



# BANK OF FINLAND

*Monthly Bulletin*

Toward an active manpower policy

The Finnish economy in 1969

New Parliament

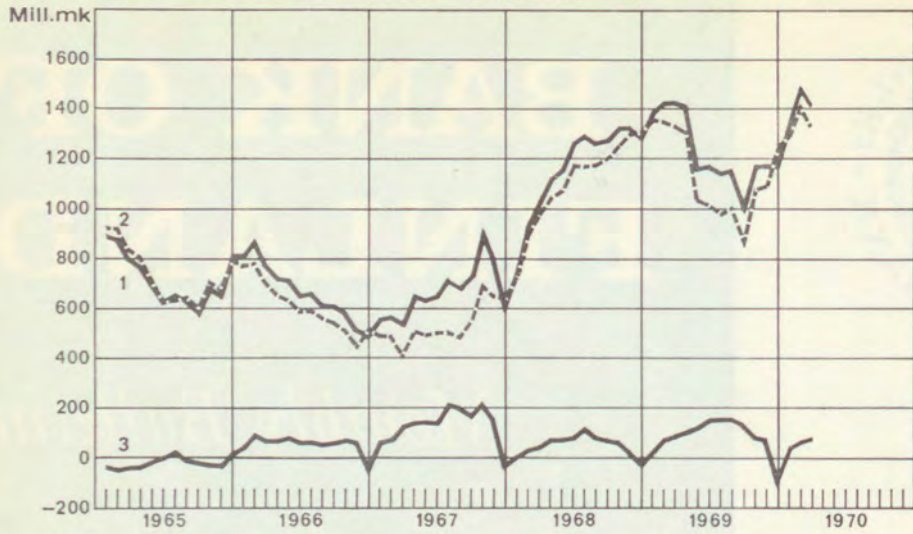
New regulations concerning central  
bank credit

Finland's balance of payments for 1969

**APRIL 1970**

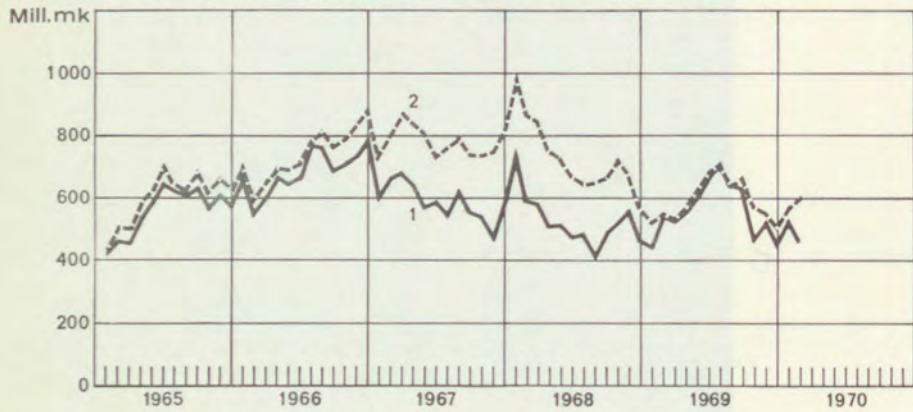
**Vol. 44 No. 4**

Bank of Finland foreign exchange reserve, 1965-1970



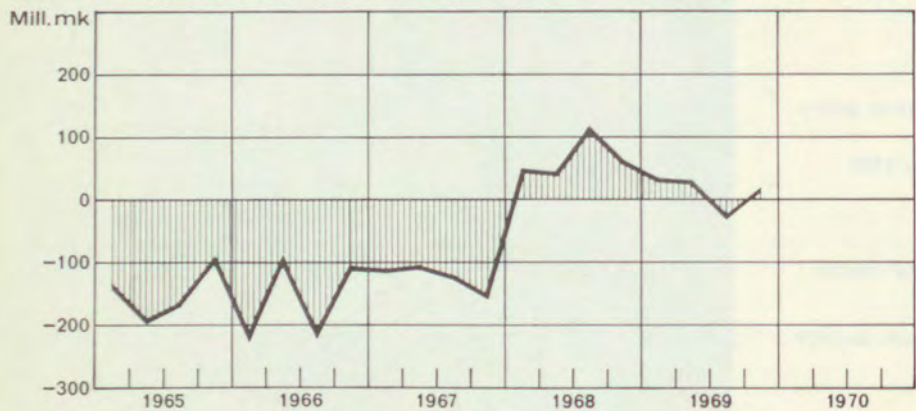
1. Total gold and foreign exchange
2. Gold and convertible currencies
3. Other currencies

Bank of Finland's position in regard to the banks, 1965-1970



1. Net claims on the banks
  2. Discounted and rediscounted bills
- Seasonally adjusted end of month figures

Balance of payments current account surplus/deficit, 1965-1970



Seasonally adjusted quarterly figures



# TOWARD AN ACTIVE MANPOWER POLICY

## REFORM IN THE ADMINISTRATION

In March this year the Finnish manpower policy passed an important milestone; the Ministry of Labour began its operations. The organization of the new ministry is largely based on the previous Employment Division of the Ministry of Communications and Public Works. This division was founded during the Second World War and it served as the central organ in matters relating to labour, during the war the regulation of labour force in particular. While the old Employment Division forms the basis of the new labour ministry, the remaining part of the previous Ministry of Communications and Public Works was named the Ministry of Communications.

There are three divisions in the Ministry of Labour and tasks have been distributed between them as follows: the General Division is responsible for the administration, the Planning Division takes care of planning, research and compilation of certain statistics and the Manpower Division carries out the practical work connected with the pursuance of manpower policy. The previous ministry also had a large organization of district administration, e.g. for vocational guidance and organization of vocational courses and employment exchange. For the time being no changes have been effected concerning this part of the activity.

## TOWARDS ACTIVE PLANNING OF MANPOWER POLICY

The most significant difference between the new Ministry of Labour and the previous Employment Division of the Ministry of Communications and Public Works is the importance attached to planning and research in the new ministry, which reflects the new ideas in Finnish

manpower policy. Up to now there has been no organ explicitly responsible for making plans and clarifying the ends and means of manpower policy. Planning work was carried out by the various offices of the previously existing Employment Division whereas it is now the responsibility of one of the three divisions of the ministry.

According to the decree on the Ministry of Labour the tasks of the Planning Division include:

- forecasting changes in the demand for and supply of labour
- clarifying the end and means of manpower policy and preparing alternative courses of action and programmes in co-operation with other government bodies engaged in economic and social planning and
- the preparation of reports on fundamental problems of manpower policy.

The statistical office of the Planning Division compiles statistics which are indispensable for the manpower policy and which usually can be derived from the material obtained through the employment officials. As regards the compilation of other statistics important for the manpower policy the Central Statistical Office continues to be responsible for them. As an example can be mentioned the labour force sample survey now compiled by the Central Statistical Office, which was previously collected by the Employment Division of the Ministry of Communications and Public Works and transferred from there one year ago.

The definition of the tasks of the Planning Division is based on the report of the committee appointed by the Cabinet to study the administration of labour and prepared within a short



period in 1968—1969. It was emphasized in the report that labour research and short-term and long-term planning of manpower policy form an integral part of an active manpower policy and that this necessitates the establishment of a special organ within the administration of labour engaged in planning and research. An active manpower policy necessitates the definition of the aims to be attained. This again is closely connected with the preparation of long-term programmes in manpower policy which will facilitate the work of the decision-makers.

#### MANPOWER COUNCIL

The Manpower Council forms an assistant body to the Ministry of Labour. Its task is to prepare reports and statements on matters of fundamental importance and wide scope that are the responsibility of this ministry. The Council is entitled to establish sub-committees the members of which may come also from outside the ministry. The Council is of importance for the reason that the Ministry of Labour needs information channels and connections to many directions in order to carry out its task efficiently. Valuable expert knowledge is made available to the ministry through the Council and it is motivated to make its operation regularly in the future.

#### SOME TASKS AND PROBLEMS

When the Ministry of Labour started its operations the daily routine work in the labour administration was not disturbed. At the same time as the new ministry inherited the major part of its personnel from the old Employment Division, a number of expansive reforms in the stage of implementation were passed to it. Of these may be mentioned the further expansion of vocational course activity by establishing special course centres in different parts of the country, increasing the interregional mobility of labour paying at the same time attention to the co-ordination of manpower and housing policies, and the improvement of employment security and the corresponding legislative reform. The seasonal variation of production and employment also forms a problem of a special nature.

It may be concluded that manpower policy has an important role in maintaining rapid growth and stable economic conditions. At the same time it is an essential component of social policy. The various aims of manpower policy can be achieved only if it is developed in co-ordination with other spheres of economic and social policy. The concentration of the planning of manpower policy in one government body secures the harmony between the aims set for it and the means applied in its implementation.

April 2, 1970



## BANK OF FINLAND

Mill. mk

	1969		1970				
	Mar. 31	Dec. 31	Mar. 6	Mar. 13	Mar. 23	Mar. 31	
<b>Assets</b>							
Gold and other foreign assets	1 597.0	1 433.1	1 664.0	1 669.3	1 637.8	1 641.2	
Gold	189.2	189.4	189.4	189.4	189.4	189.4	
Special drawing rights	—	—	92.4	92.4	92.4	92.4	
IMF gold tranche	131.3	173.3	173.3	173.3	173.3	173.3	
Foreign exchange	1 146.1	905.0	1 043.3	1 044.9	1 010.4	1 013.7	
Foreign bills	74.9	106.3	106.5	110.2	113.2	111.2	
Foreign bonds	55.5	59.1	59.1	59.1	59.1	61.2	
Claims on domestic banks	603.8	637.1	639.0	516.7	649.4	687.1	
Discounted bills	—	—	569.3	446.5	580.4	584.8	
Rediscounted bills	439.8	550.3	8.5	10.7	10.8	4.2	
Cheque accounts	164.0	86.8	61.2	59.5	58.2	98.1	
Other lending	274.6	317.6	311.1	306.7	300.4	298.0	
Inland bills discounted							
In foreign currency	25.1	7.3	7.3	7.3	7.3	7.3	
In Finnish marks	163.5	191.6	180.0	176.6	169.3	167.4	
Loans	86.0	118.7	123.8	122.8	123.8	123.3	
Other assets	111.9	627.0	560.4	624.0	756.2	724.2	
Finnish bonds	23.5	126.5	133.7	197.6	331.3	301.4	
Finnish coin	17.1	5.5	11.2	11.3	11.2	10.1	
Currency subscription to Finland's quota in the IMF	—	351.7	351.7	351.7	351.7	351.7	
Other claims	71.3	143.3	63.8	63.4	62.0	61.0	
	Total	2 587.3	3 014.8	3 174.5	3 116.7	3 343.8	3 350.5
<b>Liabilities</b>							
Notes in circulation	1 064.0	1 298.4	1 157.9	1 159.0	1 147.7	1 189.6	
Liabilities payable on demand	70.4	123.5	234.4	177.5	264.7	124.0	
Foreign exchange accounts	36.0	81.0	39.1	38.6	38.8	39.3	
Mark accounts of holders abroad	14.1	12.2	15.8	15.6	15.0	14.4	
Cheque accounts							
Treasury	1.9	3.7	15.3	13.5	14.1	12.1	
Post Office Bank	2.4	3.6	149.2	96.2	183.5	45.9	
Private banks	—	10.1	2.2	1.8	1.6	—	
Other	3.4	1.0	1.0	0.7	0.7	1.3	
Other sight liabilities	12.6	11.9	11.8	11.1	11.0	11.0	
Term liabilities	541.9	307.6	391.6	387.8	541.6	665.9	
Foreign	21.7	7.7	7.7	7.7	7.7	7.7	
Domestic	520.2	299.9	383.9	380.1	533.9	658.2	
IMF mark accounts	—	351.7	351.7	351.7	351.7	351.7	
Allocations of special drawing rights	—	—	88.2	88.2	88.2	88.2	
Equalization accounts	403.0	405.6	412.8	413.3	409.6	389.3	
Bank's own funds	508.0	528.0	537.9	539.2	540.3	541.8	
Capital	300.0	300.0	300.0	300.0	300.0	300.0	
Reserve fund	172.7	172.7	200.3	200.3	200.3	200.3	
Profits undisposed	22.7	—	27.7	27.7	27.7	27.7	
Earnings less expenses (Dec. 31, Net profit)	12.6	55.3	9.9	11.2	12.3	13.8	
	Total	2 587.3	3 014.8	3 174.5	3 116.7	3 343.8	3 350.5



## BANK OF FINLAND

Mill. mk

End of year and month	Gold and foreign accounts						Treasury		
	Gold and foreign exchange	Liabilities on foreign exchange and mark accounts	Foreign exchange reserve (1-2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4-5)	Claims on Treasury	Liabilities, Cheque account	Net claims on the Treasury (7-8)
	1	2	3	4	5	6	7	8	9
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	10.4	39.8	— 29.4
1967	701.1	74.7	626.4	97.7	353.6	370.5	— 6.5	4.4	— 10.9
1968	1 352.5	62.1	1 290.4	124.9	33.8	1 381.5	—354.3	3.0	—357.3
1969	1 267.7	92.4	1 175.3	517.1	360.2	1 332.2	—196.1	3.7	—199.8
1969									
March	1 466.6	41.3	1 425.3	130.4	30.6	1 525.1	—364.6	1.9	—366.5
April	1 454.5	42.9	1 411.6	145.2	27.7	1 529.1	—367.4	9.7	—377.1
May	1 231.0	61.3	1 169.7	149.3	27.4	1 291.6	—347.6	0.5	—348.1
June	1 236.2	62.7	1 173.5	143.9	23.1	1 294.3	—281.5	5.3	—286.8
July	1 215.4	68.3	1 147.1	144.0	20.9	1 270.2	—281.2	18.8	—300.0
Aug.	1 226.7	70.5	1 156.2	144.5	21.2	1 279.5	—278.0	6.8	—284.8
Sept.	1 105.5	83.5	1 022.0	151.6	20.9	1 152.7	—263.0	1.1	—264.1
Oct.	1 246.7	75.9	1 170.8	154.3	18.1	1 307.0	—238.4	2.9	—241.3
Nov.	1 257.3	83.6	1 173.7	159.4	18.1	1 315.0	—224.7	2.8	—227.5
Dec.	1 267.7	92.4	1 175.3	517.1	360.2	1 332.2	—196.1	3.7	—199.8
1970									
Jan.	1 393.7	56.6	1 337.1	514.8	359.4	1 492.5	—187.2	1.1	—188.3
Feb.	1 541.8	54.0	1 487.8	515.7	359.4	1 644.1	—184.5	18.2	—202.7
March	1 468.8	53.7	1 415.1	524.1	359.4	1 579.8	—175.2	12.1	—187.3

## FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1969			Net holdings, February 27, 1970			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Feb.	Jan.-Feb.
	Gold	189	—	189	189	—	189	—
Special drawing rights	—	—	—	88	—	88	—	+ 88
IMF gold tranche	173	—	173	173	—	173	—	—
Convertible currencies	893	— 98	795	972	—191	781	+39	— 14
Other currencies	— 80	+ 5	— 75	66	7	73	+27	+148
Total	1 175	— 93	1 082	1 488	—184	1 304	+66	+222

## BANK OF FINLAND

Mill. mk

End of year and month	Domestic banks						Other				Notes in circulation
	Dis-counted bills	Redis-counted bills	Cheque accounts <sup>1</sup>	Liabilities, Cheque accounts		Net claims on the banks (1+2+3-4-5)	Inland bills in Finnish marks	Other advances	Liabilities	Net claims on the rest of economy (7+8-9)	
				Private banks <sup>2</sup>	Post Office Bank <sup>2</sup>						
1	2	3	4	5	6	7	8	9	10	11	
1963	—	325.3	—	1.3	3.0	321.0	57.4	94.2	2.9	148.7	943.7
1964	—	448.4	—	16.4	49.6	382.4	78.5	91.6	2.2	167.9	1 002.7
1965	—	640.6	—	11.9	8.3	620.4	76.2	71.7	31.8	116.1	1 028.5
1966	—	915.2	—	13.8	17.3	884.1	180.3	84.8	71.9	193.2	1 106.2
1967	—	867.5	—	154.7	34.5	678.3	197.3	382.5	56.0	523.8	1 052.1
1968	—	617.7	107.4	163.3	16.3	545.5	186.3	195.3	43.4	338.2	1 159.6
1969	—	550.3	86.8	92.8	12.2	532.1	191.6	269.3	25.4	435.5	1 298.4
1969											
March	—	439.8	164.1	124.1	15.2	464.6	163.5	179.8	32.1	311.2	1 064.0
April	—	491.0	168.5	124.1	20.1	515.3	127.5	180.9	29.0	279.4	1 099.4
May	—	609.7	152.8	124.1	13.7	624.7	155.6	186.5	29.0	313.1	1 150.0
June	—	699.6	147.3	124.1	37.6	685.2	159.9	187.1	29.1	317.9	1 177.6
July	—	714.1	120.2	124.1	33.2	677.0	169.7	185.8	26.7	328.8	1 119.8
Aug.	—	601.3	115.2	83.3	11.3	621.9	174.9	185.8	25.7	335.0	1 166.6
Sept.	—	684.6	112.2	82.7	9.7	704.4	180.9	187.9	30.8	338.0	1 143.3
Oct.	—	597.2	102.1	121.3	11.7	566.3	184.2	200.3	26.4	358.1	1 144.0
Nov.	—	601.0	96.7	82.7	14.0	601.0	181.4	197.3	25.9	352.8	1 191.4
Dec.	—	550.3	86.8	92.8	12.2	532.1	191.6	269.3	25.4	435.5	1 298.4
1970											
Jan.	462.4	36.1	74.6	82.7	12.8	477.6	183.3	189.2	157.4	215.1	1 177.5
Feb.	467.9	8.7	62.7	63.6	82.6	393.1	178.9	196.6	165.0	210.5	1 208.9
March	584.8	4.2	98.1	41.4	50.2	595.5	167.4	191.6	449.6	-90.6	1 189.6

<sup>1</sup> Including special index accounts.<sup>2</sup> Including cash reserve accounts.

## SELLING RATES FOR FOREIGN EXCHANGE

Mk

March 31, 1970

New York	1 \$	4.182	Frankfurt o. M.	100 DM	114.15	Vienna	100 S	16.18
Montreal	1 \$	3.900	Amsterdam	100 Fl	115.25	Lisbon	100 Esc	14.75
London	1 £	10.065	Brussels	100 Fr	8.425	Reykjavik	100 Kr	4.77
Stockholm	100 Kr	80.50	Zurich	100 Fr	97.10	Madrid	100 Pta	6.03
Oslo	100 Kr	58.60	Paris	100 FF	75.50	Moscow <sup>1</sup>	1 Rbl	4.6799
Copenhagen	100 Kr	55.80	Rome	100 Lit	0.6655	Clearing dollars <sup>2</sup>	1 CI \$	4.212

<sup>1</sup> Clearing account; also Bucharest.<sup>2</sup> Berlin, Budapest, Sofia.



# DEPOSITS BY THE PUBLIC

Mill. mk

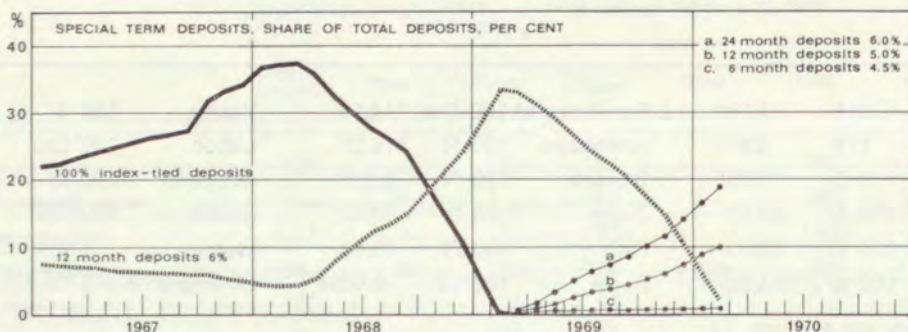
End of year and month	Sight deposits			Term deposits						Total (2+3+9)
	Cheque accounts		Postal giro accounts	Commercial banks	Savings banks	Co-op. banks	Post Office Bank	Co-op. stores	All credit institutions	
	Commercial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
1961	577.9	720.8	143.8	2 117.7	2 079.6	1 229.6	558.2	285.3	6 270.3	7 134.9
1962	649.0	800.8	168.5	2 281.2	2 210.8	1 314.7	606.6	293.2	6 706.7	7 676.0
1963	715.3	876.0	250.3	2 451.6	2 336.6	1 437.5	648.5	310.7	7 185.0	8 311.3
1964	683.3	855.4	296.5	2 834.0	2 614.7	1 664.1	713.8	331.4	8 158.2	9 310.1
1965	665.7	843.7	309.4	3 182.6	2 954.4	1 931.0	773.2	357.2	9 198.6	10 351.7
1966	625.5	849.4	318.0	3 660.9	3 329.9	2 202.1	863.6	380.7	10 437.3	11 604.7
1967	649.8	834.0	340.9	4 103.1	3 644.6	2 417.3	941.2	431.3	11 537.9	12 712.8
1968	832.7	1 087.6	428.4	4 597.8	3 966.4	2 683.1	1 027.2	465.0	12 739.8	14 255.8
1969	1 042.8	1 895.4	520.8	5 236.3	4 340.9	3 021.6	1 116.0	521.6	14 236.6	16 652.8

## 1969\*

Feb.	894.5	1 109.7	461.3	4 614.8	4 031.8	2 758.9	1 051.0	475.5	12 932.3	14 503.3
March	923.0	1 163.0	426.7	4 652.9	4 045.0	2 782.6	1 058.5	478.2	13 017.6	14 607.3
April	893.6	1 139.5	421.2	4 706.8	4 071.2	2 809.4	1 059.0	479.6	13 126.4	14 687.1
May	912.3	1 161.8	421.0	4 779.0	4 115.1	2 828.1	1 054.0	476.8	13 253.4	14 836.2
June	919.6	1 172.9	466.6	4 782.4	4 084.9	2 797.3	1 049.5	474.2	13 188.6	14 828.1
July	910.1	1 160.0	404.0	4 802.3	4 087.1	2 815.4	1 052.4	474.8	13 232.2	14 796.2
Aug.	873.5	1 127.0	440.8	4 836.5	4 117.0	2 846.2	1 057.0	477.1	13 334.1	14 901.9
Sept.	941.7	1 213.4	463.2	4 869.2	4 149.2	2 881.6	1 062.7	490.8	13 453.8	15 130.4
Oct.	971.0	1 238.5	425.6	4 922.5	4 184.0	2 906.1	1 073.2	497.8	13 583.9	15 248.0
Nov.	923.7	1 190.5	445.8	4 954.8	4 218.9	2 946.0	1 080.5	507.0	13 707.4	15 343.7
Dec.	1 042.8	1 895.4	520.8	5 236.3	4 340.9	3 021.6	1 116.0	521.6	14 236.6	16 652.8

## 1970

Jan.	1 060.3	1 324.0	568.1	5 299.1	4 389.7	3 068.9	1 139.0	528.6	14 425.3	16 317.4
Feb.	1 060.9	1 315.7	575.2	5 381.2	4 450.4	3 131.5	1 164.4	535.9	14 663.4	16 554.3

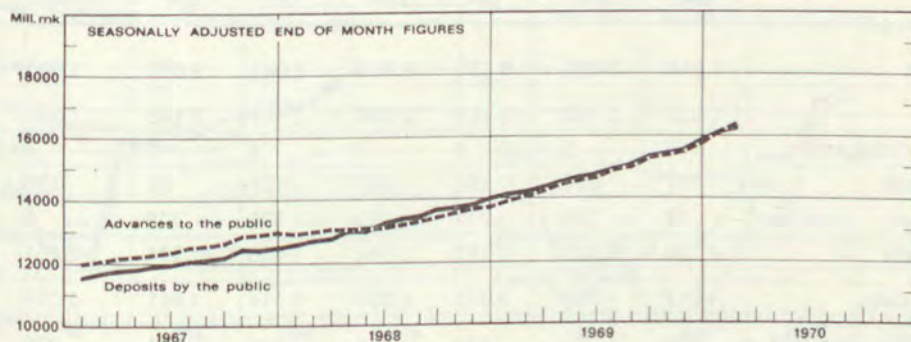




# ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

End of year and month	Advances granted by					Types of advances		Total (1 to 5) (6 and 7)	Money Supply
	Commer- cial banks	Savings banks	Post Office Bank	Co-op. banks	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1961	3 192.0	1 817.6	436.8	1 318.7	515.2	6 928.2	352.1	7 280.3	1 646.1
1962	3 425.7	2 018.5	508.7	1 474.8	614.7	7 680.8	361.6	8 042.4	1 722.5
1963	3 621.3	2 134.5	544.0	1 608.9	664.3	8 226.2	346.8	8 573.0	1 986.5
1964	4 153.2	2 318.0	607.7	1 820.7	829.4	9 320.5	408.5	9 729.0	2 042.5
1965	4 597.4	2 609.2	716.5	2 030.6	899.4	10 439.6	413.5	10 853.1	2 085.0
1966	5 205.4	2 951.4	783.9	2 261.0	908.8	11 630.7	479.8	12 110.5	2 221.7
1967	5 558.9	3 247.7	869.0	2 424.3	1 026.9	12 598.9	527.9	13 126.8	2 183.1
1968	5 865.5	3 448.4	940.3	2 600.5	1 053.0	13 419.5	488.2	13 907.7	2 668.7
1969*	6 892.2	3 803.0	1 049.1	2 925.9	1 290.4	15 379.5	581.1	15 960.6	3 140.9
1969*									
Feb.	5 928.1	3 474.7	951.5	2 624.7	1 045.5	13 479.2	545.3	14 024.5	2 602.3
March	5 987.1	3 491.0	958.5	2 637.8	1 106.1	13 638.4	542.1	14 180.5	2 552.9
April	6 089.9	3 515.4	960.5	2 661.8	1 112.9	13 767.8	572.7	14 340.5	2 612.2
May	6 194.9	3 550.1	969.9	2 691.2	1 142.8	13 971.0	577.9	14 548.9	2 673.4
June	6 300.1	3 561.1	978.9	2 713.9	1 178.9	14 139.9	593.0	14 732.9	2 730.9
July	6 343.5	3 595.4	988.4	2 743.4	1 191.8	14 278.9	583.6	14 862.5	2 634.6
Aug.	6 364.7	3 633.8	1 010.5	2 772.6	1 196.2	14 406.2	571.6	14 977.8	2 675.1
Sept.	6 551.2	3 688.9	1 027.5	2 819.4	1 201.4	14 678.8	609.6	15 288.4	2 737.3
Oct.	6 640.0	3 746.8	1 037.3	2 870.5	1 228.3	14 911.9	611.0	15 522.9	2 760.7
Nov.	6 739.5	3 794.8	1 044.8	2 911.3	1 243.9	15 093.5	640.8	15 734.3	2 792.0
Dec.	6 892.2	3 803.0	1 049.1	2 925.9	1 290.4	15 379.5	581.1	15 960.6	3 140.9
1970									
Jan.	6 944.4	3 834.9	1 070.5	2 948.1	1 317.7	15 516.9	598.7	16 115.6	3 164.2
Feb.	7 060.6	3 853.6	1 089.5	2 978.1	1 318.6	15 667.0	633.4	16 300.4	3 216.4









## FOREIGN TRADE

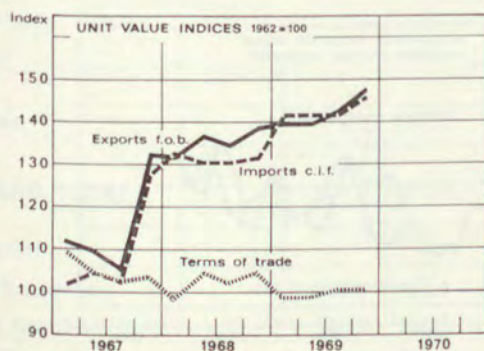
Mill. mk

Value mill. mk

Period	Value mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1965	4 566.0	5 265.1	-699.1
1966	4 816.9	5 524.4	-707.5
1967	5 231.2	5 794.4	-563.2
1968	6 874.2	6 710.9	+163.3
1969*	8 344.8	8 495.0	-150.2
1968			
Nov.	682.4	609.4	+ 73.0
Dec.	617.3	687.4	- 70.1
1969*			
Jan.	591.4	631.7	- 40.3
Feb.	491.5	667.6	-176.1
March	623.8	639.6	- 15.8
April	555.8	615.7	- 59.9
May	753.7	740.5	+ 13.2
June	704.4	645.8	+ 58.6
July	742.3	648.5	+ 93.8
Aug.	703.7	588.8	+114.9
Sept.	733.0	782.1	- 49.1
Oct.	884.9	865.0	+ 19.9
Nov.	714.4	747.3	- 32.9
Dec.	845.9	922.4	- 76.5
1970*			
Jan.	758.2	768.1	- 9.9

Indices of exports and  
imports 1962 = 100

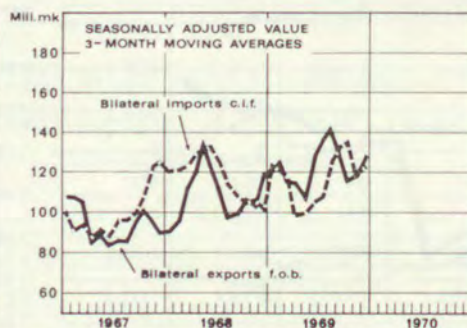
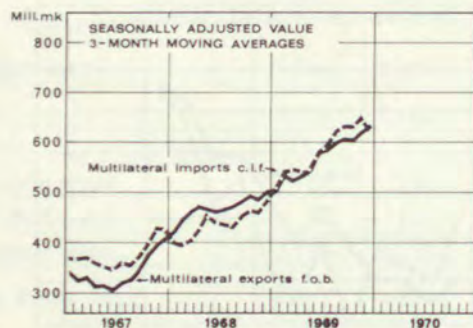
Period	Indices of exports and imports 1962 = 100				
	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
1965	114	129	113	104	109
1966	122	135	112	104	108
1967	129	135	115	110	105
1968	143	129	136	132	103
1969*	164	153	144	141	102
1966					
Oct.-Dec.	141	150	114	104	110
1967					
Jan.-Mar.	110	134	112	102	110
Apr.-June	130	135	110	105	105
July-Sept.	134	124	106	103	103
Oct.-Dec.	139	144	133	128	104
1968*					
Jan.-Mar.	120	116	132	133	99
Apr.-June	150	141	137	131	105
July-Sept.	142	116	135	131	103
Oct.-Dec.	161	145	139	132	105
1969*					
Jan.-Mar.	138	139	140	142	99
Apr.-June	162	143	140	142	99
July-Sept.	172	145	143	142	101
Oct.-Dec.	187	177	148	146	101



# FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.						Imports, c.i.			
	Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and producer goods	Fuels and lubricants	Finished goods	
									Investment goods	Consumer goods
1965	251.8	60.3	919.8	2 165.6	800.3	368.2	2 362.4	514.7	1 511.4	876.6
1966	264.0	59.0	863.5	2 297.0	877.2	456.2	2 450.5	589.8	1 448.5	1 035.6
1967	261.4	54.3	865.7	2 384.5	1 080.6	584.7	2 545.9	668.2	1 462.8	1 117.5
1968	327.1	55.5	1 157.7	2 994.0	1 566.4	773.5	3 023.1	874.0	1 524.2	1 289.6
1969	360.2	71.9	1 400.4	3 373.9	2 011.8	1 126.6	3 683.4	948.3	2 229.4	1 623.9
<b>1968*</b>										
Nov.	15.0	5.6	123.4	272.6	182.0	83.8	266.4	84.7	138.0	120.3
Dec.	50.5	2.1	101.7	247.7	148.4	66.9	317.8	72.3	176.4	120.9
<b>1969*</b>										
Jan.	46.3	2.4	91.9	257.8	126.8	66.2	259.0	111.9	138.6	122.2
Feb.	14.3	2.8	53.1	225.7	123.4	72.2	251.4	108.6	198.7	108.9
March	56.3	1.0	68.3	286.2	116.7	95.3	247.3	51.9	201.0	139.4
April	15.3	2.4	59.5	267.5	124.5	86.6	243.6	51.0	184.1	137.0
May	26.6	6.7	125.0	300.1	208.0	87.3	321.4	63.8	217.2	138.1
June	27.3	5.5	133.3	260.5	183.1	94.7	290.2	53.3	191.4	110.9
July	17.6	10.3	155.3	268.9	216.3	73.9	302.7	65.3	160.9	119.6
Aug.	21.9	9.3	153.0	289.5	129.8	100.2	285.2	55.0	139.4	109.2
Sept.	24.7	9.8	150.4	287.0	147.1	114.0	344.6	119.3	173.4	144.8
Oct.	24.9	7.9	158.6	337.2	235.1	121.2	366.9	96.9	243.8	157.4
Nov.	26.2	8.5	130.6	291.7	144.2	113.2	337.1	99.4	146.0	164.8
Dec.	58.8	5.3	121.4	301.8	256.8	101.8	434.0	71.9	234.9	181.6
<b>1970*</b>										
Jan.	53.4	1.4	112.0	295.4	199.4	96.6	330.8	133.5	166.2	137.6





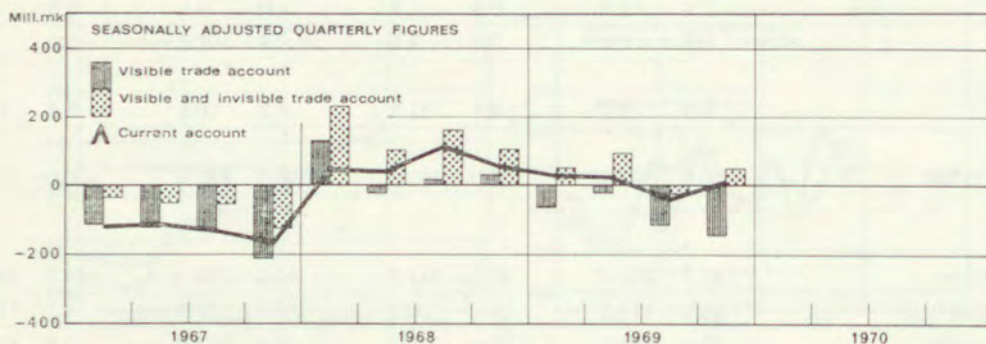
## FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January				January			
	1969		1970		1969		1970	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
<b>OECD countries in Europe</b>	71.6	423.4	74.7	566.1	70.2	443.4	69.5	534.4
Austria	1.0	6.0	0.8	6.0	0.9	5.6	1.0	8.0
Belgium-Luxembourg	2.4	14.3	2.3	17.3	1.4	8.9	2.1	15.9
Denmark	3.5	20.7	3.9	29.8	3.0	18.9	3.3	25.6
France	4.6	26.9	5.0	37.8	3.2	20.2	3.8	29.5
Federal Republic of Germany	11.7	69.0	11.9	90.0	14.8	93.2	13.2	102.0
Italy	2.9	17.3	2.9	22.3	2.2	13.6	1.5	11.2
Netherlands	4.3	25.3	4.4	33.2	3.5	22.0	3.5	26.7
Norway	1.9	11.5	5.1	38.6	2.2	14.2	2.3	17.5
Portugal	0.3	1.8	0.3	2.4	0.4	2.8	0.6	4.4
Spain	0.8	4.5	1.4	10.5	0.6	3.6	0.4	3.0
Sweden	12.0	71.2	14.7	111.5	12.7	80.5	16.8	128.8
Switzerland	2.2	12.8	2.3	17.2	2.8	17.4	2.9	22.4
United Kingdom	21.7	128.3	17.9	135.8	22.2	140.3	17.5	134.9
Other	2.3	13.8	1.8	13.7	0.3	2.2	0.6	4.5
<b>OECD countries outside Europe</b>	7.0	41.3	5.8	43.7	4.9	31.3	5.2	39.9
Canada	0.3	1.5	0.8	6.0	0.2	1.3	0.8	6.4
Japan	0.4	2.3	0.2	1.5	1.2	7.6	1.6	12.0
United States	6.3	37.5	4.8	36.2	3.5	22.4	2.8	21.5
<b>Eastern Bloc</b>	14.3	84.3	13.1	99.6	19.8	125.2	20.7	158.8
Czechoslovakia	0.5	3.1	0.4	2.8	0.7	4.3	0.3	2.0
Democratic Republic of Germany	0.4	2.4	0.5	3.7	0.8	5.2	0.5	4.0
People's Republic of China	0.7	3.8	1.8	13.9	0.2	1.2	0.1	1.1
Poland	1.3	7.9	1.3	9.7	1.4	8.8	1.1	8.3
Soviet Union	11.0	64.9	8.3	63.5	16.1	101.6	17.8	136.8
Other	0.4	2.2	0.8	6.0	0.6	4.1	0.9	6.6
<b>Latin America</b>	2.1	12.7	2.3	17.7	3.4	21.4	2.2	16.7
Argentina	0.8	4.8	0.8	6.0	0.1	0.4	0.1	0.5
Brazil	0.4	2.6	0.7	5.3	1.9	12.1	0.8	6.2
Colombia	0.4	2.3	0.2	1.9	1.0	6.6	0.8	6.4
Other	0.5	3.0	0.6	4.5	0.4	2.3	0.5	3.6
<b>Other</b>	5.0	29.7	4.1	31.1	1.7	10.5	2.4	18.3
<b>GRAND TOTAL</b>	100.0	591.4	100.0	758.2	100.0	631.8	100.0	768.1
of which								
<b>EFTA countries</b>	42.7	252.4	45.0	341.2	44.2	279.5	44.5	341.6
<b>EEC countries</b>	25.9	152.9	26.5	200.6	25.0	157.9	24.1	185.3
<b>OECD countries</b>	78.6	464.7	80.4	609.8	75.1	474.7	74.8	574.3

# BALANCE OF PAYMENTS

Period	Visible exports f.o.b.	Visible imports c.i.f.	Visible trade account	Transport, net	Travel, net	Other services, net	Visible and invisible trade account	Investment income, net	Transfer payments, net	Current account
1965	4 542	5 287	-745	+341	-108	+35	-477	-131	+ 1	-607
1966	4 784	5 542	-758	+356	- 96	+25	-473	-150	-10	-633
1967	5 194	5 816	-622	+416	- 88	+17	-277	-209	- 3	-489
1968	6 832	6 730	+102	+481	- 8	-25	+550	-276	- 5	+269
1969*	8 301	8 518	-217	+524	+ 4	-21	+290	-307	+72	+ 55
Jan.-Mar										
1966	879	1 247	-368	+ 72	- 23	+11	-308	- 38	- 1	-347
1967	1 088	1 347	-259	+ 98	- 24	- 2	-187	- 57	- 1	-245
1968	1 385	1 515	-130	+103	- 16	+ 7	- 36	- 58	+ 1	- 93
1969	1 696	1 944	-248	+128	- 20	-11	-151	- 57	+80	-128
Apr.-June										
1966	1 247	1 397	-150	+113	- 31	- 6	- 74	- 36	- 4	-114
1967	1 242	1 398	-156	+ 97	- 34	+ 6	- 87	- 39	+ 1	-125
1968	1 808	1 829	- 21	+133	- 12	+ 2	+102	- 67	- 1	+ 34
1969	2 002	2 008	- 6	+140	- 17	- 6	+111	- 84	- 7	+ 20
July-Sept.										
1966	1 275	1 359	- 84	+ 73	- 17	+ 4	- 24	- 40	- 1	- 65
1967	1 241	1 256	- 15	+114	- 18	- 3	+ 78	- 63	+ 3	+ 18
1968	1 680	1 500	+180	+147	+ 32	+ 0	+359	- 67	- 1	+291
1969	2 168	2 022	+146	+116	+ 38	-14	+286	- 80	+ 1	+207
Oct.-Dec.										
1966	1 383	1 539	-156	+ 98	- 25	+16	- 67	- 36	- 4	-107
1967	1 623	1 815	-192	+107	- 12	+16	- 81	- 50	- 6	-137
1968	1 959	1 886	+ 73	+ 98	- 12	-34	+125	- 84	- 4	+ 37
1969*	2 435	2 544	-109	+140	+ 3	+10	+ 44	- 86	- 2	- 44

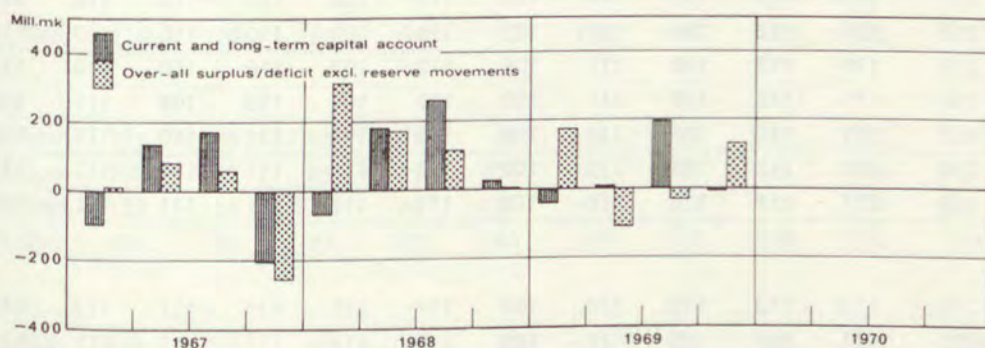




Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net <sup>1</sup>	Long-term capital account	Current and long-term capital account	Short-term import credits and pre-payments, net	Short-term export credits and pre-payments, net	Miscellaneous short-term capital items incl. errors and omissions	Over-all surplus/deficit excl. reserve movements	Reserve movements	
										Bank of Finland	Other foreign exchange holders
+ 434	-273	- 66	+ 3	+ 98	-509	+146	+ 34	+ 46	-283	+202	+ 81
+ 518	-271	- 61	-32	+154	-479	+ 53	-114	+185	-355	+321	+ 34
+ 910	-406	- 33	+13	+484	- 5	-112	- 56	+ 65	-108	+ 84	+ 24
+1 245	-868	-167	-81	+129	+398	+235	- 64	+ 28	+597	-664	+ 67
+1 031	-714	-180	-36	+101	+156	+241	-295	+ 53	+155	+155	-270
+ 89	- 60	+ 2	-15	+ 16	-331	+ 43	+243	+ 12	- 33	+ 38	- 5
+ 192	- 66	+ 12	+ 5	+143	-102	- 48	+ 85	+ 74	+ 9	- 50	+41
+ 214	-140	- 54	+ 4	+ 24	- 69	+168	+191	+ 24	+314	-401	+87
+ 311	-201	- 8	-15	+ 87	- 41	+112	+147	- 46	+172	-135	-37
+ 116	- 52	- 36	+ 3	+ 31	- 83	+ 19	-114	+ 64	-114	+121	- 7
+ 315	- 62	+ 2	+ 4	+259	+134	+ 44	+ 71	-169	+ 80	-105	+ 25
+ 396	-214	- 18	-18	+146	+180	+190	-144	- 56	+170	-233	+ 63
+ 279	-155	- 98	-39	- 13	+ 7	- 23	- 92	- 6	-114	+252	-138
+ 111	- 67	- 9	+20	+ 55	- 10	- 3	-121	+ 43	- 91	+ 45	+ 46
+ 251	- 92	- 13	+ 4	+150	+168	- 95	- 53	+ 38	+ 58	- 77	+ 19
+ 226	-212	- 14	-29	- 29	+262	- 98	- 27	- 25	+112	- 18	- 94
+ 146	-146	- 17	+ 6	- 11	+196	+ 34	-284	+ 19	- 35	+151	-116
+ 202	- 92	- 18	-40	+ 52	- 55	- 6	-122	+ 66	-117	+117	± 0
+ 152	-186	- 34	+ 0	- 68	-205	- 13	-159	+122	-255	+316	-61
+ 409	-302	- 81	-38	- 12	+ 25	- 25	- 84	+ 85	+ 1	- 12	+11
+ 295	-212	- 57	+12	+ 38	- 6	+118	- 66	+ 86	+132	-153	+21

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

<sup>1</sup> Including Direct investment net.



# PRICE INDICES

Period	Wholesale prices 1949 = 100									Building costs 1964 = 100		
	Total	Origin		Purpose			Stage of processing			Total	Wages in building trade	Building materials
		Domes- tic goods	Im- ported goods	Pro- ducer goods	Mach- inery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply pro- cessed goods	More elab- orately processed goods			
1967	248	254	225	246	241	253	276	236	240	114	121	107
1968	275	280	259	271	276	281	301	264	268	126	133	115
1969	285	288	271	283	291	285	313	276	273	131	139	119
1969												
May	282	286	267	280	286	283	309	274	271	130	139	117
June	283	286	270	280	290	284	308	274	273	130	139	117
July	285	288	271	283	291	285	311	277	273	130	139	118
Aug.	285	288	273	283	292	286	312	278	273	131	139	119
Sept.	287	290	275	287	294	285	314	282	274	132	139	122
Oct.	289	291	280	289	301	285	316	283	276	133	139	122
Nov.	290	293	281	291	301	286	319	285	276	133	139	123
Dec.	291	293	282	293	301	285	319	287	277	134	139	122
1970												
Jan.	294	297	284	297	307	288	323	290	280	137	146	123
Feb.	295	298	285	297	308	289	327	289	280	138	146	126

Period	Cost of living Oct. 1951 = 100	Con-sumer prices Oct.-Dec. 1957 = 100	Consumer prices 1967 = 100									
			Total	Food	Bever-ages and tobacco	Clothing and foot-wear	Rent	Heating and lighting	Furniture, household equip. and operation	Traffic	Education and recreation	Other goods and services
1967	195	153	100	100	100	100	100	100	100	100	100	100
1968	212	166	109	111	110	106	107	108	109	110	108	109
1969	217	170	112	115	111	108	111	109	110	110	110	112
1969												
May	216	170	111	114	111	108	111	109	110	109	110	111
June	217	170	112	115	111	108	111	108	110	110	110	112
July	217	170	112	115	111	109	111	107	110	110	110	112
Aug.	217	170	112	116	111	108	112	107	110	110	110	112
Sept.	218	171	112	116	111	109	112	108	110	109	111	112
Oct.	218	171	112	115	111	109	113	109	111	110	111	112
Nov.	218	171	112	115	111	109	113	111	111	111	111	112
Dec.	218	171	112	115	111	109	113	112	111	111	111	112
1970												
Jan.	220	173	113	115	116	109	115	115	111	111	112	114
Feb.	221	173	114	115	116	109	115	116	112	112	112	114



# WAGES

Index of salary and wage earnings 1964 = 100

Period	By industries			By institutional sectors			All salary earners	All wage earners	All employees	
	Wage earners in			Employees in services	State employees	Municipal employees				Employees in private sector
	Agriculture	Manufacturing	Construction							
1967	139	128	125	131	126	134	126	127	127	127
1968	151	142	136	146	141	149	139	141	140	141
1969*	164	152	143	156	150	160	149	150	150	150
1968										
Jan.-Mar.	146	137	129	143	137	146	134	136	135	138
Apr.-June	150	139	135	145	140	148	138	140	140	138
July-Sept.	153	144	138	149	144	152	143	144	144	144
Oct.-Dec.	157	145	141	149	144	152	142	144	144	144
1969*										
Jan.-Mar.	163	151	141	155	150	159	147	149	148	150
Apr.-June	160	152	144	156	150	160	149	150	150	150
July-Sept.	167	153	144	156	150	160	150	151	151	151
Oct.-Dec.	167	153	144	156	150	160	150	151	151	151

# PRODUCTION

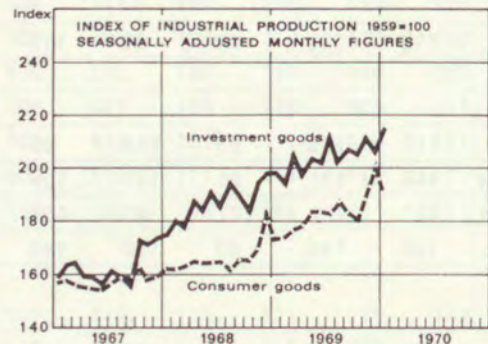
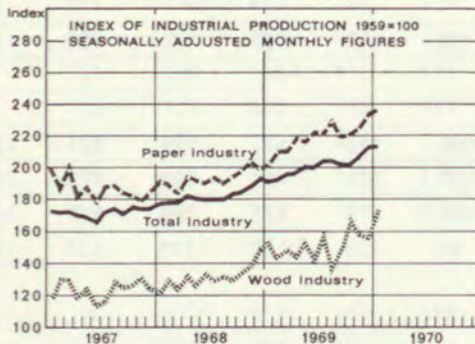
Volume indices of production 1964=100

Period	Gross domestic product	Industrial production	Agriculture	Forestry	House construction	Land and waterway construction	Transport and communications	Commerce, banking and insurance	Ownership of dwellings	Public admin. and defence	Services
1967	110	115	96	89	117	106	109	113	114	114	114
1968	113	122	98	92	109	107	113	111	118	120	119
1969	121	134	97	101	122	104	123	122	123	123	127
1968											
Oct.-Dec.	115	129	66	96	113	138	117	123	120	122	120
1969											
Jan.-Mar.	118	135	63	146	85	106	115	112	122	121	126
Apr.-June	119	131	85	113	105	105	121	121	123	122	127
July-Sept.	123	124	171	46	157	105	127	122	124	123	126
Oct.-Dec.	125	144	67	100	140	98	129	133	125	125	128
1970*											
Jan.-Mar.	125	147	63	153	96	99	125	119	127	126	132

# PRODUCTION

Index of industrial production 1959 = 100

Period	Total	Investment goods	Other producer goods	Consumer goods	Special indices of manufacturing						Total, adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industry	Non-metallic mineral industry	Metal industry	
1966	167	160	175	151	153	121	191	214	219	163	166
1967	172	163	180	158	160	125	187	233	224	168	172
1968*	182	190	189	166	164	132	194	247	219	189	183
1969*	200	205	208	183	174	152	220	254	248	205	201
<b>1968*</b>											
Aug.	180	179	183	171	172	119	195	244	234	178	181
Sept.	187	195	194	170	165	123	204	259	246	195	184
Oct.	206	213	212	190	211	138	217	270	239	215	184
Nov.	199	212	208	176	188	134	210	260	223	212	188
Dec.	181	190	189	159	139	130	180	252	216	191	194
<b>1969*</b>											
Jan.	201	218	209	179	152	159	205	269	229	215	192
Feb.	191	206	200	169	142	150	207	248	207	206	193
March	212	239	220	187	157	169	231	266	244	230	196
April	197	202	203	184	165	165	210	253	236	203	196
May	205	207	209	193	179	174	210	255	261	211	201
June	185	192	186	181	175	131	191	219	245	193	200
July	152	110	166	133	184	138	217	209	232	110	205
Aug.	198	182	204	190	182	122	235	240	255	187	205
Sept.	211	223	217	194	181	147	232	258	266	221	203
Oct.	227	236	235	207	211	170	241	263	276	235	203
Nov.	216	226	226	191	204	150	232	278	257	224	207
Dec.	209	216	219	186	161	149	213	289	265	221	213
<b>1970*</b>											
Jan.	221	227	233	192	163	172	239	299	244	227	214





## LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

Period	Total labour force, 1 000 persons	Employed 1 000 persons	Labour input 1 000 man-years/months	Unemployment, % of total labour force	Commercial timber fellings 1 000 piled cu. m	Retailers' sales volume index 1954 = 100	Wholesalers' volume index 1954 = 100	Indicator of traffic activity 1964 = 100
1966	2 215	2 180	1 904	1.6	46 507	164	179	103
1967	2 209	2 146	1 845	2.9	44 963	168	190	103
1968	2 199	2 110	1 762	4.0	47 733	170	177	109
1969	2 205	2 143	1 758	2.8	52 725	..	..	..
1969								
Jan.	2 142	2 044	1 782	4.6	5 151	..	..	110
Feb.	2 135	2 042	1 757	4.4	5 405	..	..	105
March	2 134	2 047	1 751	4.1	5 349	..	..	115
April	2 138	2 056	1 781	3.8	4 336	..	..	112
May	2 175	2 113	1 831	2.9	11 075	..	..	111
June	2 306	2 253	1 772	2.3	1 937	..	..	117
July	2 343	2 292	1 588	2.2	1 007	..	..	119
Aug.	2 304	2 257	1 704	2.0	1 886	..	..	121
Sept.	2 208	2 169	1 783	1.8	2 778	..	..	124
Oct.	2 195	2 155	1 794	1.8	3 906	..	..	130
Nov.	2 191	2 145	1 792	2.1	4 171	..	..	117
Dec.	2 188	2 136	1 769	2.4	5 724	..	..	..
1970								
Jan.	2 152	2 092	1 740	2.8	5 012	..	..	..

## HOUSE CONSTRUCTION

Period	Building permits granted					Buildings completed					Building works under construction
	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	
Million cubic metres											
1966	36.70	15.98	3.65	11.56	3.29	26.91	11.35	2.84	8.39	3.01	36.19
1967	28.82	11.51	3.08	8.90	3.02	31.34	12.42	2.93	10.83	3.49	31.40
1968*	31.58	14.00	2.95	9.56	3.06	26.44	11.72	2.58	9.15	1.35	34.09
1969*	38.95	15.38	3.88	15.29	2.12	31.46	12.62	3.05	12.67	1.41	36.49
1968*											
Oct.-Dec.	8.97	4.17	0.43	2.67	1.30	7.78	3.82	0.94	2.20	0.40	34.09
1969*											
Jan.-Mar.	5.43	2.12	0.59	2.10	0.32	4.85	1.97	0.28	1.92	0.50	32.29
Apr.-June	11.98	4.95	1.88	4.13	0.25	5.56	2.42	0.38	1.64	0.82	37.45
July-Sept.	11.78	4.94	0.86	4.62	0.75	8.52	3.31	0.83	2.56	1.20	38.85
Oct.—Dec.	9.76	3.37	0.55	4.44	0.80	10.66	4.25	1.36	4.27	0.32	36.49



# EXPLANATIONS RELATING TO THE STATISTICAL SECTION

## BANK OF FINLAND

Page 4. Since Dec. 31, 1969. *Gold and foreign exchange* = Gold (valued on basis of the par value of the mark) + Special drawing rights + IMF gold tranche + Foreign exchange. *Liabilities on foreign exchange and mark accounts* = Foreign exchange accounts + Mark account of holders abroad. *Other foreign assets* = Foreign bills + Foreign bonds + Currency subscription to Finland's quota in the IMF. *Other foreign liabilities* = Foreign term liabilities + IMF mark accounts. *Claims on Treasury* = Treasury bills covering certain IMF and IBRD accounts + Advances for stand-by stocks — Export levies (net). *Foreign exchange situation*: Gold holdings are valued on basis of the par value of the mark. Gold tranche position measures that part of Finland's quota which may be drawn essentially automatically in convertible exchange against payment in marks.

Page 5. *Other advances* = Inland bills discounted in foreign currency + Loans + Other claims (excl. Treasury's IMF and IBRD bills and Advances for stand-by stocks). *Liabilities* = Other cheque accounts + Other sight liabilities + Domestic term liabilities — Cash reserve accounts — Export levies (net).

## 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 banks, and mortgage banks. *Term deposits in all credit institutions* includes a small amount of deposits in mortgage banks.

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

## STATE FINANCES

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

## FOREIGN TRADE

Pages 9—11. Figures supplied by the Board of Customs. *Indices* (p. 9): The indices are calculated according to the Laspeyres formula. At the end of the year the arithmetic mean of the Laspeyres indices corresponds to the annual level of the Fisher index formula. *Terms of trade*: the ratio of export indices to import indices. *Foreign trade by countries* (p. 11): imports by countries of purchase, exports by countries of sale.

## BALANCE OF PAYMENTS

Pages 12—13. Figures are calculated by the Bank of Finland Institute for Economic Research. In addition to the Board of Customs figures, exports include grants in kind but exclude stevedoring expenses and imports include seamen's duty-free imports, non-monetary gold, grants in kind and adjusted allowance for smuggling.

## PRICE INDICES

Page 14. All indices calculated by the Central Statistical Office.

## WAGES — PRODUCTION

Pages 15—16. Figures supplied by the Central Statistical Office.

Page 16. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The seasonally adjusted series is calculated by the Bank of Finland Institute for Economic Research on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: investment goods weight 14.3, other producer goods weight 57.0 and consumer goods weight 28.7. Special manufacturing indices: food industry ISIC no. 20, weight 11.2, wood industry no. 25, weight 6.6, paper industry no. 27, weight 13.1, chemical industry no. 31, weight 5.2, non-metallic mineral industry no. 33, weight 3.6 and metal industry nos. 34—38, weight 23.5.

## LABOUR — TIMBER FELLINGS — INTERNAL TRADE — TRAFFIC — HOUSE CONSTRUCTION

Page 17. *Labour* 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). *Commercial timber fellings* compiled by the Ministry of Communications and Public Works. Since July 1965 figures have been adjusted by the Bank of Finland Institute for Economic Research. *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Indicator of traffic activity* calculated by the Bank of Finland Institute for Economic Research. Figures are weighted averages of the sea, air, railway and road traffic. *House construction* figures calculated by the Central Statistical Office.

## SYMBOLS USED

\* Preliminary    0 Less than half the final digit shown    . Logically impossible    .. Not available    — Nil



# SOME PARTICULARS ABOUT FINLAND

## FORM OF GOVERNMENT

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

Parliament, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1970 were as follows: Social Democrats 52, Conservatives 37, Centre Party 36, People's Democrats 36, Finnish Farmers' Party 18, Swedish Party 12, Liberal Party 8 and Christian League 1.

## INTERNATIONAL ORGANIZATIONS

Finland became a member of BIS 1930, IMF 1948, IBRD 1948, GATT 1950, UN 1955, IFC 1956, IDA 1960, EFTA 1961, ADB 1966 and OECD 1969.

## 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 (1968): 4.7 million. Sweden 7.9, Switzerland 6.1, Denmark 4.9 and Norway 3.8 million.

DENSITY OF POPULATION (1968): In South Finland 26.2, in North Finland 4.3 and in the whole country an average of 15.4 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1968): 51% of the population inhabit the rural areas, 49% towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 532 300 inhabitants, Tampere (Tammerfors) 152 500, Turku (Åbo) 152 000.

EMPLOYMENT (1968): Agriculture and forestry 25%, industry and construction 34%, commerce 15%, transport and communications 7%, services 19%.

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

EDUCATION (1968): 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 (1968): births 16.0‰, deaths 9.6‰, increase 4.4‰, net emigration 1.6‰. Deaths in France 11.0‰ and Great Britain 11.8‰.

## TRADE AND TRANSPORT

NATIONAL INCOME (1968, in million marks). Gross domestic product at factor cost by industrial origin: agriculture 2 635 (9%), forestry and fishing 1 947 (7%), manufacturing 8 941 (30%), construction 2 748 (9%), transport and communication 2 225 (7%), commerce, banking and insurance 3 724 (12%), public administration 1 418 (5%), other services 6 211 (21%), total 29 849. Index of real domestic product 113 (1964 = 100).

FOREST RESOURCES (1960—1968): The growing stock comprised 1 448 million of solid cu. m incl. bark (51 139 million cu. ft), of which pine 43% and spruce 38%, the rest 19% being broad-leaf-trees, chiefly birch. Of the growing stock 16 364 million cu. ft, 47% of them pine, was up to the standard required for logs. The annual growth is 47 million solid cu. m green wood excl. bark (1 660 mill. cu. ft). The total removal in 1968 calculated according to the use of wood was 48 million cu. m excl. bark (1 655 million cu. ft).

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

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

STATE RAILWAYS (Jan. 1, 1970): Length 5 801 km.

MERCHANT FLEET (March 31, 1970): Steamers 56 (66 867 gross reg. tons), motor vessels 385 (586 329 gross reg. tons), tankers 54 (700 972 gross reg. tons) general cargos 12 (1 515 gross reg. tons). Total 507 (1 355 683 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1969): Passenger cars 643 100, lorries and vans 96 900, buses 7 900, others 4 700. Total 752 600.

FINNISH AIRCRAFT (April, 1970): Finnish airlines. Finnair and Kar-Air have in use 2 DC-8-62s, 3 DC-6s, 8 Super Caravelles and 9 Convair Metropolitans. Companies have scheduled traffic outside of Finland to 23 airports and to 16 domestic airports.

## 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). Since Oct. 12, 1967, the par value of the mark is 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per U.S. dollar).

THE CENTRAL BANK. The Bank of Finland (estab. 1811) 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, 1969). There are two big and four small commercial banks with in all 824 offices, 330 savings banks, 464 co-operative banks and their central bank, six mortgage banks, and Post Office Bank. The co-operative stores accept deposits from their members. The National Pension Institute and sixty-two private insurance companies also grant credits.

RATES OF INTEREST (Jan 1, 1970). Bank of Finland discount rates 6—9%, the rate for discounts or rediscounts for banks 7%. Other credit institutions: term deposits 4%, 6 month deposits 4½%, 12 month deposits 5%, 24 month deposits 6%; highest lending rate 10%.



# THE FINNISH ECONOMY IN 1969

by Ahti Molander, D. Pol. Sc. and Sirkka Hämäläinen, M. Sc. (Econ.),  
Bank of Finland Institute for Economic Research

Following the 1967 devaluation there was a sharp increase in Finnish exports, due in part to the improvement in the country's competitive position in the international market, but also to the improved economic outlook abroad. The stabilization measures taken in connection with the devaluation largely curbed the rise in prices, thereby maintaining the competitive power of the export industries and contributing to the growth of exports in 1969.

Domestic demand factors only began to show signs of acceleration towards the end of 1968. This delay is accounted for by the then prevailing underutilization of capacity, rendering expansion investment unnecessary in 1968 despite the acceleration of export demand, by the restrictive effect of the stabilization measures on the growth of incomes and hence consumption demand, and by the collection of the post-devaluation export levies in 1968 and early 1969.

Various special credit arrangements were inaugurated in 1968 for the purpose of stimulating investment in the sectors important for economic growth and employment. These arrangements were continued in the first half of 1969. As there was a further growth in exports the foreign exchange reserves grew markedly up to the opening months of 1969. As a result, the liquidity position of the banking institutions was improved at the same time as industry started its expansion investment.

The recession in total production that took place in the year of devaluation continued in the opening months of 1968. However, towards the end of the year production began to accelerate as a result of increased domestic demand and investment demand in particular. The growth rate of imports followed a similar pattern to the movement of total production, declining towards the end of 1968 as a result of the slow

growth in production and the price effects of the devaluation, then picking up.

## FOREIGN DEMAND

1969 saw indications of a slowing down in the international upswing. However, Finnish export demand continued to grow throughout 1969 and reached its highest growth rate in the third quarter of that year. The volume of exports increased by more than 15 per cent on the previous year whereas the corresponding figure had been 12 per cent in 1968. This was above all due to the fact that the rise in costs and prices had been kept under control through the stabilization measures thus maintaining the increased competitive power of Finnish exports in 1969. There was a decline in the growth rate of exports during the fourth quarter of 1969 owing to a small decrease in the growth of demand and to the export industries approaching their full capacity limit, mainly because of lack of skilled labour.

As in the previous year the growth of exports concentrated in metal industry products and so-called »new export» products, of the latter especially in the group of consumer goods. The exports of metal industry products to the Western countries increased in particular. The capacity limit began to exert an influence on the exports of wood and paper industry exports in the latter half of 1969. However, the increase in exports still reached 13 per cent for wood industry products and 10 per cent for paper industry products in 1969.

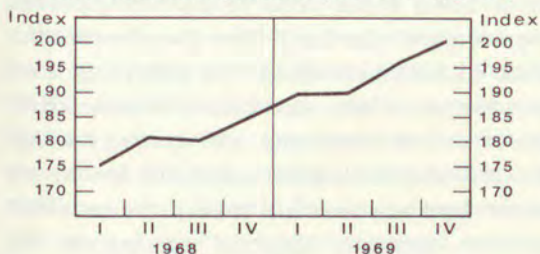
## DOMESTIC DEMAND

Although a marked acceleration took place in export demand in 1968, no obvious move in

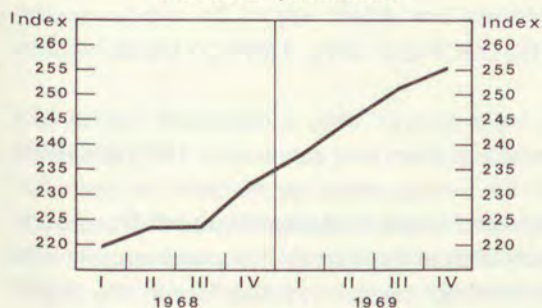


SELECTED ECONOMIC INDICATORS,  
SEASONALLY ADJUSTED QUARTERLY VOLUME  
INDICES  
1954 = 100

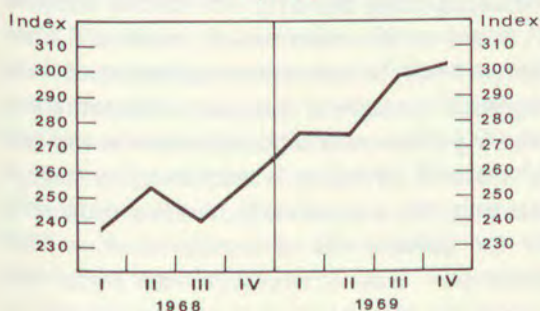
Gross domestic product per working day



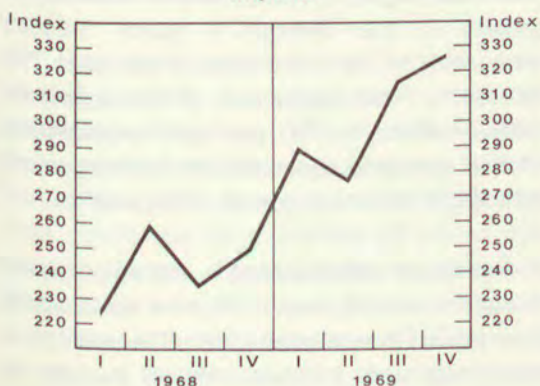
Industrial production



Exports



Imports



the same direction was evident in domestic demand factors. The general underutilization of capacity during the previous years at first checked the willingness to invest. Apart from this, the collection of export levies curbed investment by exporters to some extent. However, towards the end of 1968 investment activity started to accelerate, at first in the form of productive building investment. In 1969 the approaching of the capacity limit made it necessary to carry out significant expansion investment. At the same time the availability of credit for financing investment was decisively improved, due to easing in the money market and to net utilization of export levy funds. In 1969 a net amount of 164 million marks of export levy funds was released, primarily for financing increased investment expenditure. Private investment formed the most expansive demand factor in 1969; its percentage growth exceeded even that of exports.

Investment activity was concentrated on machinery and equipment; the growth in this category of investment reflected, with some lag, that of productive house building, which began to accelerate towards the end of 1968. The latter continued to grow vigorously even in 1969 — a sign of the need for a further increase in productive capacity. The growth in investment in residential building was considerably less than the average growth in investment. Privately financed residential building grew especially slowly; the growth concentrated in housing financed by public loan funds.

The growth in private consumption, constrained by the stabilization measures in 1968, accelerated markedly in 1969. The substantial increase in production primarily due to export and investment demand caused a considerable growth in household incomes despite the fact that wage rates were not increased by more than the forecast rise in productivity in 1969. The discontinuation of the collection of export levies resulted in a strengthening in the growth of entrepreneurial incomes. Because of stable price developments the real disposable income of households also grew markedly, i.e. by 8.5 per cent. There was a decline in the propensity to



**TABLE 1. TOTAL DEMAND AND SUPPLY**

	Volume change on the previous year, per cent	
	1968	1969
Private consumption	0	7.5
Private fixed investment	— 5	16
Public consumption	5	4.5
Public investment	2.5	— 3
<b>Total domestic demand</b> (excl. investment in inventories)	0	8
Exports of goods and services	12	15.5
<b>Total supply</b>		
GDP at market prices	2.5	8.5 <sup>1</sup>
Imports of goods and services	— 2.5	21.5

**TABLE 2. VOLUME OF PRODUCTION BY SECTORS OF THE ECONOMY**

	Change on the previous year, per cent	
	1968	1969
Agriculture	1	— 1
Forestry	4	9.5
Manufacturing	5	10
House building	— 7	12
Land and waterway construction	2	— 4
Communications	4	8
Commerce, banking and insurance	— 2	10
Other services	5	4.5
<b>Total</b>	<b>2.5</b>	<b>7.5<sup>1</sup></b>

<sup>1</sup> The fact that the increase in GDP at market prices, 8.5, was greater than that in the GDP at factor prices, 7.5, was partly caused by a 20 per cent increase in Item »indirect taxes — subsidies» on the previous year, resulting mainly from a strong growth of trade, industry and imports while the volume of subsidies remained rather stable.

As the volume of demand by the public sector has not been growing in step with the volume growth of indirect taxes, the break-down of supply and demand into price and volume components in the national income and expenditure statistics does not coincide. Thus the statistical error is, due to technical reasons, exceptionally great.

consume and private consumption increased slightly less than total production. The growth in private consumption was concentrated in consumer durables, in passenger cars especially, the volume increase in their demand being 75 per cent.

The demand by the public sector had a dampening effect on cyclical developments. The growth in public consumption was markedly less than the average increase in domestic demand, and the volume of public investment in fact decreased on the previous year — the latter being made possible by the improved employment situation. Thus the direct influence of public sector on the volume of total demand was clearly contractive. An expansive effect, on the other hand, was created through the liberation of export levy funds for private investment purposes and through the net effect on the domestic financial market of the Government's financial operations.

## PRODUCTION AND EMPLOYMENT

A rapid growth, after a depressed period of a couple of years was achieved in 1969 as a result of the simultaneous acceleration in both foreign and domestic demand factors. The growth rate of total production followed roughly that of exports; the growth was fast in the beginning of the year and then slackened; in the third quarter it picked up again, mainly due to increased house building. The volume increase in house construction was as much as 12 per cent in 1969. In manufacturing the growth was vigorous throughout the year, although some slowing down was recorded towards the end of the year owing to a slackening in foreign demand; this was also reflected in a slackening of the growth rate of total production. The expansion was strongest in the metal and wood-processing industries. As the marked increase in investment in machinery and equipment was largely directed towards imports, the growth in the investment goods industry amounted to no more than 9 per cent. The increase in the production of the consumer goods industry — 10 per cent — exceeded that in domestic consumption demand, partly as a result of a sharp growth of exports.

A significant improvement in the employment situation set in during 1969, as a result of the fast growth in total production. The unemployment rate was 2.8 per cent on average as



against 4 per cent in 1968. At the beginning of 1969 the seasonally adjusted rate was as high as 3.3 per cent and the improvement was slow in the first part of the year. Following the normal lag relationship with total production the unemployment rate declined with accelerating speed towards the end of the year; in October a seasonally adjusted rate of 2.1 per cent was achieved which prevailed for the rest of the year. Non-structural unemployment was probably completely eliminated by the closing months of the year; owing to the continuous decline in the demand for agricultural labour the level of structural unemployment is rather high at present compared with the early 1960's. At the same time there was shortage of skilled labour, above all in the metal and clothing industries.

## IMPORTS

In line with the development of total production imports grew very briskly in the first quarter of 1969, declined slightly during the second quarter and accelerated again. The growth concentrated in investment goods the increase in their imports reaching the level of 33 per cent. Increased consumption demand and its shift to passenger cars and other durables also contributed to the growth of imports. Passenger car imports rose by slightly more than 70 per cent and that of other durables by 30 per cent. The propensity to import grew to some extent — a phenomenon characteristic of an economic upswing.

## PRICES AND WAGES

An agreement on prices and incomes, concluded between the Government and interested organizations in March 1968 for controlling inflationary developments, was in force throughout 1969. This stabilization agreement was supported by a control of prices and various charges. According to the agreement wage rates were increased by an average of 4 per cent from the beginning of 1969, i.e. by an amount roughly equalling the expected rise

in productivity in 1969. In order to level off income differentials the rise was effected in the form of an hourly increase of 16 pennies. In step with the upswing wage drift accelerated in 1969; the average rise in the hourly nominal earnings totalled 8 per cent whereas the real wage increase was slightly more than 5.5 per cent.

Owing to the stabilization agreement the price level remained fairly stable throughout 1969. The cost of living index rose by no more than 2 per cent on 1968. The increase in wholesale prices, however, was higher, i.e. 3.5 per cent, primarily because of the sharp increase in the prices of imported raw materials. Towards the end of 1969 the rise in prices ceased entirely with no change in the cost of living index during the last four months of the year.

A review of cost developments, however, indicates that some cost pressures, which were held in check by the stabilization measures were transferred over into 1970. Partly for this reason it was deemed indispensable by the Government and the representatives of the interested organizations to continue the stabilization agreement in 1970. The relevant agreement was concluded in September 1969 as twelve labour market organizations signed a contract on the labour market policy to be pursued in 1970. At the same time the central organizations of commerce and industry reached their own agreement in support of stabilization. Agricultural and stumpage prices had been agreed on previously. The new agreement is in principle similar to the previous one; however, the rise in wages will, in line with the expected higher increase in productivity, exceed that in 1969.

## BALANCE OF PAYMENTS

The value of commodity exports was 8 344 million marks in 1969 which was slightly more than 21 per cent higher than in the year before. The value of commodity imports at the same time amounted to 8 502 million marks or nearly 27 per cent more than in 1968. There



was thus a trade deficit of 158 million marks as against a surplus of 163 million in the previous year. However, when the adjustment items (e.g. stevedoring costs and gifts) are included the deficit becomes 225 million marks. The invisible trade account showed a surplus of 507 million marks, which was approximately 60 million marks more than the surplus of 1968. As the net deficit due to income transfers and investment income was 235 million marks, the current account showed a surplus of 48 million marks. The corresponding figure for the previous year was 269 million marks.

As a result of the tightness in the international capital markets the inflow of long-term foreign capital, totalling 101 million marks, was less than that of 1968. The net inflow of short-term foreign capital was insignificant; this was ascribable to uncertainty prevailing on the foreign exchange market and a rise in the level of foreign interest rates. There was a decline especially in the import credits and an increase in the amount of export credits. The gold and foreign exchange reserves of the Bank of Finland declined by 115 million marks to 1 175 million during the year; the amount of gold and convertible currencies was reduced by 48 million. As there was a net curtailment of 270 million in the net foreign liabilities of the authorized banks, the total foreign exchange reserves of the country grew by 155 million amounting to 1 082 million at the end of the year.

## THE MONEY MARKET

The position of the banks in regard to the Bank of Finland eased by no more than 13 million marks in 1969. This figure, however, excludes the temporary seasonal support given to the banks by the Bank of Finland at the end of the year. The banks simultaneously cut their net foreign liabilities by approximately 270 million marks.

Brisk investment activity and the upswing brought about an increase in bank lending (including mortgage banks) to the public

nearly three times as great as that in 1968. The growth in advances was 2 053 million or 14.8 per cent in 1969. Bank deposits also increased though somewhat less than advances, growing by 1 876 million marks or 13.2 per cent. Of this, term deposits accounted for 1 497 million increasing by 11.7 per cent and sight deposits for 379 million increasing by 25.0 per cent. The latter remained high for a second year in succession, partly due to the discontinuation in the collection of export levies and brisk productive activity.

Substantial changes were effected in the structure of term deposits at the beginning of March 1969. The acceptance of deposits was discontinued on the old 6 per cent 12 month, so called high-interest accounts and new 24 month, 12 month and 6 month deposit accounts were introduced. The last index deposits matured during the first quarter of the year. Of the new accounts the most popular turned out to be the 24 month (6 per cent interest-bearing) deposit accounts, the accrual on which amounted to 14 per cent of the total term deposits at the end of the year.

## THE ECONOMIC OUTLOOK TOWARDS THE END OF 1969

As investment activity continued to accelerate the possibility of overheating in the economy became apparent in the middle of the year. It was necessary to consider the use of economic policy weapons to prevent this. The monetary policy that had stimulated investment early in the year was gradually reversed and started to exert a curbing effect on lending. By April stress had been placed on the maintenance of the banks' liquidity position and on the need to check the growth in their lending. In September the Bank of Finland concluded an agreement with the banks on the guidelines of credit policy for 1969—1970. Each bank was to limit the growth in its lending so that, in any twelve month period, it does not exceed 90 per cent of the growth in its deposits over the same period. At the same time the rediscounting quotas of the banks were cut.



In the autumn, however, it became clear that monetary policy alone could not produce the desired effect. As the use of fiscal policy instruments was limited by the stabilization agreement, negotiations were inaugurated in order to accomplish a counter-cyclical policy arrangement for checking the overheating resulting from the strong upswing. The outcome of the negotiations was an agreement concluded between the Government and the representatives of central industrial organizations on investment fund transfers and counter-cyclical deposits to be made by their member companies from the beginning of 1970 onwards.

All in all the year 1969 is to be regarded as one of vigorous economic development. A great deal of cyclical unemployment that had emerged in the previous years disappeared, the price level remained stable, the real wage and

salary earnings increased substantially due to the rise in productivity and all of the most important demand components developed favourably. On the supply side, however, there was some friction as productive capacity and the labour supply were at times insufficient in regard to an acceleration in the growth rate. Moreover, the worsening of the current account towards the end of 1969 was a feature of concern. The balance of payments situation was further aggravated by the tightening in the international financial market towards the end of the year. Cost pressures were also caused by the sharp rise in the prices of imported raw materials; the successful stabilization measures, however, prevented this from exerting any considerable influence on domestic prices and the cost of living in particular.

## ITEMS

**New Parliament.** The new Parliament was elected on March 15 and 16 for the next four years. Of the 3 095 000 electorate, 82.2 per cent voted. At the previous elections in 1966, the percentage was 84.9 and in 1962 85.1. The following table shows the percentage distribution of votes in 1962, 1966 and 1970.

	1962	1966 Per cent	1970
Social Democrats	19.5	27.2	23.4
Conservatives	15.0	13.8	18.0
Centre Party	23.0	21.2	17.1
People's Democrats	22.0	21.2	16.6
Finnish Farmers' Party	2.2	1.0	10.5
Swedish Party	6.4	6.0	5.7
Liberal Party	6.9	6.5	6.0
Social Democratic League	4.4	2.6	1.4
Christian League	—	0.4	1.0
Others	0.6	0.1	0.3
Total	100.0	100.0	100.0

The seats in Parliament were divided as follows:

Social Democrats	38	55	52
Conservatives	32	26	37
Centre Party	53	49	36
People's Democrats	47	41	36
Finnish Farmers' Party	—	1	18
Swedish Party	14	12	12
Liberal Party	14	9	8
Christian League	—	—	1
Social Democratic League	2	7	—
Total	200	200	200

**New regulations concerning central bank credit.** The Bank of Finland issued new regulations concerning the banks' central bank credit on March 25, 1970. New credit quotas were confirmed for the commercial banks using central bank credit for the period April—August 1970. These quotas are 65 per cent of the level of September 1969 and thus 10 percentage units

lower than the quotas applied for January—March this year. At the same time, however, the basic quotas of the central associations of the savings banks and co-operative banks were raised and therefore the total of the banks' quotas was not decreased by as much as 10 per cent. The new regulations aimed at maintaining tightness in the financial market in order to prevent overheating in the economy and to limit the current account deficit.

In September last year the Bank of Finland made an agreement with the banking institutions on the restriction of bank lending (See front article in Bulletin No. 10, 1969). Other counter-cyclical policy measures taken after the September agreement, e.g. the agreement on the counter-cyclical and investment deposits. (see item in Bulletin N:o 12, 1970), however, affected the position of the banks in such a way that not all of them were able to reach the agreed 90 per cent limit by the end of March. Since the new counter-cyclical policy measures have decisively improved the means of control over cyclical developments continuation of the September agreement on the restriction of bank lending was regarded as unnecessary.

### Finland's balance of payments for 1969.

According to the preliminary figures of the Bank of Finland Institute for Economic Research total revenue on current account was 10 216 million marks and total expenditure 10 168 million marks in 1969. Thus a current account surplus of 48 million marks was recorded. In the previous year there was a surplus of 269 million marks, which means that there was a deterioration in 1969 over 1968 of 221 million marks.



The value of commodity exports increased by 21.4 per cent and totalled 8 344 million marks. The value of commodity imports rose by 27.1 per cent amounting to 8 502 million marks. The visible trade account deteriorated by 321 million marks in 1969 and showed a deficit of 158 million marks in comparison with the 163 million marks surplus of the previous year.

The deficit arising from trade in convertible currencies was 232 million marks whereas the surplus from trade in non-convertible currencies was 74 million marks. Of the categories of exports the exports of metal and engineering industry, wood industry and other goods rose sharply in 1969. The imports of investment goods and passenger cars increased considerably in 1969 over the previous year. The visible trade deficit including foreign trade adjustment items was 225 million marks.

The surplus in invisible trade, i.e. services and interest and transfer payments was 272 million marks. Receipts from travel were 375 million marks in 1969, which is 33 per cent more than in the previous year. Expenditure on travel increased 28 per cent and totalled 371 million marks. The surplus on travel account thus amounted to 4 million marks. The deficit in the previous year was 8 million marks. Receipts from transport are estimated to have exceeded corresponding expenditure by 524 million marks, which means an improvement on trans-

port account of 39 million marks on 1968. Due to the considerable capital inflow during the last few years interest payments increased in 1969; the deficit on interest account grew by 45 million marks to 307 million marks. Net transfer payments amounted to a surplus of 72 million marks owing to a 81 million marks loan cancellation by the Swedish Government.

Drawings on long-term foreign loans totalled 1 031 million marks in 1969. The corresponding figure for 1968 was 1 245 million marks, which means that long-term foreign capital inflow decreased by 214 million marks over 1968. Amortizations of long-term foreign loans amounted to 714 million marks in 1969, i.e. to 154 million marks less than in 1968. Net long-term capital inflow including long-term trade credits and direct investment amounted to 101 million marks in 1969, which is 276 million marks less than in the year before. Imports of long-term foreign capital took place mainly through bond issues or in the form of other financial loans and commodity credits. Five bond issues were made abroad totalling 295 million marks which was 72 million marks less than in the previous year. Net inflow of commodity credits was 125 million marks. At the end of 1969 the stock of Finland's long-term foreign debt amounted to 4 989 million marks. This figure includes the net impact — an increase of 105 million marks — of changes in the exchange rates of the French franc and the German mark on the foreign debt.

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# BANK OF FINLAND

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## Board of management

Mauno Koivisto

*Governor (Absent as Prime Minister)*

Reino Rossi

*Deputy Governor,  
present Acting Governor*

Esko K. Leinonen

A. Simonen

*(Absent as a member of  
Government)*

Ahti Karjalainen

*(Absent as a member of  
Government)*

Heikki Valvanne

Jouko J. Voutilainen

*ad int.*

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## Directors

Jouko J. Voutilainen

Timo Helelä

Jorma Aranko

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## Senior officials

Pertti Tammivuori

*Administration*

P.-E. Österlund

*Invisible transactions and  
capital transfers*

A. Kajantie

*Internal Audit*

Helge Lindström

*Credits*

A. Nenonen

*Foreign correspondence*

K. Eirola

*Automatic Data Processing*

K. Ignatius

*Personnel*

Eino Suomela

*Office*

Stig Törnroth

*Cash*

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## Institute for economic research

Pertti Kukkonen

*Director*

Markku Puntila

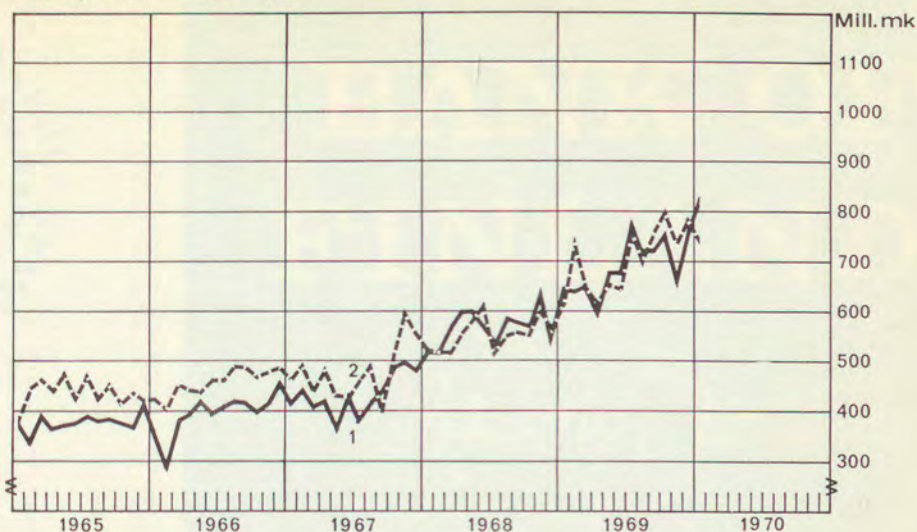
*Head of department*

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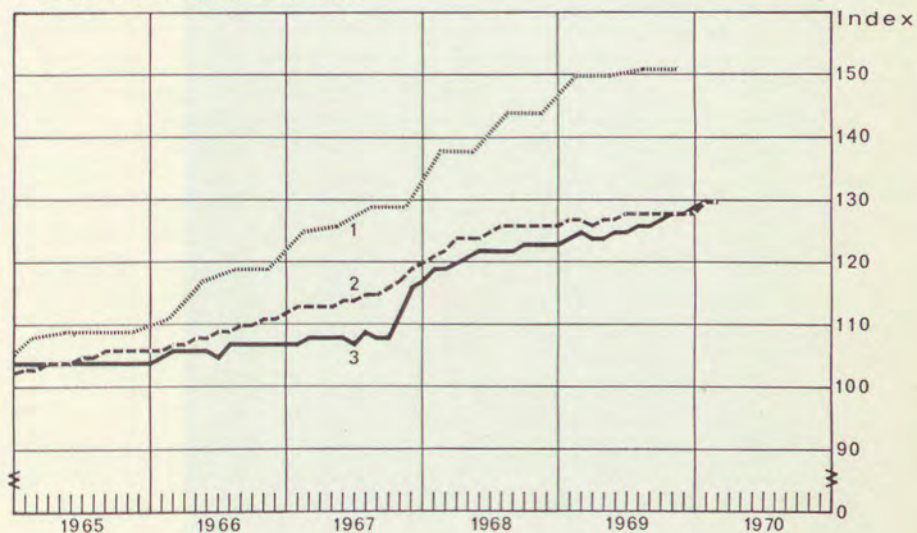
### Foreign trade, 1965-1970

1. Exports f.o.b.
  2. Imports c.i.f.
- Seasonally adjusted monthly figures



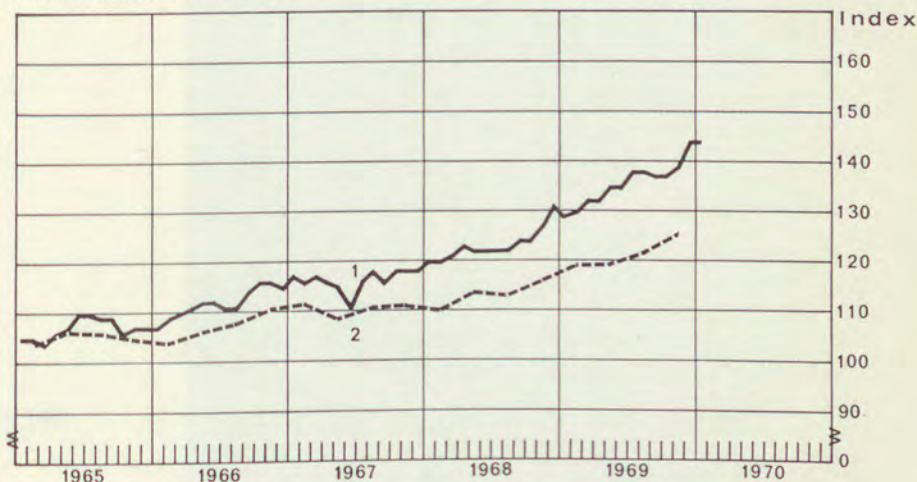
### Prices and wages, 1965-1970

1. Index of salary and wage earnings 1964 = 100, quarterly
2. Cost of living index 1964 = 100, monthly
3. Wholesale price index 1964 = 100, monthly



### Production, 1965-1970

1. Total index of industrial production 1964 = 100, seasonally adjusted monthly figures
2. Volume index of gross domestic product 1964 = 100, seasonally adjusted quarterly figures





# BANK OF FINLAND

