



# BANK OF FINLAND

## MONTHLY BULLETIN

Vol. XXV. Nos. 7—8

JULY—AUGUST

1951

### THE FINNISH MARKET REVIEW.

#### GENERAL SURVEY.

This summer has, in general, been favourable for production and other economic activity and also, in some degree, for the monetary economy. The stoppage of prices and wages, agreed upon in May and intended to last to the end of September, has had a calming effect after the unrest of the previous months. It has brought about a much needed labour peace, which has facilitated the work of the stabilization committee. The stabilization was further promoted by the steady decrease in the world market prices of some important raw materials and the quiet in the political sphere since the elections to the Diet. Yet, monetary policy will most likely prove very difficult in the autumn, especially as various prices have risen in spite of the price stoppage and thus have increased the pressure on wages. Many other difficulties may also have to be overcome before the stabilization programme has been drawn up and passed.

Economic activity has been brisk in all spheres, especially foreign trade, but also production and investments. Both the value and quantity of foreign trade have been much greater than in other post-war years. In several months of the current year a surplus of exports has been recorded, up to the end of July altogether 8,156 million marks as compared with a surplus of imports of nearly 5,738 million marks for January—July 1950. Partly the quantities exported have been larger, partly the terms

of trade have considerably improved since last year. The reduction in the prices on the world market has so far not affected the prices of Finland's main export articles. An indication of the satisfactory conditions is the fact that at recent timber auctions the prices paid exceeded those of last year by about 50 per cent. The strong upward tendency is also seen in investments, not even checked by the considerable restriction of credits.

Crop prospects were weakened by cold weather in the early summer and exceptional drought in August. A crop somewhat below the average is expected, spring sowings and hay being the poorest. As, besides, the drought has badly affected grazing, the conditions for cattlefarming now seem worse than a year ago.

#### THE MONEY MARKET.

Deposit business in *all credit institutions* has continued more favourable than last year. In July the deposit accounts of the public increased by 2,575 million marks as against only 828 million last year. The total increase from the beginning of January, too, was greater this year, 14,059 million marks or more than double the 6,229 million of last year.

There was improvement also in the *Commercial Banks*. The July increase in their deposit accounts, 666 million marks, was much greater than that of July 1950, 259 million, but in the first seven months of the year the increase was only 2,628 as

against 2,613 million in 1950. The increase in cheque accounts was 4,198 as against 2,610 million.

The greatest change referred to rediscounts with the Bank of Finland. As the demand of trade and industry for credit greatly increased last winter and spring and exceeded the banks' ability to grant loans, the Commercial Banks, and to some extent other credit institutions, had to resort to rediscounting on a growing scale. In the third week of June rediscounts reached an all-time maximum of 17,304 million marks. Subsequently, in accordance with the recommendation of the Bank of Finland (see Items), they were considerably reduced, by the end of July below 12,000 million marks and by August 23 to 5,600 million only. In consequence, the Commercial Banks have had to be more cautious in their own lending.

This reduction of rediscounts has formed the most important change in the activity of the *Bank of Finland*, too. It is to be noted that the bill credit to the Treasury, which was substantially reduced in the spring, tended to increase again in the summer, especially in August. Yet, it is still much smaller than in former years. The direct lending to trade and industry has been quite as strict as for a long time past. Private bills decreased both in July and August. Thus, the total home loans of the Bank have been somewhat reduced this summer. — The reserve of foreign currency has increased appreciably and the notes in circulation reached their highest point so far in the third week of August.

#### PRICES.

Prices have kept fairly stable these months, partly thanks to foreign prices falling, partly owing to the home prices having been stopped and the public consequently growing calmer, and finally to the plentiful supply of goods due to brisk foreign trade. Some price increases could not be avoided,

but they have not altered the general tendency. The official cost of living index (August 1938—July 1939 = 100) has risen by a few points only each month, its increase being retarded by various subsidies. The index for June was 1,062 and that for July 1,067, while the increase from December to July was 7 per cent as against 13 per cent in 1950. The wholesale price index has also slowed down, but as it follows the real changes in prices closer than the cost of living index, it has risen more. The total wholesale price index (1935 = 100) rose from 1,775 in May to 1,820 in June and 1,850 in July. In the first seven months of the current year wholesale prices have increased by altogether 29 per cent.

#### TRADE AND INDUSTRY.

*Foreign trade* has been unusually favourable this summer. Both imports and, especially, exports have increased in quantity and export prices have been good. By the end of July already the value of this year's exports exceeded the value for the whole of last year. The July result in particular was exceptional. Not only was the value of exports, 18,577 million marks, greater than in any one previous month, it also exceeded imports by as much as 5,866 million, thus greatly improving this year's balance of trade. The total value of exports in January—July amounted to 83,347 million marks or twice as much as in 1950, 41,711 million. The corresponding import values were 75,191 this year and 47,449 million in 1950.

*Industrial production* is still very active, the volume indices being much higher than last year. The total index for May (1948 = 100) was 134 and for June 136, whereas last year's corresponding indices were 118 and 116 respectively. Both the exporting industry and the home market industry have contributed to this result.

August 29, 1951.

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

	1950	1951					
	Mill. mk	Mill. mk					
	31/8	31/3	30/4	31/5	30/6	31/7	31/8
<b>ASSETS.</b>							
Gold Reserve .....	2 230	3 120	3 353	4 475	4 475	4 475	4 475
Foreign Currency .....	6 250	5 133	4 235	4 328	4 457	7 352	12 421
Foreign Bills .....	1 157	1 976	2 048	2 202	2 425	2 558	2 602
Foreign Bank Notes and Coupons .....	71	97	75	125	161	176	165
Foreign Clearing Accounts .....	—	676	893	—	—	—	—
Inland Bills .....	40 468	39 590	39 069	39 820	41 917	40 302	37 509
Loans on Security .....	622	22	22	22	22	22	47
Advances on Current Accounts .....	296	198	360	443	379	425	—
Bonds in Finnish Currency .....	849	778	771	769	767	748	746
» » Foreign » .....	182	179	188	192	203	191	193
Sundry Assets .....	1 325	6 259	7 145	6 553	7 488	6 358	5 186
Total	53 450	58 028	58 159	58 929	62 294	62 607	63 344
<b>LIABILITIES.</b>							
Notes in circulation .....	34 014	37 447	38 329	39 055	39 670	39 826	41 446
Other Liabilities payable on demand:							
Current Accounts due to the Treasury ..	—	—	—	—	—	—	—
» » » » Others .....	2 023	2 030	641	1 418	2 735	1 093	1 704
Bank-Post-Bills .....	83	136	46	49	88	56	42
Mark Accounts of holders abroad .....	4 329	4 420	4 590	4 264	4 225	5 897	4 503
Foreign Clearing Accounts .....	151	—	—	347	1 644	1 711	1 922
Foreign Debt .....	3 234	3 696	3 696	1 502	1 617	1 663	1 733
Sundry Accounts .....	56	113	58	180	73	100	83
Capital .....	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Reserve Fund .....	1 025	1 527	1 527	1 527	1 527	1 527	1 527
Earnings less Expenses .....	753	320	435	554	659	771	874
Undisposed Profits .....	—	—	—	—	—	—	—
Sundry Liabilities .....	2 782	3 339	3 837	5 033	5 056	4 963	4 510
Total	53 450	58 028	58 159	58 929	62 294	62 607	63 344

**2.—NOTE ISSUE OF THE BANK OF FINLAND.**

	1950	1951					
	Mill. mk	Mill. mk					
	31/8	31/3	30/4	31/5	30/6	31/7	31/8
<b>RIGHT TO ISSUE NOTES.</b>							
Gold Reserve and Foreign Currency <sup>1)</sup> ....	9 708	10 326	9 711	11 130	11 518	14 561	19 663
Additional Right of Issue .....	50 000	50 000	50 000	50 000	50 000	50 000	50 000
Total	59 708	60 326	59 711	61 130	61 518	64 561	69 663
<b>AMOUNT OF ISSUE USED.</b>							
Notes in circulation .....	34 014	37 447	38 329	39 055	39 670	39 826	41 446
Other Liabilities payable on demand .....	9 876	10 395	9 031	7 760	10 382	10 520	9 987
Undrawn Advances on Current Accounts .....	707	826	664	581	645	599	1 024
Total	44 597	48 668	48 024	47 396	50 697	50 945	52 457
<b>NOTE RESERVE.</b>							
Available .....	5 579	1 248	756	3 554	2 738	3 917	4 715
Dependent on supplementary cover .....	9 532	10 410	10 931	10 180	8 083	9 699	12 491
Total	15 111	11 658	11 687	13 734	10 821	13 616	17 206
Grand total	59 708	60 326	59 711	61 130	61 518	64 561	69 663

<sup>1)</sup> From April 29, 1950, including bills payable abroad in foreign currency, foreign bonds listed on foreign Stock Exchanges, bonds and interest coupons in foreign currency which have fallen due and foreign money.

### 3. — BANK OF FINLAND. NOTES IN CIRCULATION, FOREIGN CURRENCY AND COVER FOR THE ISSUE OF NOTES.

End of Month	Notes in circulation Mill. mk				Foreign Currency <sup>1)</sup> Mill. mk				Cover for the Issue of Notes Percentage of Liabilities payable on demand				End of Month
	1949	1950	1951	Monthly Movement	1949	1950	1951	Monthly Movement	1949	1950	1951	Monthly Movement	
	<i>27 369</i>				<i>2 027</i>				<i>112.6</i>				
Jan.	25 782	27 790	31 820	—2 563	2 003	2 888	5 445	— 65	114.0	108.4	110.2	+ 2.2	Jan.
Feb.	27 363	29 491	36 647	+4 827	1 685	4 160	6 111	+ 666	115.6	109.7	106.6	— 3.6	Feb.
March	27 407	29 935	37 447	+ 800	1 755	4 734	5 133	— 978	112.4	106.4	102.6	— 4.0	March
April	27 741	30 266	38 329	+ 882	1 208	5 316	4 235	— 898	113.6	112.8	101.6	— 1.0	April
May	28 198	30 326	39 055	+ 726	1 310	5 016	4 328	+ 93	115.2	114.1	107.5	+ 5.9	May
June	27 934	31 328	39 670	+ 615	1 304	4 930	4 457	+ 129	113.8	110.9	105.4	— 2.1	June
July	28 252	32 734	39 826	+ 156	2 204	6 230	7 352	+2 895	113.2	112.0	107.7	+ 2.3	July
Aug.	28 677	34 014	41 446	+1 620	2 080	6 250	12 421	+5 069	115.1	112.5	109.0	+ 1.3	Aug.
Sept.	28 389	34 004			1 988	6 423			108.5	114.3			Sept.
Oct.	28 036	32 484			1 579	4 506			108.6	114.9			Oct.
Nov.	28 613	33 916			1 636	3 959			107.2	113.2			Nov.
Dec.	29 606	34 383			2 428	5 510			108.0	108.0			Dec.

<sup>1)</sup> Net credit balances with foreign correspondents.

### 4. — BANK OF FINLAND. NOTE RESERVE, HOME LOANS AND REDISCOUNTED BILLS.

End of Month	Note Reserve Mill. mk			Home Loans <sup>1)</sup> Mill. mk				Rediscounted Bills (included in Home Loans) Mill. mk				End of Month
	1949	1950	1951	1949	1950	1951	Monthly Movement	1949	1950	1951	Monthly Movement	
	<i>5 963</i>			<i>35 023</i>				<i>1 697</i>				
Jan.	6 317	4 924	18 173	34 502	37 360	36 453	—4 082	764	1 005	5 735	—1 178	Jan.
Feb.	6 828	5 748	14 900	35 409	39 720	38 520	+2 067	3 634	1 969	10 652	+4 917	Feb.
March	6 018	4 473	11 658	36 211	38 876	39 810	+1 290	927	830	8 090	—2 562	March
April	6 498	16 292	11 687	37 682	39 493	39 451	— 359	130	20	10 888	+2 798	April
May	7 023	16 585	13 734	37 904	39 663	40 285	+ 834	2 523	2 312	11 345	+ 457	May
June	6 484	16 677	10 821	37 225	39 157	42 318	+2 033	1 165	3 102	15 560	+4 215	June
July	6 746	15 340	13 616	39 766	40 795	40 749	—1 569	196	2 244	11 930	—3 630	July
Aug.	7 337	15 111	17 206	39 904	41 386	37 556	—3 193	335	1 436	4 346	—7 584	Aug.
Sept.	5 076	14 388		39 725	42 493			710	2 612			Sept.
Oct.	5 167	13 937		40 569	43 024			822	2 335			Oct.
Nov.	4 622	12 271		40 309	44 074			2 073	3 233			Nov.
Dec.	4 964	13 553		40 302	40 535			2 428	6 913			Dec.

<sup>1)</sup> Inland bills, loans on security and advances on current accounts.

### 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
	1949	1950	1951	1949	1950	1951	Monthly Movement	1949	1950	1951	Monthly Movement	
	<i>19 230</i>			<i>19</i>				<i>1 463</i>				
Jan.	19 530	21 130	16 730	—407	— 65	— 276	— 310	2 019	1 839	318	— 952	Jan.
Feb.	15 230	21 630	13 230	—239	—249	— 194	+ 82	680	2 618	292	— 26	Feb.
March	17 530	21 830	16 630	— 26	—923	— 8	+ 186	2 130	3 293	2 029	+1 737	March
April	19 030	23 430	12 530	581	—669	— 127	— 119	1 415	2 540	641	—1 388	April
May	16 430	21 230	11 922	294	248			1 083	1 149	1 418	+ 777	May
June	16 730	19 830	9 707	311	—502			1 221	1 010	2 735	+1 317	June
July	20 230	23 330	13 777	— 99	99	261		3 163	2 138	1 093	—1 642	July
Aug.	20 430	25 230	20 542	13	—163			1 928	2 023	1 704	+ 611	Aug.
Sept.	20 230	25 530		—399	—152			1 618	3 503			Sept.
Oct.	21 930	26 230		—364	99			2 099	1 614			Oct.
Nov.	21 030	25 730		—132	2			1 671	747			Nov.
Dec.	22 030	19 730		80	34			1 865	1 270			Dec.

<sup>1)</sup> Since May, 1951, the Balance of Current Accounts due to the Treasury is included in Treasury Bills. The figures in italics indicate the position at the end of the previous year.

**Bank Rate since November 3, 1950, 7 <sup>3</sup>/<sub>4</sub> %.**  
(Former Rate 5 <sup>3</sup>/<sub>4</sub> %).

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

		1951	1951	1951	1951	1951	1951	1951
		<sup>28</sup> / <sub>2</sub>	<sup>31</sup> / <sub>3</sub>	<sup>30</sup> / <sub>4</sub>	<sup>31</sup> / <sub>5</sub>	<sup>33</sup> / <sub>6</sub>	<sup>31</sup> / <sub>7</sub>	<sup>31</sup> / <sub>8</sub>
New York	1 Dollar	231:—	231:—	231:—	231:—	231:—	231:—	231:—
London	1 Pound	646:—	646:—	646:—	646:—	646:—	646:—	646:—
Stockholm	100 Kronor	4 450:—	4 450:—	4 450:—	4 450:—	4 450:—	4 450:—	4 450:—
Paris	100 Francs	66:—	66:—	66:—	66:—	66:—	66:—	66:—
Brussels	100 Francs	462:—	462:—	462:—	462:—	462:—	462:—	462:—
Amsterdam	100 Guilders	6 090:—	6 090:—	6 090:—	6 090:—	6 090:—	6 090:—	6 090:—
Zürich	100 Francs	5 300:—	5 300:—	5 300:—	5 300:—	5 300:—	5 300:—	5 300:—
Oslo	100 Kroner	3 231:—	3 231:—	3 231:—	3 231:—	3 231:—	3 231:—	3 231:—
Copenhagen	100 Kroner	3 330:—	3 330:—	3 330:—	3 330:—	3 330:—	3 340:—	3 340:—
Prague	100 Koruny	462:—	462:—	462:—	462:—	462:—	462:—	462:—
Montreal, nom.	1 Dollar	219:—	220:—	218:—	218:—	216:—	216:—	220:—
Lisbon	100 Escudos	804:—	804:—	804:—	804:—	804:—	804:—	804:—
Rio de Janeiro	100 Cruzeiros	1 260:—	1 260:—	1 260:—	1 260:—	1 260:—	1 260:—	1 260:—
Moscow, nom.	100 Rubel	5 775:—	5 775:—	5 775:—	5 775:—	5 775:—	5 775:—	5 775:—

## 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			Credits from the Bank of Finland		End of Month
	Cheque Accounts		Deposits		Mill. mk		Mill. mk			Mill. mk		
	1950	1951	1950	1951	1950	1951	1949	1950	1951	1950	1951	
	<i>23 276</i>		<i>31 079</i>		<i>7 625</i>		<i>50 125</i>			<i>1 842</i>		
Jan.	24 659	24 247	32 013	37 344	7 889	5 614	53 171	64 561	67 205	801	4 625	Jan.
Feb.	21 856	21 534	32 728	37 824	7 354	5 373	50 155	61 938	64 731	1 955	10 289	Feb.
March	25 021	28 762	33 446	37 882	6 699	5 798	55 161	65 166	72 442	817	7 852	March
April	25 789	25 348	33 623	38 189	6 738	5 694	56 407	66 150	69 231	—	10 563	April
May	23 663	28 468	33 768	38 421	6 689	5 597	53 990	64 120	72 486	2 293	10 892	May
June	25 312	32 822	33 433	38 541	5 472	6 006	55 766	64 217	77 369	3 097	14 894	June
July	25 886	28 659	33 692	39 207	5 928	6 685	59 443	65 506	74 551	1 409	11 375	July
Aug.	25 697		34 570		5 720		58 225	65 987		785		Aug.
Sept.	26 504		34 134		5 821		57 822	66 459		1 158		Sept.
Oct.	24 885		34 071		4 976		61 059	63 932		1 011		Oct.
Nov.	24 209		34 205		4 893		59 773	63 307		2 226		Nov.
Dec.	24 461		36 579		4 933		61 980	65 973		5 692		Dec.

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

## 8. — COMMERCIAL BANKS. HOME LOANS.

End of Month	To the Public				To other Credit institutions		Total				End of Month	
	Inland Bills		Other Credits		Mill. mk		Mill. mk			Monthly Movement		
	1950	1951	1950	1951	1950	1951	1949	1950	1951			
	<i>31 196</i>		<i>25 965</i>		<i>2 635</i>		<i>46 458</i>					
Jan.	31 402	36 189	27 470	34 762	2 536	2 890	49 554	61 408	73 841	+3 310	Jan.	
Feb.	32 110	38 141	27 819	34 085	2 268	2 821	50 683	62 197	75 047	+1 206	Feb.	
March	32 351	39 768	28 096	34 176	2 348	2 770	52 371	62 795	76 714	+1 667	March	
April	33 123	43 054	29 051	34 601	2 444	2 792	54 944	64 618	80 447	+3 733	April	
May	33 469	45 977	28 949	34 608	3 427	3 000	55 095	65 845	83 585	+3 138	May	
June	32 692	48 333	29 887	36 067	2 938	3 299	54 410	65 517	87 699	+4 114	June	
July	31 789	49 658	30 873	34 781	2 991	3 392	55 648	65 653	87 831	+ 132	July	
Aug.	31 335		30 786		3 078		55 464	65 249			Aug.	
Sept.	31 157		30 978		3 585		57 005	65 720			Sept.	
Oct.	31 869		31 530		2 966		58 935	66 365			Oct.	
Nov.	32 688		32 539		3 089		59 780	68 316			Nov.	
Dec.	34 498		32 941		3 092		59 796	70 531			Dec.	

The figures in italics indicate the position at the end of the previous year.

## 9. — COMMERCIAL BANKS. POSITION TOWARDS FOREIGN COUNTRIES.

End of Month	Claims Mill. mk			Indebtedness Mill. mk			Net Claims (+) or Net Indebtedness (—) Mill. mk				End of Month	
	1949	1950	1951	1949	1950	1951	1949	1950	1951	Monthly Movement		
Jan.	<i>2 194</i>			<i>2 087</i>			<i>+ 107</i>					Jan.
Feb.	2 128	2 804	4 579	2 008	1 939	4 287	+ 120	+ 865	+ 292	— 121		Feb.
March	2 034	2 279	5 047	2 117	1 928	4 360	— 83	+ 351	+ 687	+ 395		March
April	2 399	2 342	5 475	2 077	1 879	5 309	+ 322	+ 463	+ 166	— 521		April
May	2 397	2 726	6 718	2 107	2 150	6 563	+ 290	+ 576	+ 155	— 11		May
June	2 227	2 377	7 570	2 325	2 105	6 929	— 98	+ 272	+ 641	+ 486		June
July	2 828	2 968	9 581	2 454	2 252	7 198	+ 374	+ 716	+ 2 383	+ 1 742		July
Aug.	2 969	3 136	7 528	2 592	1 992	7 108	+ 377	+ 1 144	+ 420	— 1 963		Aug.
Sept.	2 776	3 911		2 384	2 342		+ 392	+ 1 569				Sept.
Oct.	2 757	3 552		2 600	3 204		+ 157	+ 348				Oct.
Nov.	2 724	4 184		2 425	3 555		+ 299	+ 629				Nov.
Dec.	2 756	4 275		2 464	4 193		+ 292	+ 82				Dec.
	2 714	4 867		2 220	4 454		+ 494	+ 413				

10. — FOREIGN PAYMENT POSITION OF ALL BANKS.<sup>1)</sup>

End of Month	Net Claims (+) or Net Indebtedness (—) Mill. mk				Monthly Movement
	1949	1950	1951		
Jan.	<i>—1 016</i>				
Feb.	—1 167	—2 848	—1 104	+ 1 146	
March	—1 607	—2 589	+ 908	+ 2 012	
April	—1 235	—1 796	— 165	— 1 073	
May	—2 091	—1 443	— 955	— 790	
June	—2 361	—2 200	+ 1 058	+ 2 013	
July	—1 726	—1 638	+ 1 779	+ 721	
Aug.	—2 092	+ 377	+ 1 059	— 720	
Sept.	—2 516	+ 1 262			
Oct.	—4 676	+ 851			
Nov.	—4 963	—2 573			
Dec.	—5 099	—4 455			
	—3 787	—2 250			

11. — POST OFFICE SAVINGS BANK. DEPOSITS AND GIRO ACCOUNTS.<sup>2)</sup>

End of Month	Giro Accounts Mill. mk	Deposits Mill. mk.				Monthly Movement	End of Month
		1951	1948	1949	1950		
Jan.		<i>8 394</i>					Jan.
Feb.	5 487	8 581	9 784	12 486	14 024	+ 132	Feb.
March	5 744	8 418	10 120	12 841	14 448	+ 424	March
April	9 151	8 487	10 312	12 991	14 962	+ 514	April
May	5 442	8 509	10 385	12 809	15 091	+ 129	May
June	6 506	8 371	10 468	13 029	15 191	+ 100	June
July	12 806	8 438	10 695	12 894	15 397	+ 206	July
Aug.	6 233	8 606	10 953	13 158	15 675	+ 278	Aug.
Sept.		9 113	11 501	13 667			Sept.
Oct.		9 184	11 626	13 461			Oct.
Nov.		9 225	11 616	13 285			Nov.
Dec.		9 170	11 698	13 260			Dec.
		9 593	12 237	13 892			

<sup>1)</sup> For the Bank of Finland the net result of the debit and credit accounts with foreign correspondents, foreign clearing transactions and the foreign 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.

<sup>2)</sup> According to figures supplied by the Post Office Savings Bank. Giro accounts include all private accounts except those of Commercial Banks.

## 12. — DEPOSITS IN THE SAVINGS BANKS.

End of Month	Savings Accounts Mill. mk			Current Accounts Mill. mk			Total Mill. mk					End of Month	
	1949	1950	1951	1949	1950	1951	1948	1949	1950	1951	Monthly Movement		
Jan.	<i>27 381</i>			<i>1 953</i>			<i>24 924</i>						Jan.
Feb.	28 193	36 162	40 171	1 973	2 117	2 414	25 071	30 166	38 279	42 585	+ 690		Feb.
March	29 012	36 691	41 029	1 806	2 098	2 264	25 202	30 818	38 789	43 293	+ 708		March
April	29 625	37 119	41 791	1 871	2 014	2 364	25 459	31 496	39 133	44 155	+ 862		April
May	30 347	37 305	42 647	2 083	2 386	2 568	25 981	32 430	39 691	45 215	+ 1 060		May
June	30 754	36 910	43 166	2 073	2 299	2 599	25 805	32 827	39 209	45 765	+ 550		June
July	31 042	36 513	43 401	2 004	2 219	2 405	25 895	33 046	38 732	45 806	+ 41		July
Aug.	31 729	36 674	44 166	2 331	2 620	2 743	26 554	34 060	39 294	46 909	+ 1 103		Aug.
Sept.	32 113	36 994		2 267	2 463		26 957	34 380	39 457				Sept.
Oct.	32 129	36 829		2 153	2 379		27 253	34 282	39 208				Oct.
Nov.	32 633	37 015		2 576	2 622		27 744	35 209	39 637				Nov.
Dec.	33 156	37 406		2 409	2 452		28 002	35 565	39 858				Dec.
	35 337	39 687		2 124	2 208		29 334	37 461	41 895				

According to figures supplied by the Central Statistical Office.

The figures in italics indicate the position at the end of the previous year.

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

End of Month	Deposits in Co-operative Credit Societies <sup>1)</sup> Mill. mk					Deposits in Consumers' Co-operative Societies <sup>2)</sup> Mill. mk					End of Month
	1948	1949	1950	1951	Monthly Movement	1948	1949	1950	1951	Monthly Movement	
	<i>11 373</i>					<i>2 755</i>					
Jan.	11 332	14 248	18 441	21 887	+ 278	2 824	3 770	4 768	5 528	+ 172	Jan.
Feb.	11 384	14 550	18 876	22 493	+ 606	2 862	3 904	4 922	5 844	+ 316	Feb.
March	11 687	15 124	19 358	23 441	+ 948	2 938	4 024	5 071	6 226	+ 382	March
April	12 015	15 408	19 527	24 001	+ 560	3 074	4 076	5 151	6 700	+ 474	April
May	11 982	15 660	19 880	24 401	+ 400	3 201	4 113	5 051	6 794	+ 94	May
June	11 971	15 731	19 099	24 549	+ 148	3 204	4 094	4 957	6 825	+ 31	June
July	12 408	16 118	19 402	25 381	+ 832	3 249	4 118	4 924	6 913	+ 88	July
Aug.	13 085	17 015	20 115			3 314	4 151	4 961			Aug.
Sept.	13 043	16 984	20 059			3 343	4 178	4 937			Sept.
Oct.	13 212	17 196	20 092			3 371	4 189	4 957			Oct.
Nov.	13 271	17 235	20 464			3 441	4 277	5 065			Nov.
Dec.	14 028	18 189	21 609			3 665	4 649	5 356			Dec.

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

**14. — DEPOSITS IN ALL CREDIT INSTITUTIONS.<sup>1)</sup>**

End of Month	Total Deposits due to the Public Mill. mk				
	1948	1949	1950	1951	Monthly Movement
	<i>85 426</i>				
Jan.	85 598	104 008	130 840	145 945	+1 836
Feb.	84 182	102 711	130 298	145 828	— 117
March	87 632	108 208	135 299	155 791	+9 963
April	89 047	110 797	136 902	155 077	— 714
May	88 090	109 872	134 388	159 660	+4 583
June	88 845	112 726	135 181	164 306	+4 646
July	91 806	116 996	136 906	163 158	—1 148
Aug.	93 014	117 726	138 793		
Sept.	95 604	117 724	138 571		
Oct.	98 157	121 549	137 256		
Nov.	96 313	121 623	137 390		
Dec.	100 886	127 092	144 109		

<sup>1)</sup> Commercial Banks, Post Office Savings Bank excl. postal giro accounts, 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 <sup>2)</sup>				
	1950		1951*		
	Number	Amount Mill. mk	Number	Amount Mill. mk	
	<i>15 106</i>	<i>1 947</i>	<i>13 789</i>	<i>2 189</i>	
Jan.	15 106	1 947	13 789	2 189	Jan.
Feb.	19 278	2 524	17 251	2 796	Feb.
March	21 813	2 902	18 551	3 085	March
April	18 626	2 547	17 738	2 941	April
May	17 237	2 292	18 757	3 142	May
June	16 987	2 289	15 900	2 679	June
July	11 579	1 547	10 987	1 811	July
Aug.	14 753	1 988			Aug.
Sept.	16 042	2 201			Sept.
Oct.	17 903	2 540			Oct.
Nov.	19 345	2 759			Nov.
Dec.	19 791	3 092			Dec.
	<i>208 460</i>	<i>28 628</i>	<i>112 973</i>	<i>18 643</i>	Total
	120 626	16 048			Jan.-July

<sup>2)</sup> 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	
1947	955	749	826	2 740	98	47	7	73	+ 857	+ 3 369	1947
1948	1 316	1 679	691	4 367	159	180	24	55	+1 157	+ 5 811	1948
1949	1 390	1 573	622	8 695	238	265	38	88	+1 152	+ 9 915	1949
1950	1 421	3 527	1 079	12 826	212	101	43	127	+1 209	+16 125	1950
1950											1950
Jan.-March	421	765	178	1 375	63	33	10	11	+ 358	+ 2 096	Jan.-March
April-June	367	669	194	2 067	48	21	6	8	+ 319	+ 2 707	April-June
July-Sept.	304	610	208	1 603	40	24	5	14	+ 264	+ 2 175	July-Sept.
Oct.-Dec.	329	1 483	499	7 781	61	23	22	94	+ 268	+ 9 147	Oct.-Dec.
1951											1951
Jan.-March	296	568	125	1 793	68	399	3	29	+ 228	+ 1 933	Jan.-March
April-June	233	1 227	145	1 395	53	23	2	6	+ 180	+ 2 593	April-June

Figures supplied by the Central Statistical Office.

The figures in italics indicate the position at the end of the previous year.

\* Preliminary figures subject to minor alterations.



## 17. — BANKRUPTCIES.

Month	Bankruptcies <sup>1)</sup> Number				
	1947	1948	1949	1950	1951*
January	15	9	22	48	20
February	14	8	25	55	9
March	8	14	42	55	12
April	10	12	38	38	26
May	5	10	43	21	13
June	12	5	19	19	11
July	5	7	27	15	
August	8	12	12	5	
September	11	12	28	44	
October	8	15	22	36	
November	12	11	25	42	
December	7	25	76	28	
Total	115	140	379	406	
Jan.-June	64	58	189	236	91

<sup>1)</sup> 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 <sup>1)</sup> Mill. mk				
	1947	1948	1949	1950	1951
January	83	122	89	148	287
February	84	105	84	155	248
March	70	106	217	235	264
April	81	147	189	358	281
May	106	89	84	299	219
June	75	120	157	226	238
July	70	100	76	185	162
August	53	91	124	235	230
September	166	93	151	318	
October	151	99	141	340	
November	110	113	131	228	
December	200	91	174	229	
Total	1 249	1 276	1 617	2 956	
Jan.-August	622	880	1 020	1 841	1 929

<sup>1)</sup> According to data supplied by the Stock Exchange Committee.

## 19. — STOCK EXCHANGE INDEX. 1948 - 100.

Month	Share Prices									Month
	All kinds			Bank Shares			Industrial Shares			
	1949	1950	1951	1949	1950	1951	1949	1950	1951	
January	91	116	210	95	115	137	89	116	226	January
February	92	120	221	96	117	137	90	121	240	February
March	93	128	242	87	112	130	90	132	266	March
April	96	145	229	88	132	127	94	149	251	April
May	97	157	205	89	140	126	96	162	222	May
June	94	162	210	90	142	125	92	166	227	June
July	95	175	199	91	145	125	92	183	214	July
August	97	180	207	92	147	128	95	189	223	August
September	99	181		93	144		98	190		September
October	98	195		97	143		97	207		October
November	97	198		99	138		95	212		November
December	103	184		107	134		102	195		December
Whole year	96	162		94	134		94	168		Whole year

\*Unitas index based on the prices quoted for the shares of 8 banks and 10 industrial firms.

## 20. — PUBLIC DEBT.

End of Year and Month	According to the Finance Accounts Mill. mk <sup>1)</sup>									Mill. Dollars <sup>2)</sup>	End of Year and Month
	Funded Debt			Short-term Credit			Total Public Debt				
	Foreign	Internal	Total	Foreign	Internal	Total	Foreign	Internal	Total		
1947	33 484	57 292	90 776	5 073	22 251	27 324	38 557	79 543	118 100	868	1947
1948	38 512	53 523	92 035	5 093	24 489	29 582	43 605	78 012	121 617	894	1948
1949	57 487	48 162	105 649	5 666	28 550	34 216	63 153	76 712	139 865	605	1949
1950	60 426	42 650	103 076	5 453	27 176	32 629	65 879	69 826	135 705	587	1950
1951											1951
Jan.	60 261	41 289	101 550	5 424	19 664	25 088	65 685	60 953	126 638	548	Jan.
Feb.	61 283	41 706	102 989	4 404	15 706	20 110	65 687	57 412	123 099	533	Feb.
March	61 502	41 906	103 408	4 388	23 910	28 298	65 890	65 816	131 706	570	March
April	62 592	42 161	104 753	4 366	15 234	19 600	66 958	57 395	124 353	538	April
May	65 036	42 239	107 275	4 350	16 635	20 985	69 386	58 874	128 260	555	May
June	65 254	42 695	107 949	4 341	19 728	24 069	69 595	62 423	132 018	572	June
July	65 407	42 467	107 874	4 309	20 008	24 317	69 716	62 475	132 191	572	July

<sup>1)</sup> 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. —<sup>2)</sup> 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.

\* Preliminary figures subject to minor alterations.

## 21. — STATE REVENUE AND EXPENDITURE.

Year and Month	Total Revenue	Current Revenue				Capital Revenue		Total Expenditure	Current Expenditure	Capital Expenditure		Year and Month
		Total	Taxes <sup>1)</sup>	Interest and Dividends <sup>2)</sup>	Profits of Business enterprises <sup>3)</sup>	Total	Loans			Total	Re-demptions	
1949	125 981	111 402	94 639	1 107	447	14 579	11 197	132 827	92 926	39 901	13 478	1949
1950	137 219	129 643	109 278	1 311	— 926	7 576	6 075	143 342	102 006	41 336	10 014	1950
1951 Budget Suppl. <sup>3)</sup>	129 908 13 941	120 794 11 623	102 037 5 900	1 449 —	946 — 1 976	9 114 2 318	7 710 2 258	129 869 29 716	100 941 25 622	28 928 4 094	6 137 —	1951 Budget Suppl. <sup>3)</sup>
1950 Jan.-June	51 914	47 964	36 706	3 702	— 556	3 950	3 261	53 882	38 988	14 894	3 973	1950 Jan.-June
1951 Jan.-June	67 994	62 985	48 706	1 101	— 2 959	5 009	4 324	67 580	57 363	10 217	2 822	1951 Jan.-June

Tables 21—22 according to the accounts kept by the Treasury.

<sup>1)</sup> Taxes here include the surplus of the Alcohol Monopoly. — <sup>2)</sup> The figures given refer to net revenue. — <sup>3)</sup> Passed in April and June.

## 22. — COLLECTION OF TAXES AND CHARGES.

Year and Month	Direct taxes <sup>1)</sup>		Indirect taxes							Stamp duty	Employers' payments for Child allowances	Year and Month
	Total	Income and Property tax	Total	Sales tax	Import duty	Spirits taxes <sup>2)</sup>	Excise dues					
							Total	On Tobacco	On Coffee			
1949	25 084	18 576	66 450	29 743	12 453	13 363	10 890	7 238	1 742	3 105	8 238	1949
1950	35 063	30 618	70 524	33 543	13 084	11 493	12 398	7 942	1 993	3 691	11 105	1950
1951 Budget Suppl. <sup>3)</sup>	24 900 5 700	24 500 5 700	73 137 —	37 500 —	14 500 —	9 136 —	12 000 —	8 500 —	1 000 —	4 000 200	11 000 2 429	1951 Budget Suppl. <sup>3)</sup>
1950 Jan.-June	12 617	10 294	22 290	7 931	6 942	1 898	5 519	3 562	939	1 799	3 247	1950 Jan.-June
1951 Jan.-June	13 608	13 048	32 830	17 322	7 245	2 067	6 196	4 272	504	2 268	7 181	1951 Jan.-June

<sup>1)</sup> Excluding direct taxes paid by the Alcohol Monopoly. — <sup>2)</sup> Surplus of the Alcohol Monopoly, direct taxes paid by it and excise on spirits. — <sup>3)</sup> Passed in April and June.

## 23. — VALUE OF IMPORTS AND EXPORTS.

Month	Imports (c. i. f.) Mill. mk			Exports (f. o. b., free exports) Mill. mk			Surplus of Imports (—) or Exports (+) Mill. mk			Month
	1949	1950	1951*	1949	1950	1951*	1949	1950	1951*	
January	4 113	6 522	7 516	3 124	4 274	8 286	— 989	— 2 248	+ 770	January
February	4 200	6 112	8 611	3 681	4 202	7 308	— 519	— 1 910	— 1 303	February
March	4 806	6 735	6 980	3 876	4 596	7 621	— 930	— 2 139	+ 641	March
April	4 604	6 596	11 285	4 016	5 372	10 188	— 588	— 1 224	— 1 097	April
May	5 320	7 069	13 231	4 106	5 769	16 272	— 1 214	— 1 300	+ 3 041	May
June	4 591	7 331	14 857	4 667	8 175	15 095	+ 76	+ 844	+ 238	June
July	5 783	7 084	12 711	6 063	9 323	18 577	+ 280	+ 2 239	+ 5 866	July
August	4 803	7 170	—	5 502	9 117	—	+ 699	+ 1 947	—	August
September	6 364	8 204	—	7 443	7 627	—	+ 1 079	— 577	—	September
October	7 394	8 248	—	8 134	5 736	—	+ 740	— 2 512	—	October
November	6 782	7 961	—	8 183	7 303	—	+ 1 401	— 658	—	November
December	7 518	10 116	—	6 811	9 985	—	— 707	— 131	—	December
Total	66 278	89 148	—	65 606	81 479	—	— 672	— 7 669	+ 8 156	Total
Jan.-July	33 417	47 449	75 191	29 533	41 711	83 347	— 3 884	— 5 738	+ 8 156	Jan.-July

Tables 23—28 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.

## 24. — 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—July			Whole year		January—July		
	1949	1950	1949	1950	1951*	1949	1950	1949	1950	1951*
Dairy produce, eggs, honey	414	589	23	577	66	799	1 750	157	1 088	1 307
Other animal products, live animals .....	554	527	184	185	394	802	270	261	179	110
Vegetables .....	3	64	3	50	160	0	24	0	24	0
Eatable fruit .....	864	1 283	484	789	696	94	66	4	20	15
Coffee, tea, spices .....	1 201	3 387	491	1 546	2 230	—	—	—	—	—
Cereals, milling products..	3 359	5 361	2 834	2 344	4 790	114	350	18	209	189
Certain seeds and fruit, plants for industrial purposes .....	219	239	168	152	376	98	216	10	158	101
Raw materials for tanning and dyeing .....	59	100	40	56	94	—	—	—	—	—
Animal and vegetable fats	1 806	2 253	1 137	1 272	1 863	6	18	2	10	1
Meat and fish products ..	125	153	3	46	158	43	6	1	6	0
Sugar, sweets .....	2 116	3 533	1 148	1 687	2 419	17	20	7	12	14
Beverages, vinegars .....	371	315	148	105	291	467	650	271	14	548
Fodder .....	1 065	789	495	368	783	—	—	—	—	—
Tobacco .....	400	931	133	476	652	—	—	—	—	—
Minerals, ore .....	855	1 208	325	540	1 140	253	287	140	165	137
Mineral fuel and oils ....	6 296	10 937	2 170	4 982	9 589	0	5	—	—	1
Chemical and pharmaceutical products .....	1 970	2 783	1 032	1 455	2 615	247	296	147	161	175
Tanning and dyeing extracts, varnishes ....	1 518	1 918	833	1 047	1 816	2	2	1	2	2
Casein, albumen, glues ...	296	404	176	205	390	6	1	6	1	0
Fertilizers .....	2 111	2 206	1 184	1 069	1 964	—	1	—	1	—
Hides, skins, leather and furs; manufactures of these materials .....	1 287	1 484	782	849	1 736	266	674	164	473	377
Rubber and rubber articles	848	1 126	565	602	2 136	19	20	7	8	4
Wood and wood goods ....	100	154	56	81	126	31 046	35 585	11 971	15 913	29 204
Woodpulp .....	5	3	0	1	4	14 279	18 789	7 470	10 768	28 449
Cardboard and paper, their applications .....	94	120	48	63	74	12 434	16 273	6 973	9 100	18 427
Textile materials, textile goods .....	11 867	16 021	5 550	9 554	13 816	950	1 142	392	723	706
Footwear .....	104	55	78	35	19	6	7	1	1	1
Articles of stone and of other mineral material, glass .....	689	752	299	414	450	407	511	224	311	306
Base metals; articles made therefrom .....	11 891	12 397	6 146	7 299	9 956	828	1 216	473	876	1 315
Machinery, apparatus ....	5 601	7 399	2 897	3 767	4 702	404	1 298	136	574	748
Electric machinery and apparatus .....	2 966	3 812	1 578	2 079	2 278	164	356	81	293	313
Transport material .....	3 446	4 086	1 582	2 367	5 049	1 315	1 049	351	325	557
Instruments, clocks and watches, musical instruments .....	463	721	228	323	593	37	27	17	17	35
All others .....	1 315	2 038	597	1 064	1 766	503	570	248	279	305
Total free trade	66 278	89 148	33 417	47 449	75 191	65 606	81 479	29 533	41 711	83 347
Reparation deliveries ....						12 226	7 846	5 868	5 504	6 879

\* Preliminary figures subject to minor alterations.

## 25. — IMPORTS OF THE MOST IMPORTANT ARTICLES.

Month	Wheat Tons			Coffee Tons			Sugar Refined and unrefined Tons			Month
	1949	1950	1951*	1949	1950	1951*	1949	1950	1951*	
January	16 140	0	6 459	177	734	139	4 774	8 551	6 075	January
February	21 138	—	13 469	662	1 688	797	5 582	8 469	9 866	February
March	25 646	3 662	17 916	1 268	1 407	1 431	6 146	5 960	5 794	March
April	19 368	23 071	22 948	334	769	926	7 361	9 827	8 438	April
May	18 908	10 405	26 174	1 454	1 372	1 807	10 378	8 250	10 554	May
June	20 144	10 564	7 857	827	1 261	1 699	8 504	6 765	9 412	June
July	29 873	44 656	12 742	516	529	310	7 788	9 343	9 407	July
August	168	40 681		1 897	991		9 592	10 589		August
September	0	17 439		470	1 680		8 804	11 462		September
October	—	20 683		837	1 669		6 662	11 743		October
November	—	11 313		1 841	1 718		8 218	11 541		November
December	236	20 770		1 045	1 101		6 594	8 398		December
Total	151 621	203 244		11 328	14 919		90 408	110 898		Total
Jan.-July	151 217	92 358	107 565	5 238	7 760	7 109	50 533	57 165	59 546	Jan.-July

Month	Raw Tobacco Tons			Coal and Coke Tons			Petrol Tons			Month
	1949	1950	1951*	1949	1950	1951*	1949	1950	1951*	
January	12	358	388	93 321	220 603	187 312	14 006	23 373	13 235	January
February	62	333	403	54 542	142 476	145 243	13 201	16 710	18 733	February
March	62	375	339	5 906	79 096	95 080	14 422	16 488	21 068	March
April	108	311	397	12 698	65 865	106 882	17 135	16 179	17 546	April
May	161	402	395	31 335	108 871	242 342	17 655	20 161	21 034	May
June	137	434	442	80 076	161 157	167 149	17 808	20 355	24 842	June
July	144	109	115	63 530	156 372	202 822	21 386	18 412	27 460	July
August	195	496		109 238	151 303		23 380	17 928		August
September	269	424		159 837	275 441		20 415	30 648		September
October	315	379		210 884	211 333		19 032	19 129		October
November	360	438		212 952	138 196		20 086	18 569		November
December	304	211		165 669	216 649		17 982	25 650		December
Total	2 129	4 270		1 199 988	1 927 362		216 488	243 602		Total
Jan.-July	686	2 322	2 479	341 408	934 440	1 146 830	115 613	131 678	143 918	Jan.-July

Month	Mineral oils Tons			Fertilizers Tons			Raw Cotton Tons			Month
	1949	1950	1951*	1949	1950	1951*	1949	1950	1951*	
January	12 823	7 395	23 344	39 390	11 560	43 965	538	578	923	January
February	1 917	1 119	7 910	17 455	11 070	23 657	1 609	454	993	February
March	882	1 076	14 436	30 529	16 987	18 749	1 465	305	158	March
April	746	7 870	7 844	28 179	18 992	15 203	46	689	1 547	April
May	21 051	19 257	10 859	43 893	28 552	48 609	34	1 126	1 105	May
June	11 653	28 225	46 398	25 629	32 131	63 686	1 678	1 281	1 188	June
July	14 502	15 392	17 642	39 976	31 216	47 137	2 884	846	342	July
August	14 439	23 129		22 714	45 108		1 037	69		August
September	7 980	31 120		41 280	32 466		278	1 368		September
October	10 218	29 023		36 588	46 049		216	33		October
November	7 684	43 557		38 863	30 442		1 178	940		November
December	58 638	38 110		24 848	32 428		1 377	857		December
Total	162 533	245 273		389 344	337 001		12 340	8 546		Total
Jan.-July	63 574	80 334	128 433	225 051	150 508	266 006	8 254	5 279	6 256	Jan.-July

\* Preliminary figures subject to minor alterations.

## 25. — IMPORTS OF THE MOST IMPORTANT ARTICLES. — Continued.

Month	Pig Iron Tons			Bar Iron and Bar Steel Tons			Sheet Iron and Steel Tons			Month
	1949	1950	1951*	1949	1950	1951*	1949	1950	1951*	
January	18	175	50	6 889	4 383	5 042	3 513	8 317	8 748	January
February	1 126	376	14	6 325	8 204	7 889	5 376	6 153	7 543	February
March	2 890	1 843	40	6 727	6 458	6 552	5 153	6 662	6 515	March
April	1 741	135	260	8 350	4 405	8 433	6 093	8 408	6 928	April
May	1 055	362	254	6 398	5 136	9 885	6 077	7 626	10 296	May
June	3 479	567	3 917	5 699	5 801	13 914	5 773	9 791	8 955	June
July	5 852	375	127	5 712	7 707	12 465	5 839	7 379	11 516	July
August	3 290	100		7 739	5 811		7 018	4 322		August
September	766	100		9 351	6 178		6 202	3 547		September
October	1 032	1 056		9 877	7 672		11 285	7 170		October
November	525	678		5 692	6 715		9 091	5 981		November
December	1 725	2 146		5 362	7 105		5 765	6 675		December
Total	23 499	7 913		84 171	75 575		77 185	82 031		Total
Jan.-July	16 161	3 833	4 662	46 100	42 094	64 180	37 824	54 336	60 501	Jan.-July

26. — EXPORTS OF THE MOST IMPORTANT ARTICLES. <sup>1)</sup>

Month	Wooden Houses and Huts Floor area 1 000 m <sup>2</sup>			Round Timber All kinds excl. fuel 1 000 m <sup>3</sup>			Sawn Timber <sup>2)</sup> All kinds 1 000 standards			Month
	1949	1950	1951*	1949	1950	1951*	1949	1950	1951*	
January	12	23	106	56	55	112	12	23	40	January
February	46	10	72	62	51	109	13	12	29	February
March	109	0	3	59	4	108	12	6	22	March
April	80	—	175	99	99	135	7	23	1	April
May	52	2	116	168	207	248	12	37	54	May
June	39	1	96	192	408	498	48	99	75	June
July	86	29	62	381	623	850	88	114	109	July
August	78	99		401	547		77	113		August
September	117	31		368	454		84	72		September
October	122	27		283	381		94	29		October
November	134	124		112	224		98	69		November
December	115	131		70	213		62	86		December
Total	990	477		2 251	3 266		607	683		Total
Jan.-July	424	65	630	1 017	1 447	2 060	192	314	347	Jan.-July

Month	Matches Tons			Plywood 1 000 m <sup>2</sup>			Bobbins (spools) Tons			Month
	1949	1950	1951*	1949	1950	1951*	1949	1950	1951*	
January	37	156	147	12	16	21	147	148	215	January
February	96	251	110	22	16	17	181	256	171	February
March	87	277	123	21	21	16	200	358	286	March
April	77	220	127	21	21	27	378	174	449	April
May	123	226	181	18	19	32	300	224	459	May
June	80	105	42	17	15	23	280	247	277	June
July	143	160	109	12	19	20	314	177	282	July
August	67	69		11	13		89	129		August
September	144	247		21	11		254	111		September
October	209	195		16	3		190	9		October
November	162	341		19	19		341	152		November
December	367	234		18	22		211	267		December
Total	1 592	2 481		208	195		2 885	2 252		Total
Jan.-July	643	1 395	839	123	127	156	1 800	1 584	2 139	Jan.-July

<sup>1)</sup> Free exports. — <sup>2)</sup> 1 standard sawn timber = 4.672 m<sup>3</sup>.

\* Preliminary figures subject to minor alterations.

## 26. — EXPORTS OF THE MOST IMPORTANT ARTICLES. — Continued.

Month	Mechanical Pulp <sup>1)</sup>			Sulphite Cellulose <sup>1)</sup>			Sulphate Cellulose <sup>1)</sup>			Month
	Tons			Tons			Tons			
	1949	1950	1951*	1949	1950	1951*	1949	1950	1951*	
January	9 266	11 200	19 752	21 937	45 221	47 872	18 443	30 843	32 189	January
February	2 356	11 394	8 906	29 197	37 426	34 942	20 322	28 046	19 760	February
March	3 233	16 299	13 684	29 805	40 227	34 502	16 831	37 343	21 360	March
April	17 424	14 998	25 182	32 021	49 513	51 287	24 314	33 672	28 683	April
May	19 763	17 214	22 282	37 062	44 225	63 585	18 014	35 923	47 247	May
June	12 277	18 795	20 050	39 483	57 354	53 527	20 874	39 102	29 937	June
July	15 339	21 165	25 118	24 915	44 345	48 888	17 015	30 687	39 022	July
August	9 936	17 358		28 679	39 581		18 023	24 050		August
September	18 374	11 363		38 337	47 564		21 436	37 204		September
October	17 614	15 208		59 629	34 709		45 564	14 791		October
November	17 231	11 436		58 502	32 353		56 636	26 976		November
December	17 523	10 875		49 900	40 822		33 265	26 771		December
Total	160 336	177 305		449 467	513 340		310 737	365 408		Total
Jan.-July	79 658	111 065	134 974	214 420	318 311	334 603	135 813	235 616	218 198	Jan.-July

Month	Cardboard All kinds Tons			Paper All kinds Tons			Newsprint (included in previous column) Tons			Month
	Tons			Tons			Tons			
	1949	1950	1951*	1949	1950	1951*	1949	1950	1951*	
January	7 043	9 471	13 347	34 950	30 209	37 774	24 960	23 590	28 187	January
February	7 450	11 354	11 221	41 058	46 024	40 937	31 692	35 817	27 218	February
March	7 031	12 787	9 532	35 528	45 282	36 691	24 901	37 825	24 653	March
April	6 720	14 695	13 107	37 508	48 727	49 588	28 911	38 165	29 359	April
May	9 136	13 349	21 543	35 074	42 020	70 326	28 261	29 034	46 721	May
June	6 787	9 876	12 408	34 711	42 045	50 198	26 853	31 522	32 234	June
July	6 182	12 400	14 555	33 292	41 799	56 961	26 082	31 086	33 858	July
August	4 188	12 962		27 715	36 967		23 005	25 811		August
September	8 396	11 867		50 909	47 597		38 767	36 332		September
October	9 087	9 694		44 795	42 526		34 873	31 087		October
November	10 260	8 783		37 332	38 366		28 573	29 264		November
December	9 165	11 633		41 755	41 768		31 098	29 218		December
Total	91 445	133 871		454 677	506 330		347 976	378 751		Total
Jan.-July	50 349	83 932	95 713	252 121	299 106	342 475	191 660	227 039	222 230	Jan.-July

<sup>1)</sup> Dry weight.

## 27. — 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	
1949	1 105	1 117	1 134	1 089	1 043	1 336	1 440	1 249	1 144	1 199	1949
1950	1 403	1 358	1 395	1 590	1 257	1 500	1 663	1 386	1 355	1 347	1950
1950 Jan. - July	1 337	1 307	1 281	1 528	1 205	1 395	1 606	1 279	1 197	1 291	1950 Jan. - July
1951 Jan. - Feb.	1 628	1 688	1 308	1 786	1 441	1 929	1 912	2 329	2 333	1 696	1951 Jan. - Feb.
Jan. - March	1 703	1 792	1 443	1 828	1 479	2 003	1 940	2 455	2 486	1 753	Jan. - March
Jan. - April	1 744	1 895	1 396	1 837	1 525	2 109	2 040	2 590	2 635	1 803	Jan. - April
Jan. - May	1 781	1 961	1 381	1 888	1 541	2 133	2 171	2 618	2 794	1 837	Jan. - May
Jan. - June	1 832	2 033	1 425	1 917	1 539	2 286	2 334	2 739	2 906	1 930	Jan. - June
Jan. - July	1 865	2 076	1 429	1 945	1 550	2 376	2 392	2 837	3 034	1 988	Jan. - July

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

\* Preliminary figures subject to minor alterations.

## 28. — FOREIGN TRADE WITH VARIOUS COUNTRIES.

Country	Imports (c. i. f.)					Exports (f. o. b., free exports)					
	Whole year		January—July			Whole year		January—July			
	1949	1950	1950	1951*		1949	1950	1950	1951*		
	%	%	%	Mill. mk	%	%	%	%	Mill. mk	%	
Europe:											
Belgium — Luxembourg ..	4.9	4.5	4.7	4 363	5.8	4.2	4.1	4.6	2 297	2.8	
Bulgaria .....	0.1	0.1	0.1	35	0.1	0.1	0.1	0.0	6	0.0	
Czechoslovakia .....	1.9	2.0	2.8	434	0.6	1.1	0.7	1.1	644	0.8	
Denmark .....	6.1	8.0	8.3	4 188	5.6	6.7	7.4	7.4	3 988	4.8	
France .....	9.6	6.1	6.6	5 456	7.2	4.6	5.4	6.3	4 997	5.9	
Germany, Eastern .....	0.5	0.2	0.2	90	0.1	0.2	0.2	0.3	123	0.2	
» Western .....	0.7	4.4	5.0	6 634	8.8	3.0	5.5	5.0	5 059	6.1	
Great Britain .....	22.1	23.3	21.8	16 024	21.3	27.2	23.4	24.1	21 061	25.3	
Greece .....	0.4	0.8	0.9	340	0.5	0.9	0.7	0.8	422	0.5	
Holland .....	9.0	6.9	6.5	6 143	8.2	7.0	8.0	8.7	4 961	5.9	
Italy .....	1.9	3.0	3.2	2 153	2.9	1.5	2.5	2.6	2 093	2.5	
Jugoslavia .....	0.1	0.2	0.2	100	0.1	0.2	0.1	0.1	68	0.1	
Norway .....	1.5	1.6	1.7	1 190	1.5	1.3	1.5	1.6	1 321	1.6	
Poland .....	4.8	7.0	7.9	5 685	7.5	2.3	2.5	2.8	1 962	2.4	
Rumania .....	0.0	0.0	0.0	0	0.0	0.4	0.6	1.0	140	0.2	
Soviet Union .....	11.4	7.9	3.3	6 557	8.7	15.3	7.7	4.2	7 928	9.5	
Sweden .....	6.6	6.6	7.1	3 152	4.2	4.1	4.1	4.1	4 849	5.8	
Switzerland .....	1.0	0.7	0.8	651	0.9	0.3	0.5	0.3	930	1.1	
Turkey .....	0.3	0.5	0.7	655	0.9	0.3	0.6	0.6	329	0.4	
Rest of Europe .....	1.7	1.8	1.7	1 487	1.9	2.7	2.6	2.6	1 452	1.7	
<b>Total for Europe</b>	<b>84.6</b>	<b>85.6</b>	<b>83.5</b>	<b>65 277</b>	<b>86.8</b>	<b>83.4</b>	<b>78.2</b>	<b>78.2</b>	<b>64 630</b>	<b>77.6</b>	
Argentina .....	5.2	3.8	5.3	2 719	3.6	3.1	3.0	3.0	2 750	3.3	
Brazil .....	0.2	1.1	1.2	166	0.2	1.0	1.4	1.4	1 638	1.9	
Canada .....	0.1	0.0	0.0	31	0.0	0.0	0.0	0.1	20	0.0	
United States .....	7.7	6.0	6.5	4 040	5.4	7.6	9.4	10.1	8 173	9.8	
Rest of America .....	1.1	0.7	1.2	575	0.8	0.7	1.2	1.2	1 050	1.3	
Africa .....	0.7	0.7	0.6	464	0.6	2.7	4.4	3.1	2 249	2.7	
Asia .....	0.3	1.4	1.6	1 886	2.5	0.8	1.7	2.2	1 785	2.1	
Oceania .....	0.1	0.7	0.1	33	0.1	0.7	0.7	0.7	1 052	1.3	
<b>Grand total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>75 191</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>83 347</b>	<b>100.0</b>	

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

## 29. — WHOLESALE TRADE.

Month	Total Sales Mill. mk			
	1948	1949	1950	1951
January	5 514	7 576	10 224	14 541
February	8 347	8 237	11 329	16 375
March	7 594	9 174	13 363	17 820
April	9 343	9 392	13 818	20 765
May	8 997	10 571	14 295	20 584
June	8 472	9 877	13 553	19 785
July	8 450	8 998	13 387	17 070
August	9 148	11 332	14 898	
September	10 169	11 763	16 812	
October	10 383	12 706	15 564	
November	10 561	12 961	15 199	
December	10 755	13 103	16 048	
<b>Total</b>	<b>107 733</b>	<b>125 690</b>	<b>168 490</b>	
<b>Jan.-July</b>	<b>56 717</b>	<b>63 825</b>	<b>89 969</b>	<b>126 940</b>

Calculated by the 'Unsi Suomi'. The figures represent 80-90 % of the turnover of all wholesalers in Finland.

\* Preliminary figures subject to minor alterations.

## 30. — SALES OF PETROL.

Wholesale for Traffic 1 000 tons					Month
1947	1948	1949	1950	1951	
7.0	14.2	15.0	34.4	17.4	January
7.1	12.4	13.5	9.1	16.8	February
9.1	14.4	15.7	16.1	18.3	March
9.5	15.9	15.6	18.8	19.3	April
10.8	18.2	17.7	25.4	22.5	May
13.3	25.7	18.7	21.0	24.2	June
14.8	18.2	18.8	23.3		July
16.1	16.6	22.2	21.5		August
15.6	16.5	17.1	19.9		September
15.4	17.5	18.0	21.5		October
12.6	16.6	15.7	18.7		November
13.2	13.4	15.8	22.8		December
<b>144.5</b>	<b>199.6</b>	<b>203.8</b>	<b>252.5</b>		<b>Total</b>
<b>56.8</b>	<b>100.8</b>	<b>96.2</b>	<b>124.8</b>	<b>118.5</b>	<b>Jan.-June</b>

Figures supplied by the Ministry of Communications and Public Works.

## 31. — VOLUME INDEX OF INDUSTRIAL PRODUCTION. 1948 = 100.

Month	Total Industry			Home Market Industry			Export Industry			Month
	1949	1950	1951*	1949	1950	1951*	1949	1950	1951*	
January	106	108	127	109	112	127	99	100	127	January
February		110	124		114	124		103	125	February
March		122	123		123	124		118	121	March
April	107	110	135	111	114	133	98	101	139	April
May		118	134		120	136		112	130	May
June		116	136		120	137		109	132	June
July	100	89		105	85		91	99		July
August		119			119			117		August
September		87			87			87		September
October	115	82		117	82		108	81		October
November		129			131			125		November
December		119			119			117		December
Total	107	109	130	111	111	130	99	106	126	Total
Jan.-June	..	114	130	..	117	130	..	107	126	Jan.-June

Calculated by the Central Statistical Office.

## 32. — BUILDING ACTIVITY.

Quarter	Consumption of Cement in Finland <sup>1)</sup> 1 000 tons						Buildings completed in towns and boroughs <sup>2)</sup> 1 000 m <sup>2</sup>						Quarter
							Total			Dwelling houses			
	1946	1947	1948	1949	1950	1951	1949	1950	1951	1949	1950	1951	
Jan.-March	27	54	74	100	103	125	597	607	735	328	337	457	Jan.-March
April-June	79	112	160	192	240	201*	457	590	938	280	306	607	April-June
July-Sept.	127	152	164	219	237		652	561		332	399		July-Sept.
Oct.-Dec.	96	103	129	133	182		864	1 214		469	784		Oct.-Dec.
Total	329	421	527	644	762		2 570	2 972		1 409	1 826		Total
Jan.-June	106	166	234	292	343	326*	1 054	1 197	1 673	608	643	1 064	Jan.-June

<sup>1)</sup> Comprising the total quantity of cement delivered by the country's 2 cement companies and including the quantity imported which is, however, only a negligible part of the total consumption. — <sup>2)</sup> Compiled by the Research Office of the Ministry for Social Affairs from data covering fully  $\frac{3}{4}$  of all house building in the centres of population.

## 33. — FOREIGN SHIPPING.

Year and Month	Vessels arrived				Vessels departed				Goods transported		Year and Month
	Number		1 000 net reg. tons		Number		1 000 net reg. tons		1 000 tons		
	Total	Finnish	Total	with Cargo	Total	Finnish	Total	with Cargo	Imports	Exports	
1948	5 244	2 544	4 017	2 850	5 276	2 557	4 072	2 863	4 592	4 049	1948
1949	5 595	2 460	3 979	2 487	5 585	2 468	3 980	3 328	3 223	4 705	1949
1950	7 130	2 860	4 839	2 952	7 075	2 821	4 837	4 208	4 033	6 010	1950
1950 Jan.-July	3 709	1 475	2 579	1 534	3 630	1 473	2 511	2 199	1 962	3 071	1950 Jan.-July
1951 March	186	107	171	150	186	106	173	154	220	200	1951 March
April	317	153	269	209	271	152	233	206	325	289	1951 April
May	701	266	444	325	709	293	444	362	529	520	1951 May
June	1 117	353	582	364	1 062	358	553	467	499	682	1951 June
July	1 416	373	828	380	1 357	360	715	644	..	..	1951 July
Jan.-July	4 267	1 546	2 820	1 823	4 129	1 556	2 690	2 312	..	..	1951 Jan.-July

Figures supplied by the Statistical Office of the Shipping Board.

\* Preliminary figures subject to minor alterations.



## 84. — STATE RAILWAYS.

Month	Weight of goods transported 1 000 tons			Axle-kilometres of goods trucks Mill. km			Revenue (less Re-imburements) Mill. mk			Regular Expenditure Mill. mk			Month
	1949	1950	1951	1949	1950	1951	1949	1950	1951	1949	1950	1951	
January	1 017	1 087	1 394	60	67	75	909	929	1 202	815	946	1 189	January
February	1 046	1 137	1 285	63	71	74	872	927	1 437	1 083	1 156	1 597	February
March	1 170	1 326	1 316	70	82	77	1 005	1 101	1 672	1 017	1 113	1 592	March
April	1 011	1 230	1 435	63	71	78	960	1 060	1 693	998	1 084	1 579	April
May	1 091	1 148	1 703	64	57	81	969	910	1 771	1 174	1 138	1 818	May
June	1 090	1 444	1 753	62	71	85	1 068	1 188	1 880	1 056	1 157	1 778	June
July	1 168	1 520		68	81		1 123	1 292		1 211	1 140		July
August	1 129	1 561		67	83		1 055	1 321		1 081	1 325		August
September	1 309	1 303		73	76		1 051	1 061		1 088	1 349		September
October	1 360	1 221		78	72		1 057	1 051		1 073	1 327		October
November	1 390	1 433		76	78		1 000	1 146		1 156	1 400		November
December	1 129	1 378		68	72		1 074	1 214		1 327	2 573		December
Total	13 910	15 788		812	881		12 143	13 200		13 079	15 708		Total
Jan.-June	6 425	7 372	8 886	382	419	470	5 783	6 115	9 655	6 143	6 594	9 553	Jan.-June

According to Monthly Statistics of the Finnish State Railways.

## 85. — WHOLESALE PRICE INDEX. 1935 = 100.

Month	Index for Goods in Finnish Wholesale trade										Articles of Import (e. i. f.)		Articles of Export (f. o. b.)		Month		
	Finnish Goods										Imported Goods						
	Total index		Total		Products of agriculture		Products of forestry		Products of industry								
1950	1951	1950	1951	1950	1951	1950	1951	1950	1951	1950	1951	1950	1951	1950	1951		
Jan.	1 138		1 135		1 244		1 409		1 012		1 144		1 184		1 203	Jan.	
Feb.	1 147	1 596	1 143	1 632	1 280	1 561	1 409	2 237	1 013	1 451	1 155	1 520	1 206	1 628	1 298	2 239	Feb.
March	1 148	1 637	1 142	1 678	1 264	1 610	1 409	2 320	1 017	1 483	1 161	1 551	1 221	1 684	1 303	2 317	March
April	1 163	1 693	1 154	1 742	1 285	1 593	1 410	2 543	1 030	1 520	1 182	1 588	1 293	1 748	1 305	2 511	April
May	1 181	1 737	1 177	1 765	1 286	1 559	1 425	2 587	1 059	1 553	1 196	1 678	1 335	1 896	1 342	2 665	May
June	1 211	1 775	1 214	1 806	1 290	1 557	1 510	2 710	1 089	1 580	1 209	1 709	1 316	1 937	1 344	2 781	June
July	1 248	1 820	1 268	1 874	1 394	1 572	1 558	3 004	1 130	1 590	1 211	1 703	1 323	1 946	1 351	2 841	July
Aug.	1 274	1 860	1 301	1 927	1 447	1 632	1 564	3 167	1 166	1 603	1 217	1 685	1 353	1 972	1 390		Aug.
Sept.	1 290		1 331		1 422		1 703		1 176		1 204		1 375		1 418		Sept.
Oct.	1 325		1 372		1 459		1 844		1 185		1 225		1 414		1 471		Oct.
Nov.	1 371		1 420		1 464		1 970		1 220		1 265		1 468		1 525		Nov.
Dec.	1 388		1 432		1 451		2 010		1 230		1 294		1 534		1 599		Dec.
Whole year	1 439		1 485		1 498		2 151		1 256		1 342		1 557		1 690		Whole year
Whole year	1 265		1 287		1 378		1 664		1 131		1 222		1 366		1 420		Whole year

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

## 86. — COST OF LIVING INDEX.

Month	August 1938— July 1939 = 100			1935 = 100												Month	
	Total index			Total index		Foodstuffs		Rent		Fuel and light		Clothing		Taxes			
	1949	1950	1951	1949	1950	1951	1950	1951	1950	1951	1950	1951	1950	1951	1950		1951
Jan.	798			869			1 097		221		1 431		1 012		1 840		Jan.
Feb.	795	833	1 027	866	907	1 119	1 108	1 269	221	323	1 438	1 955	1 023	1 565	1 857	2 317	Feb.
March	780	839	1 031	850	914	1 124	1 113	1 271	221	323	1 436	2 075	1 044	1 598	1 857	2 317	March
April	772	850	1 037	841	926	1 130	1 127	1 271	221	323	1 436	2 105	1 075	1 623	1 857	2 317	April
May	775	856	1 047	844	932	1 141	1 137	1 272	221	323	1 448	2 175	1 076	1 664	1 862	2 317	May
June	776	871	1 054	845	949	1 148	1 166	1 270	221	323	1 463	2 242	1 085	1 680	1 862	2 317	June
July	782	936	1 062	852	1 020	1 157	1 263	1 272	262	351	1 498	2 252	1 136	1 684	1 862	2 317	July
Aug.	814	934	1 067	887	1 017	1 162	1 268	1 277	262	351	1 514	2 287	1 155	1 692	1 919	2 317	Aug.
Sept.	808	926		881	1 009		1 244		262		1 538		1 173		1 919		Sept.
Oct.	813	939		885	1 023		1 243		262		1 564		1 236		1 919		Oct.
Nov.	828	962		901	1 048		1 263		262		1 629		1 296		1 996		Nov.
Dec.	824	986		898	1 074		1 253		262		1 677		1 349		2 466		Dec.
Whole year	826	998		899	1 087		1 252		293		1 716		1 384		2 466		Whole year
Whole year	799	911		871	992		1 203		248		1 530		1 169		1 987		Whole year

Calculated by the Research Office of the Ministry for Social Affairs according to monthly reports from 33 different centres. For details concerning the calculation of the cost of living index see article in this Bulletin No. 6, 1937.

The figures in italics indicate the position at the end of the previous year.

## 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.	
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	1 206	1 210	1 184	1 115	1 182	1 192	1 197	1 172	1 246	1 348	1 380	1 385	1 340	1948
1949	1 208	1 199	1 166	1 170	1 186	1 196	1 188	1 160	1 164	1 177	1 365	1 346	1 230	1 234	1 294	1949
1950	1 229	1 363	1 441	1 593	1 407	1 223	1 357	1 434	1 570	1 396	1 296	1 438	1 519	1 891	1 536	1950
1951	1 864	1 936				1 837	1 908				2 212	2 298				1951

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 alterations in the indices for the III and IV quarters of 1950, the average for that year and the I quarter of 1951 are due to price corrections.

## 38. — INDEX OF WORKING HOURS IN INDUSTRY.

Quarter	All Industries			Branch of Industry								Quarter
	Total	Home Industries	Exporting Industries	Metal	Glass, Stone, etc.	Chemicals	Foodstuffs and luxuries	Leather	Textile	Paper	Timber	
1949 Oct.-Dec.	101.1	105.9	92.1	102.3	99.4	112.3	108.8	111.8	110.8	88.6	95.3	1949 Oct.-Dec.
1950 Jan.-March	103.1	105.4	98.0	101.4	108.0	124.6	103.3	109.1	109.7	96.5	99.4	1950 Jan.-March
April-June	104.2	104.0	104.8	97.0	103.5	133.4	109.7	107.1	111.1	104.4	105.2	April-June
July-Sept.	106.3	105.2	108.9	103.6	99.7	114.3	110.4	106.7	106.2	110.4	107.7	July-Sept.
Oct.-Dec.	104.0	102.5	107.5	98.3	100.1	108.1	105.5	106.7	108.4	101.5	112.3	Oct.-Dec.
1951 Jan.-March	104.3	101.8	110.4	103.4	101.8	98.6	104.1	101.8	97.9	103.8	116.4	1951 Jan.-March
April-June	103.9	102.7	107.0	103.3	97.3	97.4	97.9	107.5	104.8	101.0	111.9	April-June

The index, which is based on the number of working hours during the corresponding quarters in the previous year, is calculated by the Research Office of the Ministry for Social Affairs.

## 39. — NUMBER OF UNEMPLOYED.

Month	Unemployed qualified for registration					
	Total			On Relief Work		
	1949	1950	1951	1949	1950	1951
January	26 262	52 873	14 797	12 191	41 747	10 221
February	38 556	54 858	17 118	22 763	46 381	13 413
March	51 441	55 776	16 534	35 315	48 313	14 302
April	39 266	33 288	10 454	29 652	30 596	9 267
May	15 920	9 434	3 373	12 591	9 158	3 298
June	3 911	—	—	2 982	—	—
July	940	—	—	684	—	—
August	1 213	—	—	437	—	—
September	4 752	546	—	578	162	—
October	20 967	4 506	—	5 327	1 939	—
November	46 893	7 965	—	20 257	4 605	—
December	58 075	11 086	—	32 646	6 648	—

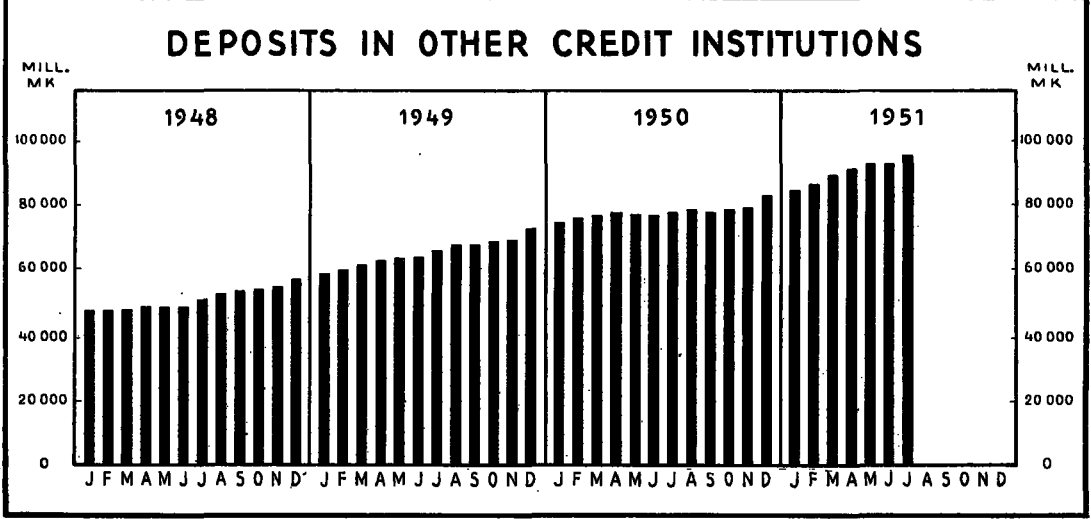
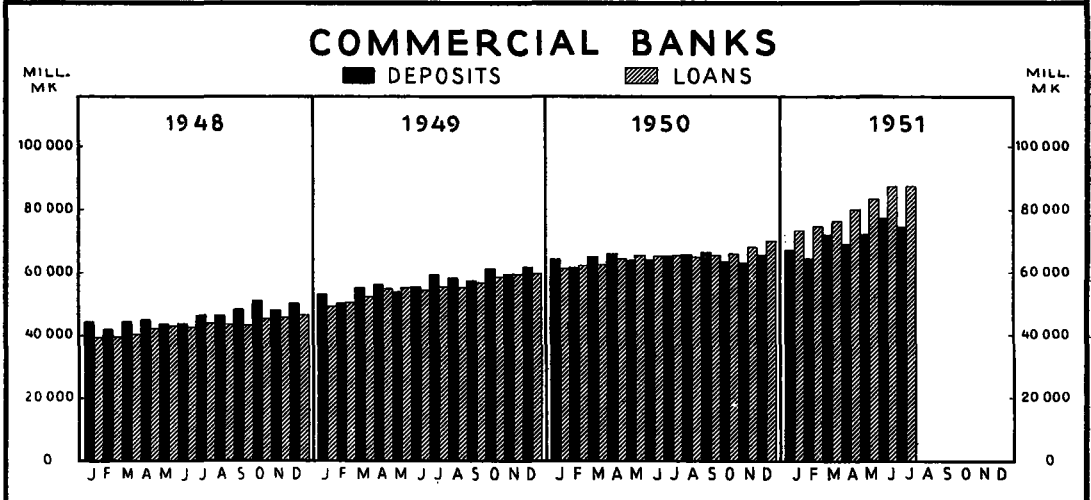
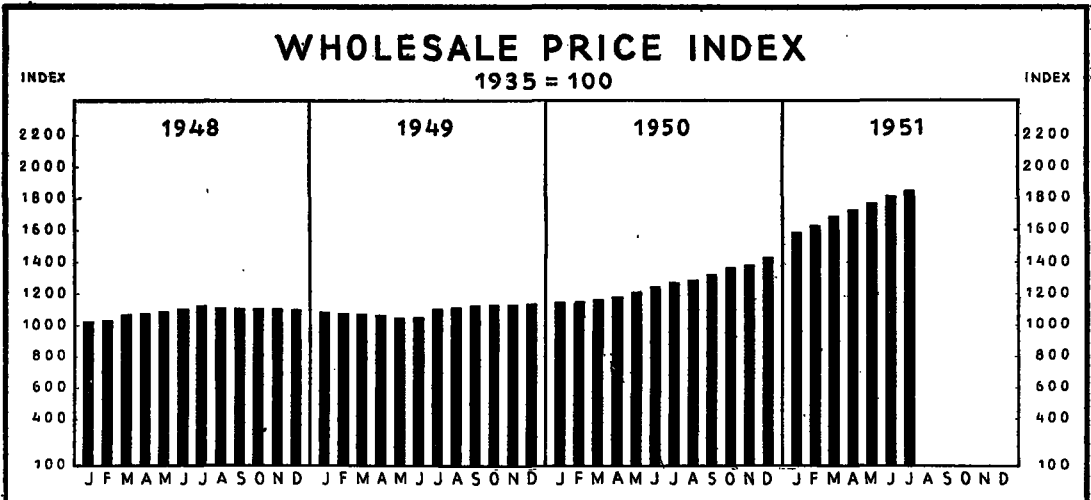
Statistics supplied by the Ministry of Communications and Public Works according to the Unemployment Records.

## 40. — CESSATION OF WORK.

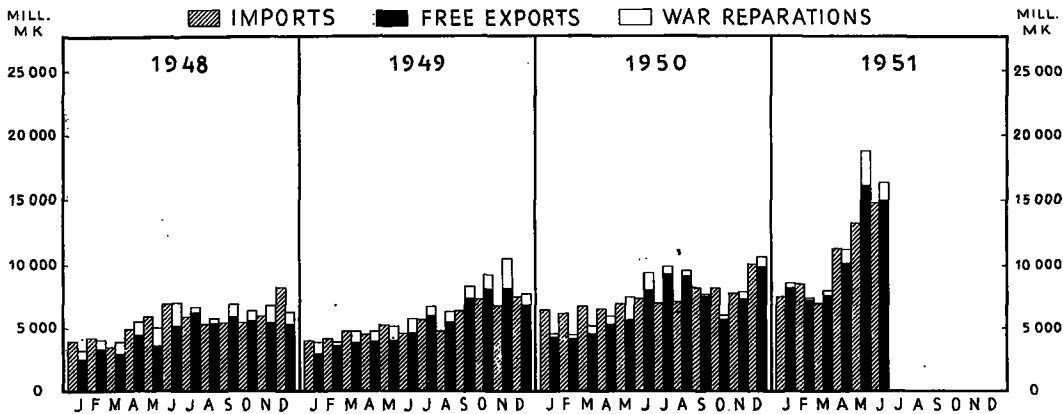
Month	1950		1951	
	Employers affected	Work-people affected	Employers affected	Work-people affected
January	24	893	15	1 053
February	4	1 219	24	6 922
March	5	1 045	7	4 114
April	5	924	285	6 494
May	6	13 143	275	4 135
June	13	1 861	..	976
July	16	1 760	..	619
August	599	54 317	..	..
September	672	87 750	..	..
October	796	87 575	..	..
November	473	16 532	..	..
December	9	766	..	..

The above particulars, which are of a preliminary nature, are compiled by the Research Office of the Ministry for Social Affairs.

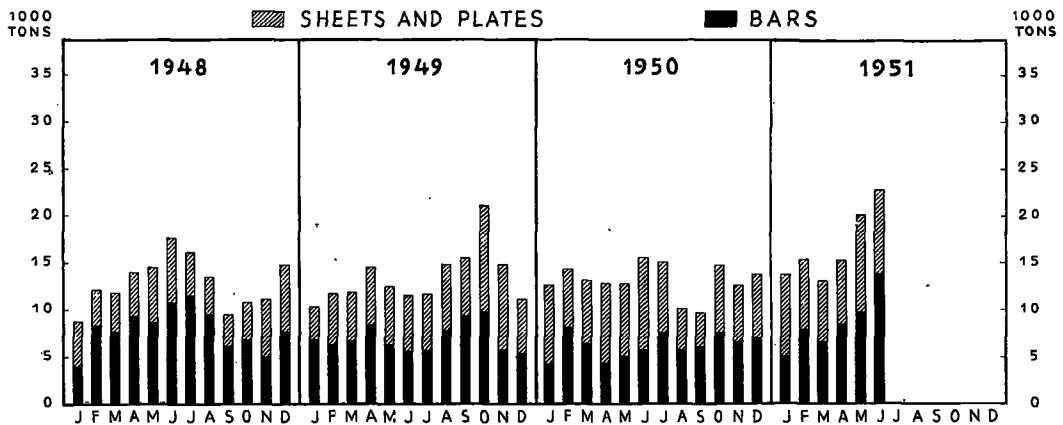




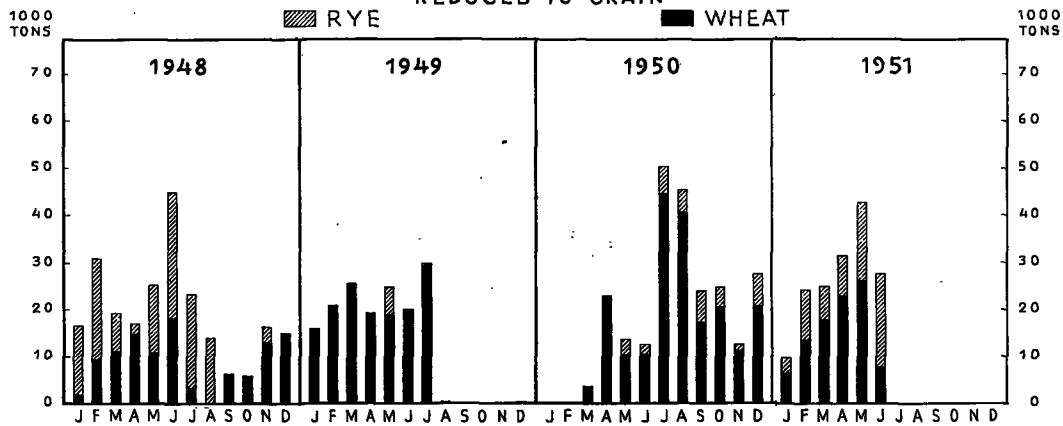
### VALUE OF IMPORTS AND EXPORTS



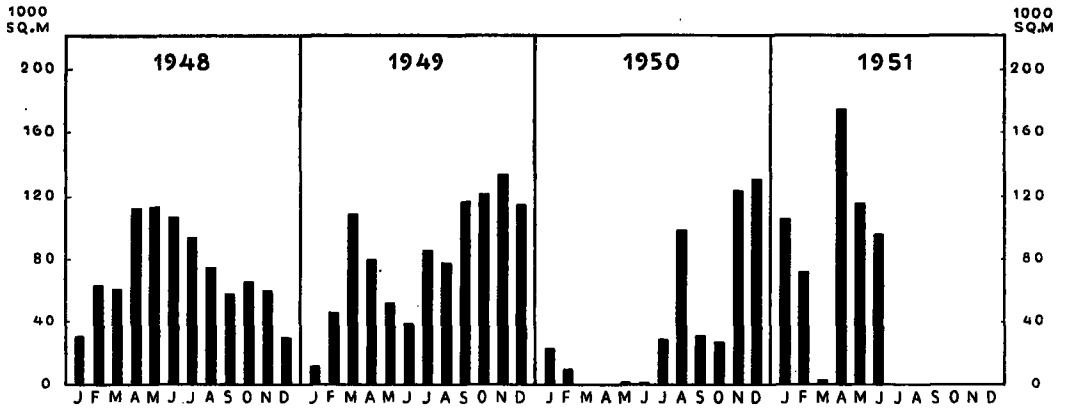
### IMPORTS OF IRON AND STEEL



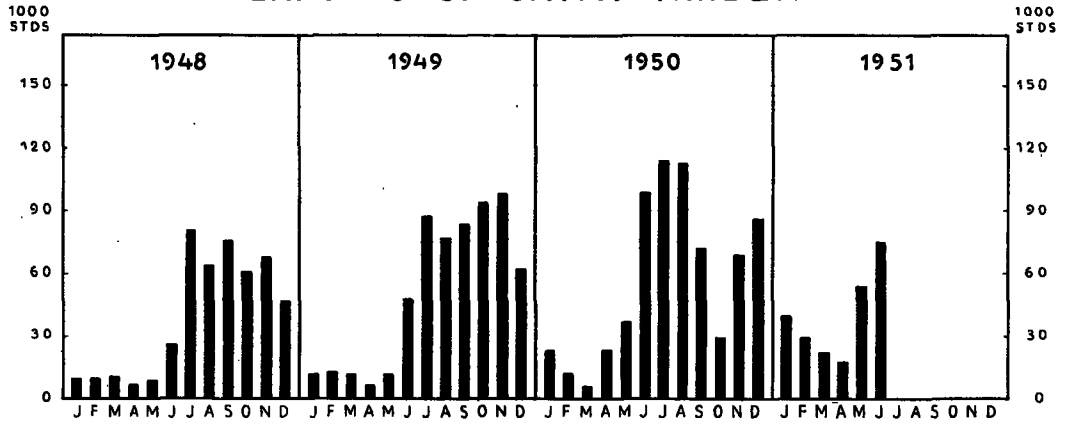
### IMPORTS OF WHEAT AND RYE REDUCED TO GRAIN



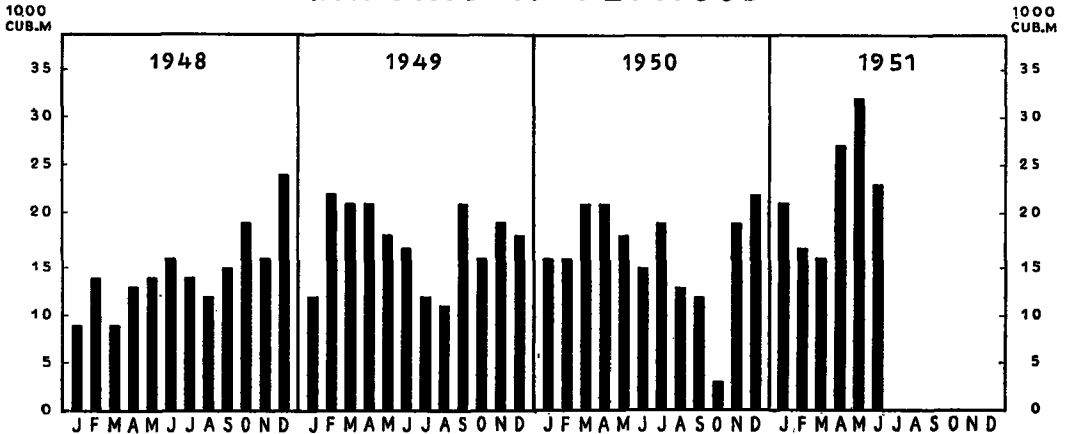
### EXPORTS OF PREFABRICATED HOUSES

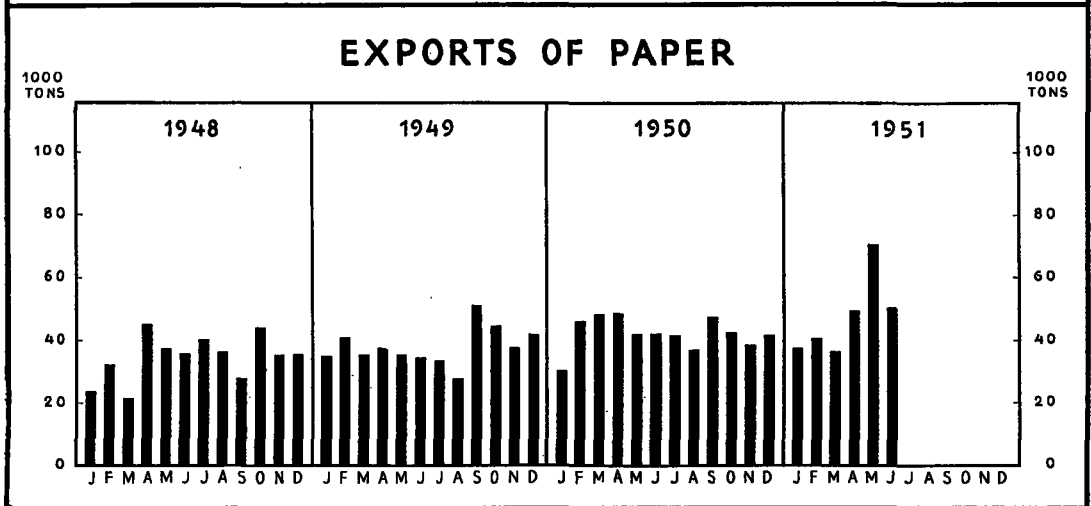
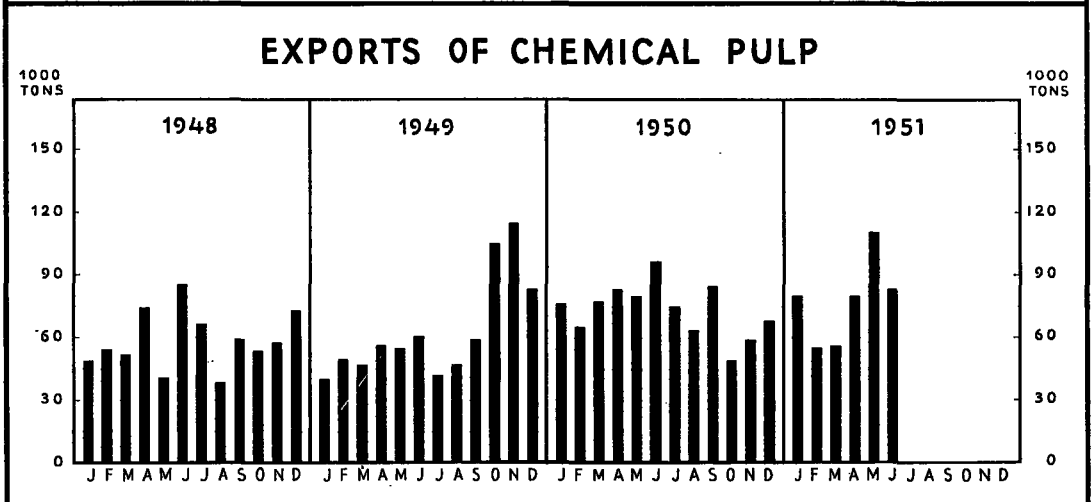
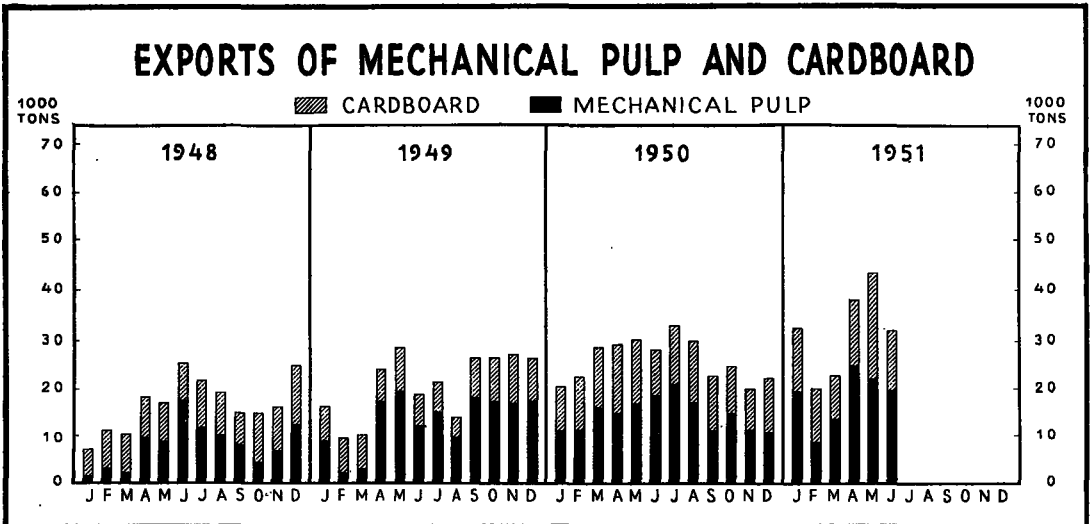


### EXPORTS OF SAWN TIMBER



### EXPORTS OF PLYWOOD





## 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 President for the current period, March 1, 1950, to March 1, 1956, is Juho Kusti Paasikivi who has been in office since March 11, 1946.

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
Social Democrats .....	52
Agrarians .....	51
People's Democrats .....	43
Conservatives .....	28
Swedish Party .....	15
Liberal Party .....	10

### 2. LAND.

THE AREA is 337 009 square kilometres (Great Britain's area is 245 000 sq. km. and Italy's area 301 000 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, 7.5 % 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 (1950): 4.0 millions (present-in-area). Sweden (1949) 7.0, Switzerland (1949) 4.6, Denmark (1949) 4.2 and Norway (1949) 3.2 millions.

DENSITY OF POPULATION (1950): In South Finland 23.1, in North Finland 3.4 and in the whole country an average of 13.1 inhabitants to the square kilometre.

DISTRIBUTION (1950): 68.7 % of the population inhabit the country, 31.3 % the towns and urban districts. The largest towns are (1950): Helsinki (Helsingfors), the capital, 368 500 inhabitants, Turku (Åbo) 99 900, Tampere (Tammerfors) 99 700.

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

LANGUAGE (1940): Finnish speaking 91.2 %, Swedish speaking 8.6 %, others 0.2 %.

RELIGION (1948): Lutheran 95.8 %, Greek-Orthodox 1.7 %, others 2.5 %.

EDUCATION (1950): 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 (1949): Births 25.8 ‰, deaths 11.1 ‰, increase 13.5 ‰. Deaths in France (1949) 13.8 ‰, and in the United Kingdom (1949) 11.7 ‰.

### 4. TRADE AND COMMUNICATIONS.

FOREST RESOURCES (1950): The growing stock comprises 1 370 million of solid cub. m. incl. bark (48 384 million cub. ft), of which pine is 45.5 %, spruce 32.3 %, the rest 22.3 % being leaf-trees, chiefly birch. Of the growing stock 7 471 million cub. ft, 65.0 % of them pines, are up to the standard required for logs (minimum for sawmill logs 18' x 6" and for veneer logs 18' x 7"). The annual growth is about 41 million of solid cub. m. green wood excl. bark (1 448 cub. ft). The total removal in 1946 calculated according to the use of wood was 40 million cub. m. (1 413 million cub. ft). In the years 1923 to 1938 in the then area of the country, it

averaged 41 million cub. m. (1 448 million cub. ft) per y ar, the corresponding yearly growth being 46 million cub. m. (1 624 million cub. ft).

AGRICULTURE (1941): Cultivated land 2.5 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 (1950) is divided between the different kinds of crops as follows: 40.6 % hay, 9.7 % temporary grass-land for grazing, 18.8 % oats, 7.6 % wheat, 5.9 % rye, 4.8 % barley, 3.4 % potatoes, 9.2 % other. Dairy units in operation in 1951 amount to 488.

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 (1949): Number of industrial concerns 5 924, workpeople 259 143, gross value of products of industry 260 791 million marks.

LENGTH OF RAILWAYS (1951): 4 990 km., of which 4 799 km. State railways and 191 km. private. The gauge is in general 1,524 m.

MERCHANT FLEET (1951): Steamships 376 (457 643 gross reg. tons), motor vessels 123 (90 103 gross reg. tons), sailing-ships with auxiliary engines, 146 (14 082 gross reg. tons), other sailing-ships 7 (6 013 gross reg. tons). Total 652 (567 841 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 1, 1926. The unit currency is the mark (Finnish 'markka' = 100 pennä). According to the monetary law of December 21, 1925, a gold coin of 100 marks' value shall contain 3 <sup>14</sup>/<sub>100</sub> 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 1950 the State revenue was 137 219 million marks of which 129 643 million marks were current revenue, and State expenditure 143 342 million marks, of which 102 006 million marks were current expenditure. The principal sources of revenue were as follows: direct taxes 85 063, indirect taxes 70 524, stamp duty 3 691, interest and dividends 1 311, and capital revenue 7 576. See also tables 20—22 in this issue.

MUNICIPAL FINANCES. According to the finance accounts for 1948 expenditure amounted to 34 853 million marks. Total revenue was 36 547 million marks, of which income from taxation was 22 250 million marks. The municipal income tax (non-progressive) averaged 9.7 % of the rate-payers' 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.

THE COMMERCIAL BANKS (1951): Number 6, possess 475 offices, where all kinds of banking business is transacted. There is one banking establishment per 8 475 inhabitants.

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

OTHER BANKS (1951): Mortgage banks 5, Savings banks 444, Co-operative Credit Societies 684 and a Central Bank for the latter.



## PUBLIC FINANCES IN 1950.

BY

HEIKKI VALVANNE, MAG. PHIL.

FELLOW OF THE BANK OF FINLAND INSTITUTE FOR ECONOMIC RESEARCH.

### GENERAL REVIEW FOR 1950.

In 1949 the level of wages and prices had been comparatively well stabilized, so that in drawing up the budget for 1950 it had been possible to view the future development optimistically. However, at the end of 1949 such pressure was exerted on the level of wages that at the beginning of 1950 it led to a general rise in wages and the abandonment of wages control. Constant demands for higher wages, followed later by strikes, led in time to fresh rises, so that by the end of the year wages may be estimated to have increased by about 50 per cent on an average since the beginning of the year. Thus the wage fever set its mark on the entire economic development of the year, and the primary task of Government economic policy was to arrest and counteract inflation.

Although the development was not so good in 1950 from a monetary point of view, the results of production proved to be fairly satisfactory. This was partly a direct consequence of the increase in economic activity brought about by inflation, but it was also due to the expansion of foreign trade. Both exports and imports grew very much, though imports increased more, so that the balance of trade resulted in a considerable surplus of imports. The volume of industrial production rose slightly above the previous year, chiefly owing to an increase in the output of the exporting industry. The result of agricultural production, on the contrary, fell short of expectations. Building activity was of record proportions

in 1950 as a result of the great housing demand and the impulse provided by inflation. There was unemployment early in the year, but in the summer it disappeared entirely and gave way to a shortage of labour. The labour market was characterized by the labour disputes already mentioned which led in the autumn to strikes that greatly interfered with production.

When the budget for 1950 was being drawn up, it was estimated that the expenditure would remain at the 1949 level and that the usual revenue from taxation would suffice for the financial needs of the Government, so that the budget total could remain at about 104 000 million marks. When, however, the wages demands got under way, it was realized that public expenditure — as well as public revenue — would considerably exceed the original estimates. In June 1950 the first supplementary budget was passed, the total expenditure in which amounted to more than 20 000 million marks. The increased sums were mostly due to higher wages and pensions, besides which the funds employed for relieving unemployment at the beginning of the year formed an appreciable additional expenditure. As the automatic increase in taxation revenue was not considered sufficient, it was decided at the same time to raise the taxing of companies. The increases in public expenditure in the autumn called in December for two more supplementary budgets, the combined total of which amounted to about 9 000 million marks. Part of this expenditure

represented so-called points purchases, i.e., subsidies paid in order to lower the prices of goods and services included in the cost of living index. By preventing a rise in this index the Government thus endeavoured to avoid a general rise in wages, for wages were pegged to the index. It was mainly due to these points purchases that the cost of living index only rose 20.8 per cent from December 1949 to December 1950, while the wholesale price index rose 26.4 per cent during the same period.

As the following table shows, the public expenditure (omitting redemption of debt) finally amounted to 127 783 million marks for 1950, the increase from the previous year being 14.2 per cent. The revenue (omitting loans) amounted to 134 829 million marks or 23.6 per cent more than in the year before. Although the new loans obtained by the Government were less than the redemption of debt, the Government had a surplus of 5 917 million marks. As there was a larger deficit than this in the previous year, the present result was in the end very favourable in regard to the public finances.

#### GOVERNMENT REVENUE AND EXPENDITURE.

(Adjusted figures.)

	1949 Mill. mk	1950 Mill. mk
Revenue (excl. loans) .....	109,064	134,829
Current revenue .....	104,859	130,008
Capital revenue .....	4,205	4,821
Loans .....	6,803	4,491
Deficit .....	6,405	—
Total	122,272	139,320
Expenditure (excl. redemptions) .....	111,925	127,783
Current expenditure .....	88,801	98,664
Capital expenditure .....	23,124	29,119
Redemption of loans .....	10,347	5,620
Surplus .....	—	5,917
Total	122,272	139,320

According to this table, the revenue (omitting loans) exceeded the expenditure (omitting redemption) by fully 7 046 million marks, whereas in the previous year the expenditure had been 2 861 million marks in excess of the revenue. This seems to indicate that the course of public economy in 1950 was not only favourable in regard to the public finances, but also

in regard to avoiding inflation. It is, however, worth while considering, how the balance between revenue and expenditure swayed during the year. In the first six months revenue exceeded expenditure in round figures by 2 000 million marks. Notwithstanding the extent of expenditure on wages and unemployment, the result was so good, mainly because the last instalments of income tax for the year 1948 were collected at the very beginning of the year. In the third quarter of the year expenditure exceeded revenue by 4 000 million marks, which was partly due to the Government paying higher salaries and wages and partly to the redemption of Indemnity Loan bonds and the payment of index increases. In the last quarter of the year, however, revenue exceeded expenditure by 8 000 million marks and this was principally due to the increased income tax on companies already referred to.

It is evident from this that, if the surplus for 1950 is held to indicate a contractive effect of public finances on economic activity, such influence was confined solely to the closing months of the year. As the surplus was, besides, chiefly the result of taxing companies, its direct effect was not nearly as appreciable in decreasing private income and demand as in weakening the liquidity in the private sector of the economy and consequently reducing the ability of credit institutions to grant loans. This was, indeed, one important cause of the money market having been very stringent throughout the latter part of the year, a state that continued in the first half of the current year. Still, it can be said that the Government's revenue from taxation, and especially the sales tax and the income tax of wage earners, followed the rise in prices and wages very sensitively and were certainly acting as a brake on the inflationary increase in demand.

The principal details of the most important categories of public revenue and expenditure in 1950 are given below. As before, the writer does not employ the official figures of the Government's Finance Accounts, unless specially mentioned, but adjusted figures which are obtained by consolidating the accounts of the various public departments, funds and

other entities and which are reported on a payment basis. There are therefore differences between the details given below and those presented in tables 21 and 22 of this Bulletin.

#### EXPENDITURE IN 1950.

The current expenditure of different Government departments is illustrated by the following table. As adjusted figures are not available, the figures of the official Finance Accounts have been used.

#### CURRENT EXPENDITURE.

(According to the Finance Accounts.)

	1949 Mill. mk	1950 Mill. mk
1. President of the Republic ..	14	15
2. The Diet .....	163	211
3. The Government .....	49	55
4. Chancellery of the Govern- ment .....	57	113
5. Ministry for Foreign Affairs	308	447
6. Ministry of Justice .....	1,092	1,272
7. Ministry of the Interior ....	5,381	6,503
8. Ministry of Finance .....	968	1,189
9. Ministry of Defence .....	4,502	5,312
10. Ministry of Education .....	8,372	9,922
11. Ministry of Agriculture ....	9,706	9,487
12. Ministry of Communications .	3,114	3,492
13. Ministry of Trade and Industry .....	1,169	1,493
14. Ministry for Social Affairs .	16,456	18,811
14A. Ministry of Supply .....	229	20
15. Sundry general expenditure ..	28,436	25,670
16. Pensions .....	1,606	2,458
17. Interest and expenditure on the Public Debt .....	10,349	12,970
18. State industrial undertakings	955	2,566
Total	92,926	102,006

In the largest main group, „Sundry general expenditure”, the most important item was still the war indemnity paid to the Soviet Union. The actual war indemnity, including costs of administration and advances, amounted to 10 091 million marks (13 288 million in 1949; the figures for 1949 are given in brackets below). „Sundry costs under the Peace Treaty”, which are included in the war indemnity, totalled 143 (160) million marks and „Transfers of German assets and administrative costs due to them” 700 (978) million marks. Altogether the various forms of war indemnity thus amounted to 10 934 (14 367) million marks, so that they decreased by about one-fifth from the previous year.

This main group further contains a number of subsidies, although nearly half of the subsidies is in the main group of the Ministry of Agriculture. The total sum of subsidies in 1950 amounted to 4 345 (5 145) million marks and they were employed in particular in restricting the prices of fertilizers, seeds, bread grain and butter. — It should be mentioned further that the main group „Sundry general expenditure” includes under one heading the index increases, 5 343 million marks in all, allowed during the year for Government salaries and for some Government grants representing expenditure on wages.

The main group „Interest and expenditure on the Public Debt”, which is strikingly high, represents in reality only 3 543 (3 785) million marks of interest on the loans obtained by the Government, the share of interest on foreign loans being 1 422 (1 047) million marks. This main group also includes the interest on State bonds issued in the form of compensation to the inhabitants of the territories ceded to the Soviet Union and the index-bound increase of the amortisation of these bonds. If this interest and index-bound increase, as well as the nominal amortisation of these bonds, included under capital expenditure in the budget, are added up, a total expenditure of 8 871 (9 061) million marks in connection with indemnity bonds is arrived at.

Among the Government departments, the Ministry for Social Affairs again incurred the largest expenditure owing to very large social grants. Of these, above all, the children's allowances amounting to 10 157 (8 784) million marks and the compensation paid to the disabled in the war totalling 5 364 (4 971) million should be mentioned. The expenditure of the Ministry of Agriculture was due, in addition to the subsidies already mentioned, to very extensive settlement work in accordance with the Land Expropriation Act. Of the expenditure by the Ministry of Education, 6 314 (5 700) million marks represented the share of the State in the salaries of elementary school teachers and in the costs of elementary school buildings (the remainder is paid by local authorities), and the rest consists chiefly of wages in educational establishments owned by the State

and their upkeep. In explanation of the expenditure of the Ministry of the Interior it should be stated that public health and hospitals are included in its sphere. An essential part of the expenses incurred by the Ministry of Communications and Public Works consists of the maintenance of roads, 2 807 (2 521) million marks. Finally, as regards the losses of the industrial undertakings of the State, these must be set against the profits that appear under revenue in the budget in order to establish the net result of the business activity of the State. Calculated in this manner, there was a loss in 1950 of 856 million marks, whereas in the previous year a net profit of 554 million had been made.

The above analysis also indicates the economic character of the current expenditure. This is further illustrated in the following table.

CURRENT EXPENDITURE CLASSIFIED.  
(Adjusted figures.)

	1949 Mill. mk	1950 Mill. mk
Interest on public debt .....	3,785	3,543
Net losses of State business undertakings .....	—	856
Child and family allowances ....	9,816	11,256
Compensation to disabled persons ..	4,971	5,364
Subsidies .....	5,145	4,345
Expenditure in indemnity bonds ..	9,061	8,871
War indemnities to Soviet .....	14,367	10,934
Government aid to agriculture ...	4,168	6,801
Government aid to elementary schools .....	5,700	6,314
Government aid to communal hospitals .....	801	1,467
Maintenance of roads .....	2,521	2,807
Pensions .....	1,606	2,458
Other current expenditure .....	26,860	33,648
<b>Total</b>	<b>88,801</b>	<b>98,664</b>

The last, unspecified group of expenditure in the table includes to a preponderating extent Government purchases of goods and services. A comparatively small part consists of expenditure which, owing to its economic character, represents transfers to persons and grants to local authorities. Of the Government purchases of goods and services, again, the greater part consists of salaries paid by the State, and the whole increase in this unspecified group of ex-

penditure since 1949 is due almost exclusively to the rise in wages.

Let us now examine the capital expenditure which is classified in the following table according to its nature.

CAPITAL EXPENDITURE.  
(Excluding redemptions, adjusted figures.)

	1949 Mill. mk	1950 Mill. mk
Investments in State business undertakings, forests and landed property .....	6,239	6,155
Purchases of machinery and apparatus .....	931	1,043
House building .....	1,364	2,179
Roads, bridges and hydraulic undertakings .....	2,614	4,835
Lending .....	11,952	14,502
Purchases of shares .....	24	405
<b>Total</b>	<b>23,124</b>	<b>29,119</b>

Of the investments in State undertakings, the greater part, 4 411 (3 881) million marks, consisted of funds employed in constructing railways and acquiring rolling stock and machinery. The greater part of the investments in the construction of roads and waterways was made in order to relieve unemployment. As one-quarter of the investments in railways was financed out of unemployment funds, the real investments for the maintenance of employment amounted in all to 5 100 (2 615) million marks. It will be seen in the introductory review that this unemployment relief work was carried out during the first months of the year.

The loans granted by the State increased still further in 1950. Of these, 4 000 million marks were invested in providing houses in centres of population and well over 6 000 million in the Settlement Fund for building houses for displaced persons, war disabled and ex-servicemen. — In this connection it should be noted that the loans granted by the Settlement Fund are not, any more than in previous years, entirely actual capital expenditure, as part of the loans received by displaced persons is regarded as compensation due to them and thus in fact represents current expenditure.

REVENUE IN 1950.

The current revenue is shown in the following table.

## CURRENT REVENUE.

(Adjusted figures.)

	1949		1950	
	Mill. mk	Mill. mk	Mill. mk	Mill. mk
Taxes .....	97,896	120,622		
Direct taxes .....	24,916	35,500		
Indirect taxes .....	69,879	81,435		
Stamp duty .....	3,101	3,687		
Charges .....	2,448	3,763		
Interest and dividends .....	1,232	1,392		
Net profits of State business undertakings .....	554	—		
Other current revenue .....	2,729	4,211		
<b>Total</b>	<b>104,859</b>	<b>130,008</b>		

The size of the current revenue is mainly due to the appreciable increase in revenue from taxation. Charges, which are similar to taxation revenue, increased by half from the previous year. This increase was entirely due to changes imposed for equalizing the prices of goods imported from abroad amounting to 1 355 million marks.

In examining the taxation revenue it is noticeable that the proportion of direct taxes in 1950 was 29.4 (25.4) per cent and the proportion of indirect taxes 67.5 (71.4) per cent of all revenue from taxation. The importance of direct taxes thus increased, though in the post-war years it had hitherto constantly decreased. The increase must, however, be regarded as an exceptional phenomenon, as it was due to the temporary raising of the companies tax. The following table illustrates the position.

## DIRECT TAXES.

(Adjusted figures.)

	1949		1950	
	Mill. mk	% of all taxes	Mill. mk	% of all taxes
Income and property tax .....	18,295	18.7	30,931	25.6
II Capital Levy ..	5,900	6.0	3,982	3.3
Other direct taxes	721	0.7	587	0.5
<b>Total</b>	<b>24,916</b>	<b>25.4</b>	<b>35,500</b>	<b>29.4</b>

Approximately half of the increase provided by the income and property tax is due to the fact that the income tax payable for 1949 by companies, normally 32 per cent of the income, was raised to 50 per cent and the first instalment of the increase was collected at the end of 1950. The other half of the increase of the income and property tax is due to the circumstance that, as wages and other income rose, income tax also grew, especially

as the scale of taxation is progressive. The capital levy mentioned in the table, which was imposed after the war to compensate the losses of the inhabitants of the ceded territories, was levied for the last time in 1950. Thus, apart from the income and property tax, no direct taxes are imposed at present excepting the taxes on legacies and gifts and the dispensing chemists' tax.

## INDIRECT TAXES.

(Adjusted figures.)

	1949		1950	
	Mill. mk	% of all taxes	Mill. mk	% of all taxes
Sales tax .....	30,530	31.2	35,117	29.1
Customs revenue ..	11,660	11.9	13,383	11.1
Import duties ..	11,659	11.9	13,382	11.1
Export duties ...	1	0.0	1	0.0
Spirits taxes ....	10,462	10.7	12,489	10.4
Excises .....	10,563	10.8	11,397	9.4
Tobacco .....	7,238	7.4	7,505	6.2
Coffee .....	1,742	1.8	1,993	1.7
Sweetstuffs .....	894	0.9	1,135	0.9
Matches .....	249	0.2	301	0.2
Other .....	440	0.5	463	0.4
Employers' payments for child allowances .....	6,664	6.8	9,049	7.5
<b>Total</b>	<b>69,879</b>	<b>71.4</b>	<b>81,435</b>	<b>67.5</b>

The yield of the sales tax increased by one-sixth from the previous year. This was partly due to the growth of the turnover of trade and partly to the fact that this tax was levied monthly from the middle of the year instead of quarterly, as before. The most important import duties are those on coffee and petrol, the former having been lowered in 1950 and the latter raised. However, in all they yielded the same sum as in the previous year, the duty on coffee producing 2 810 (3 872) million marks and the duty on petrol 3 097 (1 948) million. Other revenue in duty increased as a direct consequence of larger imports and of the rise in import prices. The tax on spirits, which also grew, includes the profits of the Alcohol Monopoly and the direct taxes paid by it. — It is considered expedient to include in the indirect taxes the payments for child allowances made by employers. As these payments are proportional, being equal to 4 per cent of the worker's wages, their increase from 1949 is a direct result of the rise in wages.

The progress of capital revenue is shown in the following table.

**CAPITAL REVENUE.**  
(Adjusted figures.)

	1949 Mill. mk	1950 Mill. mk
Provision for depreciation by State business undertakings .....	402	313
Repayments of loans .....	718	1,092
Sales of State property .....	167	198
Decrease in stocks .....	622	655
Capital released from business undertakings and extrabudgetary funds .....	2,296	2,563
Total	4,205	4,821

The last and largest item of capital revenue refers to capital not included in the budget which the business undertakings of the State and extrabudgetary funds formerly employed for obtaining goods, for loans etc., but which is now released. The reduction of stocks is another item of the same kind.

**BORROWING AND CASH TRANSACTIONS  
IN 1950.**

It will be seen from the table at the beginning of this article that the loans obtained by the Government in 1950 amounted to 4 491 million marks, while 5 620 million marks were paid in redemption of debt. Of the loans, 1 385 million marks were obtained from abroad, 523 million being from Argentina and 499 million constituting a loan from Belgium for the purchase of railway rails. Foreign loans were reduced by 1 073 million marks, the greater part being redemption of dollar credits.

Internal loans rose by 3 106 million marks, the greater part of which, or 2 983 million, was obtained from the Savings Banks and the Post Office Savings Bank. The redemption of internal loans amounted to 4 547 million marks. The largest items were the final redemption of a war-time bond loan, 1 508 million marks, and the repayment to an amount of 1 900 million of bond loans received from the Savings Banks and the Post Office Savings Bank in 1949.

The redemption of loans was thus 1 129 million marks higher than the amount of new loans. As the public revenue (omitting loans) was 7 046 million marks in excess

of the expenditure (omitting redemption), the Government still had a surplus of 5 917 million marks after the expenditure on loans. This was employed in reducing the credit obtained from the Bank of Finland by 2 444 million marks. At the same time, however, the short-term credit from the Post Office Savings Bank increased by 316 million marks. The cash funds of Government departments thus increased during the year by 3 789 million marks in all.

Official figures for the Public Debt are given in the statistical section of this Bulletin (Table 20). These figures are, however, not in accordance with the details given above regarding the borrowing and redemption by the State, owing to our having consolidated the public finances in our calculations. The corresponding adjusted figures for the Public Debt are given in the following table.

**PUBLIC DEBT.**  
(Adjusted figures.)

	1949		1950	
	Mill. mk	% of total debt	Mill. mk	% of total debt
Foreign debt ....	63,152	44.3	65,841	46.9
Internal debt ...	79,291	55.7	74,554	53.1
Ordinary bonds ..	30,494	21.4	29,116	20.7
Debt to the Bank of Finland ....	22,994	16.1	20,549	14.6
Short-term debt to the Post Office Savings Bank	7,989	5.6	8,255	5.9
Indemnity bonds .	17,864	12.6	16,634	11.9
Total	142,443	100.0	140,395	100.0

According to this table, the proportion of foreign debt to the total Public Debt rose slightly during 1950. The growth of the foreign debt, expressed in marks, is, however, mainly due to the outstanding interest on loans obtained from Sweden in 1939 and later, totalling 2 257 million marks, having been added to the capital debt in September 1950.

The internal debt, on the other hand, decreased both relatively and in absolute figures, the reduction being 4,737 million marks. It should be noted, however, that the greater part of the Indemnity Bonds is pegged to the wholesale price index. The table contains only the nominal value of the Indemnity Bonds outstanding, but owing to the rise of the index the current

value of these bonds is in reality much higher than is shown in the table, at a rough calculation at present about four times as high.

As the table indicates, the amount of debt in ordinary bonds is still approximately equivalent to the amount of credits from the Bank of Finland and the Post

Office Savings Bank, but both have been reduced to some extent. The fact that the ratio has remained unchanged is chiefly due to its having been difficult for the State to obtain long-term loans in the open market on account of the stringency of the money market caused by large private investments and heavy taxation.

## FINLAND'S BALANCE OF PAYMENTS FOR 1950.

BY

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The upward tendency characterizing foreign economic relations in recent years continued on the whole in 1950. To some extent the normal intercourse was, however, disturbed by external and internal factors. On the one hand, exports experienced marketing difficulties early in the year, and on the other hand, extensive strikes very much reduced the output of industry in the autumn. The consequent lag in exports could not be caught up with before the end of the year, but foreign trade resulted in a considerable surplus of imports. The payment position was partly relieved by other current transactions giving a surplus of income. The final deficit in the current balance of payments was covered partly by advances made on imports in 1949, partly by prepayments received on exports. No further increase in the long-term indebtedness was necessary on this account, the refunding of debt even exceeding long-term borrowing. The net amount of the currency reserve and similar short-

term assets could be slightly increased and the monetary gold reserve was strengthened.

### PRINCIPLES OF CALCULATION.

The balance has been drawn up in collaboration with the Central Statistical Office and according to the principles adopted by the International Monetary Fund. It is divided into two parts: the current exchange of goods and services, and the corresponding movement of capital and monetary gold. War reparations are included in exports and counterbalanced by a debit item in donations. Thus they do not show in the net balance, which agrees with the fact that the deliveries do not involve any actual foreign payments.

### CURRENT TRANSACTIONS.

The current receipts and payments and their net amount in the balance of payments for 1949 and 1950 are shown in the table below.

	1949			1950		
	Receipts Mill. mk	Pay- ments Mill. mk	Net receipts Mill. mk	Receipts Mill. mk	Pay- ments Mill. mk	Net receipts Mill. mk
Merchandise .....	77,240	69,480	7,760	90,030	89,730	300
Non-monetary gold movement .....	100	20	80	—	10	—10
Foreign travel .....	600	1,500	—900	800	2,500	—1,700
Transportation .....	9,620	3,190	6,430	10,190	4,030	6,160
Insurance .....	2,360	2,380	—20	1,730	2,650	—920
Investment income .....	—	1,470	—1,470	20	2,400	—2,380
Government, not included elsewhere .....	400	250	150	650	390	260
Miscellaneous .....	2,840	1,890	950	2,780	2,840	—60
Donations .....	880	12,320	—11,440	490	7,930	—7,440
Total current transactions .....	94,040	92,500	1,540	106,690	112,480	—5,790
Errors and omissions .....			—378			526

Two increases in the exchange rates carried out in 1949 conceal the real change in the balance of payments in 1950 as compared with the previous year. In 1949 the exchange rates of the foreign currencies were lower in the beginning of the year and were raised in July and some of them further in September, while in 1950 the new higher rates affected the value all through the year.

Current receipts amounted to 106,690 million marks and current payments to 112,480 million marks, causing a deficit of 5,790 million in 1950. As usual foreign trade formed the most important item of the balance. The volume of exports increased by 11 per cent, but terms of trade were less favourable than in the last few years. Export prices indeed rose, but much less than accounted for by the recent increases in exchange rates and less than the corresponding increase in import prices. The rise in unit prices of export goods was 12 per cent. In the table above the greater part of the merchandise receipts refer to free exports (f. o. b.), 64,480 million marks in 1949 and 81,660 in 1950, with some adjustments of the official values. These figures exclude the exports to the Soviet Union on account of former German assets, 530 million marks in 1949 and 520 million in 1950, as recorded in the special clearing account. The rest of the merchandise receipts consists of 12,230 million marks of reparations deliveries in 1949 and 7,850 million in 1950. The counterentries of the reparations are entered as payments under donations. — Imports increased less than exports, the increase in volume being 7 per cent. Unit prices, on the other hand, rose by 27 per cent, which was less than accounted for by the increases of 1949 in exchange rates. A total of 69,480 million marks was paid abroad for merchandise in 1949 (c. i. f.) and 89,730 million in 1950. This includes the official import figures slightly adjusted, and for 1949 in addition an amount of 2,350 million marks, estimated to cover an undervaluation in these figures in connection with the depreciation of the mark. It also includes smuggling, estimated at 270 million marks in 1950, and the value of gifts in kind, 320 million in the same year.

Of the transportation receipts in the table above 7,820 million marks consist of gross shipping freights in 1949 and 9,630 in 1950. As compensation for war embargo on ships 1,090 million marks were received in 1949. Of the rest 710 million represented harbour charges and repairs in 1949 and 510 million in 1950. It should be remembered that, as usual, shipping freights are partly earned in transporting import goods and, being paid by the domestic importer, do not constitute a receipt from abroad. Yet, what is thus earned by shipping counterbalances what is recorded as paid for imports, raising the totals, but without influencing the balance. — In 1950 there was an additional amount received for air and railroad transportation, 50 million in all. Information was this time available for the first time about the foreign receipts and payments of the air lines. The transportation payments include the estimated part of the gross freights used by Finnish ships abroad, 2,740 in 1949 and 3,370 million in 1950. In addition ships were repaired abroad, in 1950 for 570 million. Payments for transportation by air, excluding passenger fares which are included in foreign travel, amounted to 60 million marks in 1950, and for transportation by rail to 30 million.

Foreign travel has got well under way after the years of isolation, Finns in particular travelling abroad. For this purpose 1,500 million marks were spent in 1949 and 2,500 million in 1950. Correspondingly, foreigners travelling in Finland are estimated to have used 600 and 800 million marks respectively in this country.

The payments on investments consist of interest, mainly on loans. The extensive borrowing of the last decade has increased this item. The moratorium on the Swedish loans in force for a number of years was ended in 1950. Interest, which was 1,470 million in 1949, increased to 2,380 million that year. Donations received amounted to 880 million marks in 1949 and 490 million in 1950. It is only natural that this item is reduced with the return to normal conditions. Nearly all of the donations paid represent the countervalue of war reparations. Miscellaneous receipts, such as personal services, commissions, copyright and



royalties, and various similar items totalled 2,840 million marks in 1949 and 2,780 million in 1950. The corresponding payments amounted to 1,890 million and 2,480 million respectively.

#### MOVEMENT OF CAPITAL AND MONETARY GOLD.

The net movement of assets and liabilities increasing and decreasing (—) is entered below for 1949 and 1950.

	1949			1950		
	Assets Mill. mk	Liabilities Mill. mk	Net assets Mill. mk	Assets Mill. mk	Liabilities Mill. mk	Net assets Mill. mk
Private:						
Long-term capital .....	—	—41	41	—150	—387	237
Short-term capital .....	1,844	—1,346	3,190	—1,230	6,205	—7,435
Official and banking institutions:						
Long-term capital .....	—	568	—568	—	—32	32
Short-term capital .....	3,049	4,552	—1,503	1,718	1,603	115
Monetary gold .....	2	—	2	1,787	—	1,787
Total movement of capital and monetary gold ....	4,895	3,733	1,162	2,125	7,389	—5,264

The term official institutions loans is used in a wide sense, including those guaranteed by the State. The short-term capital includes the real temporary operations where the investments mature on demand or within 12 months after the obligation was incurred. All other investments are entered as long-term.

In 1949 current receipts exceeded current payments and new long-term advances more than covered the repayments of loans. The exceeding amount strengthened the currency supply, and both short-term assets and liabilities were increased in consequence of the expanding trade.

In 1950 current transactions resulted in a considerable surplus of payments. Nevertheless, long-term indebtedness did not increase. More was even repaid than drawn in the year, for the first time since pre-war days. The largest amounts were as usual drawn and repaid on the official and banking loans, which actually in recent years have all of them been obligations of the State or the Bank of Finland, or guaranteed by them. In the last two years the official long-term liabilities have changed as follows:

	1949		1950	
	Increase Mill. mk	Decrease Mill. mk	Increase Mill. mk	Decrease Mill. mk
Official loans .....	5,496	—	3,442	—
Bond loans .....	1	—113	—	—200
Contractual repayments .....	—	—3,954	—	—3,014
Other long-term capital movement .....	26	—888	257	—517
Total change in long-term official liabilities .....	5,523	—4,955	3,699	—3,731
Net change .....	568	—	—	—32

In 1950 no new foreign credits were raised, not considering one negligible exception. Of the credits granted in earlier years considerable amounts were, however, unutilized in the beginning of the year. The largest amounts consisted of most of two loans of 1949 granted by the International Bank for Reconstruction and Development to the Bank of Finland, for the purchases by the woodworking and cement industries and the power-stations under construction, and a third loan of the Bank of Finland granted in 1948 by the Export-Import Bank for similar purposes. Of the

credits available 3,442 million marks were utilized in 1950. The countries extending the loans are shown in the following table, indicating the amounts drawn in 1949 and 1950.

	Amounts drawn	
	1949 Mill. mk	1950 Mill. mk
Argentina .....	2,485	146
Belgium .....	408	499
Brazil .....	49	—
Denmark .....	46	—
Great Britain .....	175	8
IBRD .....	236	1,647
United States .....	2,097	1,142
Total amounts drawn ....	5,496	3,442

At the same time contractual repayments continued at a regular pace. Amortisation was paid on old loans, but large amounts are also being paid off on loans received in the last few years as they mature, often within fifteen months or perhaps three years. In the last two years contractual repayments were made to the following countries:

	Amounts repaid	
	1949 Mill. mk	1950 Mill. mk
Argentina .....	803	—
Brazil .....	5	—
Denmark .....	62	4
France .....	170	30
Great Britain .....	929	139
IBRD .....	—	300
Netherlands .....	7	2
Sweden .....	317	170
United States .....	1,661	2,369
Total amounts repaid ....	3,954	3,014

There were some other official capital movements, the transfer to the Soviet Union of former German assets constituting the main item. All in all official liabilities were reduced by 32 million marks in 1950. Private long-term indebtedness was reduced by a net amount of 237 million at the same time.

Short-term official and banking assets were accumulated at a net amount of 1,718 million marks in 1950, and the gold reserve was increased by 1,787 million. At the same time the short-term official and banking liabilities rose only by 1,603. Instead private short-term capital supplied considerable amounts of foreign capital. Currency had been deposited or paid in advance in 1949 for 1950 imports, partly in barter trade, goods having been sent abroad in exchange for goods which did not arrive before the end of that year. Above all, large prepayments of 1951 exports were received already in 1950, greatly relieving the strained currency situation but drawing on next year's resources. Private short-term assets were thus reduced by 1,230 million marks, while short-term liabilities were increased by 6,205 million, a total of 7,435 million flowing in through these channels.

#### THE FINANCING OF INTERNATIONAL TRANSACTIONS.

The capital movement in the balance of payments is the counterpart of the current

transactions, but it also contains transactions which are necessary independently of the simultaneous current transactions. Such are payments representing obligations under international agreements and contracts which have to be met regardless of the status of the current balance of payments. Together they have been called the special official financing, which for 1949 and 1950 include the net items listed below.

	1949 Mill. mk	1950 Mill. mk
Reparations .....	—12,230	—7,850
Repatriation of bonds .....	—112	—200
Contractual repayments .....	—3,954	—3,014
Transfer to the Soviet Union of former German claims .....	—862	—260
Committed assets .....	158	1,287
Total special official financing	—17,000	—10,037

The obligations having first demand on the available supply of money have thus been considerable, 17,000 million marks in 1949 and 10,037 million in 1950. The current receipts and payments of goods and services may result in a surplus available for their financing. Considering that these primary obligations include the „donations” paid as reparations, the rest of the current transactions actually gave a large surplus available for this purpose in 1949 and a smaller one in 1950. The movements of private capital may either demand financing or give a surplus of foreign currency. The financing undertaken by the monetary authorities, including the commercial banks, in order to provide the exchange necessary to cover all the various obligations not otherwise met, or in other cases to dispose of surplus capital, has been called the compensatory official financing. The following movements were met by such compensatory measures in the last two years:

	1949 Mill. mk	1950 Mill. mk
Current transactions, net (excluding „donations” equalling reparations) .....	13,770	2,060
Private capital, net		
Long-term .....	—41	—237
Short-term .....	—3,190	7,435
Special official financing ....	—17,000	—10,037
Errors and omissions .....	—378	526
Total to be covered by compensatory official financing ...	—6,839	—253

There was a surplus of current receipts, excluding the cost of reparations, amount-

ing to 13,770 million marks in 1949 which reduced the total to be financed by compensatory means. In 1950 the surplus was only 2,060 million marks. Private enterprises, on the other hand, made a demand on the currency supply in 1949, while in 1950 they made large net amounts of currency available for other purposes, as referred to above. In consequence the final amount to be supplied by compensatory financing was only 253 million marks last year, or much less than for many years. In 1949 the corresponding total was 6,839 million. These amounts were met in the following way:

	1949 Mill. mk	1950 Mill. mk
Drawn on long-term credits ...	5,496	3,442
Short-term capital, net		
Clearing accounts .....	-1,164	403
Other liabilities .....	3,550	1,582
Other assets .....	-1,041	-3,387
Monetary gold .....	-2	-1,787
<b>Total compensatory official financing .....</b>	<b>6,839</b>	<b>253</b>

Long-term loans were utilized in 1950 as regularly for many years past. Similarly short-term debt was employed, while on the contrary foreign currency accrued for future use or was used for the purchase of gold.

#### THE BALANCE OF PAYMENTS IN 1945—1950.

The balance of payments for 1945 and 1946 have recently been recalculated according to the new principles introduced by the International Monetary Fund and used in this report. At the same time the data for the following years have partly been revised according to new material made available since their original publication. Current transactions were as follows in the period concerned:

	Receipts Mill. mk	Pay- ments Mill. mk	Net receipts Mill. mk
1945 .....	15,200	16,400	-1,200
1946 .....	37,530	38,760	-1,230
1947 .....	63,960	63,770	190
1948 .....	79,220	85,790	-6,570
1949 .....	94,040	92,500	1,540
1950 .....	106,690	112,480	-5,790

Before the war Finland's balance of payments generally recorded a surplus of receipts, but in the post-war period the cost of reconstruction of various kinds and

the strain of the war reparations have reversed the conditions, calling for the financing of part of the payments by loans. Commerce has particularly caused an excess of expenditure. War reparations are recorded both as giving receipts and causing payments. All other current transactions have resulted in a total net surplus of receipts. These circumstances are illustrated by the following series:

	Merchandise less war reparations Mill. mk	War reparations Mill. mk	Other current items Mill. mk
1945 ....	-1,920	±8,170	+720
1946 ....	-4,020	±8,780	+2,790
1947 ....	-2,900	±10,410	+3,090
1948 ....	-11,050	±11,550	+4,480
1949 ....	-4,470	±12,230	+6,010
1950 ....	-7,640	±7,850	+1,850

The foreign advances received in the post-war period have been of essential importance to the economic restoration which otherwise would have been very much retarded. Yet, considering the simultaneous repayments of old and recent loans, the borrowing has been less extensive than might be expected. The following amounts were drawn and paid back on loans in these years, including the transfer of former German assets, in millions of marks and millions of dollars:

	Millions of marks		Equivalent in millions of dollars	
	Drawn	Repaid	Drawn	Repaid
1945 .....	1,172	-99	22	-1
1946 .....	10,771	-1,639	79	-12
1947 .....	8,207	-6,476	60	-48
1948 .....	7,221	-3,628	53	-27
1949 .....	5,496	-4,969	30	-30
1950 .....	3,571	-3,990	15	-17
<b>Total ....</b>	<b>36,438</b>	<b>-20,801</b>	<b>259</b>	<b>-134</b>

Borrowing was at its maximum in 1946, while repayments were especially large the following year. In 1949 nearly as much was repaid as utilized, and in 1950 more was repaid than drawn. At the end of 1950 the long-term foreign debt of Finland amounted to 72,034 million marks. Deducting the known short-term net assets, 1,014 million marks, the total net indebtedness amounted to 71,120 million marks or 312 million dollars. When indebtedness was before at its peak, in 1930, it amounted to 206 million dollars. In to-day's value this is 416 million dollars. That debt was paid in eight years. Even considering the re-

duction since then in the country's resources and the war reparations remaining to be paid, 27.1 million pre-war dollars, the

foreign debt does not seem yet to be threatening in size to the capacity of the country.

## ITEMS.

**The Diet.** A Diet for the next three-year term was elected on July 2 and 3, 1951. Of the 2,466,412 persons entitled to vote 73.3 per cent cast their vote (78.4 per cent in 1948). According to unrevised data the approved votes were divided between the different parties as follows:

	1951	1948
Social Democrats .....	480,000	495,000
Agrarians .....	421,000	456,000
People's Democrats .....	389,000	376,000
Conservatives .....	266,000	320,000
Swedish Party .....	137,000	146,000
Liberal Party .....	101,000	—
Liberals .....	—	73,000
Others .....	15,000	15,000

The seats in the new Diet were divided as follows:

	1951	1948
Social Democrats .....	53	54
Agrarians .....	51	56
People's Democrats .....	43	38
Conservatives .....	28	33
Swedish Party .....	15	14
Liberal Party .....	10	—
Liberals .....	—	5

The bourgeois parties occupy 104 and the leftists 96 seats. The seats of the former Liberals were taken over by the new Liberal Party, a centre party with a liberal programme.

The customary reformation of the Government following elections was postponed to the autumn, as the parties agreed to give the then Government a chance to complete its stabilization programme.

\*

**The external value of the mark.** A par value for the Finnish mark was established with the International Monetary Fund on June 27, 1951. The temporary parity in force since September 1949 was confirmed as the official value. This official rate is 230 marks

per one U.S. dollar, the selling rate of the Bank of Finland being 231 marks and its buying rate 229 marks. The Bank of Finland has been appointed by the Government as the fiscal agency of Finland for dealings with the Fund, and also designated as the depository for all of the Fund's holdings of Finnish currency.

In consequence of the establishment of the par value of the mark Finland had to pay its share in the Fund in July. The total subscription is the equivalent of 38 million dollars. Of this amount 2 per cent had to be paid in gold and the rest in Finnish currency. Non-negotiable, non-interest bearing notes were, however, substituted for the main part of the Finnish currency due, while about 1,565 million marks were paid in currency and deposited by the Fund in the Bank of Finland. The Bank previously held a similar mark account corresponding to Finland's share in the International Bank for Reconstruction and Development. In the statement of the Bank of Finland these accounts have now been separated into a special liability item, balanced by Treasury bills of the same amount among assets, as the liability is actually a State obligation to the international organizations, not an obligation of the Bank of Finland.

\*

**Bank of Finland restricts credits.** By a circular letter dated May 2, 1951, the Bank of Finland enjoined the commercial banks to reduce their rediscounts to an amount not exceeding the total of their capital and reserve funds. This was the rule up to the middle of February, when the stringency of the money market demanded an increase in credits. The return to former conditions should be completed by the end of September. The reduction

of rediscounts is facilitated by the influx of foreign currency from exports of sawn and round timber in the summer. This measure aims at basing a greater part than before of the bank's lending on real saving instead of borrowing from the central bank. If, after October 1, the rediscounts of a bank exceed its own funds, its grants of credits of more than 500,000 marks must be approved of by the Bank of Finland.

\*

**Census of 1950.** Preliminary figures are available regarding the number of the population and its distribution by language and sex at the end of December 1950. According to information supplied by the Central Statistical Office Finland's population amounted to 4,033,000 persons, of them 1,925,000 males. Altogether 1,039,000 persons were domiciled in towns, 263,000 in boroughs and 2,731,000 in rural districts. The distribution according to language was as follows: Finnish-speaking 3,675,000 or 91.2 per cent, Swedish-speaking 345,000 or 8.6 per cent, others 9,000 or 0.2 per cent.

\*

**Trade agreements.** In the summer trade agreements have been concluded with the following countries.

*Eastern Germany.* On July 19 a trade and payments agreement was signed for the latter half of 1951. Finland's exports will include fir pulp wood, chemical pulp, sawn timber, paper, paper and board products, eggs, cheese, and red whortleberries. Imports will comprise lignite briquettes (30,000 tons), chemicals and salts, machinery for the textile industry, motor cars, motor bicycles, electric motors, fine mechanics and optics, office machines, glass ware, textiles, musical instruments, etc. The values of imports and exports have not yet been fixed.

*Denmark.* On June 7 an agreement was concluded regarding trade during the year beginning July 1, 1951. Finnish exports will amount to about 290 million Danish crowns and imports to about 250 million crowns. The exchange of goods is hampered by the Danish free list having been cut down and the exportation of many articles made dependent on licences. The agree-

ment refers only to goods of Danish origin, while grants of licences for third-country goods are to be considered in each case by the authorities of both countries. Finland will export sawn timber, mechanical and chemical pulp, poles, aspen wood, plywood, newsprint and other qualities of paper, board and cardboard, asbestos, household and sanitary china, glass ware, etc. Finland's imports will include butter, fish, sugar, fresh fruit, yarn, rubber goods, clothing, pharmaceutical products including penicillin, dyes and paints, cement, iron and other metal products, vessels, locomotives, electric requisites, and material for the wireless industry.

*Poland.* On August 2, 1951, a supplementary agreement was signed guaranteeing increased imports of coal and coke from Poland in the current year. Finland will correspondingly increase her export quantities.

\*

**New vessels.** Considerable orders for tonnage have been made by Finnish ship-owners in recent months. The vessels are to be delivered during 1952 and 1953. They will raise the Finnish tonnage by about 80,000 gross reg. tons (140 tons d.w.) from the present 573,000 tons; the pre-war tonnage was 649,000 tons. Altogether 25 vessels have been ordered, 2 of them being passenger ships, 3 tankers and the rest cargo ships. The passenger ships will be of 3,000 gross reg. tons and take about 400 passengers. One of them will ply between Helsinki and Stockholm next summer. The tankers will all be of about the same size, 14,900 tons d.w. The traders will vary between 850 and 9,400 tons d.w. and are intended for traffic in the North Sea or on the South America line. The „Finntrader” will have two sister vessels. Of the new ships Holland will deliver no less than 20, including the tankers, Sweden 2, and England and Denmark one each, while one will be built at home. By these purchases Finland's merchant fleet will be greatly modernized.

\*

**Air traffic.** The inland air traffic is almost exclusively in the hands of the State-owned company Aero Oy, a few per

cent only falling to the share of two small private enterprises. Aero also carries more than 50 per cent of the traffic on foreign air ports, while the rest is carried by 10 foreign companies, the most important of which are the Scandinavian Airlines System and the Pan American Airways. In 1950 Aero registered 2.1 million kilometres flown as against 1.8 million kilometres in 1949. The total number of passengers was 75,600 (61,800 in 1949). Altogether 765 tons of luggage, 190 tons of mail and 296 tons of cargo were carried. Of this, 43,300 (34,000) passengers, 218 tons of luggage, 77 tons of mail, and 101 tons of cargo were carried on inland lines. To or from Helsinki, foreign companies transported 21,900 passengers, 353 tons of luggage, 104 tons of mail and 284 tons of cargo in 1950.

\*

**Crop prospects.** According to the estimates of the Board of Agriculture for the middle of August, a crop below the average is to be expected. The prospects were far worse in June owing to the cold weather. In July the temperature was still 1.2—2.2° C below normal, but in August 1—2° C above the normal. The growth was delayed by 2 or 3 weeks. The summer has

been unusually dry, the rainfall being 74—88 per cent of the normal in South Finland, somewhat more plentiful in the central regions and, except in August, even abundant in North Finland.

The following index numbers, based on the average crops for 1948—1950 (= 100) show the estimated crops per hectare in 1951.

Autumn wheat .....	89
Autumn rye .....	85
Spring wheat .....	85
Barley .....	90
Oats .....	86
Peas .....	86
Potatoes .....	91
Sugar beet .....	78
Hay .....	85
Fodder plants .....	82
Timothy seeds .....	70

Autumn sowings were affected by drought in South Finland, but harvesting could proceed in good weather. Spring grains are poorer, on the whole, in South Finland, but satisfactory, partly even good, in other parts of the country. Oats in particular have developed well in Northern Finland. Sugar beet and fodder crops have suffered from drought in South-West Finland. The hay crop was improved by rain at the last moment, but grazing is poor except in the northernmost parts of the country.



## BANK OF FINLAND

(Cable address Suomenpankki)

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 Kivialho, K.  
 Jutila, K. T.  
 Raittinen, Paavo  
 Kekkonen, Urho, absent as Prime Minister  
 Leinonen, Esko K., ad. int.

### HEADS OF DEPARTMENT:

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Tudeer, A. E., Institute for Economic Research	Aspelund, A., Cash
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