



BANK OF FINLAND

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THE FINNISH MARKET REVIEW.

THE MONEY MARKET.

No particular changes were recorded on the money market in May. The stringency of recent months went on, perhaps even advancing as is the rule in Spring before timber shipments get into full swing. This year timber exports were delayed because agreement about the prices of the most important export articles was not reached with Great Britain until June. No doubt this delay tended to increase the strain on the banks.

Deposits into the *Commercial Banks* were weak in May. This accords with the season, but the phenomenon was exceptionally pronounced this year. Total deposits decreased from 45,220 million marks to 43,608 million or by 1,612 million in May, while in May 1947 they increased by 653 million and in May 1946 decreased only by 339 million. The deposit accounts of the public indeed did not change much; they decreased only by 21 million marks as against an increase of 16 million in the previous year. On the other hand, the cheque accounts of the public fell much more sharply or by 704 million, while in May 1947 they had increased by 527 million. More substantial still was the reduction in the deposits of the other credit institutions in the Commercial Banks, being 887 million marks as against an increase of 110 million a year earlier. This indicates that the credits granted by the other credit institutions advanced much faster than the deposits into them, forcing them to reduce their cash reserves.

This applies also to the Commercial Banks, their total credits granted increasing from 42,270 million to 43,022 million

marks in May, or by 752 million. As credits increased while deposits fell off, the cash reserves of the Commercial Banks were reduced by 304 million marks to 3,113 million. Most of the difference was covered by the banks increasing their credits from the central bank. Re-discounts rose from 2,590 million marks at the end of April to 4,441 million at the end of May, the increase being 1,851 million.

During January—May the deposits into the Commercial Banks decreased by 728 million marks, while in the same months of last year they had increased by 3,534 million. The unfavourable development of this year is exceptional in so far as it is largely a consequence of the inflow of money into the banks that was caused by the rumours of an exchange of bank notes spreading during the last weeks of 1947. The credits granted by the Commercial Banks increased fairly „normally” in January—May, by 5,362 million marks.

June was again more favourable and considerably eased the position of the Commercial Banks. Total deposits increased by 229 million marks, while direct credits were reduced by 42 million. The banks therefore could reduce their credits from the Bank of Finland by 591 million marks.

Also in the *other credit institutions* the depository movement was weak, although not quite as dull as in the Commercial Banks. Total deposits in all credit institutions were reduced from 89,047 million marks to 88,090 million in May, the decrease being 957 million as against an increase of 885 million in May 1947.

Similarly the figures for the *Bank of Finland* clearly indicate the great need of

credits of business and industry. Such credits increased by 1,307 million marks in May and 263 million in June, thereby reaching 18,217 million. They exceeded the amount of one year earlier by about 6.5 billion marks. This is a clear sign of the great need of investments and the increase in the need of running capital in consequence of the rise in prices. The other part of the direct credits granted by the central bank, the discounts of Treasury bills, on the other hand, sharply declined in the beginning of May as the sales tax was collected for the first quarter of the year, the decrease being 3,670 million marks. In June the credits granted to the State again increased by 700 million marks being 15,430 million on the last day of the month. The considerable increase of rediscounts in May has already been mentioned. In June their amount was somewhat reduced, by 456 million marks, totalling 3,980 million at the end of June.

In regard to the report of the Bank of Finland it should still be mentioned that on the last of June the capital of the Bank was raised from 1,250 million marks to 5,000 million. As stated elsewhere, a long considered change in the position of the central bank was thereby realized.

PRICES.

The price level has settled in a satisfactory way in the last few months, some signs of a reduction being even reported. The official cost of living index (August 1938—July 1939 = 100), which had risen to 763 in January, in February fell but in April again reached 765 points and in May remained unchanged. The special index on which wages are based and which structurally slightly differs from the official index fell by three points from February to May — it is only calculated quarterly. In consequence wages have remained unchanged. The stability or reduction in the cost of living is explained by the imports of cheap food that have forced down the prices of domestic goods.

The wholesale price index has not been stable, yet the rise has been small in recent months: in April 5 and in May 10

points. The index was 1,089 points in May (1935 = 100).

TRADE AND INDUSTRY.

Industrial production still increased in the first quarter of the current year, the volume of production at an estimate averaging the level of 1938 which represented the pre-war peak. Conditions of course differ in various fields. Thus the export industry, although its volume of production advanced by 10 per cent since the same quarter of 1947, still fell about 30 per cent short of the 1938 figure. On the other hand, the volume of domestic industry increased by about 25 per cent since last year thereby surpassing the 1938 level by the same percentage.

Foreign trade has been very active this year mostly exceeding the trade in the corresponding months of last year. Imports amounted to 4,945 million marks in April and 6,025 million in May as against 1,464 and 3,843 million in the same months of 1947. To some extent the increase was caused by rising prices, but mostly by the increase in the quantities imported. As a matter of fact imports are nearing the pre-war top quantities. Commercial exports have not advanced so much, owing to the war-time decline and the loss of industrial enterprises, but above all because the war reparations demand such a large share in exports. Commercial exports amounted to 4,490 million marks in April, but in May only to 3,696 million as against 2,108 and 4,855 million respectively in 1947. In addition war reparations amounted to 1,129 million in April and 1,356 million in May. The volume of commercial exports was about 22 per cent larger in January—May than during the same months last year, while their prices had risen by 26 per cent. — As is the rule in the beginning of the year before the start of the real export season, the balance of trade was passive. Commercial exports thus were 5,775 million marks less than imports in January—May. In case also the war reparations are included, the deficit of the balance of trade is reduced to 886 million marks.

STATISTICS.
1. — STATEMENT OF THE BANK OF FINLAND.

	1947	1948					
	Mill. mk	Mill. mk					
	30/6	31/1	28/2	31/3	30/4	31/5	30/6
ASSETS.							
I. Gold Reserve	2	91	195	135	224	269	268
Foreign Correspondents	1 157	1 395	1 799	2 452	446	577	652
II. Foreign Bills	361	308	318	339	333	327	327
Foreign Bank Notes and Coupons	12	21	11	24	22	19	31
Inland Bills	31 599	31 445	31 943	33 402	37 290	36 752	37 248
III. Loans on Security	24	24	24	22	22	22	22
Advances on Cash Credit	541	374	503	431	305	345	257
Bonds in Finnish Currency	230	213	209	206	204	202	200
» » Foreign »	176	156	158	162	161	161	161
Bank Premises and Furniture	32	—	—	—	—	—	—
Sundry Assets	993	788	515	1 691	1 377	1 167	880
Total	35 127	34 815	35 615	38 864	40 384	39 841	40 146
LIABILITIES.							
Notes in circulation	22 415	23 258	24 448	26 776	27 850	27 112	27 204
Other Liabilities payable on demand:							
Balance of Current Accounts due to the Treasury	144	—	—	—	190	56	—
» » » » » Others	853	1 182	1 048	1 587	1 356	1 024	1 046
Bank-Post-Bills	45	43	58	180	76	67	43
Foreign Correspondents	235	1 163	1 158	1 173	1 207	1 275	1 191
Foreign Clearing Accounts	4 984	2 587	2 712	2 898	3 307	3 065	3 656
Sundry Accounts	431	63	60	109	31	518	180
Capital	1 250	1 250	1 250	1 250	1 250	1 250	5 000
Reserve Fund	1 412	1 735	1 735	1 735	1 735	1 735	135
Bank Premises and Furniture	32	—	—	—	—	—	—
Earnings less Expenses	197	60	113	168	230	285	340
Undisposed Profits	21	302	2	2	2	2	2
Sundry Liabilities	3 108	3 172	3 081	2 986	3 150	3 452	1 349
Total	35 127	34 815	35 615	38 864	40 384	39 841	40 146

2. — NOTE ISSUE OF THE BANK OF FINLAND.

	1947	1948					
	Mill. mk	Mill. mk					
	30/6	31/1	28/2	31/3	30/4	31/5	30/6
RIGHT TO ISSUE NOTES.							
Gold Reserve and Foreign Correspondents	1 159	1 486	1 934	2 587	670	846	920
According to Law of Dec. 13, 1939 ¹⁾	31 972	31 774	32 272	33 765	37 645	37 098	37 706
Additional Right of Issue	1 800	1 800	1 800	1 800	1 800	1 800	1 800
Total	34 931	35 060	36 006	38 152	40 115	39 744	40 426
AMOUNT OF ISSUE USED.							
Notes in circulation	22 415	23 258	24 448	26 776	27 850	27 112	27 204
Other Liabilities payable on demand	6 692	5 038	5 036	5 947	6 167	6 005	6 116
Undrawn Amount of Advances on Cash Credit	427	559	430	502	628	585	673
Total	29 534	28 855	29 914	33 225	34 645	33 702	33 993
NOTE RESERVE	5 397	6 205	6 092	4 927	5 470	6 042	6 433
Grand total	34 931	35 060	36 006	38 152	40 115	39 744	40 426

¹⁾ Bills payable abroad in foreign currency, foreign bonds listed on foreign Stock Exchanges, interest coupons in foreign currency which have fallen due for payment, foreign bank notes, and inland bills falling due not later than within three months' time.

Bank Rate since February 6, 1948, 7 1/4 %.

8. — BANK OF FINLAND, NOTES IN CIRCULATION, FOREIGN CORRESPONDENTS AND COVER FOR THE ISSUE OF NOTES.

End of Month	Notes in Circulation Mill. mk				Foreign Correspondents ¹⁾ Mill. mk				Cover for the Issue of Notes Percentage of Liabilities payable on demand				End of Month
	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	
Jan.	[13 598]	17 172	23 258	— 1 904	[1 283]	2 350	1 395	+ 774	[115.46]	112.10	115.26	+ 2.09	Jan.
Febr.	15 631	18 896	24 448	+ 1 190	1 883	2 391	1 799	+ 404	112.75	110.59	114.35	— 0.91	Febr.
March	17 323	20 944	26 776	+ 2 328	1 216	3 116	2 452	+ 653	113.10	110.07	109.41	— 4.94	March
April	18 534	21 566	27 850	+ 1 074	1 038	1 931	446	— 2 006	111.95	111.82	110.59	+ 1.18	April
May	18 442	21 653	27 112	— 738	604	1 893	577	+ 131	109.97	112.44	112.59	+ 2.00	May
June	17 657	22 415	27 204	+ 92	848	1 157	652	+ 75	109.73	112.18	113.63	+ 1.04	June
July	17 269	22 956			775	1 248			108.35	113.78			July
Aug.	17 986	23 945			1 365	762			109.11	114.11			Aug.
Sept.	19 076	24 484			1 586	776			110.27	112.96			Sept.
Oct.	19 667	25 129			1 475	464			109.92	113.73			Oct.
Nov.	19 492	25 809			1 977	685			110.62	114.71			Nov.
Dec.	18 233	25 162			1 915	621			108.59	113.17			Dec.

¹⁾ Credit balances with foreign correspondents.

4. — BANK OF FINLAND, NOTE RESERVE, HOME LOANS AND RE-DISCOUNTED BILLS.

End of Month	Note Reserve Mill. mk				Home Loans ¹⁾ Mill. mk				Re-discounted Bills (Included in Home Loans) Mill. mk				End of Month		
	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement			
Jan.	[5 018]	4 379	6 205	+ 279	[22 397]	22 151	27 452	31 843	— 3 054	[—]	—	968	530	— 2 966	Jan.
Febr.	4 461	4 737	6 092	— 113	21 794	28 699	32 470	+ 627	625	2 474	3 384	+ 2 854	— 2 854	Febr.	
March	4 731	4 852	4 927	— 1 165	24 433	30 580	33 855	+ 1 385	949	1 352	2 197	— 1 187	— 1 187	March	
April	4 687	5 387	5 470	+ 543	26 429	32 174	37 617	+ 3 762	934	998	2 570	+ 373	+ 373	April	
May	4 601	5 463	6 042	+ 572	30 726	31 451	37 119	— 498	2 481	2 257	4 436	+ 1 866	+ 1 866	May	
June	4 685	5 397	6 433	+ 391	32 283	32 164	37 627	+ 508	2 874	1 909	3 980	— 456	— 456	June	
July	4 336	5 832			32 837	32 033			1 646	687				July	
Aug.	4 617	6 021			32 920	33 242			2 156	730				Aug.	
Sept.	4 989	5 641			33 043	32 859			1 679	466				Sept.	
Oct.	4 777	5 917			31 845	33 699			1 048	369				Oct.	
Nov.	4 839	6 246			30 312	34 208			1 959	2 537				Nov.	
Dec.	4 245	5 926			29 409	34 897			2 458	3 496				Dec.	

¹⁾ Inland bills, loans on security and advances on cash credit.

5. — BANK OF FINLAND. TREASURY BILLS AND BALANCES OF CURRENT ACCOUNTS.

End of Month	Treasury Bills (Included in Home Loans) Mill. mk				Balance of Current Accounts due to the Treasury Mill. mk				Balance of Current Accounts due to others than the Treasury Mill. mk				End of Month		
	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement			
Jan.	[18 600]	17 950	17 830	— 670	[149]	—213	160	— 20	— 134	[2 685]	888	1 087	1 182	— 1 702	Jan.
Febr.	16 450	16 950	14 600	— 3 230	— 69	—567	— 32	— 12	— 12	743	739	1 048	— 134	— 134	Febr.
March	18 150	19 300	16 900	+ 2 300	69	—153	—653	— 621	— 621	654	1 550	1 587	+ 539	+ 539	March
April	19 550	20 300	18 400	+ 1 500	94	556	190	+ 843	+ 843	1 068	798	1 356	— 231	— 231	April
May	21 750	17 500	14 730	— 3 670	—139	— 17	56	— 134	— 134	1 047	1 221	1 024	— 332	— 332	May
June	22 500	18 400	15 430	+ 700	64	144	—364	— 420	— 420	860	853	1 046	+ 22	+ 22	June
July	23 900	19 700			195	425				855	597				July
Aug.	23 500	21 000			—146	62				973	1 011				Aug.
Sept.	24 300	20 800			39	293				1 036	1 301				Sept.
Oct.	23 520	21 350			147	277				1 427	1 308				Oct.
Nov.	20 370	18 800			246	872				683	633				Nov.
Dec.	17 920	18 500			599	114				1 481	2 884				Dec.

The figures in brackets [] indicate the position at the end of the previous year.

6. — RATES OF EXCHANGE QUOTED BY THE BANK OF FINLAND.

		1946	1946	1946	1946	1946	1947	1948
		28/2—30/4	31/5	30/6	31/7	31/8—31/12	31/1—31/12	31/1—30/6
New York	1 Dollar	136:—	136:—	136:—	136:—	136:—	136:—	136:—
London	1 Pound	547:—	547:—	547:—	547:—	547:—	547:—	547:—
Stockholm	100 Kronor	3 230:—	3 230:—	3 230:—	3 790:—	3 790:—	3 790:—	3 790:—
Paris	100 Francs	114:—	114:—	114:—	114:—	114:—	114:—	63: 35
Brussels	100 Francs	310:—	310:—	310:—	310:—	310:—	310:—	310:—
Amsterdam	100 Guilders	—	—	5 120:—	5 120:—	5 120:—	5 120:—	5 120:—
Basle	100 Francs	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—
Oslo	100 Kroner	2 750:—	2 745:—	2 745:—	2 745:—	2 745:—	2 745:—	2 745:—
Copenhagen	100 Kroner	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—
Prague	100 Koruny	—	—	275:—	275:—	275:—	275:—	275:—
Montreal	1 Dollar	124:—	124:—	124:—	135: 50	135: 50	135: 50	135: 50
Lisbon	100 Escudos	560:—	560:—	560:—	560:—	560:—	560:—	560:—
Rio de Janeiro	100 Cruzeiros	760:—	760:—	760:—	740:—	765:—	765:—	765:—

7. — COMMERCIAL BANKS. HOME DEPOSITS AND CREDITS FROM THE BANK OF FINLAND.

End of Month	Due to the Public				Due to other Credit institutions		Total			Monthly Movement	Credits from the Bank of Finland		End of Month
	Cheque Accounts		Deposits		Mill. mk		Mill. mk				Mill. mk		
	1947	1948	1947	1948	1947	1948	1946	1947	1948		1947	1948	
Jan.	[13 695]		[17 564]		[4 171]		[35 308]				[2 896]		Jan.
Febr.	13 641	17 417	17 912	20 152	4 055	6 855	33 731	35 608	44 424	+ 88	722	530	Febr.
March	12 507	15 685	18 101	20 335	3 990	5 934	32 833	34 598	41 954	- 2 470	2 438	3 384	March
April	13 301	18 001	18 774	20 760	5 062	5 898	33 314	37 137	44 659	+ 2 705	1 476	2 201	April
May	13 857	18 063	18 939	21 175	5 515	5 982	34 076	38 311	45 220	+ 561	1 159	2 590	May
June	14 384	17 359	18 955	21 154	5 625	5 095	33 737	38 964	43 608	- 1 612	2 257	4 441	June
July	14 657	17 827	18 966	21 308	5 480	4 702	33 675	39 103	43 837	+ 229	1 908	3 850	July
Aug.	14 829		19 197		6 001		34 008	40 027			682		Aug.
Sept.	14 779		19 646		7 059		34 072	41 484			728		Sept.
Oct.	16 426		19 514		6 867		34 488	42 807			466		Oct.
Nov.	16 767		19 270		6 933		35 431	42 970			374		Nov.
Dec.	16 217		19 098		5 824		34 438	41 139			2 542		Dec.
	17 754		19 981		6 601		35 430	44 336			3 502		

Tables 7-9 according to Finnish Official Statistics VIII, D, Bank Statistics. Mortgage banks are not included.

8. — COMMERCIAL BANKS. HOME LOANS.

End of Month	To the Public				To other Credit Institutions		Total			Monthly Movement		End of Month	
	Inland Bills		Other Credits		Mill. mk		Mill. mk						
	1947	1.48	1947	1948	1947	1948	1946	1947	1948	1947	1948		
Jan.	[10 176]		[18 598]		[755]		[22 293]						Jan.
Febr.	10 345	17 173	19 092	20 163	658	1 933	24 431	30 095	39 269	+ 566	+ 1 609		Febr.
March	10 818	18 382	19 418	19 626	614	1 732	24 704	30 850	39 740	+ 755	+ 471		March
April	11 984	18 939	19 280	19 435	873	1 700	26 015	32 137	40 074	+ 1 287	+ 334		April
May	13 707	20 830	19 515	19 759	942	1 681	27 175	34 164	42 270	+ 2 027	+ 2 196		May
June	14 639	21 691	19 437	19 830	1 086	1 501	28 576	35 212	43 022	+ 1 048	+ 752		June
July	14 670	21 822	19 404	19 657	971	1 309	29 059	35 045	42 788	- 167	- 234		July
Aug.	15 171		19 616		1 320		29 047	36 107		+ 1 062			Aug.
Sept.	15 543		19 056		1 372		28 621	35 971		- 136			Sept.
Oct.	15 929		19 163		1 322		28 417	36 414		+ 443			Oct.
Nov.	16 236		19 854		1 711		28 903	37 801		+ 1 387			Nov.
Dec.	16 801		20 045		1 433		29 245	38 279		+ 478			Dec.
	16 589		19 289		1 782		29 529	37 660		- 619			

The figures in brackets [] indicate the position at the end of the previous year.

9. — COMMERCIAL BANKS. POSITION TOWARDS FOREIGN COUNTRIES.

End of Month	Claims ¹⁾ Mill. mk				Indebtedness ²⁾ Mill. mk				Net Claims (+) or Net Indebtedness (-) Mill. mk				Monthly Movement		End of Month	
	1945	1946	1947	1948	1945	1946	1947	1948	1945	1946	1947	1948	1947	1948		
Jan.	[125]				[247]				[-122]							
Jan.	125	342	2 501	2 982	251	355	2 299	2 566	-126	- 13	+ 202	+ 416	-154	- 721	Jan.	
Febr.	103	473	2 397	2 447	255	357	2 092	2 219	-152	+116	+ 305	+ 228	+103	- 188	Febr.	
March	84	662	2 322	2 380	263	720	2 224	2 161	-179	- 58	+ 98	+ 219	-207	-	9 March	
April	86	696	2 351	2 890	276	819	2 309	2 340	-190	-123	+ 42	+ 550	- 56	+ 331	April	
May	91	781	2 588	2 583	274	982	2 450	2 282	-183	-201	+ 138	+ 301	+ 96	- 249	May	
June	95	796	2 815	2 496	283	999	2 474	2 217	-188	-203	+ 341	+ 279	+203	- 22	June	
July	86	672	3 351		296	868	2 442		-210	-196	+ 909		+568		July	
Aug.	98	673	3 232		292	860	2 230		-194	-187	+ 1 002		+ 93		Aug.	
Sept.	104	859	3 777		301	911	2 564		-197	- 52	+ 1 213		+211		Sept.	
Oct.	176	1 169	3 975		313	919	2 792		-137	+250	+ 1 183		- 30		Oct.	
Nov.	232	1 090	4 150		317	932	3 105		- 85	+158	+ 1 045		-138		Nov.	
Dec.	385	2 460	4 085		352	2 104	2 948		+ 33	+356	+ 1 137		+ 92		Dec.	

¹⁾ Credit balances with foreign correspondents and foreign bills. — ²⁾ Due to foreign correspondents.

10. — FOREIGN PAYMENT POSITION OF ALL BANKS. ¹⁾

11. — DEPOSITS IN POST OFFICE SAVINGS BANK. ²⁾

End of Month	Net Claims (+) or Net Indebtedness (-) Mill. mk				Monthly Movement	
	1945	1946	1947	1948	1947	1948
Jan.	[-813]					
Jan.	- 822	-1 166	-4 806	-1 631	+ 347	-1296
Febr.	- 875	- 398	-4 621	-1 525	+ 185	+ 106
March	- 991	-1 289	-3 762	-1 061	+ 859	+ 464
April	- 951	-1 487	-4 572	-3 185	- 810	-2124
May	- 887	-6 509	-3 722	-3 135	+ 850	+ 50
June	- 929	-8 486	-3 360	-3 589	+ 362	- 454
July	-1 332	-9 289	-1 940		+1 420	
Aug.	-1 379	-8 620	-1 968		- 28	
Sept.	-1 507	-7 439	- 690		+1 278	
Oct.	-1 624	-6 350	- 588		+ 102	
Nov.	-2 543	-5 595	- 364		+ 224	
Dec.	-1 556	-5 153	- 335		+ 29	

End of Month	Deposits Mill. mk				Monthly Movement		End of Month
	1945	1946	1947	1948	1947	1948	
Jan.	[3 170]						
Jan.	3 355	5 319	7 365	8 581	+152	+ 187	Jan.
Febr.	3 337	5 370	7 481	8 418	+116	- 163	Febr.
March	3 342	5 589	7 574	8 487	+ 93	+ 69	March
April	3 413	5 712	7 527	8 509	- 47	+ 22	April
May	3 749	5 784	7 609	8 371	+ 82	- 138	May
June	4 112	5 846	7 692		+ 83		June
July	4 139	5 940	7 796		+104		July
Aug.	4 130	6 488	8 086		+290		Aug.
Sept.	4 494	6 647	8 094		+ 8		Sept.
Oct.	4 681	6 777	8 123		+ 29		Oct.
Nov.	4 784	6 845	7 956		-167		Nov.
Dec.	5 417	7 213	8 394		+438		Dec.

¹⁾ For the Bank of Finland the net result of the debit and credit accounts with foreign correspondents, foreign clearing transactions and foreign commercial debt as well as foreign bills are taken into account, and for the Commercial Banks their net position is taken into account according to table 9 above.

²⁾ According to figures supplied by the Post Office Savings Bank.

12. — DEPOSITS IN THE SAVINGS BANKS.

End of Month	Savings Accounts Mill. mk			Current Accounts Mill. mk			Total Mill. mk			Monthly Movement		End of Month
	1946	1947	1948	1946	1947	1948	1945	1946	1947	1948	1947		1948
Jan.	[17 583]			[1 247]			[13 697]					
Jan.	17 465	19 637*	23 102*	916	1 228*	1 969*	14 004	18 381	20 865*	25 071*	+ 84*	+131*
Febr.	17 603	19 834*	23 282*	923	1 263*	1 920*	14 216	18 526	21 097*	25 202*	+ 232*	+131*
March	17 770	20 203*	23 506*	981	1 426*	1 953*	14 311	18 751	21 629*	25 459*	+ 532*	+257*
April	17 896	20 530*	23 951*	1 050	1 624*	2 030*	14 334	18 946	22 154*	25 981*	+ 525*	+522*
May	17 884	20 681*	23 997*	1 156	1 654*	1 808*	14 553	19 040	22 335*	25 805*	+ 181*	-176*
June	18 303	20 763*		1 262	1 669*		15 004	19 565	22 432*		+ 97*	
July	18 431	21 100*		1 260	1 787*		15 186	19 691	22 887*		+ 455*	
Aug.	18 586	21 497*		1 353	1 798*		15 401	19 939	23 295*		+ 408*	
Sept.	18 628	21 567*		1 409	1 946*		16 294	20 037	23 513*		+ 218*	
Oct.	18 562	21 591*		1 363	2 132*		16 831	19 925	23 723*		+ 210*	
Nov.	18 593	21 519*		1 334	2 082*		17 201	19 927	23 601*		- 122*	
Dec.	19 461	22 897*		1 320	2 043*		18 830	20 781	24 940*		+1 339*	

According to figures supplied by the Central Statistical Office.

The figures in brackets [] indicate the position at the end of the previous year.

* Preliminary figures subject to minor alterations.

13. — DEPOSITS IN CO-OPERATIVE CREDIT SOCIETIES AND CONSUMERS' CO-OPERATIVE SOCIETIES.

End of Month	Deposits in Co-operative Credit Societies ¹⁾ Mill. mk				Monthly Movement		Deposits in Consumers' Co-operative Societies ²⁾ Mill. mk				Monthly Movement		End of Month
	1945	1946	1947	1948	1947	1948	1945	1946	1947	1948	1947	1948	
Jan.	[4 507]						[1 268]						
Jan.	4 602	6 757	8 339	11 332	— 52	— 28	1 318	2 031	2 315	2 824	+ 53	+ 69	Jan.
Febr.	4 661	6 838	8 433	11 384	+ 94	+ 52	1 341	2 063	2 354	2 862	+ 39	+ 38	Febr.
March	4 804	7 118	8 962	11 687	+529	+ 303	1 354	2 085	2 414	2 938	+ 60	+ 76	March
April	4 842	7 304	9 292	12 015	+330	+ 328	1 363	2 112	2 459	3 074	+ 45	+ 136	April
May	4 978	7 405	9 407	11 982	+115	— 33	1 388	2 112	2 473	3 201	+ 14	+ 127	May
June	5 150	7 534	9 604		+197		1 429	2 138	2 521		+ 48		June
July	5 246	7 606	9 838		+234		1 447	2 132	2 549		+ 28		July
Aug.	5 332	7 739	10 412		+574		1 465	2 127	2 573		+ 24		Aug.
Sept.	5 657	7 869	10 618		+206		1 599	2 126	2 584		+ 11		Sept.
Oct.	5 901	7 883	10 667		+ 49		1 690	2 130	2 586		+ 2		Oct.
Nov.	6 061	7 871	10 597		— 70		1 755	2 145	2 595		+ 9		Nov.
Dec.	6 926	8 391	11 360*		+763		2 036	2 262	2 755		+160		Dec.

¹⁾ Figures supplied by the Central Bank for Co-operative Credit Societies. — ²⁾ According to data supplied by the Finnish Co-operative Wholesale Society and the Co-operative Wholesale Association.

14. — DEPOSITS IN ALL CREDIT INSTITUTIONS. ¹⁾

End of Month	Total Deposits due to the Public Mill. mk				Monthly Movement	
	1945	1946	1947	1948	1947	1948
Jan.	[44 535]					
Jan.	45 061	59 332	70 534*	85 598*	+ 551*	+ 169*
Febr.	45 586	59 378	70 366*	84 182*	— 468*	— 1416*
March	46 263	60 517	72 866*	87 632*	+2 800*	+3450*
April	46 420	62 351	74 405*	89 047*	+1 539*	+1415*
May	47 396	62 475	75 290*	88 090*	+ 885*	— 957*
June	49 098	63 601	76 046*		+ 756*	
July	49 067	64 423	77 264*		+1 218*	
Aug.	49 285	65 664	79 070*		+1 806*	
Sept.	52 835	66 716	81 102*		+2 032*	
Oct.	54 874	67 988	81 388*		+ 286*	
Nov.	56 186	67 504	80 303*		— 1 085*	
Dec.	61 417	70 017	85 429*		+5 126*	

¹⁾ Commercial Banks, Post Office Savings Bank, Savings Banks, Co-operative Credit Societies, Central Bank for Co-operative Credit Societies, Consumers' Co-operative Societies, and Mortgage Banks.

15. — INSURANCES IN LIFE ASSURANCE COMPANIES.

End of Month	New risks accepted ¹⁾			
	1947		1948	
	Number	Amount Mill. mk	Number	Amount Mill. mk
Jan.	14 135	834	14 093*	1 336*
February	15 919	981	16 387*	1 620*
March	18 071	1 133	16 842*	1 709*
April	15 669	1 011	16 621*	1 772*
May	14 404	944	15 287*	1 673*
June	14 719	983		
July	9 541	685		
August	10 837	787		
September	13 214	1 038		
October	15 952	1 288		
November	18 527	1 540		
December	20 069	1 764		
Total	181 057	12 988	79 230*	8 110*
Jan.—May	78 198	4 903		

¹⁾ According to information supplied by the Finnish Life Assurance Companies.

16. — CHANGES IN NUMBER AND CAPITAL OF LIMITED COMPANIES.

Year and Quarter	Companies founded		Companies with increased Capital		Companies liquidated		Companies with reduced Capital		Net increase (+) or reduction (—)		Year and Quarter	
	Number	Capital Mill. mk	Number	Increase of Capital Mill. mk	Number	Capital Mill. mk	Number	Reduction of Capital Mill. mk	Number	Capital Mill. mk		
1943		866	573	541	1 250	193	134	6	9	+ 673	+ 1 680	1943
1944		523	238	316	633	176	128	2	1	+ 347	+ 742	1944
1945		1 485	797	428	511	120	111	4	34	+1 365	+1 163	1945
1946		1 355	649	956	3 764	110	51	8	7	+1 245	+4 355	1946
1947		955	749	826	2 740	98	47	7	73	+ 857	+3 369	1947
1947												1947
Jan.—March		289	175	244	544	24	16	1	3	+ 265	+ 700	Jan.—March
April—June		253	176	167	646	10	6	—	—	+ 243	+ 816	April—June
July—Sept.		192	134	194	210	21	6	1	67	+ 171	+ 271	July—Sept.
Oct.—Dec.		221	264	221	1 340	43	19	5	3	+ 178	+1 532	Oct.—Dec.
1948												1948
Jan.—March		202	480	177	500	37	14	5	37	+ 165	+ 929	Jan.—March

Figures supplied by the Central Statistical Office.

The figures in brackets [] indicate the position at the end of the previous year.

* Preliminary figures subject to minor alterations.

17. — BANKRUPTCIES.

Month	Bankruptcies ¹⁾					
	Number					
	1943	1944	1945	1946	1947	1948
January	15	7	10	13	15	8
February	8	10	7	8	14	8
March	8	4	6	10	8	13
April	10	12	3	7	10	
May	13	6	7	11	5	
June	9	2	12	6	12	
July	11	9	3	6	5	
August	4	12	8	6	8	
September	1	15	2	6	11	
October	7	10	11	17	8	
November	12	10	2	13	12	
December	11	8	8	5	7	
Total	109	105	79	108	115	
Jan.—March	31	21	23	31	37	29

¹⁾ Preliminary figures compiled by the Central Statistical Office from the reports sent in by the various Courts including all bankruptcy petitions, of which only about half will lead in due course to actual bankruptcy.

18. — STOCK EXCHANGE.

Month	Turnover of Stock Exchange ¹⁾					
	Mill. mk					
	1943	1944	1945	1946	1947	1948
January	24	30	29	54	83	122
February	26	38	41	75	84	105
March	29	44	117	65	70	106
April	34	27	108	57	81	147
May	48	41	81	144	106	88
June	30	49	129	87	75	120
July	28	31	114	59	70	
August	24	44	132	40	53	
September	59	51	219	87	166	
October	37	33	157	170	151	
November	40	53	94	206	110	
December	46	47	109	144	200	
Total	425	488	1 330	1 188	1 249	
Jan.—June	191	229	505	482	499	688

¹⁾ According to data supplied by the Stock Exchange Committee.

19. — STOCK EXCHANGE INDEX. 1935=100.

Month	Share Prices												Month
	All kinds				Bank Shares				Industrial Shares				
	1945	1946	1947	1948	1945	1946	1947	1948	1945	1946	1947	1948	
January	218	414	324	337	111	143	108	110	262	596	411	423	January
February	214	324	304	304	109	130	106	105	258	407	379	377	February
March	260	293	297	259	122	121	107	99	322	364	366	313	March
April	305	324	310	269	134	124	105	102	333	405	388	322	April
May	352	396	296	265	147	130	104	101	451	519	371	315	May
June	458	436	292	273	160	129	102	99	611	582	365	328	June
July	651	378	282		205	122	99		878	496	348		July
August	691	356	282		206	121	98		916	462	348		August
September	499	358	308		167	125	102		661	463	384		September
October	497	368	337		162	123	103		648	477	424		October
November	417	370	332		148	117	103		541	481	418		November
December	416	340	336		140	110	104		545	436	423		December
Whole year	415	363	308		134	125	104		540	469	385		Whole year

*Unitas index based on the prices quoted for the shares of 3 banks and 10 industrial firms.

20. — PUBLIC DEBT.

End of Year and Month	According to the Finance Accounts										Mill. Dollars ²⁾	End of Year and Month
	Funded Debt			Short-term Credit			Total Public Debt					
	Foreign	Internal	Total	Foreign	Internal	Total	Foreign	Internal	Total			
1944	4 010	38 608	42 618	2 088	22 806	24 894	6 098	61 414	67 512	1 368	1944	
1945	15 664	39 994	55 658	4 283	25 782	30 065	19 947	65 776	85 723	630	1945	
1946	26 561	51 301	77 862	5 072	22 137	27 209	31 633	73 433	105 071	773	1946	
1947	33 484	57 292	90 776	5 073	22 251	27 324	38 557	79 543	118 100	868	1947	
1948											1948	
January	33 618	57 963	91 581	5 077	19 542	24 619	38 695	77 505	116 200	854	January	
February	34 677	56 962	91 639	5 077	16 214	21 291	39 754	73 176	112 930	830	February	
March	35 100	56 427	91 527	5 092	20 625	25 717	40 192	77 052	117 244	862	March	
April	36 044	56 169	92 213	5 093	20 035	25 128	41 137	76 204	117 341	863	April	
May	36 434	56 171	92 605	5 098	16 677	21 775	41 532	72 848	114 380	841	May	
June	36 381	55 974	92 355	5 114	18 235	23 349	41 495	74 209	115 704	851	June	

¹⁾ According to data supplied by the Treasury. Internal loans are given at their nominal value and foreign loans in Finnish currency according to current rates of exchange. — ²⁾ The outstanding amounts of both internal and foreign loans have been converted into United States dollars at the Helsinki rates of exchange of the respective currencies.

21. — STATE REVENUE AND EXPENDITURE.

Year and Month	Total Revenue	Current Revenue ¹⁾ derived from								Capital Revenue	Expenditure			Year and Month
		Income and Property tax ²⁾	Excise on spirits, wines, etc.	Stamp duty	Sales tax	Interest and Dividends	Railways, Posts, Telegraphs ³⁾	State Forests ³⁾	Total		Current	Capital		
													Mill. mk								Mill. mk
1947 Jan.-April	14 199	1 942	94	607	1 062	54	169	-365	6 738	22 649	18 695	3 954	1947 Jan.-April	
1948 Jan.-April	23 093	8 956	102	1 128	2 051	31	1 011	-515	3 116	25 995	18 176	7 819	1948 Jan.-April	
1948 Budget	72 494	20 330	425	1 500	14 000	8 136	872	821	4 667	72 445	52 892	19 553	1948 Budget	

Tables 21-23 according to preliminary monthly accounts kept by the Treasury, the Customs and the Board of Excise Revenue.
¹⁾ The current revenue derived from Customs duty, and some other State receipts are specified in tables 22 and 23 below. — ²⁾ Including special and supplementary taxes on income and property but not the Capital Levy nor the surplus income tax and inheritance tax. — ³⁾ The figures given refer to net revenue.

22. — COLLECTION OF CUSTOMS.

Year and Month	Total Customs Receipts	Customs duty on		Fines, Light Dues, etc.
		Imported goods inc. storage charges	Exported goods	
1947 Jan.-May	1 504	1 481	0	23
Whole year	4 704	4 595	0	109
1948 Jan.-May	3 066	2 992	0	74
1948 Budget	5 557	5 500	1	56

23. — COLLECTION OF EXCISE DUES.

Year and Month	Total Excise Dues	Excise on				Year and Month
		Tobacco	Spirits	Beer	Matches	
1947 Jan.-April	1 483	1 225	46	48	76	1947 Jan.-April
1948 Jan.-April	2 887	1 806	49	53	90	1948 Jan.-April
1948 Budget	4 940	4 000	155	270	250	1948 Budget

24. — VALUE OF IMPORTS AND EXPORTS.

Month	Imports (e. i. f.) Mill. mk			Exports (f. o. b., free exports) Mill. mk			Surplus of Imports (-) or Exports (+) Mill. mk			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
	January	944	2 825	3 963*	957	1 961	2 505*	+ 13	- 864		- 1 458*	January
February	884	2 304	4 285*	681	1 170	3 354*	- 203	- 1 134	- 931*	February
March	1 330	1 138	3 588*	1 013	784	2 986*	- 317	- 354	- 602*	March
April	1 388	1 463	4 945*	1 067	2 107	4 490*	- 321	+ 644	- 455*	April
May	1 999	3 843	6 025*	1 708	4 855	3 696*	- 291	+ 1 012	- 2 329*	May
June	2 511	3 939	7 006*	1 965	4 582	5 201*	- 546	+ 643	- 1 805*	June
July	2 988	4 899		2 068	5 768		- 920	+ 869		July
August	2 729	4 014		2 505	5 498		- 224	+ 1 484		August
September	2 391	5 196		2 379	4 808		- 12	- 388		September
October	2 316	5 219		3 240	4 885		+ 924	- 324		October
November	2 269	4 972		2 907	5 018		+ 638	+ 46		November
December	2 525	7 159		2 561	3 792		+ 36	- 3 367		December
Total	24 274	46 971		23 051	45 228		- 1 223	- 1 743		Total
Jan.-June	9 056	15 512	29 812*	7 391	15 459	22 232*	- 1 665	- 53	- 7 580*	Jan.-June

Tables 24-29 according to Finnish Official Statistics I, A, Foreign Trade of Finland, Monthly Reports.
 The term *imports* covers all imported goods which are placed on the market either immediately after importation or after storage. *Exports* covers all goods exported from the open market, including re-exports. Goods are declared to the Customs by their owner, who must at the same time state the value of the goods as calculated at the frontiers of the country.

* Preliminary figures subject to minor alterations.

25. — VALUE OF IMPORTS AND EXPORTS IN DIFFERENT CLASSES OF GOODS.

Classes of Goods	Imports (c. i. f.) Mill. mk					Exports (f. o. b.) Mill. mk.				
	Whole year		January-May			Whole year		January-May		
	1946	1947	1946	1947	1948*	1946	1947	1946	1947	1948*
Dairy produce, eggs, honey	702	203	34	83	517	107	34	35	19	—
Other animal products, live animals	606	688	144	213	321	67	1 098	20	352	171
Vegetables	9	13	4	6	5	0	32	—	6	1
Eatable fruit	74	247	2	18	130	14	12	0	9	4
Coffee, tea, spices	171	296	91	123	250	—	—	—	—	—
Cereals, milling products ..	3 088	6 586	783	1 722	3 129	—	0	—	—	—
Certain seeds and fruit, plants for industrial purposes ..	153	293	113	165	318	29	10	20	5	6
Raw materials for tanning and dyeing	78	122	17	33	38	—	—	—	—	—
Animal and vegetable fats	333	1 288	146	388	507	0	0	0	0	0
Meat and fish products ...	62	92	18	41	176	0	—	—	—	—
Sugar, sweets	846	1 250	277	297	639	—	7	—	2	7
Beverages, vinegars	166	236	26	50	60	19	152	1	16	74
Fodder	143	381	102	0	176	0	—	0	—	—
Tobacco	415	624	180	246	334	—	—	—	—	—
Minerals, ore	864	954	278	218	280	76	71	20	26	41
Mineral fuel and oils	3 643	6 317	988	750	3 181	0	0	0	0	0
Chemical and pharmaceutical products	1 010	1 768	342	416	740	39	127	6	26	69
Tanning and dyeing extracts, varnishes	340	808	98	210	398	2	13	0	4	3
Caseine, albumine, glues ..	263	394	59	105	130	1	0	1	0	—
Fertilizers	854	2 105	163	427	501	—	—	—	—	—
Hides, skins, leather and furs; manufactures of these materials	215	670	62	241	287	97	261	5	131	180
Rubber and rubber articles	656	968	145	228	411	0	1	0	0	2
Wood and wooden goods ..	21	51	4	10	43	9 744	19 467	1 273	3 092	4 724
Woodpulp	1	10	1	9	2	4 285	10 722	1 437	2 723	5 777
Cardboard and paper, their applications	38	61	18	13	32	6 915	11 001	2 122	3 555	4 900
Textile materials, textile goods	1 719	3 935	432	1 414	2 043	646	744	196	333	370
Footwear	101	206	21	80	95	4	0	—	—	2
Articles of stone and of other mineral material, glass ..	222	326	65	84	191	204	356	71	119	184
Base metals; articles made therefrom	3 433	7 708	988	1 775	4 019	445	581	111	251	281
Machinery, apparatus	1 428	2 449	406	720	1 339	41	103	16	40	51
Electrical machinery and apparatus	535	1 136	161	338	602	46	93	15	32	38
Transport material	1 533	3 879	224	860	1 440	10	29	1	6	15
Instruments, clocks and watches, musical instruments	111	245	29	73	130	5	9	2	3	3
All others	441	662	124	217	342	255	305	74	127	128
Total free trade	24 274	46 971	6 545	11 573	22 806	23 051	45 228	5 426	10 877	17 031
Reparation deliveries						8 775	10 405	2 619	3 669	4 889
Restitution goods						655	—	655	—	—

* Preliminary figures subject to minor alterations.

26. — IMPORTS OF THE MOST IMPORTANT ARTICLES.

Month	Wheat Tons			Rye Tons			Sugar Refined and unrefined Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	5 242	17 065	1 871*	22 724	14 341	14 840*	1 659	1 501	4 130*	January
February	4 764	—	9 328*	2 403	12 817	21 825*	2 276	1 587	3 688*	February
March	3 953	7 774	10 917*	14 924	2 467	8 381*	2 161	1 431	4 172*	March
April	4 435	3 657	14 820*	1 049	18 239	2 129*	2 020	626	6 861*	April
May	0	12 700	10 793*	9 459	2 601	14 445*	1 963	2 529	8 636*	May
June	16 011	2 099	—	40 308	9 333	—	2 410	7 802	—	June
July	17 454	11 004	—	21 047	9 192	—	4 892	6 040	—	July
August	30 274	9 488	—	15 312	14 257	—	3 690	5 168	—	August
September	12 735	9 434	—	19 861	26 608	—	3 112	3 773	—	September
October	1 551	90	—	8 829	30 138	—	3 531	13 765	—	October
November	—	18 476	—	213	7 533	—	3 656	3 892	—	November
December	—	—	—	—	26 354	—	1 128	350	—	December
Total	96 419	91 787	—	156 129	178 880	—	32 498	48 464	—	Total
Jan.—May	18 394	41 196	47 729*	50 559	50 465	61 620*	10 079	7 674	27 487*	Jan.—May

Month	Raw Tobacco Tons			Coal and Coke Tons			Petrol Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	167	215	319*	19 422	40 833	203 536*	—	7 545	13 325*	January
February	142	205	355*	23 868	50 620	88 621*	191	7 404	12 473*	February
March	152	254	336*	46 747	5 018	32 167*	36	8 697	15 028*	March
April	166	232	399*	73 911	61	111 205*	386	9 989	15 406*	April
May	197	247	328*	88 959	24 555	267 139*	1 201	10 137	11 040*	May
June	144	245	—	70 041	112 824	—	4 122	12 854	—	June
July	102	124	—	154 693	223 939	—	5 279	15 222	—	July
August	208	345	—	95 672	140 047	—	6 969	16 454	—	August
September	198	328	—	126 632	238 278	—	5 819	16 086	—	September
October	192	353	—	95 977	245 516	—	6 315	15 637	—	October
November	182	331	—	62 322	164 656	—	6 457	12 428	—	November
December	108	216	—	79 719	252 630	—	5 554	16 295	—	December
Total	1 958	3 095	—	937 963	1 498 977	—	42 329	148 748	—	Total
Jan.—May	824	1 153	1 737*	252 907	121 087	702 218*	1 814	43 772	67 272*	Jan.—May

Month	Raw Cotton Tons			Pig Iron Tons			Bar Iron and Bar Steel Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	1 137	1 088	1 154*	101	10	613*	654	3 193	4 006*	January
February	441	3 430	1 088*	—	5	599*	1 825	3 789	8 320*	February
March	276	1 451	1 000*	150	20	632*	2 124	846	7 605*	March
April	1 402	—	15*	660	100	325*	2 694	1 005	9 262*	April
May	423	1 871	1 178*	150	920	575*	4 467	7 890	8 773*	May
June	719	1 263	—	220	270	—	3 491	7 759	—	June
July	502	—	—	69	40	—	6 531	6 736	—	July
August	2 583	93	—	100	2 255	—	3 820	5 427	—	August
September	118	—	—	—	3 902	—	4 218	9 532	—	September
October	647	587	—	471	4 985	—	4 173	10 064	—	October
November	203	12	—	65	1 040	—	7 100	8 977	—	November
December	67	859	—	242	2 066	—	4 152	20 314	—	December
Total	8 518	10 654	—	2 228	15 613	—	45 249	85 532	—	Total
Jan.—May	3 679	7 840	4 435*	1 061	1 055	2 744*	11 764	16 723	37 966*	Jan.—May

* Preliminary figures subject to minor alterations.

27. — EXPORTS OF THE MOST IMPORTANT ARTICLES. 1)

Month	Wooden Houses and Barracks Tons			Round Timber All kinds excl. fuel 1 000 m ³			Sawn Timber All kinds 1 000 standards			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	11 368	7 971	6 077*	24	30	35*	2	15	10*	January
February	9 949	8 393	11 641*	9	15	4*	0	5	10*	February
March	7 580	11 542	10 894*	15	—	1*	0	5	11*	March
April	471	10 159	21 324*	26	1	0*	0	4	7*	April
May	1 029	15 832	20 375*	74	33	8*	6	9	9*	May
June	6 819	13 088		88	118		20	34		June
July	13 914	11 651		153	387		31	66		July
August	11 575	11 159		258	391		34	72		August
September	13 058	15 005		187	415		43	63		September
October	13 116	16 711		235	280		64	53		October
November	16 136	13 699		149	178		48	58		November
December	16 791	13 671		121	80		30	32		December
Total	121 806	148 881		1 339	1 928		278	416		Total
Jan.—May	30 397	53 897	70 311*	148	79	48*	8	38	47*	Jan.—May

1 standard sawn timber = 4,672 m³.

Month	Matches Tons			Plywood 1 000 m ³			Bobbins (spools) Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	24	205	26*	2	8	9*	41	67	158*	January
February	78	114	98*	1	7	14*	65	46	357*	February
March	53	4	100*	10	1	9*	256	—	184*	March
April	301	105	189*	9	10	13*	108	212	380*	April
May	126	424	73*	16	22	14*	212	511	332*	May
June	260	195		12	20		123	252		June
July	148	36		8	14		212	145		July
August	180	80		9	12		86	154		August
September	154	31		10	10		162	369		September
October	278	47		14	17		146	251		October
November	114	6		9	15		158	466		November
December	87	249		10	19		217	260		December
Total	1 803	1 496		110	155		1 786	2 733		Total
Jan.—May	582	852	486*	38	48	59*	682	836	1 411*	Jan.—May

Month	Mechanical Pulp ²⁾ Tons			Sulphite Cellulose ²⁾ Tons			Sulphate Cellulose ²⁾ Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	4 838	4 075	1 352*	14 419	19 410	29 651*	10 154	10 653	19 175*	January
February	1 697	1 162	3 267*	7 816	9 742	26 763*	7 785	8 591	27 342*	February
March	1 598	—	2 094*	11 082	1 166	27 084*	8 170	1 806	24 245*	March
April	1 037	142	9 541*	15 897	10 328	36 597*	11 546	10 750	37 194*	April
May	7 221	13 011	9 090*	27 990	45 149	19 203*	24 109	35 379	21 232*	May
June	11 836	8 405		23 778	34 597		15 731	25 657		June
July	10 090	15 137		11 798	44 240		15 082	50 147		July
August	11 190	9 667		17 309	24 695		22 642	34 002		August
September	4 053	4 877		10 823	24 468		12 521	31 523		September
October	5 304	4 873		19 880	22 423		15 916	23 378		October
November	4 187	3 411		19 562	33 237		16 965	26 712		November
December	3 207	366		22 211	20 242		20 327	19 899		December
Total	66 258	65 126		202 565	289 697		180 948	278 497		Total
Jan.—May	16 391	18 390	25 344*	77 204	85 795	139 298*	61 764	67 179	129 188*	Jan.—May

¹⁾ Free exports. — ²⁾ Dry weight.

* Preliminary figures subject to minor alterations.

27. — EXPORTS OF THE MOST IMPORTANT ARTICLES. — Continued.

Month	Cardboard All kinds Tons			Paper All kinds Tons			Newsprint (Included in previous column) Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	5 834	7 891	5 921*	23 867	24 094	23 848*	16 551	12 880	16 318*	January
February	3 761	2 675	8 021*	14 376	9 300	32 121*	7 588	4 953	17 935*	February
March	9 870	812	8 230*	20 378	9 919	21 698*	13 321	7 299	11 337*	March
April	9 486	8 170	8 620*	20 783	24 521	45 207*	13 354	15 389	31 769*	April
May	7 056	16 957	8 132*	26 621	55 029	37 564*	16 496	32 864	26 187*	May
June	7 783	11 102		29 129	43 875		19 113	26 861		June
July	8 214	8 510		29 463	40 110		19 667	29 713		July
August	9 425	7 161		29 125	45 278		20 925	32 561		August
September	7 105	8 266		27 526	28 050		17 864	18 323		September
October	8 123	10 857		33 035	36 402		20 953	23 358		October
November	6 889	11 711		33 568	37 101		22 120	23 749		November
December	8 187	9 011		29 762	29 655		19 559	18 423		December
Total	91 733	103 123		317 633	383 334		207 511	246 378		Total
Jan.—May	36 007	36 505	38 924*	106 025	122 863	160 438*	67 310	73 385	103 546*	Jan.—May

28. — FOREIGN TRADE WITH VARIOUS COUNTRIES.

Country	Imports (c. i. f.)					Exports (f. o. b., free exports)				
	Whole year		January—May			Whole year		January—May		
	1946	1947	1947	1948*	1946	1947	1947	1948*		
Europe:	%	%	%	Mill. mk	%	%	%	Mill. mk	%	
Belgium	5.8	7.9	6.8	1 523	6.7	7.3	5.2	5.3	580	3.4
Bulgaria	0.1	0.0	0.1	2	0.0	0.0	0.0	0.0	63	0.4
Czechoslovakia	0.1	0.7	0.4	173	0.8	0.1	0.3	0.5	119	0.7
Denmark	10.3	6.4	7.5	2 268	9.9	11.1	7.2	6.6	821	4.8
France	2.6	4.3	3.4	983	4.3	3.8	3.9	3.6	810	4.8
Germany	0.1	0.0	0.0	58	0.3	—	0.1	0.0	193	1.1
Great Britain	21.4	17.5	16.5	4 778	21.0	26.7	30.0	20.4	3 736	21.9
Greece	0.0	0.5	0.1	99	0.4	0.3	0.7	0.4	152	0.9
Holland	1.8	4.7	4.6	1 010	4.4	3.1	4.5	4.4	714	4.2
Italy	0.0	0.4	0.2	151	0.7	0.3	1.5	2.0	128	0.7
Norway	2.7	3.9	3.5	644	2.8	2.4	2.0	2.5	318	1.9
Poland	0.1	3.6	1.4	1 256	5.5	0.0	2.1	0.1	390	2.3
Rumania	0.0	0.0	0.0	0	0.0	—	0.0	0.0	—	—
Soviet Union	21.4	11.3	13.6	3 304	14.5	20.1	12.4	20.8	3 505	20.6
Sweden	10.0	4.8	7.8	1 061	4.7	9.4	5.7	8.1	809	4.7
Switzerland	0.4	0.8	0.8	304	1.3	1.0	0.9	1.0	137	0.8
Turkey	0.4	0.5	0.7	106	0.5	0.0	0.4	0.4	80	0.5
Other European countries	0.3	0.4	0.1	214	0.9	1.2	1.7	1.1	150	0.9
Total for Europe	77.5	67.7	67.5	17 934	78.7	86.8	78.6	77.2	12 705	74.6
Asia	0.0	0.2	0.1	26	0.1	1.2	1.5	2.1	233	1.4
Africa	0.1	0.1	0.1	25	0.1	1.9	3.1	2.5	443	2.6
United States	19.5	23.7	25.9	3 317	14.6	6.9	11.5	11.8	2 789	16.3
Other States of North America	0.0	0.5	0.1	166	0.7	0.1	0.1	0.1	31	0.2
South America	2.9	7.8	6.3	1 328	5.8	3.0	4.5	5.8	679	4.0
Australia	0.0	0.0	0.0	10	0.0	0.1	0.7	0.5	151	0.9
Grand total	100.0	100.0	100.0	22 806	100.0	100.0	100.0	100.0	17 031	100.0

The country of import indicates the land in which goods were purchased, the country of export the land to which goods were sold.

* Preliminary figures subject to minor alterations.

29. — UNIT VALUE INDEX OF IMPORTS AND EXPORTS. 1935=100.

Year and Month	Total Imports	Groups of Imported Goods				Total Exports	Principal Exported Goods				Year and Month
		Raw materials	Machinery	Food-stuffs	Other consumption goods		Sawn timber	Mechanical pulp	Dry cellulose	Paper	
1943	420	457	346	486	324	304	277	271	320	311	1943
1944	457	468	360	560	400	323	292	309	337	314	1944
1945	709	729	798	713	447	452	433	597	436	445	1945
1946	896	888	883	947	846	799	802	835	700	777	1946
1947	950	941	898	1 030	912	1 175	1 177	1 257	1 148	1 049	1947
1947											1947
Jan.—May	929	856	854	1 142	885	1 073	1 024	1 119	1 028	1 023	Jan.—May
1948											1948
January	1 135	999	1 456	1 310	1 055	1 292	1 303	2 016	1 223	1 038	January
Jan.—Febr.	1 078	997	1 130	1 224	1 068	1 308	1 334	1 969	1 255	1 104	Jan.—Febr.
Jan.—March	1 063	981	1 074	1 222	1 070	1 312	1 353	1 941	1 279	1 101	Jan.—March
Jan.—April	1 019	961	998	1 136	1 055	1 333	1 358	1 856	1 312	1 126	Jan.—April
Jan.—May	1 021	1 012	977	1 080	1 030	1 355	1 350	1 832	1 344	1 167	Jan.—May

Calculated by the Statistical Dept. of the Board of Customs. For details concerning the calculation of the indices see article in this Bulletin No. 4, 1939.

30. — TOTAL SALES OF WHOLESALE FIRMS.

Month	Total Sales Mill. mk							Month
	1942	1943	1944	1945	1946	1947	1948	
January	677	981	1 046	1 412	2 840	3 456	5 514	January
February	821	1 073	1 206	1 482	2 957	3 897	8 348	February
March	923	1 306	1 360	1 585	3 470	4 617	7 594	March
April	914	1 266	1 246	1 626	3 680	4 241	9 342	April
May	1 007	1 329	1 411	1 848	4 039	5 327	8 997	May
June	1 138	1 099	1 043	1 759	3 731	4 675		June
July	1 186	1 106	948	1 400	3 402	4 633		July
August	1 072	1 167	1 229	1 847	3 911	5 302		August
September	1 125	1 308	1 023	2 420	4 040	6 438		September
October	1 098	1 337	1 077	2 954	4 622	6 470		October
November	1 076	1 302	1 191	3 186	4 551	6 415		November
December	1 188	1 429	1 419	3 267	5 024	7 311		December
Total	12 225	14 703	14 199	24 786	46 267	62 782		Total
Jan.—May	4 342	5 955	6 269	7 953	16 986	21 538	39 795	Jan.—May

Calculated by the «Uusi Suomi». The figures represent approximately 95 % of the turnover of all wholesalers in Finland.

31. — INDEX OF INDUSTRIAL PRODUCTION. 1935=100.

Month	Home Industries										Exporting Industries					Month
	Value index					Volume index					Volume index					
	1943	1944	1945	1946	1947	1943	1944	1945	1946	1947	1944	1945	1946	1947	1948	
January	204	244	221	530	624	97	97	76	94	105	47	40	55	75	83	January
February	257	288	264	607	814			89	107	137	48	38	55	76	88	February
March	237	265	220	548	749	89	76	73	94	125	51	40	57	79	84	March
April	203	211	220	582	733			70	97	123	53	44	59	79	April	
May	208	222	220	528	681	77	78	69	88	113	51	47	66	80	May	
June	201	199	239	561	691			69	93	115	40	50	63	80	June	
July	226	239	213	582	655	56	97	107	31	47	65	67	July			
August	194	235	309	620	732	69	103	113	33	48	62	73	August			
September	184	199	341	676	799	72	112	123	32	52	70	82	September			
October	179	195	390	609	850	75	72	76	101	126	32	56	69	82	October	
November	205	230	484	669	1 069			89	111	152	32	54	70	75	November	
December	221	221	470	713	1 121	85	118	152	33	51	71	78	December			
Whole year	208	225	303	607	795	82	80	76	102	125	40	47	64	78	Whole year	

Unitas index based on seasonally adjusted monthly figures.

32. — BUILDING ACTIVITY.

Month	Consumption of Cement in Finland ¹⁾						Plans approved in the Capital ²⁾						Month
	1 000 tons						All buildings, 1 000 m ³						
	1942	1943	1944	1945	1946	1947	1943	1944	1945	1946	1947	1948	
January							7.1	0.6	64.7	105.6	39.2	34.7*	January
February	23	28	31	46	27	54	18.3	0.3	35.5	91.8	28.4	71.3*	February
March							—	25.6	71.9	39.2	37.5	135.0*	March
April	76	73	60	89	79	112	4.8	2.9	116.8	97.1	64.3	80.2*	April
May							196.6	8.1	229.7	54.5	67.6	110.7*	May
June							19.9	70.2	101.7	56.9	62.2	91.4*	June
July	96	79	52	83	127	152	32.7	1.5	126.5	119.9	64.1		July
August							11.5	6.9	42.5	87.4	72.5		August
September							1.2	0.0	12.6	57.8	65.6		September
October	53	46	44	63	96	103	12.7	1.7	47.7	101.6	122.5		October
November							2.0	40.6	150.9	73.2	37.9		November
December							0.5	42.0	36.1	119.2	27.9		December
Total	248	226	187	281	329	421	357.3	200.4	1 036.6	1 004.2	689.7	523.3*	Total
							246.7	107.7	620.3	445.1	299.2		Jan.—June

¹⁾ Comprising the total quantity of cement delivered by the country's 2 cement factories and including the quantity imported which is, however, only a negligible part of the total consumption. — ²⁾ According to data compiled by the Municipal Building Surveyor's Office in Helsinki.

33. — FOREIGN SHIPPING.

Year and Month	Arrivals				Sailings				Year and Month
	Number of vessels		Net reg. tons		Number of vessel		Net reg. tons		
	Total	of which Finnish	Total	of which with Cargo	Total	of which Finnish	Total	of which with Cargo	
1945	1 360	768	930 358	384 412	1 412	810	973 256	823 805	1945
1946	3 024	1 557	2 338 761	1 482 639	3 020	1 571	2 332 110	1 844 150	1946
1947	4 020	1 926	3 568 942	2 362 715	3 989	1 895	3 492 515	2 684 194	1947
1947									1947
Jan.—May	588	316	582 550	462 848	560	311	514 497	394 832	Jan.—May
1948									1948
January	140	85	182 485	166 625	164	99	234 519	119 612	January
February	102	66	128 759	113 354	102	61	139 973	100 556	February
March	107	61	106 941	103 705	90	53	96 123	80 710	March
April	207	108	240 038	195 775	211	121	217 835	148 691	April
May	402	217	356 940	311 910	349	183	317 242	147 654	May
Jan.—May	958	537	1 015 163	891 369	916	517	1 005 692	597 223	Jan.—May

Figures supplied by the Statistical Office of the Shipping Board.

34. — STATE RAILWAYS.

Month	Weight of Goods transported				Axle-kilometres of goods trucks		Revenue (less Re-imbursments)			Regular Expenditure				Month	
	1 000 Tons				Mill. km		Mill. mk			Mill. mk					
	1945	1946	1947	1948	1947	1948	1945	1946	1947	1948	1945	1946	1947	1948	
Jan.	752	995	1 144	1 154	70	66	189	414	477	1 017	197	495	430	786	Jan.
Febr.	703	855	1 022	1 157	62	73	162	370	443	1 048	230	509	557	951	Febr.
March	886	1 052	1 118	1 239	69	79	203	459	479	1 194	218	479	587	1 003	March
April	947	1 073	1 167		73		224	500	552		237	465	540		April
May	988	1 189	1 326		77		236	484	616		367	520	693		May
June	1 046	1 231	1 282		68		279	575	646		314	497	782		June
July	996	1 363	1 492		68		294	596	880		284	511	702		July
Aug.	1 079	1 391	1 395		70		377	600	877		376	558	608		Aug.
Sept.	971	1 261	1 439		69		331	528	827		548	582	696		Sept.
Oct.	986	1 375	1 408		69		347	513	840		488	512	681		Oct.
Nov.	1 036	1 182	1 203		64		333	515	721		538	627	692		Nov.
Dec.	1 212	1 094	1 160		65		492	532	902		696	731	1 496		Dec.
Total	11 602	14 061	15 156		824		3 467	6 086	8 260		4 493	6 486	8 514		Total
Jan.—March	2 341	2 902	3 284	3 550	201	218	554	1 243	1 399	3 259	645	1 483	1 624	2 740	Jan.—March

According to Monthly Statistics of the Finnish State Railways.

* Preliminary figures subject to minor alterations.

35. — WHOLESALE PRICE INDEX. 1935=100.

Month	Index for Goods in Finnish Wholesale trade										Articles of Import (e. i. l.)		Articles of Export (f. o. b.)		Month	
	Total Index		Finnish Goods						Imported Goods		Articles of Import (e. i. l.)		Articles of Export (f. o. b.)			
			Total		Products of agriculture		Products of forestry									Products of industry
1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	
Jan.	[725]		[672]		[667]		[891]		[603]		[859]		[764]		[883]	
Feb.	721	1 026	666	1 042	655	1 504	901	1 415	593	771	860	933	810	978	1 027	1 265
March	726	1 033	673	1 050	681	1 479	903	1 428	596	788	860	992	827	988	1 040	1 274
April	759	1 074	717	1 106	903	1 456	903	1 457	598	879	860	995	838	986	1 041	1 271
May	766	1 079	726	1 103	941	1 393	903	1 458	599	894	866	1 019	847		1 159	
June	775	1 089	729	1 114	946	1 391	903	1 474	603	908	889	1 025	840		1 158	
July	781	1 102	735	1 132	970	1 431	909	1 474	603	924	895	1 027	850		1 162	
Aug.	799		755		967		982		613		909		854		1 175	
Sept.	853		824		1 015		1 169		649		926		885		1 171	
Oct.	862		836		1 034		1 207		650		926		894		1 171	
Nov.	882		858		982		1 271		681		940		921		1 174	
Dec.	968		973		1 453		1 322		704		957		932		1 174	
Whole year	1 010		1 029		1 571		1 386		738		962		955		1 174	
Whole year	825		793		1 010		1 063		636		904		871		1 135	

Calculated by the Central Statistical Office. For details concerning the calculation of the index see article in this Bulletin No. 4, 1939.

36. — COST OF LIVING INDEX.

Month	Aug. 1938— July 1939 = 100		1935 = 100														Month	
	Total Index			Total Index				Foodstuffs		Rent		Fuel and light		Clothing		Taxes		
	1946	1947	1948	1945	1946	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947		1948
Jan.	[404]		[221]		[533]		[144]		[968]		[568]		[916]					
Feb.	423	471	763	222	461	513	831	556	1 037	144	161	968	1 226	554	745	786	1 247	
March	423	482	753	222	460	525	820	579	999	144	161	968	1 242	556	785	786	1 247	
April	431	524	761	223	470	571	829	675	990	144	161	970	1 317	557	809	786	1 247	
May	434	546	765	225	473	594	833	727	975	144	161	971	1 326	560	816	725	1 331	
June	437	559	765	228	476	609	833	753	963	144	161	970	1 343	566	847	725	1 331	
July	450	567	773	264	490	618	842	771	976	144	161	973	1 347	567	859	725	1 331	
Aug.	463	595		306	504	648		786		161		976		570		1 103		
Sept.	466	607		341	507	661		805		161		1 010		582		1 103		
Oct.	469	617		354	511	672		809		161		1 037		595		1 103		
Nov.	469	632		422	511	689		829		161		1 054		603		1 155		
Dec.	467	690		434	508	751		946		161		1 069		642		1 155		
Whole year	468	720		440	509	785		994		161		1 211		679		1 155		
Whole year	450	584		307	490	636		789		152		1 015		586		942		

Calculated by the Research Office of the Ministry for Social Affairs according to monthly reports from 32 different centres. For details concerning the calculation of the cost of living index see article in this Bulletin No. 6, 1937.

37. — BANK OF FINLAND BUILDING COST INDEX. 1935=100.

Year	Total Index					Index of the Contractor					Index of Overhead Costs					Year
	I	II	III	IV	Aver.	I	II	III	IV	Aver.	I	II	III	IV	Aver.	
1937	.	.	.	.	120	.	.	.	.	120	.	.	.	.	115	1937
1938	.	.	.	.	127	.	.	.	.	127	.	.	.	.	121	1938
1939	129	130	134	141	134	130	130	134	141	134	124	124	128	134	128	1939
1940	151	157	165	172	161	152	158	165	173	162	141	147	154	157	150	1940
1941	180	189	195	199	191	181	191	196	201	192	164	173	178	182	174	1941
1942	212	226	231	243	228	213	227	233	245	230	193	206	204	215	205	1942
1943	244	252	259	264	255	246	254	261	266	257	216	223	230	233	226	1943
1944	267	271	272	283	273	269	273	274	286	276	236	240	241	245	241	1944
1945	299	396	503	529	432	302	399	507	534	436	259	342	435	457	373	1945
1946	564	613	657	683	629	570	619	664	689	636	489	530	569	591	545	1946
1947	706	733	781	935	789	708	734	782	937	790	679	715	762	911	767	1947
1948	1 125	1 194				1 115	1 182				1 246	1 348				1948

Quarterly indices and yearly averages of them. For details concerning the calculation of the index see p. 35 in this Bulletin Nos. 4-6, 1946.

The figures in brackets [] indicate the position at the end of the previous year.

CERTAIN PARTICULARS ABOUT FINLAND.

1. FORM OF GOVERNMENT.

Finland formed a part of the kingdom of Sweden from 1154 to 1809; from 1809 it was an autonomous Grand Duchy connected with Russia up to December 6, 1917, when Finland declared its independence, which was acknowledged by all the Powers including Soviet Russia. It became a republic in 1919. The legislative power of the country is vested in the Diet and the President. The highest executive power is held by the President chosen for a period of 6 years. The present President Juho Kusti Paasikivi is elected for the term March 11, 1946, to March 1st, 1952.

The Diet, composed of 200 members, is elected by universal suffrage. The proportions of the different parties in the Diet elected in 1948 are at present as follows:

	Number
Agrarian party	56
Social-Democratic party	54
Democratic League	38
Unionist party	33
Swedish party	14
Progressive party	5

2. LAND.

THE AREA is 337 113 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 310 000 sq. km). Of the total area 9.4 % are inland waters. On an average 13.5 % of the land in the South of Finland is cultivated, 1.6 % in the North, 7.6 % of the whole land. Of the land area 21.7 mill. ha (53.5 mill. acres) or 70.9 % are covered by forests.

3. POPULATION.

NUMBER OF INHABITANTS (1947): 4.1 millions (of whom 0.2 million emigrants). Sweden (1947) 6.8, Switzerland (1947) 4.5, Denmark (1947) 4.1 and Norway (1947) 3.1 millions.

DENSITY OF POPULATION (1947): In South Finland 22.2, in North Finland 3.1 and in the whole country an average of 12.8 inhabitants to the square kilometre.

DISTRIBUTION (1947): 74.8 % of the population inhabit the country, 25.2 % the towns and urban districts. The largest towns are (1947): Helsinki (Helsingfors), the capital, 371 662 inhabitants, Turku (Åbo) 96 470, Tampere (Tammerfors) 89 071.

OCCUPATION (1940): agriculture 51.5 %, industry and manual labour 21.0 %, commerce 5.1 %, transport 4.6 %, other occupations 17.8 %.

LANGUAGE (1940): Finnish speaking 90.0 %, Swedish speaking 9.6 %, others 0.4 %.

RELIGION (1945): Lutheran 96.0 %, Greek-Orthodox 1.8 %, others 2.2 %.

EDUCATION (1947): Practically all persons over 15 years of age are literate. There are three universities (the oldest founded in 1640) and 7 colleges of university standard.

INCREASE OF POPULATION (1946): Births 26.4 ‰, deaths 11.4 ‰ (deaths in France in 1946 13.3 ‰ and in the United Kingdom in 1946 12.2 ‰) natural increase 14.7 ‰.

4. TRADE AND COMMUNICATIONS.

FOREST RESOURCES (1945): The growing stock of the forests is 1 370 million cub. m (48 379 million cub. feet). The stock of standing timber measuring 6 in. at a height of 18 ft. amounts to 1 031 million trees. Of this number pine is represented by 63.6 %, spruce by 30.1 %, the conifers thus constituting 93.7 % or 966 million trees, leaf-trees, mostly birch, 6.3 % or 65 million trees. The annual increment is 41 million

cub. m (1 441 million cub. ft.). The total removal in the felling season 1945/46 was 47 million cub. m. (1 672 million cub. ft.).

AGRICULTURE (1941): Cultivated land 2.3 million hectares, divided as follows: area under cultivation under 10 hectares 33.1 %, 10-50 ha 54.4 %, 50-100 ha 7.2 %, over 100 ha 5.3 %. Cultivated land (1947) is divided between the different kinds of crops as follows: 39.8 % hay, 11.9 % temporary grassland for grazing, 15.5 % oats, 6.7 % wheat, 6.6 % rye, 5.8 % barley, 3.8 % potatoes, 9.9 % other. The number of dairies in 1947 amounted to 517.

OWNERSHIP OF LAND (1941): The land area is distributed among different classes of owners approximately as follows: private 49.2 %, State 41.6 %, Joint Stock Companies etc. 7.1 %, communities 2.1 %.

INDUSTRY (1946): Number of industrial concerns 5 691, workpeople 236 723, gross value of products of industry 112 090 million marks.

LENGTH OF RAILWAYS (1947): 4 966 km, of which 4 713 km State railways and 253 km private. The gauge is in general 1 524 m.

MERCHANT FLEET (1948): Steamships 383 (415 802 gross reg. tons), motor vessels 96 (61 764 gross reg. tons), sailing ships with auxiliary engine 154 (14 654 gross reg. tons), other sailing ships 11 (11 913 gross reg. tons). Total 644 (504 139 gross reg. tons).

5. FINANCE AND BANKING.

CURRENCY. Since 1860 Finland has its own monetary system. From 1877 up to 1914 the currency maintained its stable gold value, and after the disturbances caused by the war a gold standard was again introduced from January 1st, 1926. The unit of currency is the mark (Finnish 'markka' = 100 penniä). According to the monetary law of December 21, 1925, a gold coin of 100 marks' value shall contain 3 ¹/₁₀ grams of fine gold. Since October 12, 1931, the redemption of bank notes in gold is, however, suspended.

STATE FINANCES. According to the finance accounts for 1947 the State revenue was 94 261 million marks of which 70 207 million marks were current revenue, and State expenditure 87 811 million marks, of which 66 578 million marks were current expenditure. The principal sources of revenue were as follows: direct taxes 27 855, indirect taxes 9 927, sales tax 18 288, interest and dividends, etc. 6 429, State property and undertakings (net) 2 502, and capital revenue 24 054. For Public Debt see table 20 in this issue.

MUNICIPAL FINANCES. According to the finance accounts for 1943 expenditure amounted to 4 792 million marks. Income from taxation was 2 360 million marks, taxed income 29 308 million marks. The municipal income tax (non-progressive) averaged 8.1 % of the ratepayers' income.

THE BANK OF ISSUE. The Bank of Finland (founded in 1811) is a State Bank. Its head office is in Helsinki (Helsingfors) with branches in Turku (Åbo), Pori (Björneborg), Vaasa (Vasa), Oulu (Uleåborg), Kuopio, Joensuu, Mikkeli (St Michel), Tampere (Tammerfors), Hämeenlinna (Tavastehus), Jyväskylä, Kotka and Lahti (Lahtis).

THE COMMERCIAL BANKS (1947): Number 7, possess 464 offices, where all kinds of banking business is transacted. There is one banking establishment per 8 784 inhabitants.

The largest banks are: Kansallis-Osake-Pankki, Oy. Pohjoismaiden Yhdyspankki — Ab. Nordiska Föreningsbanken and Helsingin Osakepankki — Helsingfors Aktiebank, all with head offices in the capital.

OTHER BANKS (1946): Mortgage banks 5, Savings banks 468, Co-operative Credit Societies 841 and a Central Bank for the latter.

PROSPECTS OF POWER SUPPLY IN FINLAND.

BY

BROR NORDQVIST.

THE PRESENT POWER SITUATION.

The management of the power supply constitutes one of the most outstanding difficulties which have to be overcome. The reasons are many. The war restrained the building of new power plants, the „natural” power demand increasing continuously in spite of the fact that the normally most important power consumers, viz. the wood-refining export industries (paper, chemical pulp etc.) have not increased their output capacity. The greater demand is due to the starting up of several new industries (wallboard, factory-made wooden houses, mechanical and food industries etc.) and, in a considerable degree, to a very marked increase of the retail distribution of power for public and private purposes. Another important reason is to be found in the losses of utilized water-power due to the cession of territories after the war, as the amount of power generated in these territories by far exceeded the demand in the same area.

A year or two ago there might have been an opinion that the power resources of Finland are sufficient and adequate to the demands of the actual power supply. The year 1945, for instance, was fairly normal with regard to the water situation, and the industrial activity at the same time was rather low. In the autumn of 1946 the conditions were already considerably worse though it was possible to master the situation without any need of resorting to power rationing; the power shortage due to decreasing water flow and increasing industrial activity was covered by steam power.

The state of things became very threatening indeed last autumn. The flow quantities in the streams neared the bottom records of a hundred years and the power shortage consequently increased to such a degree, that the amount of power at disposal in the steam-power stations was not sufficient to maintain the supply to

the former extent. It was necessary even to mobilize the industrial steam-power plants — which in their time were erected for the very purpose of making safe, during periods of low water, the power supply of the factories they were to serve — for generating electric energy for public purposes.

The natural consequence of the development of the situation last autumn was a general rationing of electric power during the whole winter half-year 1947/48, and this measure will probably have to be resorted to again next autumn, provided no really surprising turn for the better occurs in the water conditions.

If the present situation is compared with the conditions prevailing before the wars, it will be found that the industrial power consumption has not yet by far reached the pre-war values. In 1938, the total energy consumption amounted to 773 kWh per inhabitant in this country, being only 682 kWh in 1946. On the other hand, the energy consumption for private and public purposes has increased in a considerable degree during the same period. According to available statistics it was 56.5 kWh per inhabitant in 1938 and no less than 118.6 kWh in 1946. The necessity of including this private consumption in the general energy rationing plan will thus be easily understood, especially as this demand occurs during a few months only in winter and during a few hours only each day, thus causing very considerable load peaks. As to the effects of the power rationing the following example may be mentioned. The total consumption of the town of Helsinki amounted to 4.38 million kWh and the maximum peak load to 42,000 kW during the second week in March 1947. This year the corresponding figures were 3.09 million kWh and 29,000 kW for the same period. The energy consumption was thus about 30 per cent and the peak load 30 per cent less than last year.

the last few years, and partly the production of the export industries has been very considerably reduced. Diagram 1 shows the development of power demand in the period of 1930—1947. Assuming an average annual time of utilization of the connected load after 1939 equal to the corresponding value before the war, viz. about 2,000 h, one gets the following figures of total power demand:

Year	Connected load MW	Utilization h	Total power demand at full industrial production, millions of kWh per annum
1930	645	1,870	1,200
1939	1,528	2,040	3,100
1946	2,091	1,410	2,940
1946 *)	2,091	2,000	4,000
1948 *)	2,250	2,000	4,500
1950 *)	2,500	2,000	5,000

As seen from the diagram the energy production within the present territory of Finland would have reached about 4,000 millions of kWh/year in 1946 in the case of full industrial production and with power available, while in 1943—1947 it had not quite come up to 3,000 millions. On the same presumptions it will probably increase to about 5,000 millions of kWh/year during the next few years, up to and including 1950. The figures presuppose the absence of all limiting factors and a quite natural development. In reality this has not been the case. Against an estimated demand of about 3,100 million kWh per annum in 1947, provided the power shortage in the autumn had not reduced the output, the actual value amounted to about 2,800 million kWh per annum.

POWER RESOURCES.

The production of electric energy as a principal industry in the proper sense was entered upon relatively late in this country, in 1920 or thereabout, but the development since then has been considerable. From the very modest beginning of 200 million kWh per annum in 1920 the annual production increased to 3,100 million kWh in 1938, the last year before the

war, viz. 15-fold. For instance in Sweden, a neighbouring country, the consumption of electric energy increased only somewhat more than three times during the same period. It should be noticed, however, that in Finland the 1920 figures were very modest indeed compared with Sweden; the amount of energy consumed in Finland was a few per cent only of the consumption in Sweden while in 1938 it was 38 per cent. Thus, at the outbreak of the war Finland was beginning to be on a level with the old industrial countries as to energy production.

The abnormal conditions following upon the outbreak of the second world war, however, brought about an interruption in this development. The industrial energy consumption decreased in a considerable degree owing to reduced export facilities. In addition, the exceptional low water period between Autumn 1939 and Spring 1943 had a similar effect. The total energy consumption, which still was almost the same in 1939 as in 1938, viz. about 3,100 million kWh, in 1940 went down to 1,700 million kWh only; after that year it again increased gradually to approximately the pre-war level and then remained nearly constant, just below 3,000 million kWh per annum during the years 1943—1946. In the last mentioned year consumption had dropped to 21 per cent of the corresponding figure for Sweden; thus Finland has got considerably behind in the development.

In 1947/48 the utilized water-power resources which before the armistice, at medium flow of water in the streams, represented an annual energy production of 3,200 millions of kWh approximately, corresponded to a total power-producing capacity at medium flow of approximately 2,500 millions of kWh per annum, the corresponding installed generator capacity being about 440 kW. These figures do not include any water-power direct-coupled to working machines, representing probably an annual power production of about 300 millions of kWh of electric energy, nor has this amount of power been considered in connection with the above

*) Estimated.

information regarding the power demand of the country.

At the beginning of 1948 the total amount of steam-power plant installed was 475 MW approximately. This figure, of course, includes also the industrial back-pressure steam-power plants where the steam is being utilized for process purposes after leaving the power-generating units.

The energy is chiefly based on the utilization of the water-power resources with which the back-pressure steam-power plants up to now have been able to compete economically to some extent only. In 1938 about 80 per cent of the power consumed was generated in hydro-electric power plants, about 15 per cent in the industrial back-pressure steam-power plants and 5 per cent only by means of condensing steam-turbines. In 1945 the corresponding figures were approximately 93, 3 and 4 per cent. The low percentage of back-pressure power that year was due to the abundance of water and the much reduced production of the export industries. As in the preceding years, 1943—1944, it was possible to use a considerable amount of water-power for steam generation in electric boilers, which meant saving fuels. The comparatively high percentage of condensing steam-power at the same time, about 4 per cent, was due to energy production in areas away from the main power transmission network to which the chief hydro-electric plants are connected.

After 1946 the steam-power percentage has again considerably increased owing to reduced flow in the streams and increased production of the export industries. — In 1946 about 85 per cent of the energy demand was generated by water-power, about 7 per cent by back-pressure and about 8 per cent by condensing steam-turbines. In 1947 the corresponding figures were 68, 14 and 18 per cent and in March this year, when the average load during one week amounted to about 315 MW for the whole country, about 55, 15 and 30 per cent. Especially the share of the condensing power is thus considerable. As the coal import is not yet normal and fuel prices in general are comparatively high, it is easy to understand that the

difficulties are truly there and that they weigh very heavily on the export industries, for which the fuel cost is of great importance. The shortage of water-power is thus a great encumbrance to the industrial production.

In the nearest future, before the water-power plants in course of construction are ready for use, steam-power will probably have to be resorted to still more to satisfy the general power demand of towns and small industries. At the same time the water-courses will have to be temporarily regulated as has already been done in some instances, in order to increase the flow of the main rivers during the driest periods.

BUILDING PROGRAMME.

It is clear from the information given above regarding power demand and power resources, that great efforts have been and are being made to increase the production of hydro-electric power. Before the armistice a number of water-power plants were being built, the annual output of which at medium flow would have amounted to 1,850 millions of kWh. Together with the plants then already running, the capacity of which was approximately 3,200 millions of kWh per annum, the total amount of power annually generated would thus gradually have exceeded 5,000 millions of kWh, answering the estimated demand in 1950. In consequence of the surrender of territory a considerable portion of the plants in course of construction was lost.

As early as the beginning of 1940 and even before that year, the realization of a large building programme for new power stations was commenced which at present includes 11 plants, to be equipped with 25 turbine-sets in all (See table on p. 23).

When started up these new hydro-electric power plants will mean an increase of about 337 MW in installed capacity, viz. nearly 80 per cent, and an increase of approximately 1,890 million kWh or nearly 80 per cent in annual energy production at medium flow. In addition, the building of some more power stations has been planned, circumstances permitting, and that with very good reasons, consider-

Power plant	River	Generating units		Annual energy production at medium flow appr. millions of kWh	Remarks
		Number	Total output appr. MW		
Kolsi	Kokemäki—Kumo ...	2 (3)*	24 (36)	95 (115)	1 unit running, generating 75 mill. kWh/year
Kuusankoski	Kymi—Kymmene ...	3	30	90	1 unit running + existing plant. Total generation abt. 100 mill. kWh/year
Merikoski	Oulu—Ule	2 (3)*	22 (33)	150 (180)	Existing plant generates abt. 70 mill. kWh/year
Pyhäkoski	»	3	108	560	
Tainionkoski	Vuoksi	3	39	265	
Isohaara	Kemi	2	40	260	
Mankala	Kymi—Kymmene ...	3	27	125	
Jylhämä	Oulu—Ule	3	45	230	
Hartola	Kokemäki—Kumo ...	2	14	60	
Katerma	Ontojoki	1	7	40	
Valkeakoski	Valkeakoski	1	3	15	
Total		25 (27)*	abt. 359 (382)	abt. 1,890 (1,940)	

ing the development after 1950 and the time required for delivery and construction, which now at least is very long. The most important of these are the following, all of them representing additions to existing plants.

Imatra	1 × 26 MW	50 millions of kWh/year
Nuojuua	3 × 25 MW	390 "
Pamilo	2 × 16 MW	160 "
Pälli	3 × 15 MW	230 "

As already mentioned the power supply of Finland has up to now been based chiefly on the utilization of water-power. This will be the case in the future also, as long as there are water-power resources available guaranteeing lower costs of energy production than the steam-power plants. As, however, the amount of water in the streams and consequently the output of the hydro-electric stations varies in a considerable degree, new steam-power plants will have to be constructed parallel to the new water-power plants in order to make up for the power deficiency. Pondage is used to reduce the flow variations whenever possible, i. e. in the case of sufficient reservoirs etc., but such measures lessen the need of steam-power standby in periods of minimum flow to a certain extent only. For supplying the

short time peak loads of power consumers, steam-power is often the most economical. In a town, for instance, more than 90 per cent of the total energy demand can be produced with 50 per cent of the maximum power demand, and in such cases it usually does not pay to construct expensive power transmission lines in order to supply a peak demand of short duration. Although, as matters now stand, the construction of new water-power plants is regarded as the most important task in the field of power supply, two condensing steam-power plants for 30,000 kW each are now in the course of construction, one at the Vanaja power station, the other one in the city of Helsinki, with the purpose of ensuring a sufficient supply of steam-power in the near future. These power plants are supposed to be ready for working in 1950.

In connection with the construction of new power plants strenuous efforts are being made to develop the power distribution network; new trunk lines for 220 and 110 kW and new transformer stations are being built. An idea of this expansion as well as of the position of the new power-plants may be had from the map in diagram 2.

* Future extension in brackets.

DIAGRAM 2.

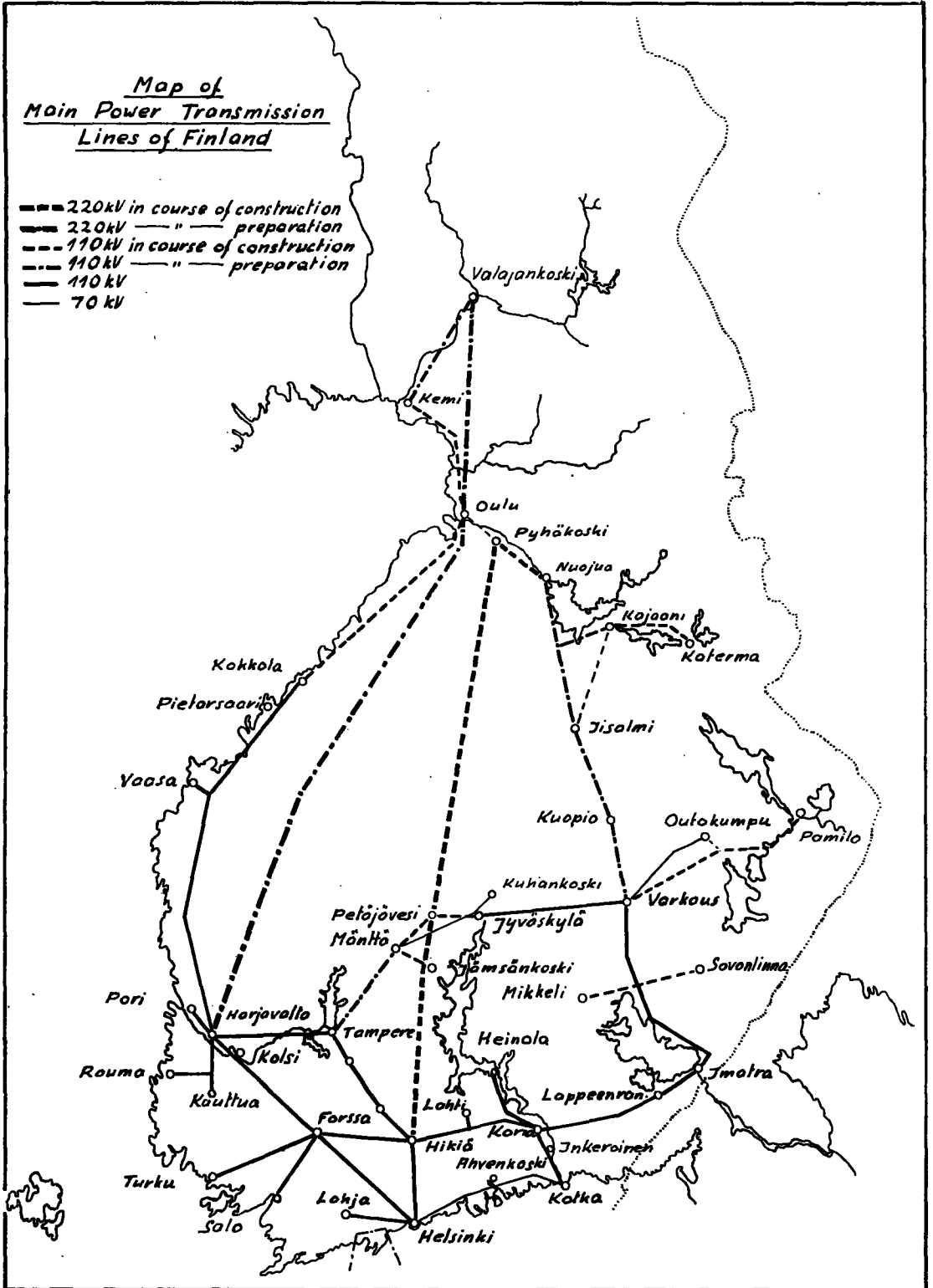
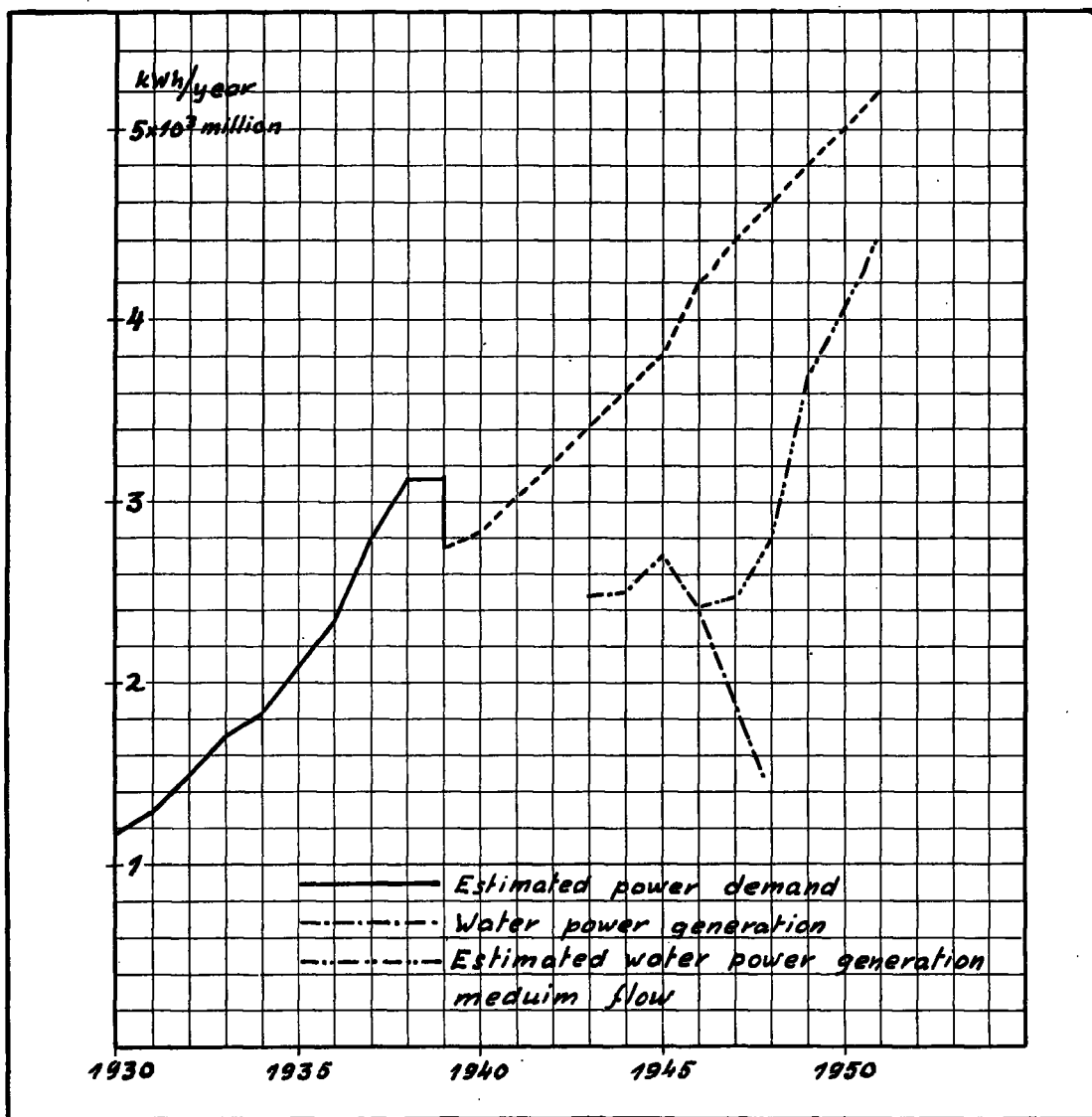


DIAGRAM 3.



What are the possibilities for realizing this programme and how soon can generating sets be started up to ease the power situation?

Provided the construction works can be carried on uninterruptedly in accordance with the programme and the latest promises regarding the delivery times are fulfilled, 7 new sets may be started up within this year. Their total rated output will amount to 113,000 kW and the annual energy production to about 855 million kWh at medium flow. — Most of these

generating sets will not, however, be started up until the autumn, and their share in this year's production will consequently be small. The number of generating sets ready for use in 1949 will be nine corresponding to a total output of 102,000 kW and an annual energy production of 630 million kWh, and in 1950 seven, 126,000 kW and 565 million kWh respectively.

At the end of 1950 the utilized water-power resources would thus amount to an average of about 4,500 millions of kWh per annum. As the normal power demand

will probably then reach nearly 5,000 millions of kWh/year and the industrial back-pressure steam-power plants are capable of generating a maximum of 500 millions of kWh/year at full production, the above building programme should be regarded as an absolute minimum.

Based on the probable times of completion outlined above, a graph has been plotted showing the increase of the water-power production during the next few years (Diagram 3). The diagram gives the actual value for 1944—1947, and for 1948 an estimate which is rather low owing to the present water shortage. All the other figures correspond to medium flow. The upper curve indicates the natural increase of the power demand in conformity with Diagram 1. It is clearly seen from the curves that the construction of yet other new power stations must be commenced in the near future, in order to satisfy the growing natural demand after 1950—1951. As soon as the balance has been restored, the completion of one power station each year will suffice to satisfy the continuously increasing demand.

The total amount of water-power resources of the country, technically and economically suitable for utilizing, should for the present be estimated at a maximum of 10,000 millions of kWh per annum approximately at medium flow. The completion of the building programme shown above will mean that 45—50 per cent of the resources available have already been utilized. Consequently it will not take many decades before the total amount of water-power resources has been used. There will then be a steadily growing demand for thermal power. The total water-power resources thus being rather limited, care must be taken to reserve the comparatively cheap water-power for purposes ensuring the best possible results with regard to Finnish economic activity.

The realization of the programme outlined above must be considered rather extensive for Finnish conditions. The power plants now under construction represent about 80 per cent of total actually utilized water-power resources of the country. State-owned companies as well

as municipal and private enterprises participate in these rebuilding activities. The proportions are such that the State and the municipalities, once the programme has been carried through, will own about 45 per cent of the utilized water-power, the remainder belonging to private enterprises, chiefly the export industries, which are in great need of cheap water-power for their production.

In all, a capital of approximately 20,000—25,000 millions of Finnish marks (about 6,000—7,000 millions/year) would be required for the realization of the building programme. Of this sum somewhat more than one-fourth consists of foreign currency, which is needed for the purchase of machines, steel and other materials although the Finnish industry is capable of supplying a noticeable part of the water-wheels, generators etc. required, as well as construction materials. Important orders have been placed in the U. S. A., Great Britain, Switzerland, Sweden etc., and in those cases, especially, the foreign credits granted for this purpose have been exceedingly useful.

The power plant builders have all the time been beset by difficulties of many kinds, temporary shortage of workers, material, foreign currency etc., but the works have nevertheless progressed considerably. Yet, these activities are still influenced by two important factors which threaten to delay the completion in due time of the power plants. Considerable parts of the equipment have been ordered from abroad, as already indicated, and the delivery times of some contractors especially have constantly been extended. This is very unfortunate but, of course, natural in a way as Finland is not by any means the only country where there is a power shortage. Another factor possibly threatening the realization of the building programme is the scarcity of capital. Despite all these difficulties the prospects of fulfilling the programme seem rather good at present. A good collaboration between the different undertakings, and a certain State control, have made planning rather systematical which in turn has made satisfying results possible.

THE FINNISH COMMERCIAL BANKS IN 1947.

BY

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GENERAL SURVEY.

The year 1947 placed great demands on the Commercial Banks. The demand for credit grew constantly as it has been doing since the end of 1944. More capital than before was needed, partly to maintain even the former level of business in spite of increased wages and prices, partly because of the expansion of economic activities. In addition, money was required for many important investments, the erection of power plants, the renewal of industrial machinery and buildings, the resettlement of the displaced population and reconstruction as a whole, as well as house building which required stimulation owing to the appalling housing shortage. Bearing in mind, further, that the fear of inflation had caused a tendency towards speculative investments, the great demand for credit from the banks is readily understood. The Commercial Banks were only partly able to meet these demands. The accumulation of capital into the credit institutions was satisfactory during the first part of the year, but later stopped chiefly as a result of the inflation psychosis caused by the wage decision of October. In the post-war period attempts have been made to maintain equilibrium by restrictive stipulations regarding the granting of credits, the aim being to reserve capital partly for purposes bringing commodities rapidly on the market, partly for other necessary purposes. Rates of interest, on the other hand, had not been allowed to rise, but in 1947 the restriction policy was supported by raising the rates of interest.

As the continuing inflation conduced partly to an actual decrease of the funds of the Commercial Banks in spite of their apparent growth, and partly to an increase in the costs of the banks, the raising of the interest rates was a welcome measure from the point of view of the profitability of the banks' business.

The number of Commercial Banks was seven and the most important data regarding each are found in the table on p. 31. At the end of the year the offices of the Commercial Banks totalled 464, four more than one year earlier. Of these 172 were located in towns and 292 in rural districts. As many banks had offices in the same locality, the total number of banking places was 246.

BALANCE SHEETS OF THE COMMERCIAL BANKS.

The following table conveys a general idea of the changes that took place during 1947 illustrating at the same time the war-time variations.

<i>Assets</i>	1938	1945	1946	1947
	Mill. mk	Mill. mk	Mill. mk	Mill. mk
Cash	1,235	6,055	3,756	6,280
Finnish credit institutions	268	964	755	1,782
Foreign correspondents	337	382	2,455	4,080
Foreign bills	117	3	5	4
Inland bills	1,770	3,063	9,646	16,590
State bills	—	4,185	530	—
Loans	4,584	11,213	14,598	14,957
Cheque accounts	2,590	2,868	4,000	4,332
Bonds	1,418	8,523	7,106	5,421
Shares	174	196	224	229
Bank premises and shares in bank premises	254	357	517	565
Other real estate	14	10	10	10
Sundry assets	485	2,570	3,246	3,745
Total	13,246	40,389	46,848	57,995
<i>Liabilities</i>				
Share Capital	824	1,385	1,674	1,678
Reserve funds	594	1,153	1,147	1,180
Other funds	104	77	70	66
Deposits	7,549	16,558	17,564	19,982
Cheque accounts	1,944	11,567	13,695	17,754
Bank of Finland	—	—	2,896	3,502
Other Finnish credit institutions:				
Deposits	894	5,102	2,773	3,611
Cheque accounts ..	368	2,081	1,398	2,990
Foreign correspondents ..	309	352	2,104	2,948
Bank-Post-Bills	208	629	1,246	1,512
Sundry liabilities ...	342	1,277	2,027	2,436
Profits (less losses) ..	110	208	254	336
Total	13,246	40,389	46,848	57,995

The total amount of capital employed by the Commercial Banks, i. e. the balance sheet totals, increased by 11,147 million marks during the year, or by nearly 24 per cent. Considering that the wholesale price index rose by well over 39 per cent from December 1946 to December 1947, the funds at the disposal of the Commercial Banks ought to have increased at least by this amount in order that their purchasing power should remain at the former level; yet their actual amount had decreased. A comparison with 1938 shows that, although the sum of the balance sheet totals had nominally increased 4½ times over, the funds at the disposal of the Banks was actually not quite half of the pre-war amount.

The expanded activity of the Commercial Banks is illustrated by the fact that the cash turnover of the year was 2,951 billion marks thus exceeding by 37 per cent that of the preceding year which was 2,142 billion. The cash turnover was well over eight times that of the last pre-war year; it had thus risen practically as much as the price level and much more strongly than the total capital at the disposal of the banks.

BANK FUNDS.

The following table shows the development of the banks' own funds.

	Dec. 31 1938 Mill. mk	Dec. 31 1946 Mill. mk	Dec. 31 1947 Mill. mk
Share capital	824	1,674	1,678
Reserve funds	594	1,147	1,180
Pensions funds	58	33	25
Undisposed profits	46	37	42
Profit and loss accounts	110	254	336
Total	1,632	3,145	3,261

The changes in the banks' own funds were insignificant in 1947 totalling 116 million marks; even so, this mostly consisted of profits of that year and was largely distributed as dividends. Only one minor bank, Ålands Aktiebank, increased its share capital. Most of the Commercial Banks transferred money to their reserve funds, but, on the other hand, some sums were required from these to pay the Second Capital Levy and the total increase thus remained modest. The reduction of the

pensions funds is accounted for by the fact that one of the banks separated its whole pensions fund from the rest of its business.

The banks' own funds, increasing so slowly, their proportion to the balance sheet totals fell from 6.7 per cent in 1946 to 5.6 per cent in 1947. Before the war the corresponding proportion was 12.3 per cent. As regards the Commercial Banks the old rule thus holds good that inflation consumes the own funds of business enterprises.

HOME DEPOSITS.

The deposits received by the Commercial Banks from the public and from domestic credit institutions are reviewed in the following table, which also includes the supplementary credits at times raised in the Bank of Finland.

	Deposits Mill. mk	Cheque accounts Mill. mk	Finnish credit insti- tutions Mill. mk	Total Mill. mk	Bank of Finland Mill. mk
1938	7,549	1,944	1,262	10,755	—
1944	13,068	8,733	4,269	26,070	400
1945	16,558	11,566	7,183	35,307	—
1946	17,564	13,695	4,171	35,430	2,896
1947	19,982	17,754	6,601	44,337	3,502

Total deposits increased by 8,907 million marks in 1947 after remaining practically unchanged in 1946 owing to the preceding exchange of bank-notes which had stimulated the flow of capital to the banks during the last weeks of 1945 and consequently caused large withdrawals early in 1946. The increase in 1947, representing about 25 per cent, would have been very good under normal conditions, but as things were it did not even equal the depreciation of the real value of deposits due to the inflationary movement.

The structure of deposits was also unfavourable. Nearly one-half of the increase, 4,059 million marks, referred to cheque accounts, whereas deposits proper of the public grew by only 2,418 million. The proportional increase in the former was more than twice that of the latter, viz. close on 30 per cent against slightly less than 14 per cent. In addition, the deposits of other domestic credit institu-

tions, which had sharply declined in 1946, again grew vigorously, over 58 per cent, suggesting that at least some of the savings banks had difficulties in finding suitable investments.

As the demand for credit was very lively the deposits proper did not suffice but the Commercial Banks had recourse to the central bank throughout the year. The amount of these supplementary credits was higher by 606 million marks at the close of the year than at the beginning, the figure varying, however, in the course of the year.

HOME LOANS.

The credits proper granted by the Commercial Banks are illustrated in the following figures.

	Finnish credit insti- tutions Mill. mk	Inland bills Mill. mk	Loans Mill. mk	Cheque accounts Mill. mk	Total Mill. mk
1938	268	1,770	4,584	2,590	9,212
1944	363	5,976	7,786	2,696	16,821
1945	964	7,248	11,213	2,868	22,293
1946	755	10,176	14,598	4,000	29,529
1947	1,782	16,589	14,957	4,332	37,660

The credits granted by the Commercial Banks showed a total increase of 8,131 million marks, or nearly 28 per cent, as against 7,236 million or 32 per cent in 1946. This increase consisted chiefly of bill credits, i.e. actual business credits, the demand for which had grown considerably as a result of the expansion of trade and industry and the rise in prices. During the war years the credits granted by the Commercial Banks included an appreciable amount of State credits but in the post-war period these fell off rapidly. At the end of 1947 there were no State credits.

Yet the Commercial Banks still held large amounts of State bonds although they had consistently endeavoured to reduce these holdings in order to disengage money to meet the demands from trade and industry. The bond holdings of the Commercial Banks amounted to 10,973 million marks at the end of the war, State bonds dominating with a figure of over 10.1 billion. At the beginning of the year under review the bond holdings were 7,106

million and at the end about 5,421 million of which figure 4.5 billion were State bonds; the amount of State bonds has thus diminished by 5½ billion marks during the last three years.

If the credits proper and the bond holdings are added together, the overwhelming part, or well over 88 per cent, of the total credits granted by the Commercial Banks at the end of 1947 was to trade and industry and a little short of 12 per cent to the State, whereas the State had received well one-half of the credits granted by these banks at the end of the war. The development has thus rapidly progressed towards normal conditions.

CASH AND CASH RESERVES.

The changes in the liquidity of the Commercial Banks are illustrated in the table below:

	Cash Mill. mk	Cash reserves Mill. mk	Total Mill. mk	Sight liabil- ities Mill. mk	Ratio of cash and cash reser- ves to sight liabilities, %
1938	1,234	1,241	2,475	4,285	57.8
1944	1,367	10,655	12,022	14,172	84.8
1945	6,054	8,835	14,889	19,085	80.2
1946	3,756	7,268	11,024	21,939	50.2
1947	6,280	6,731	13,011	29,001	44.9

The cash and cash reserves include the cash of the banks, funds deposited on current account in the Bank of Finland, extraneous bank-post-bills and cheques and the banks' net credit balances in other banks, commercial bills in foreign currency payable abroad, bonds in Finnish currency issued or guaranteed by the State and bonds listed in foreign Stock Exchanges. The liabilities payable on demand include all the indebtedness of the banks payable at sight and the undrawn amounts of credits granted on cheque accounts.

The figures show that the amount of cash was very large at the end of the year. This was due to an incidental circumstance, the rumour spreading in December of an impending new exchange of bank-notes which caused an influx of money into credit institutions. Throughout the year the cash of the banks was considerably less and their liquidity, in consequence, less than during the last days of the year. In recent years the cash reserves have

constantly fallen off because the Commercial Banks have as far as possible endeavoured to get rid of their State bonds, as already pointed out.

On the other hand, there was a powerful rise in the liabilities payable on demand primarily owing to a vigorous swelling of cheque accounts as a result of which the liquidity ratio decreased. It should be noted, however, that this ratio is still very high considering that the ratio prescribed by the Bank Law is 20 per cent.

POSITION TOWARDS FOREIGN COUNTRIES.

As, after the war, trade relations with foreign countries have become livelier year by year, the international relations of the Commercial Banks have expanded. Both foreign indebtedness and claims have increased rapidly and the figures quoted at the end of 1944 have been multiplied many times over. The development is illustrated in the table below:

	Claims Mill. mk	Indebtedness Mill. mk	Net claims (+) or indebted- ness (-) Mill. mk
1938	455	310	+ 145
1944	125	247	- 122
1945	385	352	+ 33
1946	2,460	2,104	+ 356
1947	4,084	2,948	+ 1,136

It deserves special notice that foreign claims grew at a faster rate than the indebtedness. As a result the balance again became active in 1945 and the net claims have since grown rapidly.

RATES OF INTEREST.

As the money market tightened after the peace and trade and industry revived, the rates of interest showed signs of increasing. The agreement made by the credit institutions regarding the rates of interest on deposits and on mortgage loans was still in force, and consequently only the interest on short-term credits could rise. After the Bank of Finland had raised the interest rate one-half of one per cent in June, the joint delegation of the financial institutions decided in October to allow a rise of the rates. According to this decision the rates of interest on deposits in the Commercial Banks were

to rise from 3½ to 4 per cent as from January 1, 1948. To ease the financial position of minor credit institutions in particular, an increase of three-quarters of one per cent in the rate of interest on loans was allowed, and consequently the average rates were considerably higher by the end of the year.

The average interest on credits granted to others than the State thus rose to 6.75 per cent as against 6.33 per cent one year earlier and 6.11 per cent at the end of 1945. During the year under review the change in the interest rate did not yet affect the rate of interest on deposits and, as the low-interest cheque accounts grew more than deposit accounts, the result was, on the contrary, that the average rate of interest on deposits decreased from 2.39 per cent at the end of 1946 to 2.32 per cent at the end of 1947. As even these rates rose at the beginning of 1948 and all rates of interest have since been markedly raised, it can be said that the period of low interest in Finland is now ended.

THE YEAR'S RESULTS.

The economic results of the Commercial Banks' business are illustrated by the following table of income and expenditure for recent years as compared with the figures for 1938.

	1938 Mill. mk	1945 Mill. mk	1946 Mill. mk	1947 Mill. mk
<i>Income</i>				
Interest	544	1,048	1,689	2,029
Income on bonds and shares	103	451	287	283
Agio	33	46	54	94
Recovered on claims previously written off	6	15	4	6
Income from bank premises	17	5	2	7
Sundry earnings ..	23	64	153	211
Total	726	1,629	2,189	2,630
<i>Expenditure</i>				
Interest	388	807	1,043	1,288
Taxes	102	212	356	339
Salaries	43	250	347	501
Other expenses ..	40	95	153	187
Amounts written off	42	55	33	34
Transferred to pen- sions funds	1	2	3	5
Net profits	110	208	254	336
Total	726	1,629	2,189	2,630

Liveliest banking business involved a marked increase in the income as well as the expenses of the Commercial Banks. Incomes grew by a total of 441 million marks, or well over 20 per cent, from the figure of 1946. The rise was thus much smaller than that of the balance sheet totals and, particularly, of the cash turnover. Compared also with the corresponding figures for 1938, the increase in incomes has been much slower than that of the banks' funds and the cash turnover.

In regard to expenditure special attention is claimed by the rise of expenses. Taxes indeed decreased slightly from the high figure recorded one year earlier, but salaries and „other expenses" rose sharply. With regard to salaries the rise was well over 44 per cent and compared with 1938 they have grown almost twelve-fold. This particularly steep rise was due to the extended activities of the banks which involved an increase in personnel, and to the rise in wage rates.

The net profits of the Commercial Banks rose to 336 million marks in 1947, or by about 32 per cent. Compared with the last pre-war year net profits have trebled. Expressed in pre-war marks at the rate indicated by the wholesale price index the net profits have thus decreased to about one-third of the figure for 1938. Also compared with the cash turnover the net profit has fallen. Last year the net profits represented 0.114 per thousand of the cash turnover, in 1946 the corresponding figure was 0.119 per thousand, but in 1938 nearly threefold, or 0.307 per thousand.

As undistributed profits to a value of 42 million had been carried over from the preceding year, the Annual Meetings of the banks had at their disposal a total of 378 million marks. Of this sum 220 million were distributed as dividends, 8 million were contributed to various public purposes, and the rest was transferred to funds or left on profit and loss account. Dividends were paid in the different years as follows:

	Dividends Mill. mk	% of share capital	% of own funds
1938	100.2	12.16	6.58
1939	72.3	8.77	4.72
1940	75.5	9.16	4.87
1941	83.6	10.10	5.33
1942	89.6	8.80	4.80
1943	110.4	9.25	4.32
1944	151.5	11.20	5.85
1945	156.2	11.73	5.97
1946	196.1	11.72	6.78
1947	220.0	13.11	7.52

Nominally the dividends distributed have thus reached proportionally the pre-war level, but seeing that the shares had been paid in pre-war marks and that dividends are paid in the present depreciated money, the owners of bank shares actually receive but one-tenth of the dividends considered normal before the war. On the other hand those shareholders, who have recently bought their shares have generally paid the officially quoted rate, two- or three-fold the nominal value, the dividends being thus modest also in their case.

COMMERCIAL BANKS IN FINLAND AT THE END OF 1947.

Name and Site of Head Office	Cable Address	Capital paid up	Reserve Funds	Total Balance Sheet	Offices ¹⁾
		Mill. mk	Mill. mk	Mill. mk	Number
1. Kansallis-Osake-Pankki, Helsinki	Kansallispankki	585	539	23 275	205
2. A/B Nordiska Föreningsbanken, Helsingfors .. O/Y Pohjoismaiden Yhdyspankki, Helsinki ..	Unitas	626	470	22 394	105
3. Helsingfors Aktiebank, Helsingfors	Helsingforsbank	221	94	6 246	83
4. Helsingin Osakepankki, Helsinki					
5. Säästöpankkien Keskus-Osake-Pankki, Helsinki The Central Bank of the Savings Banks, Helsinki	Sparbank	180	40	3 856	1
6. Suomen Maatalous-Osake-Pankki, Helsinki	Maatalouspankki	30	11	1 027	29
7. Pohjolan Osake-Pankki, Oulu	Pohjolanpankki	16	19	726	29
8. Ålands Aktiebank, Mariehamn	Ålandsbank	20	7	471	12
Total	—	1 678	1 180	57 995	464

1) Head offices and branches.

ITEMS.

The Diet. A new Diet was elected on July 1st and 2nd. In Finland the election is done by universal, secret and proportionate vote, each voter having an equal vote. The persons entitled to vote numbered 2,449,415 (2,284,249 in 1945), about 77.2 per cent of them casting their vote (74.9 per cent). The Agrarians gained 7, the Social-Democrats 4 and the Unionists 5 seats. On the other hand the Democratic League and the Progressive party suffered losses, the former losing 11 and the latter 4 seats. The Swedish party lost one seat. According to unrevised data the votes were divided between the different parties as follows:

	1948	1945
Social-Democratic party	494,542	425,948
Agrarian party	455,529	362,662
Democratic League	375,648	398,618
Unionist party	319,372	255,394
Swedish party	145,323	142,298
Progressive party	73,030	87,868
Other	27,498	25,588
Total	1,890,942	1,698,376

Although the Social-Democrats got more votes than any other party, it did not get the largest number of representatives in the new Diet, as the Agrarians got 56 (49 in 1945) and the Social-Democrats only 54 (50) seats. The largest parliamentary group of the previous Diet, the Democratic League which represents the extreme left, dropped to the third place having only 38 seats (49 representatives were elected in 1945, but in addition two members of other parties later shifted over to this group). Next follow: the Unionist party 33 (28), the Swedish party 14 (15) and the Progressive party 5 (9) seats. The relative strength of the right and the left will be 108—92 in the new Diet having before been 101—99. The number of women elected increased to 24 from 17 in 1945.

Supplementary budgets. Table 21 shows the most important groups of the ordinary

budget for 1948, total revenue being 72,494 million marks and total expenditure 72,445 million. In addition the Diet has passed two supplementary budgets in the course of the first half of the year.

The first supplementary budget, of April, was caused by the increase in the salaries of the civil servants granted at the end of the previous year. It totalled 1.1 billion marks.

In June the Diet passed the second supplementary budget which totalled 8.8 billion marks. Ordinary expenditure were 3.9 billion, the largest item, 1.7 billion, being intended for covering the loss that had arisen in the purchase of foreign cereals. Capital expenditure amounted to 4.9 billion marks, the most important part or 2.3 billion being intended for the benefit of the State owned industrial enterprises, as increase in their share capital or otherwise. Capital expenditure further contain a transfer of 1.7 billion to the Colonisation Fund to be used for colonisation.

The Diet has not assigned any new revenue for covering the expenditure in the supplementary budgets, but it has been assumed that revenue will actually exceed the amount estimated in the ordinary budget so much that it will suffice for this purpose.

The Regulations for the Bank of Finland. As proposed by the Board of Management of the Bank and approved of by the Bank Supervisors on October 24th, 1947, a Government bill was introduced considering the change of some paragraphs of the Regulations of the Bank of Finland. After the Diet having passed the bill, a law was given to this effect on June 4th.

By the change of paragraph 4 the capital of the Bank has been fixed at 5,000 million marks as compared to 1,250 million previously. The increase appeared for the first time in the report for June 30th and was accomplished by transferring 1,600

million marks from the reserve fund and 2,150 million from regulations accounts.

As changed, paragraph 30 establishes that, until the capital and reserve fund of the Bank amount to a total of 10,000 million marks (in the previous law 3,000 million), at least one half of the annual profits of the Bank shall be employed to increase the reserve fund. Thereafter at least one-third of the annual profit shall be transferred to the fund. Such part of the profit as is not utilised for increasing the funds of the Bank, may, according to the decision of the Diet, be employed for public purposes.

*

The family wage system. In connection with the general revision of wages in autumn 1947, a Government Decision obligated employers of paying their employees children's allowances of 500 marks a month for each child below 17 years of age. Yet the decision was found to be inadequate and unjust, among other things because it left everybody working for himself out of account. For this reason a law concerning children's allowances was proposed by the Government. It was passed by the Diet only slightly changed in June 1948.

According to the new law the State shares in the sustenance and education of each child below 17 years of age by 7,200 marks a year. Employers are released from the obligation of paying the allowances straight to the worker as decreed in the autumn. In order to pay the costs ensuing from the law on children's allowances, the employers instead have to pay the State four per cent of the total wages paid. This amount is collected at the same time as the employer's share in the premiums on the national pensions. Also in their new shape the provisions should be considered as an experiment, the law being in force only to the end of 1950.

*

Reduction of war reparations. In the beginning of June the Soviet Government announced that it had decided to cut down by half the remaining war reparations of Finland as from July 1st.

The Peace Treaty fixed the reparations at 300 million dollars according to the exchange rate of 1938 (see earlier issues of this Bulletin, nos. 10—12, 1946, and nos. 7—9, 1947). As about half of the reparations or 150 million dollars have been paid, the reduction granted will be about 75 million dollars. This will considerably relieve the economic situation, although the real effect of it cannot be estimated yet, because details will be settled only by negotiations. It has only been agreed upon that the deliveries scheduled for the current fourth reparations year, which ends on September 19th, will be discharged in full. The surplus delivered after July 1st will be taken account of in fixing the remaining deliveries.

*

Trade agreements. Finland and Turkey signed a trade agreement and a clearing payments agreement in May. No quota were fixed for various goods, but imports and exports will be carried on according to the stipulations in force in the two countries.

Several important trade agreements were signed in June. Trade relations with Poland were settled for 1949. The value of the commercial transactions to be paid by clearing will be twice that of the current year or about 8.5 million dollars. Finland will deliver cellulose, scrap paper, sleepers, copper, iron pyrites and pine oil, while Poland delivers coal, steel products, textiles, sugar and salt. In addition to the coal paid by way of clearing, Poland will deliver another 1.2 million tons of coal and coke to be paid in currency. Total Polish exports to Finland will apparently amount to about 25 million dollars.

A Finnish-Dutch trade agreement was signed on June 10th, to regulate the commercial intercourse between these countries during June 1st, 1948 — May 31st, 1949. Trade will increase very much, the exports of each country amounting to about 75 million guilders in this period. Finland will get great quantities of textiles, such as rayon, and woollen, cotton and rayon cloth, sheeting and lining, ready made clothing and raincoats. Of the other

import goods herring and fish-nets may be mentioned.

In addition, Finland has made trade agreements with Iceland and Bizonia.

*

Timber market. In the middle of May an agreement was made between the British Board of Trade Timber Control and the Finnish Sawmill Owners' Association about the price of sawn timber. The total quantity already fixed in the Anglo-Finnish trade negotiations in London in March is 120,000 standards of ordinary sawn timber, in addition to which the Timber Control is entitled to buy a further 5,000 standards of sawn birch wood and 15,000 standards of timber.

On an average the prices now fixed only slightly exceed those of last year, the prices of some weaker articles being even reduced. As the prices of raw material and the costs of production have greatly increased in Finland (by 40—50 per cent) since last year, the difference in the tendency of selling prices and the level of costs is a serious drawback to Finnish woodworking.

*

Weather conditions and crop prospects. The exceptionally dry autumn of 1947 was unfavourable to autumn crops and early snow prevented the ground from tho-

roughly freezing. Partly for this reason Spring arrived about two weeks earlier than usual, April—May and the first half of June being much warmer than normal. In the beginning of Summer weather conditions have been very favourable to agriculture, although in some places it has been too dry.

In regard to autumn crops, the prospects as to rye have been estimated to be a little below the average and to autumn wheat about the average. As to spring crops prospects have been estimated to be above the average in the whole country.

The following table shows the crop prospects in the middle of June in 1948 and 1947 and in the middle of October 1947. (8 = very good, 7 = good, 6 = above average, 5 = average, 4 = below average, 3 = poor, 2 = almost failure, 1 = failure.)

	1948 June	1947 June	1947 October
Autumn wheat	5.1	4.6	4.5
Spring wheat	5.8	5.0	4.8
Rye	4.5	5.6	5.3
Barley	5.7	4.9	4.7
Oats	5.8	4.9	4.7
Hay	5.0	4.2	4.0

Except for rye, the prospects are better for all the most important crops this year than 1947. Rains falling after the middle of June have still somewhat improved the situation.

BANK OF FINLAND

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