



# BANK OF FINLAND

## MONTHLY BULLETIN

Vol. XXII. Nos. 11—12 NOVEMBER—DECEMBER

1948

### THE FINNISH MARKET REVIEW.

#### THE MONEY MARKET.

On the money market, as in the whole economic situation, a clear turn for the better occurred in 1948. The reasons and the preceding stringency on the money market have been referred to in previous reviews. In particular the increase in savings, the basis of this change, has continued, and this implies permanent factors apart from the temporary and seasonal ones that caused the autumn's favourable movement. Yet the situation on the money market has not become normal. In real value savings are still much below pre-war level, which causes a certain amount of stringency; the demand for credit is still great although in the wood-working industry it is unexpectedly low because of restricted forest work and trade. In 1948 there was a noticeable change in the monetary situation of the public the recent ample supply becoming a scarcity, and this was badly felt in many branches. The real reason for this is probably that the supply of goods has increased out of proportion to the money in circulation, as new purchasing power does not get available nearly at the same rate as before the inflation slowed down. The improved conditions for saving had a similar effect.

All the banking figures for December are not yet available, and this survey is based on November data. They show that the deposit accounts of the public in the

credit institutions — the best barometer of saving — increased by 9,579 million marks, or 15 per cent, in January—November 1948 as against 5,891 million or 11 per cent, one year earlier. The turn for the better took place in Summer, and this reduced the total result as saving was weak early in the year. At the end of November deposit accounts of the public amounted to 72,616 million marks. The *Commercial Banks'* data for the last few months show a favourable movement, particularly in deposits, which increased each month. On the other hand the change in total deposits was not equally favourable, as in some months, e.g. in November, cheque accounts were considerably reduced, mainly because of taxes paid. As the Commercial Banks have been cautious in granting credits they have had a large surplus of deposits and this increased towards the end of the year. Their position is therefore stronger as seen from the reduction of re-discounts and the increase in cash holdings. At the very end of 1948 and in the beginning of 1949 re-discounts have again increased.

Thus the increase in savings did not increase credits, in spite of demand being active, less in some spheres but more in others owing to financing difficulties. Total credits granted by the Commercial Banks were reduced both in August and September but again rose in October and November when the sales tax was paid. In the first eleven months of 1948 they increased by

8,276 million marks as against 8,750 million in the same months of the year before. The high interest rate on credit has had the effect intended, to check somewhat the demand for credit. Some quarters now consider that the interest rate should be lowered, chiefly because of the burden it lays on trade and industry.

The great reduction in the *Bank of Finland's* credits to other banks in the autumn, i. e. in September and October, was due to the causes referred to above. Rediscounted bills were at their lowest in the last week of October when they fell as far as 78 million marks. Later they again increased reaching 1,697 million marks at the end of December. The other credits granted by the Bank decreased in Autumn, as seen from the Treasury bills which, 23,730 million marks at the end of October, amounted to 19,230 million at the end of December. They were at their lowest, 13,630 million marks, in the beginning of June. The central bank credits to trade and industry were also reduced in the autumn. At the end of June they were nearly 18 billion marks, decreasing to 15. billion by the end of October and further to 13.6 billion in the last week of December. The total credits of the Bank of Finland, including those to other banks, amounted to 35,023 million marks at the end of the year as against 34,897 million at the end of 1947, thus showing little change on the whole. In the summer and early autumn they indeed were much larger, the peak 39,145 million marks occurring in the second week of August. Owing to the interruption in the increase of credits the note circulation at first remained unchanged and then was reduced. At the end of September it had reached its maximum — 28,189 million marks — but decreased in October and on to the end of the year, although slowly. On the last of December the notes in circulation amounted to 27,369 million marks, or only 2,207 million more than on the same day of 1947, while in the spring this difference had been about 6 billion.

## PRICES.

The rise in prices that had lasted several years and continued earlier in 1948, became a slight decrease towards the end of the year. The cost of living index (August 1938 — July 1939 = 100) slowly fell each month, beginning in September, and was 798 in December. The fall in the wholesale price index (1935 = 100) began in August and has since been regular, the general index for home market goods being 1,104 in December. In July it was at its highest, or 1,124. Prices indeed rose somewhat on the whole last year but much less than in 1947, the cost of living index by 10.6 per cent as against 53.8 per cent. For the stability of money it was very important that the special cost of living index on which wages are based has not risen since August when it was 112 points, so that no new general increase in wages has been necessary. Yet prices are not stable enough to eliminate the risks of inflation.

## TRADE AND INDUSTRY.

Data of total industry in the third quarter of 1948 show a slight reduction in production since the two preceding quarters. Yet it was about 20 per cent larger than in the same quarter of last year and about the same as in the maximum year 1938. The volume of the home market production is already slightly above peacetime production, while export production is slightly below it. Export industry had some marketing difficulties in the autumn and in consequence forest work has been reduced since last felling season.

The tightening on export markets is seen in foreign trade, the growth of which was interrupted towards the end of the year. Imports suffered from the lack of foreign currency which was not alleviated by foreign loans. In 1948 total imports amounted to 66,439 million marks and commercial exports to 56,505 million marks. The excess of imports was slightly less than war indemnity exports, 11,546 million marks.



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

	1947		1948					
	Mill. mk		Mill. mk					
	31/12	31/7	31/8	30/9	30/10	30/11	31/12	
<b>ASSETS.</b>								
I. Gold Reserve .....	2	268	268	268	268	268	268	
Foreign Correspondents .....	621	592	545	611	575	1 275	2 027	
II. Foreign Bills .....	312	344	340	386	409	436	429	
Foreign Bank Notes and Coupons .....	31	23	24	16	21	25	22	
Inland Bills .....	34 478	37 833	38 823	37 788	38 511	35 290	34 518	
III. Loans on Security .....	24	22	22	22	22	22	22	
Advances on Current Accounts .....	395	217	279	540	387	514	483	
Bonds in Finnish Currency .....	216	746	745	743	741	739	725	
» » Foreign » .....	166	151	152	152	150	151	162	
Bank Premises and Furniture .....	—	—	—	—	—	—	—	
Sundry Assets .....	1 260	892	761	1 505	1 800	925	1 365	
Total	37 505	41 093	41 959	42 031	42 884	39 645	40 021	
<b>LIABILITIES.</b>								
Notes in circulation .....	25 162	27 371	28 078	28 189	28 011	27 400	27 369	
Other Liabilities payable on demand:								
Balance of Current Accounts due to the Treasury	114	72	112	—	190	—	19	
» » » » » Others .....	2 884	1 372	1 309	2 057	3 235	1 335	1 463	
Bank-Post-Bills .....	166	46	51	37	117	53	68	
Foreign Correspondents .....	136	1 187	1 048	1 070	1 145	1 151	1 122	
Foreign Clearing Accounts .....	2 269	4 060	4 051	3 255	2 792	2 219	2 199	
Sundry Accounts .....	54	111	273	297	55	45	335	
Capital .....	1 250	5 000	5 000	5 000	5 000	5 000	5 000	
Reserve Fund .....	1 433	135	137	137	137	137	137	
Bank Premises and Furniture .....	—	—	—	—	—	—	—	
Earnings less Expenses .....	604	397	450	590	740	862	834	
Undisposed Profits .....	—	2	—	—	—	—	—	
Sundry Liabilities .....	3 433	1 340	1 450	1 399	1 432	1 443	1 475	
Total	37 505	41 093	41 959	42 031	42 884	39 645	40 021	

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

	1947		1948					
	Mill. mk		Mill. mk					
	31/12	31/7	31/8	30/9	30/10	30/11	31/12	
<b>RIGHT TO ISSUE NOTES.</b>								
Gold Reserve and Foreign Correspondents .....	623	860	813	879	843	1 543	2 295	
According to Law of Dec. 13, 1939 <sup>1)</sup> .....	34 821	38 205	39 187	38 190	38 941	35 751	34 969	
Additional Right of Issue .....	1 800	1 800	1 800	1 800	1 800	1 800	1 800	
Total	37 244	40 865	41 800	40 869	41 584	39 094	39 064	
<b>AMOUNT OF ISSUE USED.</b>								
Notes in circulation .....	25 162	27 371	28 078	28 189	28 011	27 400	27 369	
Other Liabilities payable on demand .....	5 623	6 848	6 844	6 716	7 564	4 803	5 206	
Undrawn Amount of Advances on Current Accounts .....	533	786	723	463	616	491	526	
Total	31 318	35 005	35 645	35 368	36 191	32 694	33 101	
<b>NOTE RESERVE .....</b>	<b>5 926</b>	<b>5 860</b>	<b>6 155</b>	<b>5 501</b>	<b>5 393</b>	<b>6 400</b>	<b>5 963</b>	
Grand total	37 244	40 865	41 800	40 869	41 584	39 094	39 064	

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

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

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

End of Month	Notes in Circulation Mill. mk				(Foreign Correspondents <sup>1)</sup> Mill. mk				Cover for the Issue of Notes Percentage of Liabilities Payable on demand				End of Month		
	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement			
Jan.	[13 598]	15 580	17 172	23 255	- 1 904	1 611	2 350	1 395	+ 774	[115.46]	112.10	110.38	115.26	+ 2.09	Jan.
Febr.	15 631	18 896	24 448	+ 1 190	1 883	2 391	1 799	+ 404	112.75	110.59	114.35	- 0.91	Febr.		
March	17 323	20 944	26 776	+ 2 328	1 216	3 116	2 452	+ 653	113.10	110.07	109.41	- 4.94	March		
April	18 534	21 566	27 850	+ 1 074	1 038	1 931	446	- 2 006	111.95	111.82	110.59	+ 1.18	April		
May	18 442	21 653	27 112	- 738	604	1 893	577	+ 131	109.97	112.44	112.59	+ 2.00	May		
June	17 657	22 415	27 204	+ 92	848	1 157	652	+ 75	109.73	112.18	113.63	+ 1.04	June		
July	17 269	22 956	27 371	+ 167	775	1 248	592	- 60	108.35	113.78	111.60	- 2.03	July		
Aug.	17 986	23 945	28 078	+ 707	1 365	762	545	- 47	109.11	114.11	112.22	+ 0.62	Aug.		
Sept.	19 076	24 484	28 189	+ 111	1 586	776	611	+ 66	110.27	112.96	110.47	- 1.75	Sept.		
Oct.	19 667	25 129	28 011	- 178	1 475	464	575	- 36	109.92	113.73	109.93	- 0.54	Oct.		
Nov.	19 492	25 809	27 400	- 611	1 977	685	1 275	+ 700	110.62	114.71	114.07	+ 4.14	Nov.		
Dec.	18 233	25 162	27 369	- 31	1 915	621	2 027	+ 752	108.59	113.17	112.58	- 1.49	Dec.		

<sup>1)</sup> Credit balances with foreign correspondents.

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

End of Month	Note Reserve Mill. mk				Home Loans <sup>1)</sup> Mill. mk				Re-discounted Bills (included in Home Loans) Mill. mk				End of Month	
	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement		
Jan.	[5 018]	4 379	4 561	6 205	+ 279	22 151	27 452	31 843	- 3 054	—	968	530	- 2 966	Jan.
Febr.	4 461	4 737	6 092	- 113	21 794	28 699	32 470	+ 627	625	2 474	3 384	+ 2 854	Febr.	
March	4 731	4 852	4 927	- 1 165	24 433	30 580	33 855	+ 1 385	949	1 352	2 197	- 1 187	March	
April	4 687	5 387	5 470	+ 543	26 429	32 174	37 617	+ 3 762	934	998	2 570	+ 373	April	
May	4 601	5 463	6 042	+ 572	30 726	31 451	37 119	- 498	2 481	2 257	4 436	+ 1 866	May	
June	4 685	5 397	6 433	+ 391	32 283	32 164	37 627	+ 508	2 874	1 909	3 980	- 456	June	
July	4 386	5 832	5 860	- 573	32 837	32 033	38 072	+ 445	1 646	687	1 077	- 2 903	July	
Aug.	4 617	6 021	6 155	+ 295	32 920	33 242	39 124	+ 1 052	2 156	730	1 419	+ 342	Aug.	
Sept.	4 989	5 641	5 501	- 654	33 043	32 859	38 350	- 774	1 679	466	648	- 771	Sept.	
Oct.	4 777	5 917	5 393	- 108	31 845	33 699	38 920	+ 570	1 048	369	78	- 570	Oct.	
Nov.	4 839	6 246	6 400	+ 1 007	30 312	34 208	35 826	- 3 094	1 959	2 537	1 325	+ 1 247	Nov.	
Dec.	4 245	5 926	5 963	- 437	29 409	34 897	35 023	- 803	2 458	3 496	1 697	+ 372	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	
	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement		
Jan.	[18 600]	17 950	18 000	17 830	- 670	[149]	160	- 20	- 134	888	1 087	1 182	- 1 702	Jan.
Febr.	16 450	16 950	14 600	- 3 230	- 69	- 567	- 32	- 12	743	789	1 048	- 184	Febr.	
March	18 150	19 300	16 900	+ 2 300	69	- 153	- 653	- 621	654	1 550	1 587	+ 539	March	
April	19 550	20 300	18 400	+ 1 500	94	556	190	+ 843	1 068	798	1 356	- 231	April	
May	21 750	17 500	14 730	- 3 670	- 139	- 17	56	- 134	1 047	1 221	1 024	- 332	May	
June	22 500	18 400	15 430	+ 700	64	144	- 364	- 420	860	853	1 046	+ 22	June	
July	23 900	19 700	20 030	+ 4 600	195	425	72	+ 436	855	597	1 372	+ 326	July	
Aug.	23 500	21 000	20 830	+ 800	- 146	62	112	+ 40	973	1 011	1 308	- 64	Aug.	
Sept.	24 300	20 800	21 230	+ 400	39	293	- 39	- 151	1 036	1 301	2 057	+ 749	Sept.	
Oct.	23 520	21 350	23 730	+ 2 500	147	277	190	+ 229	1 427	1 308	3 265	+ 1 208	Oct.	
Nov.	20 370	18 800	19 830	- 3 900	246	872	- 215	- 405	683	633	1 335	- 1 930	Nov.	
Dec.	17 920	18 500	19 230	- 600	599	114	19	+ 234	1 481	2 884	1 463	+ 128	Dec.	

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

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

		1946	1946	1946	1946	1947	1948	1948
		31/5	30/6	31/7	31/8—31/12	31/1—31/12	31/1—30/9	31/10—31/12
New York	1 Dollar	136:—	136:—	136:—	135:—	136:—	136:—	136:—
London	1 Pound	547:—	547:—	547:—	547:—	547:—	547:—	547:—
Stockholm	100 Kronor	3 230:—	3 230:—	3 790:—	3 790:—	3 790:—	3 790:—	3 790:—
Paris	100 Francs	114:—	114:—	114:—	114:—	114:—	63: 35	51: 37
Brussels	100 Francs	310:—	310:—	310:—	310:—	310:—	310:—	310:—
Amsterdam	100 Guilders	—	5 120:—	5 120:—	5 120:—	5 120:—	5 120:—	5 120:—
Basle	100 Francs	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—	3 175:—
Oslo	100 Kroner	2 745:—	2 745:—	2 745:—	2 745:—	2 745:—	2 745:—	2 745:—
Copenhagen	100 Kroner	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—	2 830:—
Prague	100 Koruny	—	275:—	275:—	275:—	275:—	275:—	275:—
Montreal	1 Dollar	124:—	124:—	135: 50	135: 50	135: 50	135: 50	135: 50
Lisbon	100 Escudos	560:—	560:—	560:—	560:—	560:—	560:—	560:—
Rio de Janeiro	100 Cruzeiros	760:—	760:—	740:—	765:—	765:—	765:—	765:—

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

End of Month	Due to the Public				Due to other Credit Institutions		Total			Monthly Movement	Credits from the Bank of Finland		End of Month
	Cheque Accounts		Deposits		Mill. mk		Mill. mk				Mill. mk		
	1947	1948	1947	1948	1947	1948	1946	1947	1948		1947	1948	
Jan.	[13 695]		[17 564]		[4 171]		[35 308]				[2 896]		Jan.
Febr.	13 641	17 417	17 912	20 152	4 055	6 855	33 731	35 608	44 424	+ 88	722	530	Febr.
March	12 507	15 685	18 101	20 335	3 990	5 934	32 833	34 598	41 954	— 2 470	2 438	3 384	March
April	13 301	18 001	18 774	20 760	5 062	5 898	33 314	37 137	44 659	+ 2 705	1 476	2 201	April
May	13 857	18 063	18 939	21 175	5 515	5 982	34 076	38 311	45 220	+ 561	1 159	2 590	May
June	14 384	17 359	18 955	21 154	5 625	5 095	33 737	38 964	43 608	— 1 612	2 257	4 441	June
July	14 657	17 827	18 966	21 308	5 430	4 702	33 675	39 103	43 837	+ 229	1 908	3 850	July
Aug.	14 829	19 000	19 197	21 765	6 001	6 067	34 008	40 027	46 832	+ 2 995	682	896	Aug.
Sept.	14 779	17 627	19 646	22 675	7 059	6 354	34 072	41 484	46 656	— 176	728	1 409	Sept.
Oct.	16 426	19 740	19 514	22 820	6 867	5 908	34 488	42 807	48 468	+ 1 812	466	640	Oct.
Nov.	16 767	21 570	19 270	22 860	6 933	6 879	35 431	42 970	51 309	+ 2 841	374	79	Nov.
Dec.	16 217	19 063	19 098	23 072	5 324	6 056	34 438	41 139	48 191	— 3 118	2 542	1 333	Dec.
	17 754		19 981		6 601		35 430	44 336			3 502		

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

## 8. — COMMERCIAL BANKS. HOME LOANS.

End of Month	To the Public				To other Credit Institutions		Total			Monthly Movement		End of Month	
	Inland Bills		Other Credits		Mill. mk		Mill. mk						
	1947	1948	1947	1948	1947	1948	1946	1947	1948	1947	1948		
Jan.	[10 176]		[18 598]		[755]		[22 293]						Jan.
Febr.	10 345	17 173	19 092	20 163	658	1 933	24 431	30 095	39 269	+ 566	+ 1 609	471	Febr.
March	10 818	18 332	19 418	19 626	614	1 732	24 704	30 850	39 740	+ 755	+ 334	334	March
April	11 984	18 939	19 280	19 435	873	1 700	26 015	32 137	40 074	+ 1 287	+ 2 196	2 196	April
May	13 707	20 330	19 515	19 759	942	1 681	27 175	34 164	42 270	+ 2 027	+ 752	752	May
June	14 639	21 691	19 487	19 830	1 086	1 501	28 576	35 212	43 022	+ 1 048	+ 234	234	June
July	14 670	21 322	19 404	19 657	971	1 309	29 059	35 045	42 788	— 167	— 1 183	1 183	July
Aug.	15 171	22 053	19 616	19 934	1 320	1 984	29 047	36 107	43 971	+ 1 062	+ 168	168	Aug.
Sept.	15 543	22 326	19 056	19 351	1 372	2 126	28 621	35 971	43 803	— 136	— 559	559	Sept.
Oct.	15 929	21 780	19 163	19 281	1 322	2 183	28 417	36 414	43 244	+ 443	+ 2 127	2 127	Oct.
Nov.	16 236	22 984	19 854	19 765	1 711	2 622	28 903	37 801	45 371	+ 1 387	+ 478	478	Nov.
Dec.	16 801	24 151	20 045	19 591	1 433	2 194	29 245	38 279	45 936	+ 478	+ 619	619	Dec.
	16 589		19 289		1 782		29 529	37 660					

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

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

End of Month	Claims Mill. mk				Indebtedness <sup>1)</sup> Mill. mk				Net Claims (+) or Net Indebtedness (-) Mill. mk				Monthly Movement		End of Month
	1945	1946	1947	1948	1945	1946	1947	1948	1945	1946	1947	1948	1947	1948	
Jan.	[125]	342	2 501	2 982	[247]	355	2 299	2 566	[-122]	- 13	+ 202	+ 416	-154	- 721	Jan.
Febr.	103	473	2 397	2 447	255	357	2 092	2 219	-152	+116	+ 305	+ 228	+103	- 188	Febr.
March	84	662	2 322	2 380	263	720	2 224	2 161	-179	- 58	+ 98	+ 219	-207	- 9	March
April	86	696	2 351	2 890	276	819	2 309	2 340	-190	-123	+ 42	+ 550	- 56	+ 331	April
May	91	781	2 588	2 583	274	982	2 450	2 282	-183	-201	+ 138	+ 301	+ 96	+ 249	May
June	95	796	2 815	2 496	283	999	2 474	2 217	-188	-203	+ 341	+ 279	+203	- 22	June
July	86	672	3 351	2 394	296	868	2 442	2 184	-210	-196	+ 909	+ 210	+568	- 69	July
Aug.	98	673	3 232	2 505	292	860	2 230	2 221	-194	-187	+ 1 002	+ 284	+ 93	+ 74	Aug.
Sept.	104	859	3 777	2 631	301	911	2 564	2 359	-197	- 52	+ 1 213	+ 272	+211	- 12	Sept.
Oct.	176	1 169	3 975	2 528	313	919	2 792	2 273	-137	+250	+ 1 183	+ 255	- 30	- 17	Oct.
Nov.	232	2 090	4 150	2 550	317	932	3 105	2 385	- 85	+158	+ 1 045	+ 165	-138	- 90	Nov.
Dec.	385	2 460	4 085		352	2 104	2 948		+ 33	+356	+ 1 137		+ 92		Dec.

<sup>1)</sup> From December 1946 including currency sold against documentary credits.

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

**11. — DEPOSITS IN POST OFFICE SAVINGS BANK. <sup>2)</sup>**

End of Month	Net Claims (+) or Net Indebtedness (-) Mill. mk			Monthly Movement			
	1945	1946	1947	1948	1947	1948	
Jan.	[-813]	- 822	-1 166	-4 806	- 1 631	+ 347	-1296
Febr.	- 875	- 398	-4 621	- 1 525	+ 185	+ 106	
March	- 991	-1 289	-3 762	- 1 061	+ 859	+ 464	
April	- 951	-1 487	-4 572	-3 185	- 810	-2124	
May	- 887	-6 509	-3 722	-3 135	+ 850	+ 50	
June	- 929	-8 486	-3 360	-3 589	+ 362	- 454	
July	-1 332	-9 289	-1 940	-4 101	+1 420	- 512	
Aug.	-1 379	-8 620	-1 968	-3 930	- 28	+ 171	
Sept.	-1 507	-7 439	- 690	-3 056	+1 278	+ 874	
Oct.	-1 624	-6 350	- 588	-2 698	+ 102	+ 358	
Nov.	-2 543	-5 595	- 364	-1 494	+ 224	+1204	
Dec.	-1 556	-5 153	- 335		+ 29		

End of Month	Deposits Mill. mk				Monthly Movement		End of Month	
	1945	1946	1947	1948	1947	1948		
Jan.	[3 170]	3 355	5 319	7 365	8 581	+152	+ 187	Jan.
Febr.	3 337	5 370	7 481	8 418	+116	- 163	Febr.	
March	3 342	5 589	7 574	8 487	+ 93	+ 69	March	
April	3 413	5 712	7 527	8 509	- 47	+ 22	April	
May	3 749	5 784	7 609	8 371	+ 82	- 138	May	
June	4 112	5 846	7 692	8 438	+ 83	+ 67	June	
July	4 139	5 940	7 796	8 606	+104	+ 168	July	
Aug.	4 130	6 488	8 086	9 113	+290	+ 507	Aug.	
Sept.	4 494	6 647	8 094	9 184	+ 8	+ 71	Sept.	
Oct.	4 681	6 777	8 123	9 225	+ 29	+ 41	Oct.	
Nov.	4 784	6 845	7 956	9 170	-167	- 55	Nov.	
Dec.	5 417	7 213	8 394		+438		Dec.	

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

<sup>2)</sup> According to figures supplied by the Post Office Savings Bank.

**12. — DEPOSITS IN THE SAVINGS BANKS.**

End of Month	Savings Accounts Mill. mk			Current Accounts Mill. mk			Total Mill. mk				Monthly Movement		End of Month		
	1946	1947	1948	1946	1947	1948	1945	1946	1947	1948	1947	1948			
Jan.	[17 583]	17 465	19 637	23 102	[1 247]	916	1 228	1 969	14 004	18 381	20 865	25 071	+ 84	+147	Jan.
Febr.	17 603	19 834	23 282	23 282	923	1 263	1 920	14 216	18 526	21 097	25 202	+ 232	+131	Febr.	
March	17 770	20 203	23 506	23 506	981	1 426	1 953	14 311	18 751	21 629	25 459	+ 532	+257	March	
April	17 896	20 530	23 951	23 951	1 050	1 624	2 030	14 334	18 946	22 154	25 981	+ 525	+522	April	
May	17 884	20 681	23 997	23 997	1 156	1 654	1 808	14 553	19 040	22 335	25 805	+ 181	-176	May	
June	18 303	20 763	24 075	24 075	1 262	1 669	1 820	15 004	19 565	22 432	25 895	+ 97	+ 90	June	
July	18 431	21 100	24 515	24 515	1 260	1 787	2 039	15 186	19 691	22 887	26 554	+ 455	+659	July	
Aug.	18 586	21 497	24 987	24 987	1 353	1 798	1 970	15 401	19 939	23 295	26 957	+ 408	+403	Aug.	
Sept.	18 628	21 567	25 233	25 233	1 409	1 946	2 020	16 294	20 037	23 513	27 253	+ 218	+296	Sept.	
Oct.	18 562	21 591	25 407	25 407	1 363	2 132	2 337	16 831	19 925	23 723	27 744	+ 210	+491	Oct.	
Nov.	18 593	21 519	25 676	25 676	1 334	2 082	2 326	17 201	19 927	23 601	28 002	- 122	+258	Nov.	
Dec.	19 461	22 880			1 320	2 044		18 830	20 781	24 924		+1 323		Dec.	

According to figures supplied by the Central Statistical Office.

The figures in brackets [ ] 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				Monthly Movement		Deposits in Consumers' Co-operative Societies <sup>2)</sup> Mill. mk				Monthly Movement		End of Month		
	1945	1946	1947	1948	1947	1948	1945	1946	1947	1948	1947	1948			
Jan.	[4 507]	4 602	6 757	8 339	11 332	— 52	— 52	[1 268]	1 318	2 031	2 315	2 824	+ 53	+ 69	Jan.
Febr.	4 661	6 838	8 433	11 384	11 384	+ 94	+ 52	1 341	2 053	2 354	2 862	2 862	+ 39	+ 38	Febr.
March	4 804	7 118	8 962	11 687	11 687	+529	+ 303	1 354	2 085	2 414	2 938	2 938	+ 60	+ 76	March
April	4 842	7 304	9 292	12 015	12 015	+330	+ 328	1 363	2 112	2 459	3 074	3 074	+ 45	+ 136	April
May	4 978	7 405	9 407	11 982	11 982	+115	+ 33	1 388	2 112	2 473	3 201	3 201	+ 14	+ 127	May
June	5 150	7 534	9 604	11 971	11 971	+197	— 11	1 429	2 138	2 521	3 204	3 204	+ 48	+ 3	June
July	5 246	7 606	9 838	12 408	12 408	+234	+ 437	1 447	2 192	2 549	3 249	3 249	+ 28	+ 45	July
Aug.	5 332	7 739	10 412	13 085	13 085	+574	+ 677	1 465	2 127	2 573	3 314	3 314	+ 24	+ 65	Aug.
Sept.	5 657	7 869	10 618	13 043	13 043	+206	— 42	1 599	2 126	2 584	3 343	3 343	+ 11	+ 29	Sept.
Oct.	5 901	7 883	10 667	13 212	13 212	+ 49	+ 169	1 690	2 130	2 586	3 371	3 371	+ 2	+ 28	Oct.
Nov.	6 061	7 871	10 597	13 271	13 271	— 70	+ 59	1 755	2 145	2 595	3 441	3 441	+ 9	+ 70	Nov.
Dec.	6 926	8 391	11 360*			+763		2 036	2 262	2 755			+160		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				Monthly Movement		
	1945	1946	1947	1948	1947	1948	
Jan.	[44 535]	45 061	59 332	70 534	85 598	+ 517	+ 185
Febr.	45 586	59 378	70 066	84 182	84 182	— 468	— 1 416
March	46 263	60 517	72 866	87 632	87 632	+2 800	+ 3 450
April	46 420	62 351	74 405	89 047	89 047	+1 539	+ 1 415
May	47 396	62 475	75 290	88 090	88 090	+ 885	— 957
June	49 098	63 601	76 046	88 845	88 845	+ 756	+ 755
July	49 067	64 423	77 264	91 806	91 806	+1 218	+ 2 961
Aug.	49 285	65 664	79 070	93 014	93 014	+1 806	+ 1 208
Sept.	52 835	66 716	81 102	95 604	95 604	+2 032	+ 2 590
Oct.	54 874	67 988	81 390	98 157	98 157	+ 288	+ 2 553
Nov.	56 186	67 504	80 303	96 313	96 313	—1 087	— 1 844
Dec.	61 417	70 017	85 413*			+5 410*	

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

### 15. — INSURANCES IN LIFE ASSURANCE COMPANIES.

End of Month	New risks accepted <sup>1)</sup>				
	1947		1948		
	Number	Amount Mill. mk	Number	Amount Mill. mk	
Jan.	14 135	834	14 093*	1 336*	January
Febr.	15 919	981	16 387*	1 620*	February
March	18 071	1 133	16 842*	1 709*	March
April	15 669	1 011	16 621*	1 772*	April
May	14 404	944	15 287*	1 673*	May
June	14 719	983	16 188*	1 841*	June
July	9 541	685	11 033*	1 222*	July
Aug.	10 837	787	13 214*	1 482*	August
Sept.	13 214	1 038	15 310*	1 822*	September
Oct.	15 952	1 288	18 976*	2 251*	October
Nov.	18 527	1 540	22 124*	2 587*	November
Dec.	20 069	1 764			December
	181 057	12 988			Total
	160 988	11 224	176 075*	19 315*	Jan.—Nov.

<sup>1)</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	
1944	523	239	316	633	176	128	2	1	+ 347	+ 742	1944
1945	1 485	797	428	511	120	111	4	34	+1 365	+1 163	1945
1946	1 355	649	956	3 764	110	51	8	7	+1 245	+4 355	1946
1947	955	749	826	2 740	98	47	7	73	+ 857	+3 369	1947
1948	1 316	1 679	691	4 291	159	180	20	49	+1 157	+5 741	1948
1947											1947
Oct.—Dec.	221	264	221	1 340	43	19	5	3	+ 178	+1 582	Oct.—Dec.
1948											1948
Jan.—March	202	480	177	500	37	14	5	37	+ 165	+ 929	Jan.—March
April—June	316	236	174	827	37	13	1	2	+ 279	+1 048	April—June
July—Sept.	363	682	132	935	22	17	5	3	+ 341	+1 647	July—Sept.
Oct.—Dec.	435	277	208	1 979	63	135	9	8	+ 372	+2 113	Oct.—Dec.

Figures supplied by the Central Statistical Office.

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

\* Preliminary figures subject to minor alterations.



**17. — BANKRUPTCIES.**

Month	Bankruptcies <sup>1)</sup>					
	Number					
	1943	1944	1945	1946	1947	1948
January	15	7	10	13	15	8
February	8	10	7	8	14	8
March	8	4	6	10	8	14
April	10	12	3	7	10	11
May	13	6	7	11	5	9
June	9	2	12	6	12	5
July	11	9	3	6	5	3
August	4	12	8	6	8	11
September	1	15	2	6	11	10
October	7	10	11	17	8	
November	12	10	2	13	12	
December	11	8	8	5	7	
Total	109	105	79	108	115	79
Jan.—Sept.	79	77	58	73	88	79

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

**18. — STOCK EXCHANGE.**

Month	Turnover of Stock Exchange <sup>1)</sup>					Month
	Mill. mk					
	1943	1944	1945	1946	1947	
January	24	30	29	54	83	122
February	26	38	41	75	84	105
March	29	44	117	65	70	106
April	34	27	108	57	81	147
May	48	41	81	144	106	89
June	30	49	129	87	75	120
July	28	31	114	59	70	100
August	24	44	132	40	53	91
September	59	51	219	87	166	93
October	37	33	157	170	151	99
November	40	53	94	206	110	113
December	46	47	109	144	200	91
Total	425	488	1330	1188	1249	1276

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

**19. — STOCK EXCHANGE INDEX. 1935=100.**

Month	Share Prices											Month
	All kinds				Bank Shares				Industrial Shares			
	1945	1946	1947	1948	1945	1946	1947	1948	1945	1946	1947	
January	218	414	324	337	111	143	108	110	262	536	411	423
February	214	324	304	304	109	130	106	105	258	407	379	377
March	260	293	297	259	122	121	107	99	322	364	366	313
April	305	324	310	269	134	124	105	102	383	405	388	322
May	352	396	296	265	147	130	104	101	451	519	371	315
June	458	436	292	273	160	129	102	99	611	582	365	328
July	651	378	282	272	205	122	99	101	878	496	348	326
August	691	356	282	259	206	121	98	100	916	462	348	306
September	499	358	308	247	167	125	102	97	661	463	384	290
October	497	368	337	237	162	123	103	97	648	477	424	272
November	417	370	332	233	148	117	103	96	541	481	418	266
December	416	340	336	228	140	110	104	94	545	436	423	259
Whole year	415	363	308	265	134	125	104	100	540	469	385	316

\*Untas Index based on the prices quoted for the shares of 3 banks and 10 industrial firms.

**20. — PUBLIC DEBT.**

End of Year and Month	According to the Finance Accounts									Mill. Dollars <sup>1)</sup>	End of Year and Month
	Mill. mk <sup>1)</sup>										
	Funded Debt			Short-term Credit			Total Public Debt				
Foreign	Internal	Total	Foreign	Internal	Total	Foreign	Internal	Total	Total Public Debt		
1944	4010	38608	42618	2088	22806	24894	6098	61414	67512	1368	1944
1945	15664	39994	55658	4283	25782	30065	19947	65776	85723	630	1945
1946	26561	51301	77862	5072	22137	27209	31633	73438	105071	773	1946
1947	33484	57292	90776	5073	22251	27324	38557	79543	118100	868	1947
1948											1948
May	36434	56171	92605	5098	16677	21775	41532	72848	114380	841	May
June	36381	55974	92355	5114	18235	23349	41495	74209	115704	851	June
July	36769	55746	92515	5107	21201	26308	41876	76947	118823	874	July
August	37146	54607	91753	5102	23203	28305	42248	77810	120058	883	August
September	37911	53559	91470	5098	25771	30869	43009	79330	122339	900	September
October	38517	53553	92070	5099	26481	31580	43616	80034	123650	909	October
November	38667	53498	92165	5100	21702	26802	43767	75200	118967	875	November

<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.

## 21. — STATE REVENUE AND EXPENDITURE.

Year and Month	Total Revenue	Current Revenue <sup>1)</sup> derived from								Capital Revenue	Expenditure			Year and Month
		Income and Property tax <sup>2)</sup>	Excise on spirits, wines, etc.	Stamp duty	Sales tax	Interest and Dividends	Rail-ways, Posts, Telegraphs <sup>3)</sup>	State Forests <sup>4)</sup>	Total		Current	Capital		
													Mill. mk	
1947														1947
Jan.—Oct.	59 328	13 674	322	1 421	9 144	6 242	823	155	13 264	60 192	47 636	12 556	Jan.—Oct.	
Whole year	94 261	23 349	427	1 775	18 288	6 329	279	1 493	24 054	87 811	66 578	21 233	Whole year	
1948													1948	
Jan.—Oct.	74 963	20 415	337	2 446	14 558	7 696	2 003	1 084	5 687	76 955	56 672	20 283	Jan.—Oct.	
1948 Budget	72 494	20 330	425	1 500	14 000	8 136	872	821	4 667	72 445	52 892	19 553	1948 Budget	
Supplem. Budgets <sup>4)</sup>	11 003	—	—	—	—	—	789	—159	8 545	20 501	11 652	8 849	Supplem. Budgets <sup>4)</sup>	

Tables 21—23 according to preliminary monthly accounts kept by the Treasury, the Customs and the Board of Excise Revenue.  
<sup>1)</sup> The current revenue derived from Customs duty, and some other State receipts are specified in tables 22 and 23 below. — <sup>2)</sup> Including special and supplementary taxes on income and property but not the Capital Levy nor the surplus income tax and inheritance tax. — <sup>3)</sup> The figures given refer to net revenue. — <sup>4)</sup> Passed in April, June and December.

## 22. — COLLECTION OF CUSTOMS.

Year and Month	Total Customs Receipts	Customs duty on		Fines, Light Dues, etc.
		Imported goods incl. storage charges	Exported goods	
1947				
Jan.—Nov.	4 189	4 104	0	85
Whole year	4 666	4 566	0	110
1948				
Jan.—Nov.	8 285	8 098	0	187
1948 Budget	6 008	5 950	1	57

## 23. — COLLECTION OF EXCISE DUES.

Year and Month	Total Excise Dues	Excise on			
		Tobacco	Spirits	Beer	Matches
1947					
Jan.—Oct.	4 240	3 491	138	184	188
Whole year	5 371	4 392	186	241	241
1948					
Jan.—Oct.	6 959	4 600	137	200	239
1948 Budget	4 940	4 000	155	270	250

## 24. — VALUE OF IMPORTS AND EXPORTS.

Month	Imports (c. l. f.) Mill. mk			Exports (f. o. b., free exports) Mill. mk			Surplus of Imports (—) or Exports (+) Mill. mk			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
	January	944	2 825	3 963*	957	1 961	2 505*	+ 13	— 864	
February	884	2 304	4 285*	681	1 170	3 354*	— 203	— 1 134	— 931*	February
March	1 330	1 138	3 589*	1 013	784	2 987*	— 317	— 354	— 603*	March
April	1 388	1 463	4 939*	1 067	2 107	4 467*	— 321	+ 644	— 472*	April
May	1 999	3 843	6 025*	1 708	4 855	3 696*	— 291	+ 1 012	— 2 329*	May
June	2 511	3 939	7 006*	1 965	4 582	5 201*	— 546	+ 643	— 1 805*	June
July	2 988	4 899	5 938*	2 068	5 768	6 349*	— 920	+ 869	+ 411*	July
August	2 729	4 014	5 397*	2 505	5 498	5 407*	— 224	+ 1 484	+ 10*	August
September	2 391	5 196	5 508*	2 379	4 808	5 943*	— 12	— 388	+ 435*	September
October	2 316	5 219	5 526*	3 240	4 885	5 685*	+ 924	— 334	+ 159*	October
November	2 269	4 972	5 961*	2 907	5 018	5 509*	+ 638	+ 46	— 452*	November
December	2 525	7 159	8 302*	2 561	3 792	5 403*	+ 36	— 3 367	— 2 899*	December
Total	24 274	46 971	66 439*	23 051	45 228	56 505*	— 1 223	— 1 743	— 9 934*	Total

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

\* Preliminary figures subject to minor alterations.

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

Classes of Goods	Imports (s. i. f.) Mill. mk.					Exports (f. o. b.) Mill. mk.				
	Whole year		January—November			Whole year		January—November		
	1946	1947	1946	1947	1948*	1946	1947	1946	1947	1948*
Dairy produce, eggs, honey	702	203	402	201	1 861	107	34	89	34	0
Other animal products, live animals .....	606	688	483	549	1 018	67	1 098	51	1 091	203
Vegetables .....	9	13	7	12	14	0	32	0	17	1
Eatable fruit .....	74	247	42	140	425	14	12	14	9	9
Coffee, tea, spices .....	171	296	123	284	636	—	—	—	—	—
Cereals, milling products ..	3 088	6 586	3 058	5 597	6 168	—	0	—	0	12
Certain seeds and fruit, plants for industrial purposes ..	153	293	151	253	349	29	10	25	8	9
Raw materials for tanning and dyeing .....	78	122	51	112	71	—	—	—	—	—
Animal and vegetable fats	333	1 288	300	1 091	1 267	0	0	0	0	1
Meat and fish products ...	62	92	62	90	251	0	—	0	—	0
Sugar, sweets .....	846	1 250	817	1 216	1 800	—	7	—	7	15
Beverages, vinegars .....	166	236	140	161	201	19	152	12	121	152
Fodder .....	143	381	143	368	793	0	—	0	—	0
Tobacco .....	415	624	391	581	724	—	—	—	—	—
Minerals, ore .....	864	954	747	848	1 028	76	71	71	57	117
Mineral fuel and oils .....	3 643	6 317	3 296	5 236	9 801	0	0	0	0	0
Chemical and pharmaceutical products .....	1 010	1 768	871	1 528	1 789	39	127	29	116	165
Tanning and dyeing extracts, varnishes .....	340	808	302	663	990	2	13	2	11	7
Caseine, albumine, glues ..	263	394	217	365	295	1	0	1	0	2
Fertilizers .....	854	2 105	786	1 957	1 728	—	—	—	—	—
Hides, skins, leather and furs; manufactures of these materials .....	215	670	199	559	947	97	261	87	247	297
Rubber and rubber articles	656	963	614	838	990	0	1	0	1	4
Rubber and wooden goods ..	21	51	19	44	76	9 744	19 467	8 602	17 751	21 787
Woodpulp .....	1	10	1	10	4	4 285	10 722	3 802	9 989	14 308
Cardboard and paper, their applications .....	38	61	36	51	79	6 915	11 001	6 195	10 010	11 699
Textile materials, textile goods .....	1 719	3 935	1 592	3 303	5 520	646	744	585	680	805
Footwear .....	101	206	61	192	209	4	0	3	0	2
Articles of stone and of other mineral material, glass ..	222	326	202	284	447	204	356	180	309	297
Base metals; articles made therefrom .....	3 433	7 708	3 090	6 223	9 260	445	581	410	510	572
Machinery, apparatus .....	1 428	2 449	1 223	2 089	3 497	41	103	35	95	141
Electrical machinery and apparatus .....	535	1 136	488	897	1 633	46	93	43	76	108
Transport material .....	1 533	3 879	1 358	3 282	3 086	10	29	9	21	59
Instruments, clocks and watches, musical instruments .....	111	245	100	212	273	5	9	5	8	13
All others .....	441	662	377	576	907	255	305	240	268	317
<b>Total free trade</b>	<b>24 274</b>	<b>46 971</b>	<b>21 749</b>	<b>39 812</b>	<b>58 137</b>	<b>23 051</b>	<b>45 228</b>	<b>20 490</b>	<b>41 436</b>	<b>51 102</b>
Reparation deliveries .....						8 775	10 405	7 497	9 485	10 622
Restitution goods .....						655	—	655	—	—

\* Preliminary figures subject to minor alterations.

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

Month	Wheat Tons			Rye Tons			Sugar Refined and unrefined Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	5 242	17 065	1 871*	22 724	14 341	14 840*	1 659	1 501	4 130*	January
February	4 764	—	9 328*	2 403	12 817	21 825*	2 276	1 587	3 688*	February
March	3 953	7 774	10 917*	14 924	2 467	8 381*	2 161	1 431	4 172*	March
April	4 435	3 657	14 820*	1 049	18 239	2 129*	2 020	626	6 861*	April
May	0	12 700	10 793*	9 459	2 601	14 445*	1 963	2 529	8 636*	May
June	16 011	2 099	18 354*	40 308	9 333	26 580*	2 410	7 802	8 159*	June
July	17 454	11 004	3 281*	21 047	9 192	20 034*	4 892	6 040	10 072*	July
August	30 274	9 488	—	15 312	14 257	14 093*	3 690	5 168	11 804*	August
September	12 735	9 434	6 096*	19 861	26 608	31*	3 112	3 773	9 075*	September
October	1 551	90	5 954*	8 829	30 138	—	3 531	13 765	7 974*	October
November	—	18 476	12 941*	213	7 533	3 495*	3 656	3 892	8 168*	November
December	—	—	—	—	26 354	—	1 128	350	—	December
Total	96 419	91 787	—	156 129	173 880	—	32 498	48 464	—	Total
Jan.—Nov.	96 419	91 787	94 355*	156 129	147 526	125 853*	31 370	48 114	82 739*	Jan.—Nov.

Month	Raw Tobacco Tons			Coal and Coke Tons			Petrol Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	167	215	319*	19 422	40 833	203 586*	—	7 545	13 325*	January
February	142	205	355*	23 868	50 620	88 621*	191	7 404	12 473*	February
March	152	254	386*	46 747	5 018	32 167*	36	8 697	15 028*	March
April	166	232	399*	73 911	61	111 205*	386	9 989	15 406*	April
May	197	247	328*	88 959	24 555	267 139*	1 201	10 137	11 040*	May
June	144	245	318*	70 041	112 824	297 885*	4 122	12 854	24 908*	June
July	102	124	130*	154 693	223 939	313 171*	5 279	15 222	18 007*	July
August	208	345	382*	95 672	140 047	163 571*	6 969	16 454	18 961*	August
September	198	338	358*	126 632	238 278	257 148*	5 819	16 086	17 138*	September
October	192	353	383*	95 977	245 516	260 433*	6 315	15 637	18 062*	October
November	182	331	421*	62 322	164 656	233 013*	6 457	12 428	19 192*	November
December	108	216	—	79 719	252 630	—	5 554	16 295	—	December
Total	1 958	3 095	—	937 963	1 498 977	—	42 329	148 748	—	Total
Jan.—Nov.	1 850	2 879	3 729*	858 244	1 246 347	2 227 939*	36 775	132 453	183 540*	Jan.—Nov.

Month	Raw Cotton Tons			Pig Iron Tons			Bar Iron and Bar Steel Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	1 137	1 088	1 154*	101	10	613*	654	3 193	4 006*	January
February	441	3 430	1 088*	—	5	599*	1 825	3 789	8 320*	February
March	276	1 451	1 000*	150	20	632*	2 124	846	7 605*	March
April	1 402	—	15*	660	100	325*	2 694	1 005	9 262*	April
May	423	1 871	1 178*	150	920	575*	4 467	7 890	8 773*	May
June	719	1 263	—	220	270	1 695*	3 491	7 759	10 804*	June
July	502	—	—	69	40	1 079*	6 531	6 736	11 556*	July
August	2 583	93	2 570*	100	2 255	2 619*	3 820	5 427	9 540*	August
September	118	—	—	—	3 902	35*	4 218	9 532	6 132*	September
October	647	587	905*	471	4 985	543*	4 173	10 064	6 842*	October
November	203	12	534*	65	1 040	2 326*	7 100	8 977	4 997*	November
December	67	859	—	242	2 066	—	4 152	20 314	—	December
Total	8 518	10 654	—	2 228	15 613	—	45 249	85 532	—	Total
Jan.—Nov.	8 451	9 795	8 444*	1 986	13 547	11 041*	41 097	65 218	87 887*	Jan.—Nov.

\* Preliminary figures subject to minor alterations.

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

Month	Wooden Houses and Barracks Tons			Round Timber All kinds excl. fuel 1 000 m <sup>3</sup>			Sawn Timber All kinds 1 000 standards			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	11 368	7 971	6 077*	24	30	35*	2	15	10*	January
February	9 949	8 393	11 641*	9	15	4*	0	5	10*	February
March	7 580	11 542	10 894*	15	—	1*	0	5	11*	March
April	471	10 159	21 324*	26	1	0*	0	4	7*	April
May	1 029	15 832	20 375*	74	33	8*	6	9	9*	May
June	6 819	13 088	20 274*	88	118	54*	20	34	26*	June
July	13 914	11 651	15 999*	153	387	329*	31	66	81*	July
August	11 575	11 159	12 430*	258	391	510*	34	72	64*	August
September	13 058	15 005	11 202*	187	415	438*	43	63	76*	September
October	13 116	16 711	12 966*	235	280	355*	64	53	61*	October
November	16 136	13 699	11 332*	149	178	197*	48	58	68*	November
December	16 791	13 671		121	88		30	32		December
Total	121 806	148 831		1 339	1 936		278	416		Total
Jan.—Nov.	105 015	135 210	154 514*	1 218	1 848	1 931*	248	384	423*	Jan.—Nov.

1 standard sawn timber = 4,672 m<sup>3</sup>.

Month	Matches Tons			Plywood 1 000 m <sup>3</sup>			Bobbins (spools) Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	24	205	26*	2	8	9*	41	67	158*	January
February	78	114	98*	1	7	14*	65	46	357*	February
March	53	4	100*	10	1	9*	256	—	184*	March
April	301	105	189*	9	10	13*	108	212	380*	April
May	126	424	73*	16	22	14*	212	511	322*	May
June	260	195	11*	12	20	17*	123	252	311*	June
July	148	36	55*	8	14	14*	212	145	110*	July
August	180	80	16*	9	12	12*	86	154	355*	August
September	154	31	56*	10	10	15*	162	369	322*	September
October	278	47	49*	14	17	19*	146	251	371*	October
November	114	6	160*	9	15	16*	158	466	426*	November
December	87	249		10	19		217	260		December
Total	1 803	1 496		110	155		1 786	2 733		Total
Jan.—Nov.	1 716	1 247	833*	100	136	152*	1 569	2 473	3 296*	Jan.—Nov.

Month	Mechanical Pulp <sup>2)</sup> Tons			Sulphite Cellulose <sup>2)</sup> Tons			Sulphate Cellulose <sup>2)</sup> Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	4 838	4 075	1 352*	14 419	19 410	29 651*	10 154	10 653	19 175*	January
February	1 697	1 162	3 267*	7 816	9 742	26 763*	7 785	8 591	27 342*	February
March	1 598	—	2 094*	11 082	1 166	27 084*	8 170	1 806	24 245*	March
April	1 037	142	9 541*	15 897	10 328	36 597*	11 546	10 750	37 194*	April
May	7 221	13 011	9 090*	27 990	45 149	19 203*	24 109	35 379	21 232*	May
June	11 836	8 405	17 528*	23 778	34 597	46 404*	15 731	25 657	38 785*	June
July	10 090	15 137	11 807*	11 798	44 240	33 570*	15 082	50 147	32 654*	July
August	11 190	9 667	10 237*	17 309	24 695	17 485*	22 642	34 002	21 103*	August
September	4 053	4 877	8 126*	10 823	24 468	33 029*	12 521	31 523	26 159*	September
October	5 304	4 873	4 612*	19 880	22 423	30 191*	15 916	23 378	23 716*	October
November	4 187	3 411	6 822*	19 562	33 237	31 036*	16 965	26 712	26 664*	November
December	3 207	366		22 211	20 242		20 327	19 899		December
Total	66 258	65 126		202 565	289 697		180 948	278 497		Total
Jan.—Nov.	63 051	64 760	84 476*	180 354	269 455	331 013*	160 621	258 598	298 269*	Jan.—Nov.

<sup>1)</sup> Free exports. — <sup>2)</sup> Dry weight.

\* Preliminary figures subject to minor alterations.

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

Month	Cardboard All kinds Tons			Paper All kinds Tons			Newsprint (included in previous column) Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	5 834	7 891	5 921*	23 867	24 094	23 848*	16 551	12 880	16 318*	January
February	3 761	2 675	8 021*	14 376	9 300	32 121*	7 588	4 953	17 935*	February
March	9 870	812	8 230*	20 378	9 919	21 698*	13 321	7 299	11 337*	March
April	9 486	8 170	8 620*	20 783	24 521	45 207*	13 354	15 389	31 769*	April
May	7 056	16 957	8 132*	26 621	55 029	37 564*	16 496	32 364	26 217*	May
June	7 783	11 102	7 974*	29 129	43 875	36 018*	19 113	26 861	26 341*	June
July	8 214	8 510	10 084*	29 463	40 110	40 466*	19 667	29 713	29 054*	July
August	9 425	7 161	9 076*	29 125	45 278	36 369*	20 925	32 561	27 467*	August
September	7 105	8 266	9 632*	27 526	28 050	28 013*	17 864	18 323	18 587*	September
October	8 123	10 857	10 405*	33 035	36 402	44 151*	20 953	23 358	32 908*	October
November	6 889	11 711	9 317*	33 568	37 101	35 344*	22 120	23 749	24 770*	November
December	8 187	9 011		29 762	29 655		19 559	18 423		December
Total	91 793	103 123		317 633	333 334		207 511	246 378		Total
Jan.—Nov.	83 546	94 112	95 412*	287 871	353 679	380 799*	187 952	227 955	262 703*	Jan.—Nov.

## 28. — FOREIGN TRADE WITH VARIOUS COUNTRIES.

Country	Imports (a. i. f.)					Exports (f. o. b., free exports)				
	Whole year		January—November			Whole year		January—November		
	1946	1947	1947	1948*		1946	1947	1947	1948*	
Europe:	%	%	%	Mill. mk	%	%	%	%	Mill. mk	%
Belgium .....	5.8	7.9	7.6	2 917	5.0	7.3	5.2	5.2	1 981	3.9
Bulgaria .....	0.1	0.0	0.0	20	0.0	0.0	0.0	0.0	66	0.1
Czechoslovakia .....	0.1	0.7	0.6	496	0.9	0.1	0.3	0.3	291	0.6
Denmark .....	10.3	6.4	6.1	4 883	8.4	11.1	7.2	7.4	3 269	6.4
France .....	2.6	4.3	4.2	2 662	4.6	3.8	3.9	4.0	2 699	5.3
Germany .....	0.1	0.0	0.0	399	0.7	—	0.1	0.1	451	0.9
Great Britain .....	21.4	17.5	17.5	14 818	25.5	26.7	30.0	29.9	14 614	28.6
Greece .....	0.0	0.5	0.3	197	0.3	0.3	0.7	0.7	464	0.9
Holland .....	1.8	4.7	4.6	3 413	5.9	3.1	4.5	4.1	3 361	6.6
Italy .....	0.0	0.4	0.3	291	0.5	0.3	1.6	1.5	235	0.5
Norway .....	2.7	3.9	3.9	1 354	2.3	2.4	2.0	2.0	702	1.4
Poland .....	0.1	3.0	3.3	4 170	7.2	0.0	2.1	2.2	1 038	2.0
Rumania .....	0.0	0.0	0.0	0	0.0	—	0.0	0.0	—	—
Soviet Union .....	21.4	11.3	12.5	7 462	12.9	20.1	12.4	12.6	7 845	15.3
Sweden .....	10.0	4.8	4.9	2 694	4.6	9.4	5.7	5.9	2 810	5.5
Switzerland .....	0.4	0.8	0.7	676	1.2	1.0	0.9	0.9	472	0.9
Turkey .....	0.4	0.5	0.5	258	0.4	0.0	0.4	0.4	259	0.5
Other European countries	0.3	0.4	0.4	601	1.0	1.2	1.7	1.7	849	1.6
Total for Europe	77.5	67.7	67.4	47 311	81.4	86.8	78.6	78.9	41 406	81.0
Asia .....	0.0	0.2	0.3	79	0.1	1.2	1.5	1.5	716	1.4
Africa .....	0.1	0.1	0.1	120	0.2	1.9	3.1	3.0	1 604	3.1
United States .....	19.5	23.7	25.0	7 075	12.2	6.9	11.5	11.7	5 114	10.0
Other States of North America .....	0.0	0.5	0.5	262	0.4	0.1	0.1	0.1	60	0.1
South America .....	2.9	7.8	6.7	3 260	5.6	3.0	4.5	4.0	1 912	3.8
Australia .....	0.0	0.0	0.0	30	0.1	0.1	0.7	0.8	290	0.6
Grand total	100.0	100.0	100.0	58 137	100.0	100.0	100.0	100.0	51 102	100.0

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

\* Preliminary figures subject to minor alterations.

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

Year and Month.	Total Imports	Groups of Imported Goods				Total Exports	Principal Exported Goods				Year and Month
		Raw materials	Machinery	Food-stuffs	Other consumption goods		Sawn timber	Mechanical pulp	Dry cellulose	Paper	
1943	420	457	346	486	324	304	277	271	320	311	1943
1944	457	468	360	560	400	323	292	309	337	314	1944
1945	709	729	798	713	447	452	433	597	436	445	1945
1946	896	888	883	947	846	799	802	835	700	777	1946
1947	950	941	898	1 030	912	1 175	1 177	1 257	1 148	1 049	1947
1947											1947
Jan.—Nov.	950	946	878	1 037	903	1 167	1 171	1 254	1 140	1 031	Jan.—Nov.
1948											1948
Jan.—July	1 037	1 061	985	1 042	1 025	1 364	1 333	1 817	1 366	1 197	Jan.—July
Jan.—Aug.	1 036	1 071	966	1 036	1 016	1 372	1 329	1 799	1 374	1 209	Jan.—Aug.
Jan.—Sept.	1 039	1 084	962	1 025	1 007	1 378	1 320	1 791	1 380	1 226	Jan.—Sept.
Jan.—Oct.	1 034	1 079	959	1 017	997	1 379	1 320	1 777	1 387	1 228	Jan.—Oct.
Jan.—Nov.	1 033	1 077	952	1 022	994	1 382	1 322	1 763	1 392	1 241	Jan.—Nov.

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

## 30. — TOTAL SALES OF WHOLESALE FIRMS.

Month	Total Sales. Mill. mk							Month
	1942	1943	1944	1945	1946	1947	1948	
January	677	981	1 046	1 412	2 840	3 456	5 514	January
February	821	1 073	1 206	1 482	2 957	3 897	8 348	February
March	923	1 306	1 360	1 585	3 470	4 617	7 594	March
April	914	1 266	1 246	1 626	3 680	4 241	9 342	April
May	1 007	1 329	1 411	1 848	4 039	5 327	8 997	May
June	1 138	1 099	1 043	1 759	3 731	4 675	8 472	June
July	1 186	1 106	948	1 400	3 402	4 633	8 450	July
August	1 072	1 167	1 229	1 847	3 911	5 302	9 148	August
September	1 125	1 308	1 023	2 420	4 040	6 438	10 169	September
October	1 098	1 337	1 077	2 954	4 622	6 470	10 383	October
November	1 076	1 302	1 191	3 186	4 551	6 427	10 561	November
December	1 188	1 429	1 419	3 267	5 024	7 311		December
Total	12 225	14 703	14 199	24 786	46 267	62 794		Total
Jan.—Nov.	11 037	13 274	12 780	21 519	41 243	55 433	96 978	Jan.—Nov.

Calculated by the «Uusi Suomi». The figures represent approximately 80—90 % of the turnover of all wholesalers in Finland.

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

Month	Home Industries										Exporting Industries					Month
	Value Index					Volume Index					Volume Index					
	1943	1944	1945	1946	1947	1943	1944	1945	1946	1947	1944	1945	1946	1947	1948	
January	204	244	221	530	624	97	97	76	94	105	47	40	55	75	83	January
February	257	288	264	607	814			89	107	137	48	38	55	76	88	February
March	237	265	220	548	749	89	76	73	94	125	51	40	57	79	84	March
April	203	211	220	582	733			70	97	123	53	44	59	79	101	April
May	208	222	220	528	681	77	78	69	88	113	51	47	66	80	92	May
June	201	199	239	561	691			69	93	115	40	50	63	80	93	June
July	226	239	213	582	655	75	72	56	97	107	31	47	65	67	80	July
August	194	235	309	620	732			69	103	113	33	48	62	73	82	August
September	184	199	341	676	799	75	72	72	112	123	32	52	70	85	96	September
October	179	195	390	609	850			76	101	126	32	56	69	82	October	
November	205	230	484	669	1 069	82	80	89	111	152	32	54	70	75	November	
December	221	221	470	713	1 121			85	118	152	38	51	71	78	December	
Whole year	208	225	303	607	795	82	80	76	102	125	39	48	62	78	Whole year	

«Unitas» index based on seasonally adjusted monthly figures.

## 82. — BUILDING ACTIVITY.

Month	Consumption of Cement in Finland <sup>1)</sup>						Plans approved in the Capital <sup>2)</sup>						Month
	1 000 tons						All buildings, 1 000 m <sup>3</sup>						
	1943	1944	1945	1946	1947	1948	1943	1944	1945	1946	1947	1948	
January							7.1	0.6	64.7	105.6	39.2	34.7*	January
February	28	31	46	27	54	74	18.3	0.3	35.5	91.8	28.4	71.3*	February
March							—	25.6	71.9	39.2	37.5	135.0*	March
April							4.8	2.9	116.8	97.1	64.3	80.2*	April
May	73	60	89	79	112	160	196.6	8.1	229.7	54.5	67.6	110.7*	May
June							19.9	70.2	101.7	56.9	62.2	91.4*	June
July							82.7	1.5	126.5	119.9	64.1	92.2*	July
August	79	52	83	127	152	164	11.5	6.9	42.5	87.4	72.5	35.3*	August
September							1.2	0.0	12.6	57.8	65.6	75.4*	September
October							12.7	1.7	47.7	101.6	122.5	70.0*	October
November	46	44	63	96	103	129	2.0	40.6	150.9	73.2	37.9	57.8*	November
December							0.5	42.0	36.1	119.2	27.9		December
Total	226	187	281	329	421	527	357.3	200.4	1 036.6	1 004.2	689.7	853.5*	Total
							356.8	158.4	1 000.5	885.0	661.8		Jan.—Nov.

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

## 83. — FOREIGN SHIPPING.

Year and Month	Arrivals				Sailings				Year and Month
	Number of vessels		Net reg. tons		Number of vessel		Net reg. tons		
	Total	of which Finnish	Total	of which with Cargo	Total	of which Finnish	Total	of which with Cargo	
1945	1 360	768	930 358	384 412	1 412	810	973 256	823 805	1945
1946	3 024	1 557	2 338 761	1 482 639	3 020	1 571	2 332 110	1 844 150	1946
1947	4 020	1 926	3 568 942	2 362 715	3 989	1 895	3 492 515	2 684 134	1947
1947									1947
Jan.—Nov.	3 736	1 750	3 254 717	2 084 991	3 705	1 735	3 171 272	2 490 751	Jan.—Nov.
1948									1948
July	796	295	495 843	300 895	881	354	519 402	391 425	July
August	815	344	509 246	266 131	795	336	486 130	408 107	August
September	731	351	491 608	287 212	707	324	466 076	360 470	September
October	592	301	393 189	246 155	610	304	432 565	328 967	October
November	467	252	411 914	282 106	467	231	415 432	310 791	November
Jan.—Nov.	4 918	2 333	3 705 630	2 595 806	4 907	2 346	3 709 554	2 618 079	Jan.—Nov.

Figures supplied by the Statistical Office of the Shipping Board.

## 84. — STATE RAILWAYS.

Month	Weight of Goods transported				Axle-kilometres of goods trucks		Revenue				Regular Expenditure				Month
	1 000 Tons				Mill. km		(less Re-imburements)				Mill. mk				
	1945	1946	1947	1948	1947	1948	1945	1946	1947	1948	1945	1946	1947	1948	
Jan.	752	995	1 144	1 154	70	66	189	414	477	1 017	197	495	480	786	Jan.
Febr.	703	855	1 022	1 157	62	73	162	370	443	1 048	230	509	557	951	Febr.
March	886	1 052	1 118	1 239	69	79	203	459	479	1 194	218	479	587	1 003	March
April	947	1 073	1 167	1 313	73	84	224	500	552	1 205	237	465	540	956	April
May	988	1 189	1 326	1 350	77	73	236	484	616	1 136	367	520	693	1 081	May
June	1 046	1 231	1 282	1 493	68	72	279	575	646	1 281	314	497	782	1 020	June
July	996	1 363	1 492	1 416	68	74	294	596	880	1 293	284	511	702	1 043	July
Aug.	1 079	1 391	1 395	1 293	70	70	377	600	877	1 170	376	558	608	951	Aug.
Sept.	971	1 261	1 439	1 313	69	70	331	528	827	1 065	548	582	696	968	Sept.
Oct.	986	1 375	1 408	1 304	69	72	347	513	840	1 093	488	512	681	1 020	Oct.
Nov.	1 036	1 182	1 203		64		333	515	721		538	627	692		Nov.
Dec.	1 212	1 094	1 160		65		492	532	902		696	731	1 496		Dec.
Total	11 602	14 061	15 156		824		3 467	6 086	8 260		4 493	6 486	8 514		Total
Jan.—Oct.	9 354	11 785	12 793	13 032	695	733	2 642	5 039	6 637	11 502	3 259	5 128	6 326	9 779	Jan.—Oct.

According to Monthly Statistics of the Finnish State Railways.

\* Preliminary figures subject to minor alterations.



**35. — WHOLESALE PRICE INDEX. 1935=100.**

Month	Index for Goods in Finnish Wholesale trade										Articles of Import (o. i. f.)		Articles of Export (f. o. b.)		Month		
	Total Index		Finnish Goods						Imported Goods								
			Total		Products of agriculture		Products of forestry									Products of industry	
1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948		
Jan.	[725] 721	1 026	[672] 666	1 042	[667] 655	1 504	[891] 901	1 415	[603] 593	771	[859] 860	983	[764] 810	[883] 978	1 027	1 265	Jan.
Febr.	726	1 033	673	1 050	681	1 479	903	1 428	596	788	860	992	827	988	1 040	1 274	Febr.
March	759	1 074	717	1 106	903	1 456	903	1 457	598	879	860	995	838	986	1 041	1 271	March
April	766	1 079	726	1 103	941	1 393	903	1 458	599	894	866	1 019	847	990	1 159	1 285	April
May	775	1 089	729	1 114	946	1 391	903	1 474	603	908	889	1 025	840	996	1 158	1 285	May
June	781	1 102	735	1 132	970	1 431	909	1 474	603	924	895	1 027	850	996	1 162	1 276	June
July	799	1 124	755	1 162	967	1 463	982	1 566	613	933	909	1 027	854	1 006	1 175	1 292	July
Aug.	853	1 118	824	1 153	1 015	1 412	1 169	1 566	649	935	926	1 030	885	1 009	1 171	1 292	Aug.
Sept.	862	1 116	836	1 147	1 034	1 362	1 207	1 543	650	948	926	1 038	894	1 012	1 171	1 294	Sept.
Oct.	882	1 110	858	1 141	982	1 318	1 271	1 546	681	952	940	1 032	921	992	1 174		Oct.
Nov.	958	1 107	973	1 132	1 453	1 285	1 322	1 536	704	951	957	1 043	932		1 174		Nov.
Dec.	1 010	1 104	1 029	1 126	1 571	1 269	1 386	1 522	738	950	962	1 049	955		1 174		Dec.
Whole year	825	1 090	793	1 117	1 010	1 397	1 063	1 499	636	903	904	1 022	871		1 135		Whole year

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

**36. — COST OF LIVING INDEX.**

Month	Aug. 1938— July 1939 = 100			1935 = 100										Month				
	Total Index			Total Index				Foodstuffs		Rent		Fuel and light			Clothing		Taxes	
	1946	1947	1948	1945	1946	1947	1948	1947	1948	1947	1948	1947	1948		1947	1948	1947	1948
Jan.	[404] 423	471	763	[221] 222	461	513	831	[533] 556	1 037	[144] 144	161	[968] 968	1 226	[568] 554	745	[916] 786	1 247	Jan.
Febr.	423	482	753	222	460	525	820	579	999	144	161	968	1 242	556	735	786	1 247	Febr.
March	431	524	761	223	470	571	829	675	990	144	161	970	1 317	557	809	786	1 247	March
April	434	546	765	225	473	594	833	727	975	144	161	971	1 326	560	816	725	1 331	April
May	437	559	765	228	476	609	833	753	963	144	161	970	1 343	566	847	725	1 331	May
June	450	567	773	264	490	618	842	771	976	144	161	973	1 347	567	859	725	1 331	June
July	463	595	809	306	504	648	881	786	983	161	161	976	1 349	570	868	1 103	1 908	July
Aug.	466	607	816	341	507	661	889	805	993	161	161	1 010	1 349	582	883	1 103	1 908	Aug.
Sept.	469	617	812	354	511	672	885	809	978	161	161	1 037	1 372	595	899	1 103	1 908	Sept.
Oct.	469	632	810	422	511	689	882	829	1 124	161	161	1 054	1 406	603	920	1 155	1 930	Oct.
Nov.	467	690	805	434	508	751	876	946	1 098	161	161	1 069	1 545	642	930	1 155	1 930	Nov.
Dec.	468	720	798	440	509	785	869	994	1 075	161	161	1 211	1 601	679	934	1 155	1 930	Dec.
Whole year	450	584	786	307	490	636	856	769	1 016	152	161	1 015	1 369	586	858	942	1 604	Whole year

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

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

Year	Total Index					Index of the Contractor					Index of Overhead Costs					Year
	I	II	III	IV	Aver.	I	II	III	IV	Aver.	I	II	III	IV	Aver.	
1937	.	.	.	.	120	.	.	.	.	120	.	.	.	.	115	1937
1938	.	.	.	.	127	.	.	.	.	127	.	.	.	.	121	1938
1939	129	130	134	141	134	130	130	134	141	134	124	124	128	134	128	1939
1940	151	157	165	172	161	152	158	165	173	162	141	147	154	157	150	1940
1941	180	189	195	199	191	181	191	196	201	192	164	173	178	182	174	1941
1942	212	226	231	243	228	213	227	233	245	230	193	206	204	215	205	1942
1943	244	252	259	264	255	246	254	261	266	257	216	223	230	233	226	1943
1944	267	271	272	283	273	269	273	274	286	276	236	240	241	245	241	1944
1945	299	306	303	329	302	302	309	307	334	336	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

Quarterly indices and yearly averages of them. For details concerning the calculation of the index see p. 35 in this Bulletin Nos. 4—6, 1946. The figures in brackets [ ] indicate the position at the end of the previous year.

## CERTAIN PARTICULARS ABOUT FINLAND.

### 1. FORM OF GOVERNMENT.

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

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

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

### 2. LAND.

THE AREA is 337 113 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 310 000 sq. km). Of the total area 9.4 % are inland waters. On an average 13.5 % of the land in the South of Finland is cultivated, 1.6 % in the North, 7.5 % 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 (1947): 4.1 millions (of whom 0.2 million emigrants). Sweden (1947) 6.8, Switzerland (1947) 4.5, Denmark (1947) 4.1 and Norway (1947) 3.1 millions.

DENSITY OF POPULATION (1947): In South Finland 22.2, in North Finland 3.1 and in the whole country an average of 12.3 inhabitants to the square kilometre.

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

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

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

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

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

INCREASE OF POPULATION (1946): Births 26.4 ‰, deaths 11.4 ‰ (deaths in France in 1946 13.8 ‰ and in the United Kingdom in 1946 12.2 ‰) natural increase 14.7 ‰.

### 4. TRADE AND COMMUNICATIONS.

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

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

AGRICULTURE (1941): Cultivated land 2.3 million hectares, divided as follows: area under cultivation under 10 hectares 33.1 %, 10—50 ha 54.4 %, 50—100 ha 7.2 %, over 100 ha 5.3 %. Cultivated land (1947) is divided between the different kinds of crops as follows: 39.8 % hay, 11.9 % temporary grass-land for grazing, 15.6 % oats, 6.7 % wheat, 6.6 % rye, 5.8 % barley, 3.8 % potatoes, 9.9 % other. The number of dairies in 1947 amounted to 517.

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

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

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

MERCHANT FLEET (1948): Steamships 333 (415 802 gross reg. tons), motor vessels 96 (61 764 gross reg. tons), sailing ships with auxiliary engine 154 (14 654 gross reg. tons), other sailing ships 11 (11 913 gross reg. tons). Total 644 (504 139 gross reg. tons).

### 5. FINANCE AND BANKING.

CURRENCY. Since 1860 Finland has its own monetary system. From 1877 up to 1914 the currency maintained its stable gold value, and after the disturbances caused by the war a gold standard was again introduced from January 1st, 1926. The unit of currency is the mark (Finnish marka: = 100 pennä). According to the monetary law of December 21, 1925, a gold coin of 100 marks' value shall contain 3 <sup>15</sup>/<sub>16</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 1947 the State revenue was 94 261 million marks of which 70 207 million marks were current revenue, and State expenditure 87 811 million marks, of which 66 578 million marks were current expenditure. The principal sources of revenue were as follows: direct taxes 27 855, indirect taxes 9 927, sales tax 18 288, interest and dividends, etc. 6 429, State property and undertakings (net) 2 502, and capital revenue 24 054. For Public Debt see table 20 in this issue.

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

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

THE COMMERCIAL BANKS (1947): Number 7, possess 464 offices, where all kinds of banking business is transacted. There is one banking establishment per 8 734 inhabitants.

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

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

## PUBLIC FINANCES IN 1947.

BY

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### GENERAL REVIEW FOR 1947.

In 1947 the leading features of the State finances were still the fulfilment of obligations under the Peace Treaty, the compensation of private people for war losses, and reconstruction. This strain alone was so great that the „public sector” in national economy has not been reduced. On the other hand, public finance bore the impress of the inflation which could not be avoided at the close of the war. During 1947 the inflationary tendency continued, chiefly because it was impossible to check a further rise in wages. A successful policy necessitated considerable State financial support to keep wages at a low level and this meant an increase of State expenditure in the form of different subsidies. Consequently the State had to continue heavy taxation, even though partly at the cost of decreasing the efficiency of labour and saving.

Considering the difficult conditions public finance was fairly favourable in 1947. State expenditure — excluding redemptions of loans — was 75,701 million marks, an increase of 22 per cent on the 1946 figure. The average cost of living index rose by 30 per cent, the average wholesale price index by 20 per cent. The State revenue — excluding loans — amounted to 71,463 million marks, or 20 per cent higher than in 1946. The ratio of income to expenditure was 94 per cent, or practically the same as the year before. Thanks to credits received from abroad and unconsolidated inland credits an equilibrium was reached without a new note inflation.

Before entering upon a more detailed study of the different items of State income

and expenditure similar remarks must be made as in earlier articles of this Bulletin. The figures in the accounts include numerous nominal items but do not show all the actual State revenue and expenditure. Again, the grouping of income and expenditure in the accounts does not give a quite correct idea of the character of the different items. Until the structure of the budget has been reformed — as is under preparation by a special committee — these figures are not a sound basis in analysing public finance. In this article adjusted figures have been used, unless otherwise stated.<sup>1)</sup>

### EXPENDITURE IN 1947.

The principal groups of public expenditure and their changes during 1947 are seen from the following table.

#### EXPENDITURE.

(Excluding redemptions, adjusted figures)

	1946	1947
	Mill. mk	Mill. mk
Current expenditure .....	50,580	60,001
Capital expenditure .....	7,543	11,117
Unspecified extra-budgetary expenditure .....	3,862	4,583
	Total 61,985	75,701

Current expenditure amounted in 1947 to 60,001 million marks, or 19 per cent higher than in the preceding year. The distribu-

<sup>1)</sup> The adjustment is this time more thorough than earlier and therefore the figures for 1946 differ to some extent from those recorded previously. Cf. T. Junnila: Public Finances in 1946. Bank of Finland Monthly Bulletin, Nos. 7-9, 1947.

tion of current expenditure is given in the following table.

**CURRENT EXPENDITURE.**  
(According to the accounts)

Main groups	1946	1947
	Mill. mk	Mill. mk
1. President of the Republic ....	5	6
2. Diet .....	64	101
3. Government .....	110	113
4. Chancellery of Government ..	35	31
5. Ministry for Foreign Affairs ..	170	183
6. Ministry of Justice .....	355	485
7. Ministry of the Interior .....	2,361	2,564
8. Ministry of Finance .....	300	421
9. Ministry of Defence .....	6,510	2,888
10. Ministry of Education .....	1,952	3,343
11. Ministry of Agriculture .....	2,085	2,956
12. Ministry of Communications ..	1,080	1,439
13. Ministry of Trade and Industry	422	561
14. Ministry for Social Affairs ..	2,023	2,636
14 A. Ministry of Supply .....	318	255
15. Sundry general expenditure ..	52,296	40,927
16. Pensions and relief payments	825	1,042
17. Interest and expenditure on the Public Debt .....	4,566	6,567
18. State industrial undertakings ..	682	260
Total	76,159	66,578

The figures in the accounts are misleading particularly as regards the changes in the main groups „Sundry general expenditure”, „Interest and expenditure on the Public Debt”, and „Ministry of Defence”.

First, in 1947 as in the preceding year, the group „Sundry general expenditure” included by far the greater part of all current expenditure. In fact, this main group which — apart from the nominal entries — has increased since 1946 includes most of the expenditure due to the war. The largest item was the war reparation payments to the Soviet Union and the consequent administrative expenses, i. e. 12,133 million marks (8,840 million in 1946). „Sundry costs under the Armistice Agreement”, 831 million marks, and „Transfers of German assets and administrative expenses due to them”, 1,031 million marks, are also related to war reparations. The former item has decreased markedly since 1946 when it was 5,702 million marks. It included about 200 million marks Control Commission expenditure and about 500 million due to transfer of German property to the U. S. S. R. The latter item was the cost of deliveries which the State had agreed to make instead of former German assets claimed by the Soviet Union. When,

in addition to these items, the advances granted to suppliers of war reparations goods — 2,704 million marks — are included, the war reparations expenditure in 1947 totalled 16,699 million marks, or 28 per cent of the current expenditure. In 1946 the corresponding amount was 16,126 million marks, or 32 per cent of the current expenditure. The proportional decrease in war reparations expenditure in 1947 was chiefly due to the fact that the transfers of German assets were nearly all made in 1946.

The second largest item among „Sundry general expenditure” consisted of the indemnities paid to the population of the ceded territories in compensation for their losses. According to the accounts these expenses amounted to 8,919 million marks in 1947 (25,037 million in 1946). They were chiefly „paid” by surrendering bonds belonging to the Second Indemnity Loan and trust certificates of the Holding Company to those entitled to compensation. The surrendering of these bonds and certificates is recorded as an expenditure in the accounts, but actually no cash payment occurs until interest and amortisation are paid on them. Including only the cash payments, indemnity expenses in 1947 totalled 9,192 million marks and were 15 per cent of current expenditure (in 1946 they were 7,249 million marks, or 14 per cent).

This main group also includes some large items due to State efforts to prevent the advance of prices. The largest item was „Stabilisation of prices and promotion of distribution of domestic agricultural products”, which amounted to 3,812 million marks. This expenditure was due to the fact that milk, butter, cheese and grain were sold to consumers below production cost and the State paid the producers the difference. The second largest item was „Compensations for excessive import or production costs”, 3,011 million marks, due almost entirely to the selling of imported grain to consumers below the purchase price. Other bounties to consumers are „Reduction of fertiliser prices”, 318 million marks, and „Price reductions for milk and nutritive fats”, 175 million marks.

The largest but one of the main groups of current expenditure is „Interest and

Expenditure on the Public Debt". Yet, if one omits the expenditure booked in this main group but included above among Indemnity expenses, the actual amount of interest on the Public Debt is 2,834 million marks (2,201 million in 1946). In the main group „Ministry of Defence" the actual expenditure was only 3,176 million marks in 1946 and decreased only slightly in 1947.

Among other current expenditure the great increase for the Ministry of Education claims special attention. The greater part of this was due to increased teachers' salaries. The expenses of the Ministry for Social Affairs still consisted chiefly in public assistance. The largest individual item is „Compensation for physical disability or illness contracted in the war or service", which amounted to 1,350 million marks in 1947 (1,209 million in 1946). The greater part of the Ministry of Agriculture's expenditure continues to be due to the resettlement of the displaced population and the carrying out of the Land Expropriation Act which explains its increase. Finally, as regards the expenditure of the Ministry of the Interior it should be noticed that this Ministry also controls public health. Most of the expenditure in this group was for hospital maintenance.

State investments were higher by 47 per cent in 1947 than in the preceding year, this being chiefly due to the increase of „Revenue-producing capital expenditure" of which the following table gives an idea.

## REVENUE-PRODUCING CAPITAL EXPENDITURE.

(Partly adjusted figures, excluding redemptions)

	1946	1947
	Mill. mk	Mill. mk
Investments in State business undertakings, forests and landed property .....	2,317	2,553
Auxiliary grants .....	1,014	2,191
Transfers to State funds .....	2,873	4,097
Relief of unemployment .....	29	7
<b>Total</b>	<b>6,233</b>	<b>8,848</b>

Investments in State business undertakings, forests and landed property, which of those mentioned above are really the only

revenue-producing investments, remained almost unchanged in 1947. On the other hand, auxiliary grants, on which fairly low interest is generally paid, have doubled. Besides this an essential part of the transfers to State funds have been used to finance the auxiliary grants mostly granted to promote reconstruction and housing.

The main group „Capital expenditure not producing revenue" remained on the whole unchanged and amounted to 1,465 million marks in 1947. Of the same character are certain extra-budgetary expenses of which the largest item was the acquisition of stocks, 3,362 million marks (3,148 million in 1946).

## REVENUE IN 1947.

To cover State expenditure the share of taxes was practically the same as in 1946. In 1946 they sufficed to meet all current expenditure, and were 85 per cent of the total expenditure excluding the redemption of loans. In 1947 taxation yielded 17 per cent more than the year before, or 61,550 million marks. Thus, in spite of the increase of public expenditure the taxation receipts still exceeded current expenditure, and even of the total expenditure excluding redemption 81 per cent could be met from taxation.

The revenue from taxation was divided as shown in the table below.

## REVENUE FROM TAXATION.

(Adjusted figures)

	1946		1947	
	Mill. mk	% of all taxes	Mill. mk	% of all taxes
Direct taxes ....	22,262	42.3	22,093	35.9
Indirect taxes ..	29,016	55.1	37,682	61.2
Stamp duty ....	1,372	2.6	1,775	2.9
<b>Total</b>	<b>52,650</b>	<b>100.0</b>	<b>61,550</b>	<b>100.0</b>

In 1947 the yield from indirect taxes was by far the largest. Direct taxes, which had been 40.9 per cent of the total taxation revenue in 1945 and 42.3 per cent in 1946, in 1947 fell as low as 35.9 per cent.

DIRECT TAXATION.  
(Adjusted figures)

	1946		1947	
	Mill. mk	% of all taxes	Mill. mk	% of all taxes
Income and property tax . . . .	14,029	26.7	17,130	27.8
II Capital Levy <sup>1)</sup>	4,830	9.2	4,057	6.6
Extraordinary income and property taxes . . .	3,217	6.1	635	1.1
Other direct taxes	186	0.3	271	0.4
<b>Total</b>	<b>22,262</b>	<b>42.3</b>	<b>22,093</b>	<b>35.9</b>

As seen from the above table the diminished importance of direct taxes was due to the final abandonment of the extraordinary taxes introduced during the war. The regular State Income and Property tax — hitherto the most important — increased both in absolute amount and proportionally, being 27.8 per cent of the total revenue from taxation. This increase is chiefly due to the progressive scales of taxation and to the fact that the social deductions allowed from taxable incomes are expressed in marks and not as proportions of the amount of taxes. The result of this is that when income and property values increase nominally because of the inflation, the taxes do not increase in proportion but considerably more.

INDIRECT TAXATION.  
(Adjusted figures)

	1946		1947	
	Mill. mk	% of all taxes	Mill. mk	% of all taxes
Sales tax . . . . .	12,228	23.2	16,870	27.4
Taxes on alcohol	10,307	19.6	11,608	18.9
Excise . . . . .	4,345	8.2	4,807	7.8
Tobacco . . . . .	3,585	6.8	4,022	6.5
Matches . . . . .	245	0.5	241	0.4
Beer . . . . .	286	0.4	239	0.4
Other . . . . .	279	0.5	305	0.5
Customs revenue	2,136	4.1	4,397	7.1
Import duties	2,136	4.1	4,397	7.1
Export duties	0	0.0	0	0.0
<b>Total</b>	<b>29,016</b>	<b>55.1</b>	<b>37,682</b>	<b>61.2</b>

The sales tax has continued to grow and is about to become the most important of all taxes. In 1947 it accounted for 27.4 per cent of the total tax revenue, or nearly as

<sup>1)</sup> Excluding shares surrendered in payment of II Capital Levy, in 1946 valued at 4,316 million marks and in 1947 at 15 million marks.

much as the regular Income and Property tax. In fact, the sales tax is the one which most sensitively follows the movements of prices and turnover. Taxes on alcohol are also important: they here include the surplus of the Alcohol Monopoly and all direct and indirect taxes paid by this firm; in fact, all these items are taxes on consumption which are included in the prices of alcoholic liquors. The importance of income from alcohol is decreasing. In 1947 it amounted to 18.9 per cent of the total revenue from taxation while in 1945 this figure was as high as 31.7 per cent. Of other consumption taxes the import duties increased in 1947 with imports to twice the figure recorded at the end of 1946. The yield from excise on tobacco was almost as high.

The importance of other State revenue is but slight. State undertakings, forests and farms brought in 2,241 million marks net in 1947, equal to 3 per cent of the total revenue excluding State loans. The group „Sundry revenue” was slightly more, but capital revenue — apart from loans — was only 1,754 million marks (527 million in 1946).

THE PUBLIC DEBT IN 1947.

The accounts show that the Public Debt at the close of 1947 amounted to 117,763 million marks, and the year's increase to the booked value of the Debt was thus 12,994 million marks. The most important changes appear from the following table.

PUBLIC DEBT.

(According to the accounts)

	1946		1947	
	Mill. mk	% of total debt	Mill. mk	% of total debt
Foreign debt ..	31,633	30.2	38,557	32.7
Internal debt ..	37,136	69.8	79,206	67.3
Debt to the Bank of Finland . . . . .	17,322	16.5	18,386	15.6
Indemnity loan	11,984	11.4	14,533	12.4
Other internal debts . . . . .	43,830	41.9	46,287	39.3
<b>Total</b>	<b>104,769</b>	<b>100.0</b>	<b>117,763</b>	<b>100.0</b>

Like the State revenue and expenditure, the debt figures in the accounts are not entirely correct. In the course of 1947 the actual net amount of loans received by the State was 7,787 million marks; new loans

totalled 13,604 million and old ones were redeemed to a value of 5,817 million marks. As State expenditure in 1947 exceeded the State revenue by 4,238 million marks, the deficit could thus be well covered by the loans, and the cash of the Treasury even increased by 3,549 million marks.

In studying the different groups of loans it should be noted that the amount of foreign debt at the end of 1946 — after some adjustments of the booked values — was 33,930 million marks, and thus actually increased by only 4,627 million during 1947. The largest new loans were 20 million dollars from the Export-Import Bank and two 10 million dollar loans for purchasing American Army surplus goods; all these were only partly used during 1947.

As regards the internal debt the bond loans decreased by 1,186 million marks. Long-term securities were sold to a value of over 1 billion marks, but amortisation of previously raised similar loans amounted to over 2 billion. The Indemnity Loan, on the other hand, increased by 2,549 million marks, but — as stated earlier — this increase does not mean income to the State but future expenditure.

According to the above table the debt of the State to the Bank of Finland increased by 1,064 million marks during 1947. It must be stressed that this did not promote inflation, because the credits obtained from the Bank of Finland were not in reality used to finance State expenditure as the cash of departments and administration increased by 3,549 million marks. Thus the State actually reduced the amount in circulation by over 2 billion marks.

Such a marked increase in Treasury funds was due to the fact that the Post Office Savings Bank funds held by the State had increased. In Finland the Post Offices have Savings Banks, and the public's savings and postal giro accounts with them are automatically disposed of by the State. These credits, which are entirely independent of State measures, have been of very great importance to public finance in recent years: in 1947 the State received from the Post Office Savings Bank 4,900 million marks, if the State bonds bought by that bank are also included. In fact, just because of these credits the State was able to finance its trans-

actions in 1947 without a new note inflation.

#### SURVEY OF 1948.

Economic life in 1948 on the whole began to show signs of stability. The goods available were much more numerous thanks to an increase in home production and in imports. The labour market was fairly calm and wages rose only slightly in comparison with the preceding years. Thus the pressure on prices was reduced, and their rate of increase was retarded until the end of the summer when they began to fall. In November the cost of living index was only 12 per cent and the wholesale price index 10 per cent higher than in December 1947.

In spite of this small rise in prices, State expenditure has increased very much since 1947, partly because earlier price and wage increases were being fully felt. On the other hand large subsidies were used to keep prices down. In addition considerable sums were needed for many kinds of new and re-investments which could no longer be postponed. This large expenditure rendered any great reduction of taxes impossible.

In the ordinary budget for 1948 the total State revenue was estimated at 72,494 million marks and total expenditure at 72,445 million. In the course of the year three supplementary budgets were passed, the last one on December 30th. They added 11,003 million marks to revenue and 20,501 million to expenditure, whereby the estimate of total revenue rose to 83,497 million marks and that of total expenditure to 92,946 million. In these supplementary budgets the original estimates of taxation yield were not altered to correspond to current conditions, so the deficit of 9,449 million marks in the total budget is merely formal.

So far only some very general preliminary data of public finance in 1948 are available. Many of the budget grants were very much exceeded so that actual expenditure may be estimated at above 100 billion marks.

More preliminary figures are available regarding taxes and loans. In January—November 1948 the tax yield was a round

sum of 85 billion marks, or one-third more than assumed in the budget. Of this amount the income and property tax, including taxes paid by the Alcohol Monopoly, yielded about 28 billion and the sales tax about 25 billion marks. Import duties doubled, yielding about 8 billion marks. The profit of the Alcohol Monopoly gave the State about 7 billion marks, and the excise the same amount.

New foreign credits by the end of November exceeded by 5 billion marks the redemption of previous foreign credits. On the other hand the redemption of internal credits considerably exceeded the new loans, the internal consolidated debt decreasing by about 2 billion marks and the unconsolidated debt by 3 billion. Thus the total public debt was almost the same as at the end of 1947.

## CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT OF FINNISH INDUSTRY 1947.

BY

ESA KAITILA, DOCT. PHIL.

To supplement studies of the present financial situation of industry in Finland the Economic Research Institute has drawn up a consolidated balance sheet and income statement of industry in 1947. An attempt has also been made to show the expenditure of industry in the same year.

### METHOD OF STUDY.

The basis of the investigation has been the balance sheets for 1947 of 189 industrial enterprises, as samples of the whole of industry, and supplementary data concerning them. The number of workers they employed was about 40 per cent of the total number of industrial workers in the country. The results obtained are naturally not absolutely accurate. The chances of error, however, seem to be fairly small, varying for particular figures perhaps from 3 to 10 per cent. The figures relating to the whole of industry have been calculated by multiplying the data given for the selected firms, each size class and branch of production separately, by ratios obtained by comparing the number of workers employed by the whole of industry run for profit with that of the selected 189 enterprises in 1945.

It should be noticed that, although the consolidated balance sheet and income statement have been drawn up like those of a Joint Stock company, they include also all industrial firms of Finland not operated on that basis (privately owned enterprises,

co-operative societies, and industrial enterprises of the State or local governments, not Joint-Stock).

### BALANCE SHEET AND INCOME STATEMENT.

*Consolidated Balance Sheet of Industry in 1947.*

Assets		Million marks
Real property:		
Financial property .....	35,270	
Liquid property .....	39,020	
Fixed property .....	51,810	126,100
Valuation items .....		230
Transfers .....		790
Special real property:		
Financial property .....	3,410	
Fixed property .....	280	3,690
Total		130,810
Liabilities		
Loan capital:		
Short-term .....	73,220	
Long-term .....	3,940	77,160
Valuation items:		
Sums written off .....	7,100	
Adjustments of value .....	810	7,910
Transfers (taxes, advances, reserves)		3,870
Capital:		
Share capital:		
Redeemed .....	200	
With shareholders .....	17,300	
With Holding Company for Indemnity Shares	1,200	18,700
Funds .....	17,150	
Profit for previous years .....	1,790	
Profit for 1947 .....	4,230	41,870
Total		130,810



Among the liabilities in the balance sheet the short-term loan capital includes a considerable amount of advances of which a large part were granted by the Commission for War Reparations (Soteva). Of amounts transferred, on the other hand,  $\frac{3}{4}$  are tax reserves. It is further noteworthy that the amounts written off do not show the total cancellation on the industries' fixed property in the course of years. It has been impossible to obtain this figure because many enterprises write off according to the net method. Under the Share Capital the amount of 1,200 million marks held by the Holding Company for Indemnity Shares and the dividends on this sum are surrendered as Capital Levy which was to compensate the displaced population for their losses by the cession of territory. About one-half of the „redeemed” shares have been re-acquired from the Holding Company by the enterprises.

As regards property the industrial firms have generally estimated their *liquid property* rather conservatively. During and after the war renewal of *fixed property* has not been possible to any great extent; as the appreciation in value has also been comparatively slow, book values are still rather low considering the depreciation of money.

*Consolidated Income Statement of  
Industry in 1947.*

Expenditure	Million marks
Ordinary expenditure:	
Wages and salaries:	
Workers .....	32,890
Personnel .....	7,210
	40,100
Taxes and tax reserves .....	5,410
Interest .....	2,700
Amounts written off .....	2,160
Extraordinary expenditure .....	320
Profit for 1947 .....	4,230
	Total 54,920
<b>Income</b>	
Ordinary income .....	54,560
Extraordinary income .....	360
	Total 54,920

The income statement is based on the net method so that rents, materials and „other ordinary expenses” have been subtracted from the income. The wages and salaries in the table include also managers' salaries

to some extent, perhaps about 300—400 million marks. (The distribution of wages expenses into three groups, i. e. those of the workers, personnel and managers, is shown later on page 27). The personnel includes foremen but not the higher managers. The total tax expenses, 5,410 million marks, do not denote the taxes and rates paid on the income of 1947 but the total amount booked that year or tax-reserves included in the costs of the year. The taxes actually paid may in some measure differ from the sum in the balance sheet.

**PROFIT.**

The aggregate profits of Finland's industries in 1947 is shown as 4,230 million marks. In 1946 the corresponding total profit was 3,200 million marks, the increase for 1947 being about 33 per cent. In part this increase was due to the inflation — the rise in the wholesale price index from the average for 1946 to the average for 1947 was 20.8 per cent — and, if this factor is eliminated, the increase of real profits can be estimated at only about 400 million marks. This rise was a result of the increase in production and turnover. It is interesting to study how the profits have been distributed.

	Million marks	Per cent
Dividends to shareholders ....	922	21.8
Dividends to Holding Company for Indemnity Shares	106	2.5
Reinvested capital .....	3,202	75.7
	4,230	100.0

Particularly notable is the amount reinvested which is about  $\frac{3}{4}$  of the whole profits. Here it must be kept in mind also that the dividends paid to the Holding Company for Indemnity Shares are comparable with taxes, as already stated.

**PROFITABLENESS.**

This can be measured in various ways, the most reliable, especially at a time when the internal value of money varies greatly, probably being the relation of profit to turnover. The total profit of Finnish industry in 1947 (4,200 million marks) was 2.8 per cent of the total turnover which was 163,300 million marks. In 1946 the corresponding figure was 2.7 per cent. In the last pre-war years the ratio of profit to turnover was nearly twice as great.

In the most important branches of industry the ratio of profit to turnover varied from 0.8 to 5 per cent. Above the average were the printing industry, the lighting and power transmission industries, so-called „industrial complexes”, and the leather and rubber industries.

The relation of profit and dividends to the whole capital is a fairly uncertain standard of profitability, owing to inflationary factors. Yet it is good to remember that in 1947 on an average 5.3 per cent of the nominal value of the shares and 1.8 per cent of the taxation value of the share capital was paid as dividends to shareholders. The total taxation value of the share or corresponding capital was about 55,000 million marks, or nearly three times the nominal value. On the shares held by the Holding Company, 8.8 per cent of their nominal value and 2.8 per cent of the taxation value was paid as dividends. The lowest percentage fixed by law is 2.5.

#### LIQUIDITY.

The distribution of profits shows that in 1947 the characteristic feature was the need of industry for liquid assets. The causes of this are as follows: Stocks must be replenished after the depletion caused by the war, repairs, basic improvements and re-equipment of machinery are required, all of which were neglected during and immediately after the war because of the shortage of materials. In addition to all this, long-term investments are necessary. Social expenses, for instance child allowances and building of workers' houses, have increased the urgent need for money. Simultaneously wages have increased proportionally more steeply than the turnover, the rate of interest has risen, taxes demand considerable sums annually, and the controlled prices on their part have narrowed the margin of profit for the home-market industries.

The lack of liquid assets is also clearly reflected in the consolidated balance sheet. The total capital of the industries has greatly increased compared with 1946, by about 45 per cent. This increase, however, concerns mainly the item „loan capital”. The loan capital (= debts and amounts transferred) has risen from 48,000 to 81,000 million marks and thus has increased

by about 69 per cent in 1947. During this period their own capital (= share capital, funds and profit) has increased by only about 12 per cent. In 1946 loan capital accounted for 56 per cent of the capital of industry, but in 1947 for as much as 66 per cent.

This increase in industry's own capital has been largely nominal, an adjustment of value of fixed capital. New transfers to the profit and loss account were fairly small in 1947 as new issues of shares were rather scarce, and probably only about 1,500 million marks of the profit from 1946 was reinvested. In this analysis it must be remembered, however, that — as mentioned already — the property is not valued at a level equivalent to the depreciated monetary value.

From the point of view of liquidity it is important that the greater part, 95 per cent, of the debts is short-term, although it must be remembered that part of what is booked as short-term, for instance debts to banks, is in reality long-term.

#### COSTS.

The next table is based on the consolidated income statement of industry and supplementary figures calculated in various ways — in the same way as a private firm would show its profit and loss account, without considering more closely the wider aspects of the payments. This classification may be inaccurate in many respects, but in all essentials it probably shows the situation in industry in 1947.

#### *Costs of Industry in 1947.*

	Million marks	Per cent
Raw materials, semi-finished products and accessories .....	88,840	53.7
Wages and salaries .....	41,500	25.1
Fuel, electricity, steam .....	9,800	5.9
Taxes and tax reserves .....	5,410	3.3
Social expenditure (child allowances, national pensions premiums, voluntary expenditure) .....	3,590	2.2
Repairs .....	3,000	1.8
Interest .....	2,700	1.6
Expenses, rent .....	2,200	1.3
Amount written off .....	2,160	1.3
Sales costs .....	1,630	1.0
Expenditure not connected with actual production .....	320	0.2
Profit .....	4,230	2.6
<b>Total</b>	<b>165,380</b>	<b>100.0</b>

According to the pay-roll of industry workers accounted for 19.7 per cent. of the total turnover, personnel for 4.3 per cent, and managers for 1.1 per cent. The profits remaining within the firm were 1.9 per cent of the gross income in 1947. The dividends paid to the Holding Company were 0.1 per cent and those paid to shareholders 0.6 per cent.

#### DISTRIBUTION OF WAGES AND SALARIES.

The total wages and salaries paid by industry in 1947 were 41,500 million marks, or 25.1 per cent of the total turnover. They were divided among the different groups as follows.

	Million marks	Per cent of total pay-roll
Workers .....	32,700	78.7
Personnel .....	7,000	17.0
Managers .....	1,800	4.3

#### GROSS SURPLUS.

##### Gross Surplus of Industry in 1947.

	Million marks	Per cent	
Taxes .....	5,410	45.8	
Amount written off .....	2,160	18.3	64.1
Profit:			
Dividends to Holding Company for Indemnity Shares .....	106	0.9	
Dividends to Shareholders .....	922	7.8	
Transfers to Profit and Loss Account etc. ..	3,202	27.2	35.9
Total	11,800		100.0

A study of the above table reveals that taxes in 1947 amounted to 45.8 per cent of the gross surplus remaining after eliminating all expenses paid in money. The dividends to the Holding Company must also be reckoned as taxes; they amount to nearly 47 per cent of the gross surplus. The sums written off were 18.3 per cent, or 2,160 million marks. This low figure is chiefly due to the regulations of the present Income and Property Tax Law: the amounts written off have to be calculated according to the original acquisition or production value.

#### GROSS PROFIT („pre-tax profit”).

Perhaps more clearly than in the preceding table, the heavy taxation of industry is shown in the following, which illustrates the gross profit of all industries in Finland and its distribution.

#### Gross Profit of Industry in 1947.

	Million marks	Per cent	
Taxes .....	5,410	56.1	
Profit:			
Dividends to Holding Company for Indemnity Shares .....	106	1.1	
Dividends to Shareholders .....	922	9.6	
Transfers to Profit and Loss Account etc. ....	3,202	33.2	43.9
Total	9,640		100.0

The taxes, including the dividends to the Holding Company, were 57.2 per cent of the gross profit of industry. Yet it must be noted that the figure representing taxes does not state the amount of taxes paid on the 1947 income but the taxes booked during that year and the amounts reserved for future taxes.

#### SUMMARY.

The profits of industry expressed in marks were about 33 per cent greater in 1947 than in 1946. As this increase was partly due to inflationary factors, the real increase in profit may be estimated at only 11 per cent. It should be particularly noted that the amount of profits reinvested was about  $\frac{3}{4}$  of the total profit.

This circumstance, as well as the considerable increase of loan capital, from 48,000 to 81,000 million marks, indicates that the need for liquid assets has become urgent. The growth of the industries' own capital has, on the other hand, been very slight and even that partly nominal. It must be observed, however, that the booked values of their fixed capital are fairly low because of the marked depreciation in the value of money.

The profitableness measured by the ratio of profit to turnover has remained practically unchanged in the years 1946 and 1947, though varying greatly in the different fields of production.

Of the gross income in 1947 the costs of raw materials, semi-manufactures and necessaries accounted for 53.7 per cent, wages and salaries for 25.1 per cent and other expenses for 18.6 per cent, with a remaining booked profit of 2.6 per cent.

## I T E M S.

**Supplementary budget.** In December the Diet passed a third supplementary budget for 1948, thereby increasing revenue by 11.5 billion marks and expenditure by 11.1 billion.

\*

**War indemnity, penalties for delayed delivery.** In compliance with the Finnish Government's request last autumn for the cancellation of delay penalties imposed in the fourth indemnity year, the Soviet Union, in connection with the new trade agreement, consented to forego two-thirds of the penalty or well over 600,000 „indemnity dollars". This decision was very important for Finland. — In the second indemnity year two-thirds of the penalty was similarly cancelled and in the third year the whole sum.

\*

**New foreign credits.** According to an agreement of December 2nd, 1948, the Export-Import Bank of Washington granted the Bank of Finland credit to an aggregate amount of 10 million dollars for the purchase of machinery, appliances and requisites by the woodworking industry. The loan is to be repaid between 1952 and 1958; the rate of interest is 3 ½ per cent. An extensive purchase and delivery plan has been made according to which the credits will be used.

\*

**Trade agreements.** In December a trade agreement for 1949 was signed between Finland and the *Soviet Union*. According to it the exchange of goods will be larger both in value and quantity than the 90 million dollars' worth agreed upon for 1948. Finnish exports to will exceed her imports from the Soviet Union.

The agreement secures an ample supply of cereals until the new harvest. Wheat, oats and maize will be imported but no rye, because the Finnish crop was very much larger last autumn than in 1947. As the cereals imported from the Soviet Union have been reduced from 70 to 40 per cent of the total, it will be possible to buy more of other important articles, even such as have not appeared in previous agreements. Sugar, liquid fuel, oils, fertilizers, iron, steel, machinery and accessories, automobiles, tractors, chemicals and textiles. Exports also will be more varied than before, the largest item being wooden houses and other wood products such as sawn timber, pulp-wood, cellulose, pulp, newsprint and piles. The export quota for metal goods, 5 million dollars, is much larger than before.

A new trade agreement between Finland and *Norway* was signed in December 1948 providing a considerable increase in trade. It refers to about 35 million Norwegian crowns' worth of Finnish goods and about 32 million crowns' worth of Norwegian goods. Of the quotas for the year beginning November 1st, 1948, the Finnish import list includes such articles as raw material for the margarine and soap factories, herings, nitrate of lime, aluminium and chemicals. Finnish exports include timber, plywood, china and earthenware, iron, steel and other metal goods, and machinery and accessories.

A supplementary quota agreement was signed between Finland and *France* in December 1948. The agreement in force until April 1st, 1949, of which an account was given in Nos. 3—4, 1948 of this Bulletin, assumes a total trade of about 9 billion francs which, according to this supplementary agreement, is expected to

increase to about 14 billion francs. Finland's export increase comprises wood-working products. Her import increase refers to iron and steel products, electrical and other machinery and textiles.

A Finnish-Danish trade agreement was signed in November 1948 to supplement that agreed to in March 1948 (see Bulletin Nos. 3—4, 1948); it will be in force until May 1st, 1949. This includes about 1,600 million marks' worth of Finnish and 1,500 million marks' worth of Danish goods. Finland will export such goods as wood products, sanitary chinaware and machinery, and import butter, pork, seeds, clothing, pharmaceutical articles, colours and dyes, metal products, machinery and electrical appliances.

A new trade agreement between Finland and Belgium was signed in December 1948, to be in force until November 5th, 1949. The goods concerned are assumed to amount to 2 billion Belgian francs. Finland will export woodworking and paper industry products such as sawn timber, pit-props, telegraph poles, wooden houses, pulp, cellulose, plywood, pasteboard and newsprint; various machinery and accessories, zinc concentrate and glassware. The most important imports are iron, steel and their products.

In the beginning of 1949 trade agreements are expected to be made with England, Sweden, Western Germany, Italy and Rumania.

**The ice-breakers.** Among the ships delivered to the Soviet Union as war indemnity were Finland's only sea-going icebreaker, the State owned „Jääkarhu”, the „Voima” built for the outer archipelago, and the harbour ice-breaker „Turso” of the city of Helsinki. At present the State owns only

three medium sized ice-breakers for the outer archipelago, „Sisu”, „Tarmo” and „Sampo”, and Helsinki the „Otso”, their capacity not being sufficient for severe winters. In consequence the „Murtaja” and „Apu” which are intended for the inner archipelago, have had to be used for very difficult tasks.

Steps have been taken to relieve the situation. The construction of a new sea-going ice-breaker to replace „Jääkarhu” has recently been contracted with the Wärtsilä Concern. The total cost is estimated at 750 million marks and the work is expected to be finished early in 1952. The same firm is building a new harbour ice-breaker for Helsinki at a total cost of about 85 million marks. It will be provided with fire-fighting apparatus and will be ready by April 1949. The diesel engines for both boats have been ordered from Atlas Diesel Ab in Sweden.

\*

**Cessation of work in 1948.** According to preliminary data from the Research Office of the Ministry for Social Affairs 80 labour conflicts in 1948 resulted in cessation of work; about 100 employers and about 15,400 workers being affected. In comparison with the year before — 228 cessations of work, 2,900 employers and 114,700 workers — this was a great reduction. The number of working-days lost is estimated at about 220,000 as against nearly 480,000 in 1947.

\*

**New economic periodical.** The commercial bank of Kansallis-Osake-Pankki has started a quarterly publication of its own called Economic Review. It will include a general economic survey, statistical data and articles by experts in various spheres, and will appear in Finnish and English.



## BANK OF FINLAND

(Cable address Suomenpankki)

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## THE BANK OF FINLAND MONTHLY BULLETIN

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Helsinki (Helsingfors), Finland.