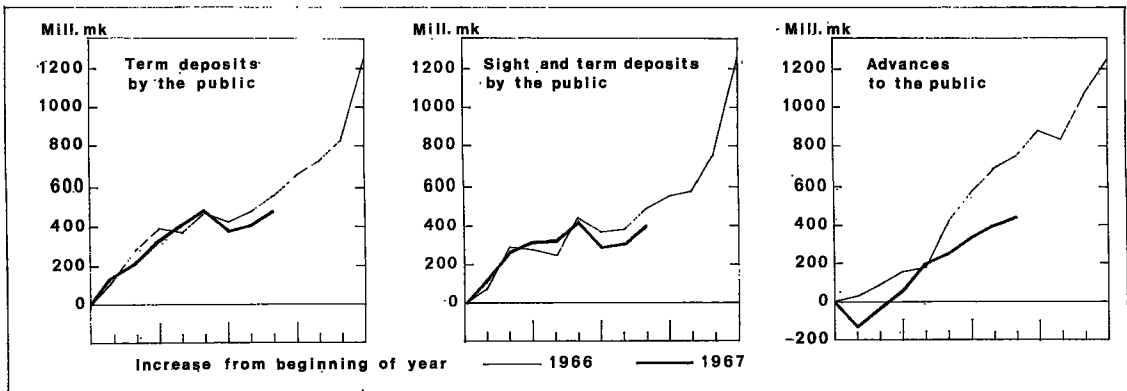
Selling rates for foreign exchange			
Sept. 22, 1967			
		mk	mk
New York	1 \$	3.224	Zurich 100 Fr 74.33
Montreal	1 \$	2.999	Paris 100 FF 65.75
London	1 £	8.975	Rome 100 Lit 0.5173
Stockholm ..	100 Kr	62.53	Vienna 100 S 12.50
Oslo	100 Kr	45.10	Lisbon 100 Esc 11.19
Copenhagen ..	100 Kr	46.49	Reykjavik 100 Kr 7.50
Frankfurt o. M.	100 DM	80.61	Madrid 100 Pta 5.40
Amsterdam ..	100 Fl	89.63	Moscow, clear. ¹⁾ 1 Rbl 3.5667
Brussels	100 Fr	6.495	Clearing dollars ²⁾ 1 Cl \$ 3.21

¹⁾ Bucharest.²⁾ 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
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
1966*	4 867.7	2 950.9	783.9	2 589.6	908.8	11 615.9	485.0	12 100.9	2 213.7
1966*									
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
Dec.	4 867.7	2 950.9	783.9	2 589.6	908.8	11 615.9	485.0	12 100.9	2 213.7
1967*									
Jan.	4 716.4	2 955.7	793.9	2 593.2	905.6	11 494.2	470.6	11 964.8	2 050.2
Feb.	4 793.3	2 969.8	804.6	2 590.2	901.2	11 570.9	488.2	12 059.1	2 112.8
March	4 857.3	2 978.6	819.1	2 600.9	901.0	11 632.5	524.4	12 156.9	2 042.7
April	4 912.3	3 011.0	830.0	2 616.2	926.2	11 766.6	529.1	12 295.7	2 084.7
May	4 920.4	3 044.2	825.7	2 633.5	928.7	11 846.7	505.8	12 352.5	2 080.8
June	5 014.7	3 063.0	832.8	2 601.5	924.4	11 882.8	553.6	12 436.4	2 105.1
July	5 028.9	3 092.9	838.8	2 614.8	924.7	11 970.8	529.3	12 500.1	2 035.9
Aug.	5 012.4	3 121.5	851.9	2 636.4	921.0	12 031.8	511.4	12 543.2	2 039.5



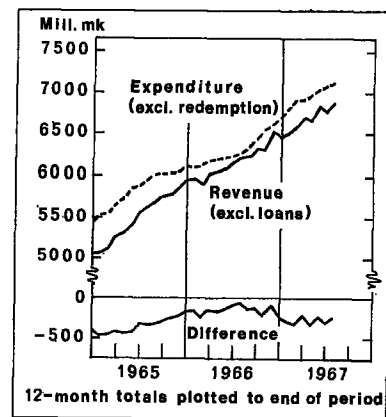
STATE FINANCES

Mill. mk

Revenue	Jan.—July		Expenditure	Jan.—July	
	1966	1967		1966	1967
Income and property tax (net)	1 003	1 134	Interest on State debt	135	123
Gross receipts	(2 417)	(2 813)	Child allowances	149	156
Refunds and communal income tax	(-1 414)	(-1 679)	The State's share in national pensions	156	174
Other direct taxes	14	14	The State's share in national health insurance	36	29
Sales tax	776	912	Compensations to war-disabled	82	93
Import duties	284	249	Subsidies	348	339
Revenue from Alcohol Monopoly ..	274	313	Net payments of price equalization	39	44
Excise duty on tobacco	226	232	State aid to agriculture	29	24
Excise duty on liquid fuel	247	274	State aid to communal and private schools	286	341
Other excise duties	60	80	Net loss of State enterprises	52	66
Tax on automobiles and motor cycles	117	137	Maintenance of roads	91	95
Tax on motor vehicles	34	43	Other current expenditure	1 308	..
Stamp duties	100	106	Current expenditure	2 711	..
Employers' payments for child allowances	251	282	Real investments ¹⁾	687	664
Other revenue similar to taxes	63	70	Other capital expenditure	340	..
Total taxes	3 449	3 846	Capital expenditure	1 027	..
Interest and dividends	60	90	Total expenditure	3 738	4 150
Other current revenue	162	133	Redemption of external loans	46	36
Current revenue	3 671	4 069	Redemption of internal loans	212	340
Capital revenue proper	94	114	Redemption of indemnity bonds etc.	0	0
Decrease in inventories	31	34	Index premiums	12	13
Capital revenue	125	148	Redemptions	270	389
Total revenue	3 796	4 217	Total expenditure	3 738	4 150
External loans	44	74	Redemption of external loans	46	36
Internal loans	482	358	Redemption of internal loans	212	340
Loans	526	432	Redemption of indemnity bonds etc.	0	0
Short-term credit (increase +) ..	-303	+ 4	Index premiums	12	13
Deficit (+) or surplus (-)	- 11	-114	Redemptions	270	389
Total	4 008	4 539	Total	4 008	4 539

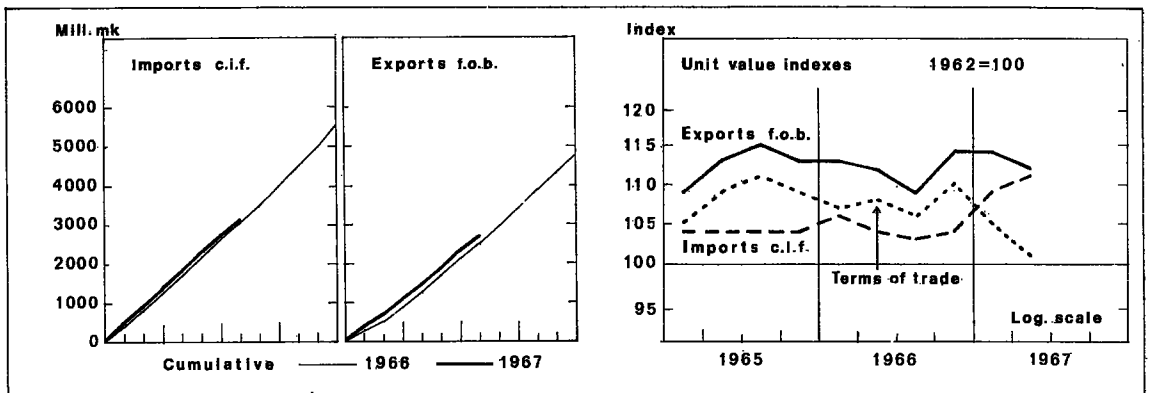
¹⁾ According to the calculations by the Economic Department of the Ministry of Finance.

Debt	1964	1965	1966	1967		
	Dec.	Dec.	Dec.	June	July	Aug.*
External debt	1 184	1 175	1 337	1 380	1 379	1 384
Ordinary loans	1 353	1 661	1 980	1 998	1 994	2 008
Indemnity bonds etc.	7	203	93	33	23	12
Short-term credit ..	177	163	95	102	99	94
Cash debt (net)	23	-101	-119	-123	-233	..
Internal debt	1 560	1 926	2 049	2 010	1 883	..
Total debt	2 744	3 101	3 386	3 390	3 262	..
Total debt, mill. \$	852.8	961.8	1 050	1 051.3	1 011.7	..



FOREIGN TRADE

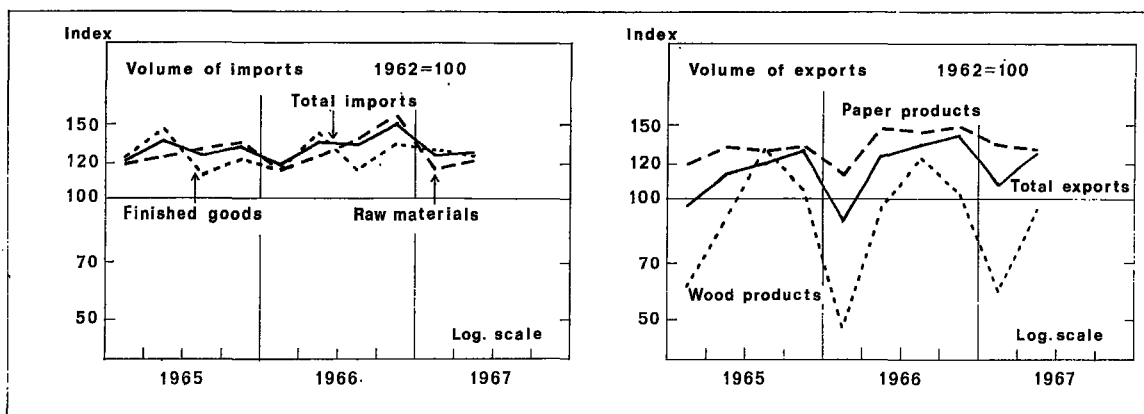
Period	Value mill. mk			Unit value indexes 1962 = 100						
	Imports c. i. f.	Exports f. o. b.	Surplus of imports (-) or exports (+)	Articles of export f. o. b.					Articles of import c. i. f.	Terms of Trade
				Total	Round and hewn timber	Wood industry products	Paper industry products	Metal, en- gineering industry products		
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
1966*	5 524.3	4 818.5	-705.8	112	112	122	105	119	104	108
Jan.-July										
1965	3 070.7	2 462.1	-608.6							
1966*	3 044.9	2 530.7	-514.2							
1967*	3 136.6	2 720.2	-416.4							
1966*										
July	411.6	404.8	- 6.8	109	110	121	105	104	103	106
Aug.	437.5	419.8	- 17.7							
Sept.	504.9	450.9	- 54.0							
Oct.	489.0	460.6	- 28.4							
Nov.	491.2	437.5	- 53.7	114	112	120	105	130	104	110
Dec.	556.9	518.7	- 38.2							
1967*										
Jan.	467.7	365.5	-102.2	114	108	119	106	130	109	105
Feb.	443.4	343.9	- 99.5							
March	434.0	378.5	- 55.5							
April	487.3	397.6	- 89.7							
May	481.8	404.4	- 77.4	112	110	118	106	120	111	101
June	421.7	457.5	+ 35.8							
July	400.7	372.8	- 27.9							



FOREIGN TRADE BY MAIN GROUPS

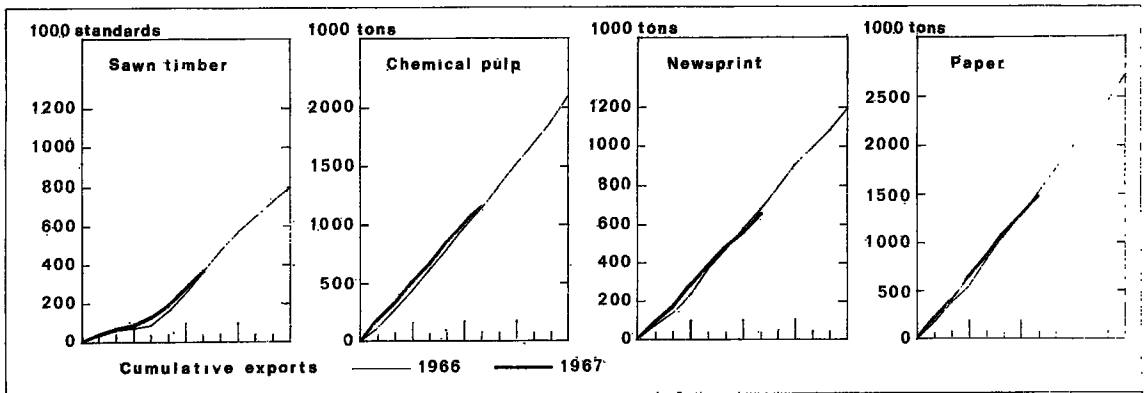
Mill. mk

Period	Imports, c.i.f.				Exports, .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						
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
1966*	2 450.4	589.8	1 448.5	1 035.6	264.0	59.0	863.5	2 297.0	877.5	457.5
Jan.-July										
1965	1 340.9	276.7	944.0	509.1	144.4	32.6	469.1	1 226.4	408.4	181.2
1966*	1 313.8	286.0	863.6	581.5	157.6	28.5	439.9	1 269.2	416.5	219.0
1967*	1 338.1	340.0	854.4	604.1	141.0	28.8	434.3	1 298.8	542.2	275.1
1966*										
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	112.3	98.5	17.5	5.1	73.8	196.2	93.2	51.7
Dec.	246.4	59.3	153.5	97.7	33.5	5.3	79.6	216.1	137.5	46.7
1967*										
Jan.	203.0	62.4	114.5	87.8	30.5	2.2	52.5	188.6	58.7	33.0
Feb.	176.9	38.5	134.0	94.0	11.6	2.2	41.0	180.5	74.4	34.2
March	176.8	41.4	121.8	94.0	15.6	3.2	41.5	199.0	79.0	40.2
April	203.1	54.6	128.7	100.9	31.1	5.8	56.9	187.1	72.1	44.6
May	212.1	49.0	129.7	91.0	15.0	5.2	71.6	190.0	78.1	44.5
June	184.6	46.3	120.6	70.2	24.6	5.0	85.6	175.7	118.5	48.1
July	181.6	47.8	105.1	66.2	12.6	5.2	85.2	177.9	61.4	30.5



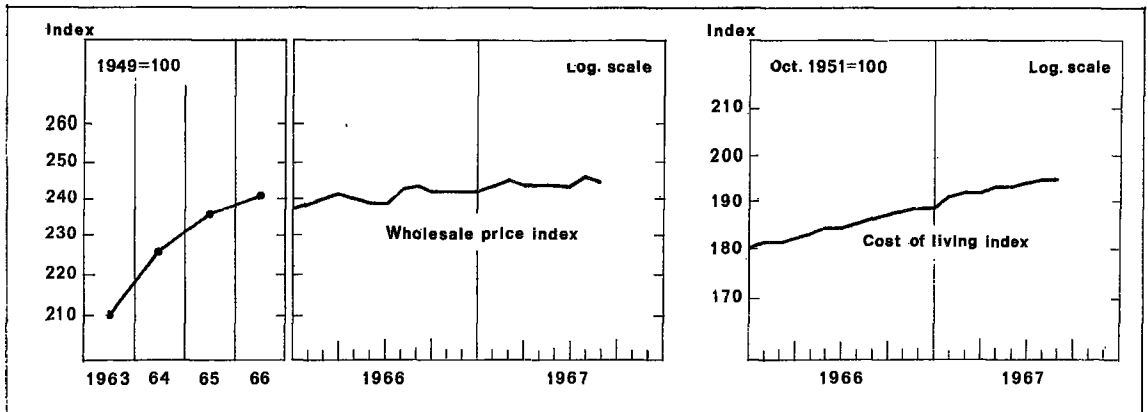
EXPORTS OF SOME IMPORTANT ARTICLES

Period	Round timber	Sawn timber	Veneers and plywood	Mechanical pulp	Sulphite pulp	Sulphate pulp	Board	Fibre building board	Newsprint	Paper, all kinds
	1 000 solid cu. m	1 000 stds	1 000 cu. m	1 000 tons	1 000 tons	1 000 tons	1 000 tons	1 000 tons	1 000 tons	1 000 tons
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
1966*	675	799	460	130	909	1 179	190	131	1 192	2 712
Jan.-July										
1965	473	431	262	93	538	597	106	87	592	1 393
1966*	328	373	278	82	519	618	107	78	679	1 515
1967*	382	374	272	62	491	663	110	78	655	1 495
1966*										
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
Dec.	64	67	51	8	83	132	17	11	112	246
1967*										
Jan.	21	39	40	8	74	104	15	12	90	219
Feb.	14	26	33	10	79	77	16	9	84	202
March	15	18	46	8	74	102	18	12	110	229
April	78	43	44	9	69	89	16	11	91	217
May	117	62	42	9	71	111	16	14	96	208
June	65	90	39	10	60	93	14	11	92	205
July	72	96	28	8	64	87	15	9	92	215



FOREIGN TRADE BY COUNTRIES

Area and country	Imports, c. i. f.					Exports, f. o. b.				
	Whole year		Jan.—July			Whole year		Jan.—July		
	1965	1966*	1966*	1967*		1965	1966*	1966*	1967*	
	%	%	%	%	Mill. mk	%	%	%	%	Mill. mk
Sterling area	15.8	16.6	17.1	16.8	529.3	22.8	22.6	23.9	22.7	616.4
United Kingdom	15.3	16.1	16.5	16.1	506.4	20.7	20.5	21.7	20.6	559.9
Other OECD countries										
in Europe	55.5	53.7	54.7	54.4	1 705.8	44.8	46.7	46.6	42.9	1 170.2
Austria	0.8	0.9	0.8	1.0	30.1	0.3	0.4	0.5	0.4	11.6
Belgium-Luxembourg	2.2	1.9	2.0	2.0	63.1	3.3	3.1	3.0	2.4	65.4
Denmark	3.1	3.5	3.4	3.2	101.2	3.9	3.5	3.4	3.5	95.7
France	4.2	4.3	5.0	4.2	130.2	4.4	4.5	4.8	4.4	119.4
Western Germany	18.9	17.0	17.8	16.9	531.1	11.2	11.1	11.0	8.5	230.8
Italy	1.9	2.0	2.1	2.1	67.0	3.0	3.0	3.0	3.3	89.8
Netherlands	4.2	3.6	3.5	3.5	110.4	6.0	5.8	5.6	5.2	142.2
Norway	1.9	2.1	2.0	2.1	65.7	1.1	1.8	2.0	2.0	54.4
Portugal	0.2	0.3	0.3	0.4	13.9	0.2	0.4	0.5	0.2	6.7
Spain	0.5	0.4	0.4	0.5	15.6	1.1	1.2	1.0	1.2	33.3
Sweden	14.0	14.1	13.9	15.1	471.7	7.5	8.8	8.7	8.8	239.5
Switzerland	2.9	3.1	2.9	3.0	94.4	0.7	0.9	0.9	1.0	28.2
Eastern Bloc	18.9	19.8	17.2	18.3	574.7	21.0	18.7	16.9	22.2	603.4
China	0.3	0.5	0.6	0.6	20.9	0.6	0.6	0.7	0.8	22.2
Czechoslovakia	0.7	0.6	0.7	0.7	20.4	0.6	0.8	0.7	0.4	11.0
Eastern Germany	0.9	0.9	0.8	0.8	25.8	0.8	1.0	0.9	0.7	18.9
Poland	1.9	1.6	1.4	1.4	42.6	2.3	1.4	1.4	1.6	43.6
Soviet Union	14.4	15.5	13.1	14.2	446.5	15.8	14.2	12.1	17.9	486.3
U.S. and Canada	5.2	4.9	5.2	4.5	141.6	6.2	6.6	6.9	6.2	167.4
United States	5.0	4.6	4.9	4.2	132.7	6.0	6.4	6.7	6.0	162.5
Latin America	1.6	2.8	3.0	2.7	84.1	3.8	2.9	3.1	3.3	90.6
Argentina	0.3	0.3	0.4	0.3	10.2	0.9	1.0	1.2	1.0	27.5
Brazil	0.3	1.3	1.3	0.9	29.7	1.4	0.4	0.4	0.9	23.3
Colombia	0.6	0.7	0.7	0.7	22.2	0.7	0.6	0.7	0.3	8.5
Other	3.0	2.2	2.8	3.3	101.1	1.4	2.5	2.6	2.7	72.2
Grand total	100.0	100.0	100.0	100.0	3 136.6	100.0	100.0	100.0	100.0	2 720.2
of which										
EFTA countries	38.2	40.0	39.9	40.9	1 283.4	34.3	36.4	37.6	36.6	996.0
EEC countries	31.4	28.8	30.4	28.8	901.8	28.0	27.5	27.3	23.8	647.6



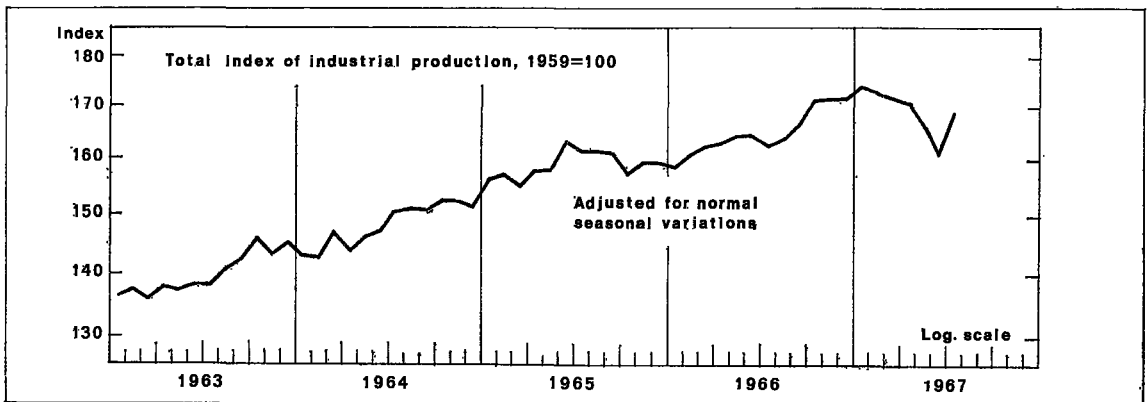
PRICE INDEXES

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	Machin- ery & 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	241	247	216	245	228	238	271	233	228	108	112	104
1966												
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.	242	249	216	244	229	243	273	232	231	109	115	104
1967												
Jan.	243	250	216	244	232	245	271	232	234	112	119	105
Feb.	245	253	216	243	233	251	276	232	235	112	119	106
March	244	251	216	243	233	248	273	232	235	112	119	106
April	244	251	216	242	236	248	271	231	235	112	119	105
May	244	251	216	242	236	248	273	230	235	112	119	105
June	243	250	217	242	236	247	271	231	234	114	123	106
July	246	254	216	241	235	254	279	230	236	114	123	106
Aug.	245	253	216	241	235	254	277	230	236	114	123	106

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
1966												
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
1967												
Jan.	191	205	403	127	114	193	150	151	149	123	141	157
Feb.	192	206	403	128	114	193	151	151	149	124	142	158
March	192	206	403	128	115	194	151	152	149	125	143	158
April	193	207	403	129	115	194	151	152	149	125	143	159
May	193	209	403	129	115	195	152	153	149	125	143	159
June	194	210	403	129	115	194	152	154	149	125	143	158
July	195	212	407	129	115	195	153	156	151	126	143	159
Aug.	195	212	407	130	115	195	153	156	151	126	143	159

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 indexes of manufacturing				Total, adjusted for normal seasonal variations		
					Wood industry	Paper industry	Metal industry	Other			
1964	148	149	154	136	129	170	148	143	148	53 200	156
1965	159	160	166	142	133	182	161	152	159	51 905	170
1966*	166	159	173	154	118	191	162	165	165	46 507	174
1965 Dec.	157	166	162	142	123	162	169	150	159	3 842	196
1966* Jan.	157	164	164	142	113	172	169	147	159	4 219	131
Feb.	159	165	166	145	122	177	169	151	161	4 742	148
March	181	186	189	166	149	207	189	173	162	4 198	175
April	162	159	165	156	136	172	160	163	163	3 177	174
May	168	163	176	158	133	190	165	167	164	12 681	180
June	159	157	160	157	122	173	158	162	164	2 305	174
July	120	73	133	107	96	186	81	118	163	910	157
Aug.	167	149	171	165	100	196	149	175	164	1 793	178
Sept.	178	173	184	168	121	206	176	177	166	2 630	199
Oct.	186	176	196	169	111	215	181	189	172	3 116	188
Nov.	182	176	191	167	104	208	181	186	172	3 048	188
Dec.	168	168	176	151	107	186	169	168	172	3 688	200
1967* Jan.	177	173	185	162	111	203	174	174	174	3 835	140
Feb.	171	175	176	160	130	187	175	169	173	5 079	161
March	175	181	180	164	134	196	177	170	172	5 029	177
April	182	177	188	173	140	205	174	184	171	4 492	191
May	171	168	175	166	136	186	168	172	167	9 435	190
June	156	159	154	160	107	157	156	164	161	2 148	175
July	125	80	138	112	92	185	82	124	169	955	..

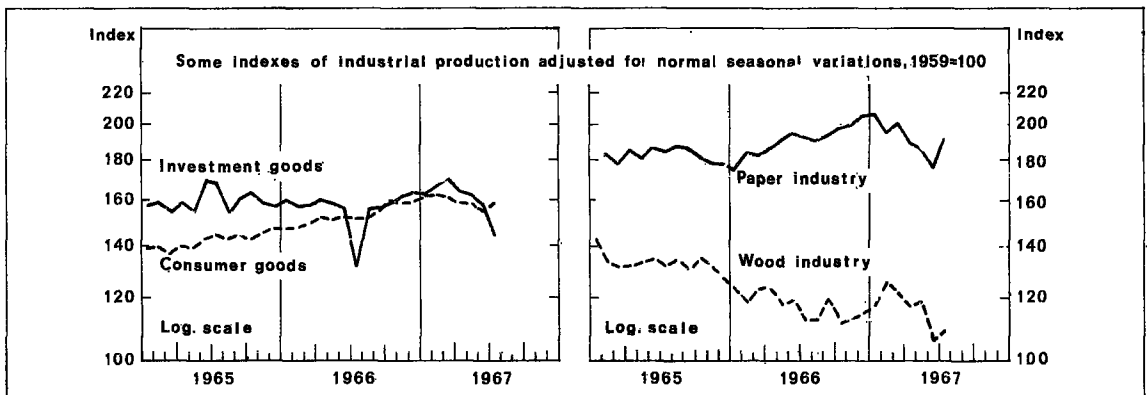


March 1963 figures are affected by strikes. Seasonally adjusted series are corrected for estimated strike effects.

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		
								Agriculture	Forestry	Manufacturing
1964	24.59	10.57	2.43	7.61	2.80	28.75	164	154	172	162
1965	27.04	10.96	2.58	9.20	3.12	31.31	180	177	192	176
1966	26.54	11.26	2.80	8.19	3.00	36.34	192	197	200	190
1966										
Jan.-Mar.	4.92	2.30	0.24	1.85	0.42	30.46	184	187	184	181
Apr.-June	4.55	1.99	0.41	1.34	0.55	35.78	191	200	212	188
July-Sept.	7.15	2.36	0.99	2.09	1.20	38.83	198	197	215	195
Oct.-Dec.	9.92	4.61	1.16	2.91	0.83	35.40	198	200	207	195
1967*										
Jan.-Mar.	6.12	2.47	0.31	2.66	0.50	32.67	205	207	207	201

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	
	1966	1967*	1966	1967*	1966	1967*	1966	1967*	1966	1967*
Jan.	118	123	724	840	561	692	1 896	1 846	2.2	3.1
Feb.	118	125	434	615	268	502	1 869	1 836	2.4	3.1
March	140	133	518	756	347	627	1 877	1 824	2.1	2.6
April	134	140	621	834	561	676	1 905	1 848	2.0	2.5
May	136	129	1 091	1 119	876	972	1 953		1.3	2.1
June	131	124	1 353	1 386	1 211	1 240	1 905		1.0	2.1
July	121	116	1 586	1 511	1 395	1 390	1 728		0.9	2.2
Aug.	138	130	1 367	1 436	1 286	1 371	1 833		1.1	
Sept.	139		1 213		1 077		1 969		1.0	
Oct.	140		1 086		856		1 955		1.2	
Nov.	133		1 089		830		1 955		1.2	
Dec.	120		994		805		1 912		1.7	



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. — Cash reserve accounts. — *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, 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 (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 (1966, in million marks) Gross domestic product at factor cost by industrial origin: agriculture 2 144 (9%), forestry and fishing 1 843 (8%), manufacturing 7 203 (29%), construction 2 406 (10%), transport and communication 1 798 (7%), commerce, banking and insurance 3 263 (13%), public administration 1 073 (4%), other services 4 898 (20%), total 24 628. Index of real domestic product 170 (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 (1964): Gross value of industrial production 17 450 mill. marks, number of workers 349 000, salaried employees 76 400, motive power (1964) 4.6 mill. HP. Index of industrial production 148 for 1964 (1959 = 100).

RAILWAYS (Jan. 1, 1967): Length 5 556 km, of which 5 545 km are State and 11 km private railways. The gauge of State railways 1.524 m.

MERCHANT FLEET (Aug. 31, 1967): Steamers 111 (191 125 gross reg. tons), motor vessels 400 (822 880 gross reg. tons), sailing vessels with auxiliary engines 18 (2 533 gross reg. tons). Total 529 (1 016 538 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1966): Passenger cars 505 900, lorries and vans 85 200, buses 7 200, others 3 800. Total 602 100.

SCHEDULED AIR TRAFFIC OF FINNISH COMPANIES (1966): Kilometres flown 14.5 million, passengers carried 768 757, passenger kilometres 409.7 million, and ton kilometres of freight and mail 7.9 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 1965 expenditure amounted to 3 628 mill. marks. Total revenue was 3 684 million, of which income from taxation 1 880 million. The municipal income tax (non-progressive) averaged 12.20% 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, 1966). There are two big and four small commercial banks with in all 783 offices, 356 savings banks, 483 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-four 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%.

NATIONAL INCOME OF FINLAND, 1964—1966

BY

PAAVO GRÖNLUND, *Mag. Pol.*

CHIEF AD INT. OF DIVISION OF THE CENTRAL STATISTICAL OFFICE

This article reviews the development of the major components of national income in 1964—66. Corresponding articles have been published in this Bulletin annually since 1957. The figures for 1966 and the first two quarters of 1967 are preliminary. The 1964 and 1965 figures have been adjusted and therefore they differ slightly from those given in last year's article.¹⁾ To provide a background for the statistical annex a brief summary is given of major economic developments since the beginning of the 1960's.

The following figures illustrate changes in the main components of supply and demand during the latest cyclical phases.

During the whole five-year period 1962—66 the average growth rate of total production was only 4 per cent against over 5 per cent in the previous five-year cycle 1957—61. However, the cyclical changes seem to have flattened out as compared with the 1950's.

The occurrence of cyclical changes is shown in detail by the following figures indicating percentage changes in the volume of gross national product on the corresponding period of the previous year.

	1961	1962	1963	1964	1965	1966	1967
1st qr	+8	+5	—1	+6	+5	—1	+5
2nd qr	+7	+2	+5	+3	+5	+1	+4
3rd qr	+6	+3	+4	+8	+4	+2	..
4th qr	+7	+3	+5	+9	+4	+6	..
Whole year	+7	+3	+3	+7	+5	+2	..

	Changes in volume, per cent		
	Average for 1962—63	Average for 1964—65	1966
Gross domestic product	+3	+ 6	+2
Imports	+2	+14	+5
<hr/> Total supply	+3	+ 7	+3
Exports	+5	+ 6	+5
Private consumption	+5	+ 5	+4
General government consumption	+9	+ 6	+3
Gross fixed capital formation	—1	+ 7	+1
<hr/> Total demand	+3	+ 7	+3

¹⁾ See No. 10, 1966.

It may be concluded on the basis of the figures that the first slow down of the 1960's started in the second quarter of 1962 and lasted for four quarters. It was followed by satisfactory growth for almost three years, until in the beginning of 1966 a new slow down took place. Despite the accelerated growth in the fourth quarter of 1966 the figures for the first two quarters of 1967 indicate that the period of slow growth seems to last somewhat longer than at the corresponding stage in 1963.

As to the different demand components, it may be noticed that all of them with the

exception of fixed capital formation show very steady progress in the latest five-year period. The direct cause of both the recent downturns has been the changes in investment demand, which on the one hand have reflected business expectations primarily in the export industries and on the other hand i.a. the financial difficulties in the house building sector.

A separate analysis of each of the different demand components makes it possible to explain further the structural changes which have taken place.

The following figures indicate the percentage shares of the different commodity groups in total commodity exports.

	1962	1963	1964	1965	1966
Wood and paper industry products .	67	70	71	68	66
Metal and engineering industry products	19	17	15	18	18
Other manufacturing products	5	6	7	8	9
Other goods	9	7	7	6	7
Total exports of goods	100	100	100	100	100

The total increase in the volume of exports of manufacturing products was 26 per cent over the five-year period while the volume of exports of other products decreased by 16 per cent. This decline was due to a sharp fall in the exports of forestry products. In the group of industrial products "other manufacturing products" displayed the strongest expansion with a volume increase to 2.2 times the level at the beginning of the period. Since the rise in prices in this group has been considerably above that of e.g. wood and paper industry products, its share in our commodity exports has increased steadily as well.

No major structural changes are noticeable in private consumption expenditure, the structure of which is illustrated in Table 4. However, attention can be drawn to the decline in clothing expenditure in 1965 on

the previous year. This decrease was clearly reflected in the volume of production of the textile industry, which fell by 4 per cent in 1965 on the previous year. In the clothing and footwear industries production had started to decline already in 1963. However, in 1966 there was some acceleration in the demand for clothes.

Table 5 shows the structural changes in fixed capital formation in 1964—66. In 1966 the growth of dwelling investments was still quite vigorous while a fall of 5 per cent occurred in the volume of other building investments. This together with the expansion of investments in machinery and equipment by only 1 per cent shows that investments of the corporate sector started to decline in 1966 although the total volume of fixed capital formation rose by 1 per cent.

The lack of basic statistics makes it impossible to give reliable estimates on changes in total stocks. However, the available data suggest that the increase in stocks both in 1965 and in 1966 was less than in 1964 (See Table 9).

The changes resulting from demand factors and the development of exports are recorded in Table 2, which gives the distribution of the national income by industry and in Table 3 showing the changes in the volume of production in different industries.

The figures for labour input in Table 1 indicate a rise of 1 per cent both in 1965 and 1966. Since the corresponding increases in the volume of national product were 5 and 2 per cent respectively, the increase in productivity was thus almost 4 per cent in 1965 and only 1 per cent in 1966.

	1964	1965	1966
Consumption goods ..	+ 8	+4	+4
Investment goods	+ 6	+5	+4
Total	+ 8	+4	+4
Imports	+ 2	+1	+1
Exports	+ 6	+5	-1
Wages	+13	+9	+7

The preceding table gives the annual percentage changes in prices.

The favourable development of export prices ceased in 1966, when they started to fall. Since a slight increase in import prices continued, the terms of trade index fell by 1.5 per cent. Wages and salaries rose by 9 per cent in 1965 and by 7 per cent in 1966. As there was an increase of 4 per cent in the prices of consumption goods in both these years, a rise of 5 per cent took place in real wages in 1965 and of 3 per cent in 1966. Real wages thus increased more than total productivity in both years. ¹⁾

The above analysis is clarified further by Table 6, which illustrates the distribution of national income. According to this table the share of compensation paid to workers has risen from 61 per cent to 64 per cent during the period under review.

Table 7 reveals that in 1966 the public sector's revenue, obtained from the private sector and from abroad in the form of taxes

and income transfers, was approximately 8 793 million marks and its transfers back to these sectors totalled 2 980 million. As net property income amounted to 653 million marks, 6 466 million marks were at the disposal of the public sector. This was 26 per cent of total disposable income (See Table 8). Further, it may be observed that there was a substantial fall in corporate saving in 1965 and the same trend still continued in 1966. As a result, the share of corporate saving in total saving decreased from 13 per cent in 1964 to 9 per cent in 1966. In the same year the share of household saving was 40 per cent and that of general government saving 51 per cent.

Table 9 provides information on the breakdown by type of expenditure of the gross national product at current prices. The corresponding changes in the volumes have been shown in Table 1 and the changes in prices in the Table on page 19.

¹⁾ The effect of the changes in the structure of the labour force has been eliminated as far as possible in estimating the above figures for the wage level. Total productivity is, however, affected by structural changes in the economy. For this reason productivity could also be compared with real wages per head of wage and salary earners as follows:

	1964	1965	1966 p
Changes in national wage bill	+16	+11	+9
National wage bill, const.p.	+ 8	+ 7	+5
Real wages per head	+ 7	+ 6	+4
Productivity	+ 6	+ 4	+1

STATISTICAL ANNEX

p = preliminary

1. ANNUAL CHANGES, PER CENT

	1964	1965	1966 p
Volume of domestic product	+ 7	+ 5	+2
Volume of labour input	+ 0	+ 1	+1
Volume of domestic product per capita	+ 5	+ 4	+1
Volume of domestic product per unit of labour input	+ 6	+ 4	+1
Volume of consumption expenditure	+ 6	+ 5	+4
— private consumption expenditure	+ 6	+ 5	+4
— general government consumption expenditure	+ 7	+ 5	+3
Volume of gross domestic fixed capital formation	+ 3	+10	+1
Volume of imports of goods and services	+19	+ 9	+5
Volume of exports of goods and services	+ 6	+ 5	+7

2. GROSS DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRIAL ORIGIN, MILL. MK

	1964	1965	1966 p
Agriculture	2 000	2 041	2 144
Hunting and fishing	74	87	92
Forestry	1 839	2 002	1 751
Manufacturing	6 189	6 706	7 203
Construction	1 960	2 230	2 406
House construction	1 256	1 468	1 558
Other construction	704	763	848
Transport and communication	1 533	1 672	1 798
Wholesale and retail trade	2 235	2 459	2 606
Banking and insurance	501	577	657
Public administration	843	944	1 073
Other services	3 967	4 428	4 898
<hr/>			
Gross domestic product at factor cost	21 141	23 146	24 628
Indirect taxes less subsidies	2 414	2 682	3 034
Gross domestic product at market prices	23 555	25 828	27 662

3. ANNUAL CHANGES IN THE VOLUME OF PRODUCTION, PER CENT

	1964	1965	1966 p
Agriculture	+ 9	— 6	+ 2
Hunting and fishing	—19	+ 8	+ 0
Forestry	+ 9	+ 2	—14
Manufacturing	+ 7	+ 6	+ 5
Construction	+ 3	+ 9	+ 2
House construction	+ 2	+12	+ 1
Other construction	+ 4	+ 3	+ 3
Transport and communication	+ 6	+ 5	+ 4
Wholesale and retail trade	+ 6	+ 7	+ 3
Banking and insurance	+ 5	+ 6	+ 5
Public administration	+ 4	+ 4	+ 5
Other services	+ 5	+ 5	+ 5
Domestic product	+ 7	+ 5	+ 2

4. COMPOSITION OF PRIVATE CONSUMPTION EXPENDITURE, MILL. MK

	1964	1965	1966 p
Food	4 537	4 828	5 190
Beverages	673	749	847
Tobacco	467	515	550
Clothing and other personal effects	1 487	1 442	1 631
Rent, rates and water charges	1 648	1 779	1 918
Fuel and light	657	660	704
Furniture, furnishing and household equipment ..	826	908	950
Household operation	308	315	342
Personal care and health expenses	506	596	662
Transport and communication	1 926	2 309	2 351
Recreation and entertainment	927	1 044	1 166
Miscellaneous services	868	1 029	1 173
Expenditure of residents abroad	222	239	245
Less expenditure of non-residents in the country	107	131	149
Gifts in kind from abroad (net)	2	3	3
Private consumption expenditure ¹⁾	14 947	16 285	17 583

1) Includes also some goods and services bought by general government and by enterprises for production. These goods and services could not be separated from those forming part of private consumption expenditure proper. The estimates for private consumption expenditure shown here therefore differ from those shown in tables 8 and 9.

5. ANNUAL CHANGES IN THE VOLUME OF FIXED CAPITAL FORMATION, PER CENT

	1964	1965	1966 p
House construction	+ 2	+14	+0
Dwelling	— 9	+ 9	+5
Other	+17	+19	—5
Other construction	+ 6	+ 6	+4
Machinery and equipment	+ 4	+ 9	+1
Volume of fixed capital formation	+ 3	+10	+1

6. DISTRIBUTION OF THE NATIONAL INCOME, MILL. MK

	1964	1965	1966 p
Compensation of employees	11 398	12 724	13 900
Income from unincorporated enterprises	3 407	3 612	3 519
Income from property to households	2 294	2 534	3 650
Income from property and entrepreneurship to general government	723	810	910
Corporate saving	515	437	414
Direct taxes on corporations	660	724	782
Less interest on the public debt	185	238	257
Less interest on consumers' debt	37	43	50
National income	18 775	20 560	21 868
Net factor income abroad	101	131	150
Net domestic product at factor cost	18 876	20 691	22 018

7. GENERAL GOVERNMENT DISPOSABLE INCOME, MILL. MK

	1964	1965	1966 p
Income from property and entrepreneurship	723	810	910
Direct taxes	3 565	4 149	4 698
Indirect taxes	3 204	3 527	3 902
Other transfers received	158	178	193
Current revenue	7 650	8 664	9 703
Less interest on the public debt	185	238	257
Less current transfers to other sectors	2 331	2 665	2 980
Disposable income	5 134	5 761	6 466

8. DISPOSABLE INCOME, CONSUMPTION AND SAVING, MILL. MK

	1964	1965	1966 p
Households:			
Disposable income	15 545	17 060	18 029
Consumption	13 752	14 983	16 177
Saving	1 793	2 077	1 852
Corporations:			
Disposable income (= saving)	515	437	414
General government:			
Disposable income	5 134	5 761	6 466
Consumption	3 349	3 759	4 154
Saving	1 785	2 002	2 312
Total:			
Disposable income	21 194	23 258	24 909
Consumption	17 101	18 742	20 331
Saving	4 093	4 516	4 578

9. EXPENDITURE ON GROSS NATIONAL PRODUCT, MILL. MK

	1964	1965	1966 p
Private consumption expenditure	13 752	14 983	16 177
General government consumption expenditure	3 349	3 759	4 154
Gross private capital formation	4 489	5 235	5 525
Gross general government capital formation	1 267	1 470	1 512
Increase in stocks and statistical error	+ 1 165	+ 872	+ 780
Exports of goods and services	4 984	5 496	5 823
Less imports of goods and services	5 451	5 987	6 309
Expenditure on gross domestic product	23 555	25 828	27 662
Net factor income from abroad	— 101	— 131	— 150
Expenditure on gross national product	23 454	25 697	27 512

ITEMS

Issue of 10 mark silver independence coin. On December 6, 1917, Finland declared itself an independent state in the turmoil of World War I and the October Revolution in Russia. Finland had been an autonomous Grand Duchy of the Russian Empire since 1809. During this period of autonomy Finland had its own parliament and women had the vote, making Finland the first country in Europe to give the franchise to women.

The year 1967 has been declared a jubilee year of Finnish work, culture and democratic society. In commemoration, a silver coin has been struck with a face value of 10 Finnish marks. A million of these coins will be minted.

The metal alloy of the coin contains 900 per mille of silver, the rest being copper. Its diameter is 35 mm and weight 24 g.

The obverse face of the coin depicts five flying ospreys (*Pandion haliaetus*) which symbolise freedom and independence. This fine bird is very common on Finland's thousands of lakes. On the reverse of the coin is a relief illustrating the continuous work of construction. The text of the lettered edge reads: "Itsenäinen Suomi 50 Finland Självständigt 50" (Independent Finland 50).

The commemorative coin was designed by Heikki Häiväoja, one of Finland's leading medal artists. He also supervised the technical finish of the coin at the Finnish Mint.

The coin will be issued at the beginning of December, but it can be ordered in advance from the Bank of Finland, Post Box 10160, Helsinki 10, and from other Finnish banks.

*

EFTA Consultative Committee. The fifteenth meeting of the EFTA Consultative Committee was held in Helsinki on September 20th 1967. Delegations from the eight EFTA countries were composed of representatives of industry, commerce and employers' and employees' organisations.

In their main discussion, on internal EFTA developments since their previous meeting in February 1967, the Committee expressed particular interest in the work now going on to remove non-tariff barriers to trade. They urged governments to maintain and intensify the progress so far made towards abolishing these obstacles to the free flow of trade.

It was universally felt that the requests by some Member States for negotiations with the EEC should not retard progress within EFTA itself. As this was the first meeting of the Consultative Committee since several EFTA Members had made new approaches to the European Communities, there was a general review of the prospects thereby opened up for achieving EFTA's aim of one unified Western European market.

Agreement on short-term credits between the central banks of the Nordic countries. On September 1, a new agreement on short-term credits between the Nordic central banks came into force. This agreement replaces the former agreement of March 20, 1962.

According to the new agreement each of the participating central banks shall have the right to undertake swap transactions with the other participants, within a maximum, outstanding at any time, equivalent to Skr 200 million (Fmk 124 million); for Iceland the maximum is limited to the equivalent of Skr 20 million.

The swap transactions can be requested only after the country has drawn on its own holdings of foreign exchange reserves to a reasonable extent, and can be made for a

term of up to three months. If the country has drawn the gold tranche and one credit tranche on the IMF or has entered into a stand-by arrangement with the IMF covering the said tranches, the transaction may be concluded for a term of up to one year.

The right to enter into swap transactions shall be exercised in such a way that the transactions shall be divided among the other participating central banks in the same proportion as their drawing rights. None of the participants shall be obliged to have outstanding swap transactions totalling more than the equivalent of Skr 300 million; for Iceland the amount is limited to the equivalent of Skr 30 million.

The agreement will remain in force until further notice.

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