



BANK OF FINLAND

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THE FINNISH MARKET REVIEW.

THE MONEY MARKET.

Last year's money market was characterized on the whole by an exceptional stringency. In December a considerable influx of money into the banks raised deposits to a level higher than in any other month of 1947, but this occurrence must be ascribed to two particular causes. First, the deposit figures for December 31 included for the first time the whole year's interests, as against only a half-year's interests in earlier years, and second, widespread rumours of a new exchange of bank-notes circulated at the time. The first two months of the current year were again very unfavourable for the depository movement. The stringency of the money market was moreover accentuated by the demand for cash due to the general wage-increase following the rise in the cost of living index, and to the after-collection of the sales tax and the income and property tax.

The tightness of the money market and the liability inherent in the monetary policy both contributed towards a new increase in the rates of interest. In order to support the Finnish mark and put an obstacle to unsound or, from the public point of view, less important demand for money, and also to stimulate the influx of capital into the banks, the Bank of Finland decided to raise its discount rate and other interest rates by 2 per cent as from February 6, 1948. The Bank's lowest discount rate is now $7\frac{1}{4}$ per cent. Accordingly, the joint delegation of the financial institutions decided on a general increase in their rates of interest as from April 1.

The tightening of the money market at the beginning of the year is clearly reflected in the accounts of the *commercial banks*. Deposits proper increased by only 354 million marks in January—February, as against 537 million in the same months of 1947. Besides, the purchasing power of the Finnish mark was greater then than it is now. The balance on cheque accounts fell, by 337 million marks in January and as much as 1,732 million in February, or by altogether 2,069 million marks. In the same two months of last year cheque accounts fell by 1,188 million marks. The sum total of deposits with the commercial banks thus declined by 1,715 million marks in January—February this year, compared with only 651 millions in the corresponding months of last year. Part of the withdrawals from cheque accounts in the beginning of this year can be regarded as representing money deposited in December under the fear of an exchange of bank notes.

The demand for money was, as we have seen, exceptionally large after the turn of the year because of the rise in wages and the collection of taxes. The commercial banks' credits to the public increased by 1,458 million marks in January and 672 millions in February, or by altogether 2,130 million marks, as compared with only 1,462 million marks in January—February 1947. The sluggishness of deposits and increased lending reduced the banks' cash holdings by 3,357 million marks in the first two months of the year. The corresponding decline last year was only 1,628 million marks. At the end of February 1948 the commercial banks' cash

accounts totalled 2,923 million marks. As before, the commercial banks were obliged to have recourse to the assistance of the Bank of Finland. After a temporary decline the total of bills rediscounted passed the 4,000 million mark in the second week of February. Since then the sum has somewhat receded, but in the middle of March it was still as high as 3,176 million marks, compared with only 1,841 million marks during the corresponding week of last year.

The exceptionally brisk demand for money is also reflected in the *Bank of Finland* returns. The sum of loans to the public was 14,729 million marks on March 15, compared with 12,900 millions at the end of 1947. On the other hand, the total of Treasury bills held by the Bank of Finland diminished quite considerably. From 18,500 millions at the end of 1947, the Government's bill debt fell to 13,800 millions on February 14, but gradually rose again and reached the figure of 16,000 million marks in the second week of March. This decline was rendered possible chiefly by the unexpectedly large influx of tax money in the previous months. The bank note circulation decreased considerably in January, but since the middle of that month the circulation has gone up again. On March 15 the note circulation figure, 25,486 million marks, was not far from the record figure of 25,979 million marks registered on December 23, 1947.

PRICES.

The general trend in prices is still ascending, but the rise has been less steep in the past few months than it was last year. The cost of living index (August 1938—July 1939 = 100) advanced steeply in January, i.e. from 720 to 763 points, but in February a decline (to 753) could be registered for the first time in many months. On the other hand, the wholesale price index (1935 = 100) rose both in January and in February, but the movement was comparatively slow, viz. from 1,010 in December 1947 to 1,033 in February 1948. It can thus be seen that the pace of inflation is slower now than last year, but from the viewpoint of monetary stability the situation is still far from satisfactory. In April costs of pro-

duction will again increase, as wages and salaries will have to be raised on April 1 by 5—5½ per cent in virtue of the decision taken by the Government in October last year, according to which the wage level has to follow the fluctuations of the so-called new cost of living index (October 1947 = 100).

TRADE AND INDUSTRY.

No figures descriptive of industrial activities during the first months of this year are as yet available, but it seems as if production stood on approximately the same level as at the end of 1947. The supply of electric energy is still very short, but fortunately the catastrophic breakdown which was predicted last autumn did not materialize. Consumption of electricity is still controlled but not as severely as last year. Lumbering, the success of which is of paramount importance for the wood and paper industries, and also for the country's fuel situation, has not progressed according to schedule. By the end of February only 53 per cent of the current season's goal — 45 million cubic metres — had been cut. At the corresponding time last year as much as 61 per cent of the much higher goal of 53 million cubic metres set for the season 1946/47 had been reached.

The livening of foreign trade continued in the first months of 1948. According to preliminary figures commercial exports totalled 5,858 million marks in January—February, compared with 3,130 million marks in the same months of 1947. The corresponding import figures were 8,240 and 5,130 million marks respectively. The total of Finnish foreign trade thus amounted to about 14,000 million marks in January—February, a sum approximately 5,800 million marks higher than last year's corresponding figure. These facts permit the conclusion to be drawn that the tonnage of exports and imports, too, has increased considerably in comparison with the first two months of last year. Besides commercial exports, Finland exported war reparation goods to the Soviet Union to a value of 1,507 million marks in January—February, compared with 1,215 million marks in the same months of 1947.

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STATISTICS.

1. — STATEMENT OF THE BANK OF FINLAND.

	1947					1948	
	Mill. mk					Mill. mk	
	28/2	30/9	31/10	30/11	31/12	31/1	28/2
ASSETS.							
I. Gold Reserve	2	2	2	2	2	91	135
Foreign Correspondents	2 391	776	464	685	621	1 395	1 799
II. Foreign Bills	289	318	328	328	312	308	318
Foreign Bank Notes and Coupons	12	27	24	21	31	21	11
Inland Bills	27 977	32 356	33 290	33 632	34 478	31 445	31 943
III. Loans on Security	24	24	24	24	24	24	24
Advances on Cash Credit	698	479	385	552	395	374	503
Bonds in Finnish Currency	241	223	220	218	216	213	209
» » Foreign »	192	167	167	166	166	156	158
Bank Premises and Furniture	32	33	34	34	—	—	—
Sundry Assets	1 142	1 190	1 049	831	1 260	788	515
Total	33 000	35 595	35 987	36 493	37 505	34 815	35 615
LIABILITIES.							
Notes in circulation	18 896	24 484	25 129	25 809	25 162	23 258	24 448
Other Liabilities payable on demand:							
Balance of Current Accounts due to the Treasury	—	293	277	872	114	—	—
» » » » » » Others	789	1 301	1 308	633	2 884	1 182	1 048
Bank-Post-Bills	77	46	51	91	166	43	58
Foreign Correspondents	199	184	188	160	136	1 163	1 158
Foreign Clearing Accounts	7 407	2 813	2 375	2 262	2 269	2 587	2 712
Sundry Accounts	106	28	80	19	54	63	60
Capital	1 250	1 250	1 250	1 250	1 250	1 250	1 250
Reserve Fund	1 412	1 433	1 433	1 433	1 433	1 735	1 735
Bank Premises and Furniture	32	32	32	32	—	—	—
Earnings less Expenses	95	301	397	493	604	60	113
Undisposed Profits	21	—	—	—	—	302	2
Sundry Liabilities	2 716	3 430	3 467	3 439	3 433	3 172	3 031
Total	33 000	35 595	35 987	36 493	37 505	34 815	35 615

2. — NOTE ISSUE OF THE BANK OF FINLAND.

	1947					1948	
	Mill. mk					Mill. mk	
	28/2	30/9	31/10	30/11	31/12	31/1	28/2
RIGHT TO ISSUE NOTES.							
Gold Reserve and Foreign Correspondents	2 393	778	466	687	623	1 486	1 934
According to Law of Dec. 13, 1939 ¹⁾	28 278	32 701	33 642	33 981	34 821	31 774	32 272
Additional Right of Issue	1 800	1 800	1 800	1 800	1 800	1 800	1 800
Total	32 471	35 279	35 908	36 468	37 244	35 060	36 006
AMOUNT OF ISSUE USED.							
Notes in circulation	18 896	24 484	25 129	25 809	25 162	23 258	24 448
Other Liabilities payable on demand	8 578	4 665	4 279	4 037	5 623	5 038	5 036
Undrawn Amount of Advances on Cash Credit	260	489	583	376	533	559	490
Total	27 734	29 638	29 991	30 222	31 318	28 855	29 914
NOTE RESERVE	4 737	5 641	5 917	6 246	5 926	6 205	6 092
Grand total	32 471	35 279	35 908	36 468	37 244	35 060	36 006

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

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

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 ¹⁾ Mill. mk				Cover for the Issue of Notes Percentage of Liabilities payable on demand				End of Month
	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	
Jan.	[13 598]				[1 283]				[115.46]				Jan.
Febr.	15 580	17 172	23 258	— 1 904	1 611	2 350	1 395	+ 774	112.10	110.38	115.26	+ 2.09	Febr.
March	15 631	18 896	24 448	+ 1 190	1 883	2 391	1 799	+ 404	112.75	110.59	114.35	— 0.91	March
April	17 323	20 944			1 216	3 116			118.10	110.07			April
May	18 534	21 566			1 038	1 931			111.95	111.82			May
June	18 442	21 653			604	1 893			109.97	112.44			June
July	17 657	22 415			848	1 157			109.73	112.18			July
Aug.	17 269	22 956			775	1 248			108.35	113.78			Aug.
Sept.	17 986	23 945			1 365	762			109.11	114.11			Sept.
Oct.	19 076	24 484			1 586	776			110.27	112.96			Oct.
Nov.	19 667	25 129			1 475	464			109.92	113.73			Nov.
Dec.	19 492	25 809			1 977	685			110.62	114.71			Dec.
	18 233	25 162			1 915	621			108.59	113.17			

¹⁾ Credit balances with foreign correspondents.

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

End of Month	Note Reserve Mill. mk				Home Loans ¹⁾ Mill. mk				Re-discounted Bills (included in Home Loans) Mill. mk				End of Month
	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	
Jan.	[5 018]				[22 397]				[—]				Jan.
Febr.	4 379	4 561	6 205	+ 279	22 151	27 452	31 843	— 3 054	—	968	530	— 2 966	Febr.
March	4 461	4 737	6 092	— 113	21 794	28 699	32 470	+ 627	625	2 474	3 384	— 2 854	March
April	4 731	4 852			24 433	30 580			949	1 352			April
May	4 687	5 387			26 429	32 174			934	998			May
June	4 601	5 463			30 726	31 451			2 481	2 257			June
July	4 685	5 397			32 233	32 164			2 874	1 909			July
Aug.	4 336	5 832			32 837	32 033			1 646	687			Aug.
Sept.	4 617	6 021			32 920	33 242			2 156	730			Sept.
Oct.	4 989	5 641			33 043	32 859			1 679	466			Oct.
Nov.	4 777	5 917			31 845	33 699			1 048	369			Nov.
Dec.	4 839	6 246			30 312	34 208			1 959	2 537			Dec.
	4 245	5 926			29 409	34 897			2 458	3 496			

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

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

End of Month	Treasury Bills (included in Home Loans) Mill. mk				Balance of Current Accounts due to the Treasury Mill. mk				Balance of Current Accounts due to others than the Treasury Mill. mk				End of Month
	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	1946	1947	1948	Monthly Movement	
Jan.	[18 600]				[149]				[2 685]				Jan.
Febr.	17 950	18 000	17 830	— 670	— 213	160	— 20	— 134	888	1 087	1 182	— 1 702	Febr.
March	16 450	16 950	14 600	— 3 230	— 69	— 567	— 32	— 12	743	789	1 048	× 134	March
April	18 150	19 300			69	— 153			654	1 550			April
May	19 550	20 300			94	556			1 068	798			May
June	21 750	17 500			— 139	— 17			1 047	1 221			June
July	22 500	18 400			64	144			860	853			July
Aug.	23 900	19 700			195	425			855	597			Aug.
Sept.	23 500	21 000			— 146	62			973	1 011			Sept.
Oct.	24 300	20 800			39	293			1 036	1 301			Oct.
Nov.	23 520	21 350			147	277			1 427	1 308			Nov.
Dec.	20 370	18 800			246	872			683	633			Dec.
	17 920	18 500			599	114			1 481	2 884			

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

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

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

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 Mill. mk			Monthly Movement		End of Month		
	Inland Bills Mill. mk		Other Credits Mill. mk		Mill. mk		Mill. mk			Mill. mk				
	1947	1948	1947	1948	1947	1948	1946	1947	1948	1947	1948			
Jan.	[10 176]	17 173	[18 598]	20 163	[755]	658	1 933	[22 293]	24 431	30 095	39 269	+ 566	+ 1 609	Jan.
Febr.	10 818	18 382	19 092	19 626	614	1 732		24 704	30 850	39 740		+ 755	+ 471	Febr.
March	11 984		19 280		873			26 015	32 137			+ 1 287		March
April	13 707		19 515		942			27 175	34 164			+ 2 027		April
May	14 639		19 487		1 086			28 576	35 212			+ 1 048		May
June	14 670		19 404		971			29 059	35 045			— 167		June
July	15 171		19 616		1 320			29 047	36 107			+ 1 062		July
Aug.	15 543		19 056		1 372			28 621	35 971			— 136		Aug.
Sept.	15 929		19 163		1 322			28 417	36 414			+ 443		Sept.
Oct.	16 236		19 854		1 711			28 903	37 801			+ 1 387		Oct.
Nov.	16 801		20 045		1 433			29 245	38 279			+ 478		Nov.
Dec.	16 599		19 289		1 782			29 529	37 660			— 619		Dec.

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

9. — COMMERCIAL BANKS. POSITION TOWARDS FOREIGN COUNTRIES.

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

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

10. — FOREIGN PAYMENT POSITION OF ALL BANKS. ¹⁾11. — DEPOSITS IN POST OFFICE SAVINGS BANK. ²⁾

End of Month	Net Claims (+) or Net Indebtedness (-) Mill. mk				Monthly Movement	
	1945	1946	1947	1948	1947	1948
Jan.	[-813]					
Febr.	- 822	-1 166	-4 806	-1 631	+ 347	-1296
March	- 875	- 398	-4 621	-1 525	+ 185	+ 106
April	- 991	-1 289	-3 762		+ 859	
May	- 951	-1 487	-4 572		- 810	
June	- 887	-6 509	-3 722		+ 850	
July	- 929	-8 486	-3 360		+ 362	
Aug.	-1 332	-9 289	-1 940		+1 420	
Sept.	-1 379	-8 620	-1 968		- 28	
Oct.	-1 507	-7 439	- 690		+1 278	
Nov.	-1 624	-6 350	- 588		+ 102	
Dec.	-2 543	-5 695	- 364		+ 224	
	-1 556	-5 153	- 335		+ 29	

End of Month	Deposits Mill. mk				Monthly Movement	
	1945	1946	1947	1948	1947	1948
Jan.	[3 170]					
Febr.	3 355	5 319	7 365	8 581	+152	+ 187
March	3 337	5 370	7 481	8 418	+116	- 163
April	3 342	5 589	7 574		+ 93	
May	3 413	5 712	7 527		- 47	
June	3 749	5 784	7 609		+ 82	
July	4 112	5 846	7 692		+ 83	
Aug.	4 139	5 940	7 796		+104	
Sept.	4 130	6 438	8 086		+290	
Oct.	4 494	6 647	8 094		+ 8	
Nov.	4 681	6 777	8 123		+ 29	
Dec.	4 784	6 845	7 966		-167	
	5 417	7 213	8 394		+438	

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

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

12. — DEPOSITS IN THE SAVINGS BANKS.

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

According to figures supplied by the Central Statistical Office.

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

* Preliminary figures subject to minor alterations.

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

End of Month	Deposits in Co-operative Credit Societies ¹⁾ Mill. mk				Monthly Movement		Deposits in Consumers' Co-operative Societies ¹⁾ Mill. mk				Monthly Movement		End of Month
	1945	1946	1947	1948	1947	1948	1945	1946	1947	1948	1947	1948	
Jan.	[4 507]						[1 268]						Jan.
Febr.	4 602	6 757	8 339	11 332	— 52	— 28	1 318	2 031	2 315	2 824	+ 53	+ 69	Febr.
March	4 661	6 838	8 433	11 384	+ 94	+ 52	1 341	2 053	2 354	2 862	+ 39	+ 38	March
April	4 804	7 118	8 962		+529		1 354	2 085	2 414		+ 60		April
May	4 842	7 304	9 292		+330		1 363	2 112	2 459		+ 45		May
June	4 978	7 405	9 407		+115		1 388	2 112	2 473		+ 14		June
July	5 150	7 534	9 604		+197		1 429	2 138	2 521		+ 48		July
Aug.	5 246	7 606	9 838		+234		1 447	2 132	2 549		+ 28		Aug.
Sept.	5 332	7 739	10 412		+574		1 465	2 127	2 573		+ 24		Sept.
Oct.	5 657	7 869	10 618		+206		1 599	2 126	2 584		+ 11		Oct.
Nov.	5 901	7 883	10 667		+ 49		1 690	2 130	2 586		+ 2		Nov.
Dec.	6 061	7 871	10 597		— 70		1 755	2 145	2 595		+ 9		Dec.
	6 926	8 391	11 360*		+763		2 036	2 262	2 755		+160		

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

14. — DEPOSITS IN ALL CREDIT INSTITUTIONS. ¹⁾

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

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

15. — INSURANCES IN LIFE ASSURANCE COMPANIES.

End of Month	New risks accepted ¹⁾			
	1947		1948	
	Number	Amount Mill. mk	Number	Amount Mill. mk
January	14 135	834	14 093*	1 336*
February	15 919	981	16 387*	1 620*
March	18 071	1 133		
April	15 669	1 011		
May	14 404	944		
June	14 719	983		
July	9 541	685		
August	10 837	787		
September	13 214	1 038		
October	15 952	1 288		
November	18 527	1 540		
December	20 069	1 764		
Total	181 057	12 988		
Jan.—Febr.	30 054	1 815	30 480*	2 956*

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

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

Year and Quarter	Companies founded		Companies with increased Capital		Companies liquidated		Companies with reduced Capital		Net increase (+) or reduction (—)		Year and Quarter
	Num-ber	Capital Mill. mk	Num-ber	Increase of Capital Mill. mk	Num-ber	Capital Mill. mk	Num-ber	Reduction of Capital Mill. mk	Num-ber	Capital Mill. mk	
1943	866	573	541	1 250	193	134	6	9	+ 673	+ 1 680	1943
1944	523	238	316	633	176	128	2	1	+ 347	+ 742	1944
1945	1 485	797	428	511	120	111	4	34	+1 365	+1 163	1945
1946	1 355	649	956	3 764	110	51	8	7	+1 245	+4 355	1946
1947	955	749	826	2 740	98	47	7	73	+ 857	+3 369	1947
1946											1946
Oct.—Dec.	357	208	472	2 808	21	16	3	2	+ 336	+2 998	Oct.—Dec.
1947											1947
Jan.—March	289	175	244	544	24	16	1	3	+ 265	+ 700	Jan.—March
April—June	253	176	167	646	10	6	—	—	+ 243	+ 816	April—June
July—Sept.	192	134	194	210	21	6	1	67	+ 171	+ 271	July—Sept.
Oct.—Dec.	221	264	221	1 340	43	19	5	3	+ 178	+1 582	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 ¹⁾					
	Number					
	1942	1943	1944	1945	1946	1947
January	12	15	7	10	13	15
February	6	8	10	7	8	14
March	13	8	4	6	10	8
April	10	10	12	3	7	10
May	7	13	6	7	11	5
June	6	9	2	12	6	12
July	9	11	9	3	6	5
August	7	4	12	8	6	8
September	17	1	15	2	6	11
October	9	7	10	11	17	8
November	7	12	10	2	13	12
December	14	11	8	8	5	7
Total	117	109	105	79	108	115

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

18. — STOCK EXCHANGE.

Month	Turnover of Stock Exchange ¹⁾					
	Mill. mk					
	1943	1944	1945	1946	1947	1948
January	24	30	29	54	83	122
February	26	38	41	75	84	105
March	29	44	117	65	70	
April	34	27	108	57	81	
May	48	41	81	144	106	
June	30	49	129	87	75	
July	28	31	114	59	70	
August	24	44	132	40	53	
September	59	51	219	87	166	
October	37	33	157	170	151	
November	40	53	94	206	110	
December	46	47	109	144	200	
Total	425	488	1 330	1 188	1 249	227
Jan.—Febr.	50	68	70	129	167	

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

19. — STOCK EXCHANGE INDEX.

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

Units 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. mk ¹⁾)									Mill. Dollars ²⁾	End of Year and Month
	Funded Debt			Short-term Credit			Total Public Debt				
	Foreign	Internal	Total	Foreign	Internal	Total	Foreign	Internal	Total		
1943	3 321	26 493	29 814	2 070	19 937	22 007	5 391	46 430	51 821	1 050	1943
1944	4 010	38 608	42 618	2 088	22 806	24 894	6 098	61 414	67 512	1 368	1944
1945	15 664	39 994	55 658	4 283	25 782	30 065	19 947	65 776	85 723	630	1945
1946	26 561	51 301	77 862	5 072	22 137	27 209	31 633	73 438	105 071	773	1946
1947											1947
July	33 267	56 098	89 365	5 064	21 435	26 499	38 331	77 533	115 864	852	July
August	33 321	55 781	91 012	5 068	22 715	27 783	38 389	78 496	116 885	860	August
September	33 695	56 133	89 828	5 074	23 390	28 464	38 769	79 523	118 292	870	September
October	33 840	56 770	90 610	5 078	22 395	27 473	38 918	79 165	118 083	868	October
November	33 295	56 980	90 275	5 076	19 935	25 011	38 371	76 915	115 286	848	November
December	33 484	57 292	90 776	5 073	22 251	27 324	38 557	79 543	118 100	868	December

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

21. — STATE REVENUE AND EXPENDITURE.

Year and Month	Total Revenue	Current Revenue ¹⁾ derived from								Capital Revenue	Expenditure			Year and Month
		Income and Property tax ²⁾	Excise on spirits, wines, etc.	Stamp duty	Sales tax	Interest and Dividends	Railways, Posts, Telegraphs ³⁾	State Forests ³⁾	Total		Current	Capital		
													Mill. mk								Mill. mk
1946														1946
Jan.—Nov.	65 178	12 416	367	1 228	9 358	5 685	163	— 5	18 149	73 584	61 934	11 650	Jan.—Nov.	
Whole year	104 345	19 482	435	1 375	13 536	5 736	249	909	37 945	100 106	76 159	23 947	Whole year	
1947														1947
Jan.—Nov.	68 091	16 065	358	1 560	12 492	6 244	886	1 360	13 480	64 957	51 427	13 530	Jan.—Nov.	
Budget	62 558	15 650	354	1 000	11 000	6 834	648	881	13 241	62 532	47 169	15 363	Budget	

Tables 21—23 according to preliminary monthly accounts kept by the Treasury, the Customs and the Board of Excise Revenue.

¹⁾ The current revenue derived from Customs duty, and some other State receipts are specified in tables 22 and 23 below. — ²⁾ Including special and supplementary taxes on income and property but not the Capital Levy nor the surplus income tax and inheritance tax. — ³⁾ The figures given refer to net revenue.

22. — COLLECTION OF CUSTOMS.

Year and Month	Total Customs Receipts	Customs duty on		Fines, Light Dues, etc.
		Imported goods incl. storage charges	Exported goods	
1947				
January	177	171	0	6
Whole year	4 704	4 595	0	109
1948				
January	379	362	0	17
Budget	5 557	5 500	1	56

23. — COLLECTION OF EXCISE DUES.

Year and Month	Total Excise Dues	Excise on			
		Tobacco	Spirits	Beer	Matches
1946					
Jan.—Nov.	4 004	3 165	165	202	224
Whole year	4 430	3 472	198	237	245
1947					
Jan.—Nov.	4 514	3 657	154	204	211
Budget	4 814	3 500	174	180	250

24. — VALUE OF IMPORTS AND EXPORTS.

Month	Imports (c. i. f.)			Exports (f. o. b., free exports)			Surplus of Imports (—) or Exports (+)			Month
	Mill. mk			Mill. mk			Mill. mk			
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	944	2 825*	3 958*	957	1 961*	2 504*	+ 13	— 864*	— 1 454*	January
February	884	2 304*	4 282*	681	1 170*	3 354*	— 203	— 1 134*	— 928*	February
March	1 330	1 138*		1 013	784*		— 317	— 354*		March
April	1 388	1 464*		1 067	2 107*		— 321	+ 643*		April
May	1 999	3 843*		1 708	4 855*		— 291	+ 1 012*		May
June	2 511	3 939*		1 965	4 582*		— 546	+ 643*		June
July	2 988	4 899*		2 068	5 768*		— 920	+ 869*		July
August	2 729	4 014*		2 505	5 498*		— 224	+ 1 484*		August
September	2 391	5 196*		2 379	4 808*		— 12	— 388*		September
October	2 316	5 218*		3 240	4 885*		+ 924	— 333*		October
November	2 269	4 970*		2 907	5 018*		+ 638	+ 48*		November
December	2 525	7 078*		2 561	3 792*		+ 36	— 3 286*		December
Total	24 274	46 888*		23 051	45 228*		— 1 223	— 1 660*		Total
Jan.—Febr.	1 828	5 129*	8 240*	1 638*	3 131*	5 858*	— 190	— 1 998*	— 2 382*	Jan.—Febr.

Tables 24—29 according to Finnish Official Statistics I, A, Foreign Trade of Finland, Monthly Reports.

The term *imports* covers all imported goods which are placed on the market either immediately after importation or after storage. *Exports* covers all goods exported from the open market, including re-exports. Goods are declared to the Customs by their owner, who must at the same time state the value of the goods as calculated at the frontiers of the country.

* Preliminary figures subject to minor alterations.

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

Classes of Goods	Imports (c. i. f.) Mill. mk					Exports (f. o. b.) Mill. mk.				
	Whole year		January			Whole year		January		
	1946	1947*	1946	1947*	1948*	1946	1947*	1946	1947*	1948*
Dairy produce, eggs, honey	702	203	0	81	119	107	34	—	2	—
Other animal products, live animals	606	688	23	76	88	67	1 098	7	5	4
Vegetables	9	13	0	1	2	0	32	—	—	—
Eatable fruit	74	247	0	11	38	14	12	—	3	1
Coffee, tea, spices	171	296	0	1	3	—	—	—	—	—
Cereals, milling products ..	3 088	6 586	299	478	386	—	0	—	—	—
Certain seeds and fruit, plants for industrial purposes ..	153	293	7	36	60	29	10	6	0	4
Raw materials for tanning and dyeing	78	122	2	4	7	—	—	—	—	—
Animal and vegetable fats	333	1 288	0	46	132	0	0	—	0	—
Meat and fish products ...	62	92	10	0	0	0	—	—	—	—
Sugar, sweets	846	1 250	51	60	112	—	7	—	—	2
Beverages, vinegars	166	236	5	22	32	19	152	—	11	40
Fodder	143	381	—	—	—	0	—	—	—	—
Tobacco	415	624	34	46	62	—	—	—	—	—
Minerals, ore	864	954	42	83	62	76	71	3	8	3
Mineral fuel and oils	3 643	6 317	81	267	760	0	0	—	—	—
Chemical and pharmaceutical products	1 010	1 766	27	110	174	39	127	1	7	13
Tanning and dyeing extracts, varnishes	340	808	7	53	66	2	13	0	0	0
Caseine, albumine, glues ..	263	394	1	21	15	1	0	—	—	—
Fertilizers	854	2 105	12	126	136	—	—	—	—	—
Hides, skins, leather and furs; manufactures of these materials	215	670	1	34	35	97	261	—	17	35
Rubber and rubber articles	656	968	17	37	92	0	1	—	—	0
Wood and wooden goods ..	21	51	1	1	2	9 744	19 467	229	637	668
Woodpulp	1	10	0	—	—	4 235	10 722	257	407	945
Cardboard and paper, their applications	38	61	1	4	6	6 915	11 001	385	699	657
Textile materials, textile goods	1 719	3 935	88	241	370	646	744	41	62	54
Footwear	101	206	0	4	18	4	0	—	—	—
Articles of stone and of other mineral material, glass ..	222	326	6	19	35	204	356	13	21	16
Base metals; articles made therefrom	3 433	7 708	112	376	628	445	581	2	48	30
Machinery, apparatus	1 428	2 449	64	169	198	41	103	1	8	10
Electrical machinery and apparatus	535	1 136	22	61	97	46	93	2	4	3
Transport material	1 533	3 797	8	293	126	10	29	0	1	10
Instruments, clocks and watches, musical instruments	111	245	6	13	34	5	9	0	1	0
All others	441	663	17	51	63	255	305	10	20	9
Total free trade	24 274	46 888	944	2 825	3 958	23 051	45 228	957	1 961	2 504
Reparation deliveries						8 775	10 405	456	549	742
Restitution goods						655	—	62	—	—

* 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	—	—	2 403	12 817*	—	2 276	1 587*	—	February
March	3 953	7 774*	—	14 924	2 467*	—	2 161	1 431*	—	March
April	4 435	3 657*	—	1 049	18 239*	—	2 020	626*	—	April
May	0	12 700*	—	9 459	2 601*	—	1 963	2 529*	—	May
June	16 011	2 099*	—	40 308	9 333*	—	2 410	7 802*	—	June
July	17 454	11 004*	—	21 047	9 192*	—	4 892	6 040*	—	July
August	30 274	9 488*	—	15 312	14 257*	—	3 690	5 168*	—	August
September	12 735	9 434*	—	19 861	26 608*	—	3 112	3 773*	—	September
October	1 551	90*	—	8 829	30 138*	—	3 531	13 765*	—	October
November	—	18 476*	—	213	7 533*	—	3 656	3 892*	—	November
December	—	—	—	—	26 354*	—	1 128	350*	—	December
Total	96 419	91 787*	—	156 129	173 880*	—	32 498	48 464*	—	Total

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*	—	23 868	50 620*	—	191	7 404*	—	February
March	152	254*	—	46 747	5 018*	—	36	8 697*	—	March
April	166	232*	—	73 911	61*	—	386	9 989*	—	April
May	197	247*	—	88 959	24 555*	—	1 201	10 137*	—	May
June	144	245*	—	70 041	112 824*	—	4 122	12 854*	—	June
July	102	124*	—	154 693	223 939*	—	5 279	15 222*	—	July
August	208	345*	—	95 672	140 047*	—	6 969	16 454*	—	August
September	193	328*	—	126 632	238 278*	—	5 819	16 086*	—	September
October	192	353*	—	95 977	245 516*	—	6 315	15 637*	—	October
November	182	331*	—	62 322	164 656*	—	6 457	12 428*	—	November
December	108	216*	—	79 719	252 680*	—	5 554	16 295*	—	December
Total	1 958	3 095*	—	937 963	1 498 977*	—	42 329	148 748*	—	Total

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*	4 005*	January
February	441	3 430*	—	—	5*	—	1 825	3 789*	—	February
March	276	1 451*	—	150	20*	—	2 124	846*	—	March
April	1 402	—	—	660	100*	—	2 694	1 005*	—	April
May	423	1 871*	—	150	920*	—	4 467	7 890*	—	May
June	719	1 263*	—	220	270*	—	3 491	7 759*	—	June
July	502	—	—	69	40*	—	6 531	6 736*	—	July
August	2 583	93*	—	100	2 255*	—	3 820	5 427*	—	August
September	118	—	—	—	3 902*	—	4 218	9 532*	—	September
October	647	587*	—	471	4 985*	—	4 173	10 064*	—	October
November	203	12*	—	65	1 040*	—	7 100	8 977*	—	November
December	67	859*	—	242	2 066*	—	4 152	20 314*	—	December
Total	8 518	10 654*	—	2 228	15 613*	—	45 249	85 532*	—	Total

* Preliminary figures subject to minor alterations.

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

Month	Wooden Houses and Barracks Tons			Round Timber All kinds excl. fuel 1 000 m ³			Sawn Timber All kinds 1 000 standards			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	11 868	7 971*	6 077*	24	30*	35*	2	15*	10*	January
February	9 949	8 393*		9	15*		0	5*		February
March	7 580	11 542*		15	—		0	5*		March
April	471	10 159*		26	1*		0	4*		April
May	1 029	15 832*		74	33*		6	9*		May
June	6 819	13 088*		88	118*		20	34*		June
July	13 914	11 651*		153	387*		31	66*		July
August	11 575	11 159*		258	391*		34	72*		August
September	13 058	15 005*		187	415*		43	63*		September
October	13 116	16 711*		235	280*		64	53*		October
November	16 136	13 699*		149	178*		48	58*		November
December	16 791	13 671*		121	80*		30	32*		December
Total	121 806	148 881*		1 339	1 928*		278	416*		Total

1 standard sawn timber = 4,672 m³.

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

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

¹⁾ Free exports. — ²⁾ Dry weight.

* Preliminary figures subject to minor alterations.

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

Month	Cardboard All kinds Tons			Paper All kinds Tons			Newsprint (included in previous column) Tons			Month
	1946	1947	1948	1946	1947	1948	1946	1947	1948	
January	5 834	7 891*	5 921*	23 867	24 094*	23 848*	16 551	12 880*	16 318*	January
February	3 761	2 675*		14 376	9 300*		7 588	4 953*		February
March	9 870	812*		20 378	9 919*		13 321	7 299*		March
April	9 486	8 170*		20 783	24 521*		13 354	15 389*		April
May	7 056	16 957*		26 621	55 029*		16 496	32 864*		May
June	7 783	11 102*		29 129	43 875*		19 113	26 861*		June
July	8 214	8 510*		29 463	40 110*		19 667	29 713*		July
August	9 425	7 161*		29 125	45 278*		20 925	32 561*		August
September	7 105	8 266*		27 526	28 050*		17 864	18 328*		September
October	8 123	10 857*		33 035	36 402*		20 953	23 358*		October
November	6 889	11 711*		33 568	37 101*		22 120	23 749*		November
December	8 187	9 011*		29 762	29 655*		19 559	18 423*		December
Total	91 733	103 123*		317 633	388 334*		207 511	246 378*		Total

28. — FOREIGN TRADE WITH VARIOUS COUNTRIES.

Country	Imports (c. i. f.)					Exports (f. o. b., free exports)				
	Whole year		January			Whole year		January		
	1946	1947*	1947*	1948*	1946	1947*	1947*	1948*		
Europe:	%	%	%	Mill. mk	%	%	%	Mill. mk	%	
Belgium	5.8	7.9	2.4	311	7.9	7.3	5.2	110	4.4	
Bulgaria	0.1	0.0	0.0	0	0.0	0.0	0.0	—	—	
Czechoslovakia	0.1	0.7	11.1	41	1.0	0.1	0.3	11.3	1.2	
Denmark	10.3	6.4	3.5	490	12.4	11.1	7.2	6.4	7.0	
France	2.6	4.3	0.0	236	6.0	3.8	3.9	—	4.8	
Germany	0.1	0.0	18.3	0	0.0	—	0.1	22.2	1.3	
Great Britain	21.4	17.5	0.0	790	20.0	26.7	30.0	0.3	23.0	
Greece	0.0	0.5	4.2	16	0.4	0.3	0.7	4.6	1.6	
Holland	1.8	4.7	0.0	211	5.3	3.1	4.5	—	4.5	
Italy	0.0	0.4	0.0	12	0.3	0.3	1.5	1.9	0.2	
Norway	2.7	3.8	1.9	53	1.3	2.4	2.0	1.6	1.7	
Poland	0.1	3.6	0.0	276	7.0	0.0	2.1	—	1.7	
Rumania	0.0	0.0	16.2	0	0.0	—	0.0	12.3	—	
Soviet Union	21.4	11.3	5.0	384	9.7	20.1	12.4	8.6	16.3	
Sweden	10.0	4.8	0.6	143	3.6	9.4	5.7	0.6	4.8	
Switzerland	0.4	0.8	0.0	93	2.4	1.0	0.9	—	0.4	
Turkey	0.4	0.5	0.7	17	0.4	0.0	0.4	0.6	0.2	
Other European countries	0.3	0.4	2.3	17	0.4	1.2	1.7	1.3	0.5	
Total for Europe	77.5	67.6	66.2	3 090	78.1	86.8	78.6	76.7	73.6	
Asia	0.0	0.2	0.1	4	0.1	1.2	1.5	3.2	1.3	
Africa	0.1	0.1	0.3	0	0.0	1.9	3.1	2.7	0.5	
United States	19.5	23.8	29.6	552	13.9	6.9	11.5	11.6	21.8	
Other States of North America	0.0	0.5	0.0	0	0.0	0.1	0.1	0.1	0.3	
South America	2.9	7.8	3.8	303	7.7	3.0	4.5	4.9	2.3	
Australia	0.0	0.0	0.0	9	0.2	0.1	0.7	0.8	0.2	
Grand total	100.0	100.0	100.0	3 958	100.0	100.0	100.0	100.0	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											1947
January	896	838	719	1 107	861	926	904	1 132	818	990	January
Jan.—Sept.	947	941	861	1 062	878	1 151	1 161	1 230	1 117	1 025	Jan.—Sept.
Jan.—Oct.	954	945	903	1 047	891	1 158	1 163	1 243	1 131	1 027	Jan.—Oct.
Jan.—Nov.	950	946	876	1 037	903	1 167	1 171	1 254	1 140	1 031	Jan.—Nov.
Jan.—Dec.	950	941	898	1 030	912	1 175	1 177	1 257	1 148	1 049	Jan.—Dec.
1948											1948
January	1 135	999	1 456	1 310	1 055	1 292	1 303	2 016	1 223	1 038	January

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		February
March	923	1 306	1 360	1 585	3 470	4 617		March
April	914	1 266	1 246	1 626	3 680	4 241		April
May	1 007	1 329	1 411	1 848	4 039	5 327		May
June	1 138	1 099	1 043	1 759	3 731	4 675		June
July	1 186	1 106	948	1 400	3 402	4 633		July
August	1 072	1 167	1 229	1 847	3 911	5 302		August
September	1 125	1 308	1 023	2 420	4 040	6 438		September
October	1 098	1 337	1 077	2 954	4 622	6 470		October
November	1 076	1 302	1 191	3 186	4 551	6 415		November
December	1 188	1 429	1 419	3 267	5 024	7 311		December
Total	12 225	14 703	14 199	24 786	46 267	62 782		Total

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

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

Month	Home Industries										Exporting Industries					Month
	Value index					Volume index					Volume index					
	1943	1944	1945	1946	1947	1943	1944	1945	1946	1947	1943	1944	1945	1946	1947	
January	204	244	221	530	624	97	97	76	94	105	48	47	40	55	75	January
February	257	288	264	607	814			89	107	137	49	48	38	55	76	76	February
March	237	265	220	548	749	89	76	73	94	125	50	51	40	57	79	March
April	203	211	220	582	733			70	97	123	54	53	44	59	79	79	April
May	208	222	220	528	681	77	78	69	88	113	52	51	47	66	80	May
June	201	199	239	561	691			69	93	115	40	40	50	63	80	80	June
July	226	239	213	582	655	77	78	56	97	107	42	31	47	65	67	July
August	194	235	309	620	732			69	103	113	45	33	48	62	73	73	August
September	184	199	341	676	799	75	72	72	112	123	48	32	52	70	82	September
October	179	195	390	609	850			76	101	126	50	32	56	69	82	82	October
November	205	230	484	669	1 069	75	72	89	111	152	49	32	54	70	75	November
December	221	221	470	713	1 121			85	118	152	46	38	51	71	78	78	December
Whole year	208	225	303	607	795	82	80	76	102	125	48	40	47	64	78	Whole year

«Unfas» index based on seasonally adjusted monthly figures

82. — BUILDING ACTIVITY.

Month	Consumption of Cement in Finland ¹⁾						Plans approved in the Capital ²⁾						Month
	1 000 tons						All buildings, 1 000 m ²						
	1942	1943	1944	1945	1946	1947	1943	1944	1945	1946	1947	1948	
January							7.1	0.6	64.7	105.6	39.2	34.7*	January
February	23	28	31	46	27	54	18.3	0.3	35.5	91.8	28.4	71.3*	February
March													
April							4.8	2.9	116.8	97.1	64.3		April
May	76	73	60	89	79	112	196.6	8.1	229.7	54.5	67.6		May
June													
July							19.9	70.2	101.7	56.9	62.2		July
August	96	79	52	83	127	151	82.7	1.5	126.5	119.9	64.1		August
September													
October							1.2	0.0	12.6	57.8	65.6		October
November	53	46	44	63	96		12.7	1.7	47.7	101.6	122.5		November
December													
Total	248	226	187	281	329		357.3	200.4	1 036.6	1 004.2	689.7		Total
Jan.—Sept.	195	180	143	218	233	317	25.4	0.9	100.2	197.4	67.6	106.0*	Jan.—Febr.

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

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	4 043	1 929	3 584 657	2 370 536	3 991	1 894	3 500 590	2 696 282	1947
1947									1947
January	136	80	136 119	121 872	143	73	157 731	108 274	January
August	623	282	507 044	274 820	650	286	541 480	437 036	August
September	556	252	415 596	255 899	531	222	450 095	361 133	September
October	466	226	422 725	283 284	486	229	409 884	298 254	October
November	407	223	358 528	246 735	403	193	389 681	304 073	November
December	285	177	314 288	277 718	285	160	325 853	202 498	December
1948									1948
January	140	85	182 485	166 625	164	99	234 518	119 611	January

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-imbursments)				Mill. mk				
	1944	1945	1946	1947	1946	1947	1944	1945	1946	1947	1944	1945	1946	1947	
Jan.	714	752	995	1 144	62	70	136	189	414	477	178	197	495	480	Jan.
Febr.	673	703	855	1 022	56	62	134	162	370	443	209	230	509	557	Febr.
March	807	886	1 052	1 118	68	69	169	203	459	479	209	218	479	587	March
April	1 091	947	1 073	1 167	70	73	284	224	500	552	209	237	465	540	April
May	1 354	988	1 189	1 326	75	77	274	236	484	616	224	367	520	693	May
June	580	1 046	1 231	1 282	67	68	158	279	575	646	213	314	497	732	June
July	1 428	996	1 363	1 492	70	68	411	294	596	880	242	284	511	702	July
Aug.	1 150	1 079	1 391	1 395	72	70	236	377	600	877	210	376	558	608	Aug.
Sept.	666	971	1 261	1 439	70	69	282	331	528	827	211	548	582	696	Sept.
Oct.	2 139	986	1 375	1 408	74	69	290	347	513	840	202	488	512	681	Oct.
Nov.	671	1 036	1 182	1 203	69	64	210	333	515	721	213	538	627	692	Nov.
Dec.	878	1 212	1 094	1 160	67	65	470	492	532	902	368	696	731	1 496	Dec.
Total	12 151	11 602	14 061	15 156	820	824	3 054	3 467	6 086	8 260	2 688	4 493	6 486	8 514	Total

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 (c. 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	1946	1947	1946	1947		
Jan.	721	1 026	666	1 042	655	1 504	901	1 415	593	771	860	983	697	810	723	1 027	Jan.	
Febr.	726	1 033	673	1 050	681	1 479	903	1 428	596	788	860	992	701	827	735	1 040	Febr.	
March	759		717		903		903		598		860		734	838	746	1 041	March	
April	766		726		941		903		599		866		739	847	762	1 159	April	
May	775		729		946		903		603		889		731	840	763	1 158	May	
June	781		735		970		909		603		895		725	850	769	1 162	June	
July	799		755		967		982		613		909		734	854	807	1 175	July	
Aug.	853		824		1 015		1 169		649		926		739	885	820	1 171	Aug.	
Sept.	862		836		1 034		1 207		650		926		738	894	827	1 171	Sept.	
Oct.	882		858		982		1 271		681		940		749	921	884	1 174	Oct.	
Nov.	968		973		1 453		1 322		704		957		750	932	885	1 174	Nov.	
Dec.	1 010		1 029		1 571		1 386		738		962		764	955	883	1 174	Dec.	
Whole year	825		793		1 010		1 063		636		904		733	871	800	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			Foodstuffs				Rent		Fuel and light		Clothing		Taxes				
	1946	1947	1948	1945	1946	1947	1948	1947	1948	1947	1948	1947	1948	1947	1948			
Jan.	423	471	763	222	461	513	831	556	1 037	144	161	968	1 226	554	745	786	1 247	Jan.
Febr.	423	482	753	222	460	525	820	579	999	144	161	968	1 242	556	785	786	1 247	Febr.
March	431	524		223	470	571		675		144		970		557		786		March
April	434	546		225	473	594		727		144		971		560		725		April
May	437	559		228	476	609		753		144		970		566		725		May
June	450	567		264	490	618		771		144		973		567		725		June
July	463	595		306	504	648		786		161		976		570		1 103		July
Aug.	466	607		341	507	661		805		161		1 010		582		1 103		Aug.
Sept.	469	617		354	511	672		809		161		1 037		595		1 103		Sept.
Oct.	469	632		422	511	689		829		161		1 054		603		1 155		Oct.
Nov.	467	690		434	508	751		946		161		1 069		642		1 155		Nov.
Dec.	468	720		440	509	785		994		161		1 211		679		1 155		Dec.
Whole year	450	584		307	490	636		769		152		1 015		586		942		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	396	503	529	432	302	399	507	534	436	259	342	435	457	373	1945
1946	564	613	657	683	629	570	619	664	689	636	489	530	569	591	545	1946
1947	706	733	781	935	789	708	734	782	937	790	679	715	762	911	767	1947
1948	1 120				1 113						1 219					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.

CERTAIN PARTICULARS ABOUT FINLAND.

1. FORM OF GOVERNMENT.

Finland formed a part of the kingdom of Sweden from 1154 to 1809; from 1909 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 1945 are at present as follows:

	Number
Democratic League	51
Agrarian party	48
Social-Democratic party	48
Unionist party	29
Swedish party	14
Progressive party	9
Swedish Liberal Party	1

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 (1945): 4.0 millions (of whom 0.2 million emigrants). Sweden (1945) 6.7, Switzerland (1945) 4.4, Denmark (1945) 4.1 and Norway (1941) 3.0 millions.

DENSITY OF POPULATION (1945): In South Finland 22.1, in North Finland 3.1 and in the whole country an average of 12.2 inhabitants to the square kilometre.

DISTRIBUTION (1945): 76.1 % of the population inhabit the country, 23.9 % the towns and urban districts. The largest towns are (1945): Helsinki (Helsingfors), the capital, 338 836 inhabitants, Tampere (Tammerfors) 87 123, Turku (Åbo) 81 494.

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 (1945): 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 (1945): Births 24.1 ‰, deaths 12.7 ‰ (deaths in France in 1943 16.4 ‰ and in England in 1943 12.1 ‰) natural increase 11.5 ‰.

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 m³ (1 672 million cub. ft.).

AGRICULTURE (1945): 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 is divided between the different kinds of crops as follows: 56.2 % hay, 13.2 % oats, 6.2 % rye, 6.1 % wheat, 5.9 % barley, 3.0 % potatoes, 9.4 % other. The number of dairies in 1944 amounted to 512.

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 (1944): Number of industrial concerns 4 559, workpeople 180 546, gross value of products of industry 37 872 million marks.

LENGTH OF RAILWAYS (1946): 4 928 km, of which 4 687 km State railways and 241 km private. The gauge is in general 1,524 m.

MERCHANT FLEET (1946): Steamships 333 (279 523 gross reg. tons), motor vessels 68 (23 750 gross reg. tons), sailing ships with auxiliary engine 135 (18 681 gross reg. tons), other sailing ships 13 (2 794 gross reg. tons). Total 549 (320 758 gross reg. tons).

5. FINANCE AND BANKING.

CURRENCY. Since 1860 Finland has its own monetary system. From 1877 up to 1914 the currency maintained its stable gold value, and after the disturbances caused by the war a gold standard was again introduced from January 1st, 1926. The unit of currency is the mark (Finnish *markka* = 100 pennä). According to the monetary law of December 21, 1925, a gold coin of 100 marks' value shall contain 3 ¹¹/₁₀₀ 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 1946 the State revenue was 104 845 million marks of which 66 400 million marks were current revenue, and State expenditure 100 106 million marks, of which 76 159 million marks were current expenditure. The principal sources of revenue were as follows: direct taxes 30 724, indirect taxes 6 866, sales tax 13 536, interest and dividends, etc. 5 836, State property and undertakings (net) 2 073, and capital revenue 37 945. For Public Debt see table 20 in this issue.

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

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

THE COMMERCIAL BANKS (1946): Number 7, possess 460 offices, where all kinds of banking business is transacted. There is one banking establishment per 8 095 inhabitants.

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

OTHER BANKS (1946): Mortgage banks 5, Savings banks 470, Co-operative Credit Societies 890 and a Central Bank for the latter.

THE BANK OF FINLAND IN 1947.

BY

PROFESSOR A. E. TUDEER,

HEAD OF THE INSTITUTE FOR ECONOMIC RESEARCH OF THE BANK OF FINLAND.

CREDIT POLICY.

The tightening of the money market affected more than anything else the activities and the position of the Bank of Finland in 1947. There was great demand for credit for a number of reasons referred to in another article of this issue, and the progressing inflation increased this demand for money. At the same time the public had few opportunities and little desire to save.

Under such conditions it proved impossible, despite various efforts, to balance the demand for, and supply of credit. The voluntary credit control which had been introduced earlier was maintained for the purpose of discouraging useless or non-vital investments and reserving available money for needs of national importance. In addition, the Central Bank's rate of interest was raised twice. On June 6 the discount rate was increased from 4 to 4½ per cent, and on December 15 followed a second adjustment, this time to 5¼ per cent. The other bank rates rose correspondingly. These measures, however, proved insufficient to restore the balance of the money market, and others are under consideration. The parrying of credit inflation is an important element of the economic policy aiming at a stabilization of the value of the Finnish mark.

BALANCE SHEET.

The following table gives a general idea of the position and of the changes recorded in the various accounts.

On the assets side, the lessening of the foreign currency reserve and the increased bill holdings attract attention in the first place. The Bank's claims on foreign correspondents were comparatively large in the first half of the year, this being chiefly due to the foreign loans Finland received

Assets	1946 Dec. 31 Mill. mk	1947 Dec. 31 Mill. mk
<i>Cover for note issue:</i>		
Gold reserve	2	2
Foreign correspondents	1,915	621
Foreign bills	175	312
Foreign bank notes and coupons	14	31
Inland bills	26,332	30,982
Re-discounted bills	2,458	3,496
<i>Other assets:</i>		
Loans on security	63	24
Advances on cash credit	556	395
Bonds in Finnish currency	257	216
Bonds in foreign currency	203	166
Bank premises and furniture	32	—
Sundry assets	1,480	1,260
Total	33,487	37,505
<i>Liabilities</i>		
<i>Payable on demand:</i>		
Notes in circulation	18,233	25,162
Bank-post-bills	134	166
Balance of current accounts due to the Treasury	599	114
Balance of current accounts due to others	1,481	2,384
Foreign correspondents	185	136
Foreign clearing accounts	7,414	2,269
Sundry accounts	4	54
<i>Other liabilities:</i>		
Capital	1,250	1,250
Reserve Fund	1,291	1,433
Value of Bank premises and furniture	32	—
Sundry liabilities	2,622	3,433
Profit and Loss Account	242	604
Total	33,487	37,505

at the time. They subsequently diminished by reason of larger imports than exports and the payment of annuities and interests on foreign loans. Thus the foreign currency reserve fell from 1,915 million marks to 621 million marks, or to less than one-third of the 1946 figure.

The sum of discounted bills was 30,982 million marks at the end of 1947, or in other words 4,650 million marks (about 18 per cent) larger than the preceding year. This increase was chiefly due to the fact that the Bank's credits to trade

and industry during the same period rose from 8,412 million marks to 12,482 million marks (i.e. more than 48 per cent), chiefly because of the inflationary swelling of the demand for capital in trade and industry, but partly also because of rising production. However, it was considerably less than the year before, when it reached 4,730 million marks or 128 per cent. The discounted Treasury bills, which form part of the bill holdings, increased from 17,920 to 18,500 million marks. Having increased steeply in 1940—1945 and declined by 680 million marks in 1946, the State's bill credits from the Bank of Finland have thus again advanced by 580 million marks, or 3 per cent, in 1947. Considering that the Treasury bills total fluctuated very much during the course of the year, the highest and lowest figures being 21,850 and 16,500 million marks respectively, the above three per cent figure is not very remarkable, even though it points towards the fact that the State's finances have not reached a state of balance after the severe strain of the war years.

The stringency of the money market is clearly reflected in the large figure for rediscounted bills. The commercial banks were unable, at any time during the year, to operate entirely without rediscounts, but the amount of these, though decreasing from 2,458 million marks in the beginning of 1947 to 298 million marks, rose again to 4,213 million marks and at the close of the year totalled 3,496 million marks. The increase in 1947 was thus 1,038 millions, or fully 42 per cent.

The total bill holdings of the Bank of Finland, including both discounted and rediscounted bills, increased in 1947 from 28,790 million marks to 34,478 million marks, or by 5,688 million marks (about 20 per cent).

The other forms of credit, i.e. mortgage loans and advances on cash credit are of minor importance and continued to decline. At the end of 1947 they totalled only 419 million marks, as against 619 millions the year before. The book value of the bonds also dropped, viz. from 460 to 382 million marks, chiefly owing to redemptions of bonds.

It may be noted that the practically constant item „Bank premises and furni-

ture”, which balances an equally large item „Value of Bank premises and furniture” on the liabilities side, is now omitted as this double entry in no way affects the result.

Considering the Bank's liabilities, attention is first attracted by the steep rise of the note circulation. While undergoing the usual seasonal fluctuations the circulation increased in the course of the year by 6,929 million marks, or 38 per cent, or from 18,233 million marks to 25,162 millions. The rise would have been larger still had not entirely unfounded rumours of an impending exchange of notes in the last week of the year suddenly caused money to flow back to the banks and the note circulation to drop by one billion marks. The swelling of the note circulation was in the first place due to the rising level of prices which increased the demand for cash, and it was thus a symptom of continuing inflation.

The balance of current accounts due to the Treasury fluctuated considerably at different times but it was lower at the end of the year than in the beginning. On the other hand the „Balance of current accounts due to others” — consisting chiefly of the commercial banks' cash funds — nearly doubled to 2,884 million marks, an unusually large figure. This phenomenon, however, was purely incidental; it was due to the fear of an exchange of notes and therefore was not a sign of an easier money market.

The third item deserving attention is the debt on the foreign clearing accounts. In 1947, the total balance of these accounts decreased from 7,414 million marks to 2,269 million marks, i.e. by 5,145 millions or 69 per cent. They consisted of two distinct, independent elements. By the end of the year the net liability of 1,426 million marks on commercial clearing accounts proper had become a net claim of 757 millions, thus dropping by 2,183 million marks. The other element consisted of a clearing debt to the Soviet State Bank arising from the transfer, by virtue of the Peace Treaty, of German assets to the U.S.S.R. At the beginning of 1947 this item was 5,988 million marks, but by the end of the year it had dropped to 3,027 million marks. This means that Finland

during the year under review fulfilled her obligations on this point to practically half the total amount.

Statutory transfers having been made, the reserve fund of the Bank of Finland was 142 million marks greater than the previous year. — The net profit was 604 million marks, compared with 242 millions in 1946.

THE RIGHT OF NOTE ISSUE.

The following table shows the 1946 and 1947 figures of the right of note issue of the Bank of Finland, the amount of issue used, and the note reserve.

	1946 Dec. 31 Mill. mk	1947 Dec. 31 Mill. mk
<i>Right to issue notes</i>		
Gold reserve and foreign correspondents	1,917	623
According to the Law of Dec. 13, 1939	28,979	34,821
Additional right of issue	1,800	1,800
Total right to issue notes	32,696	37,244
<i>Amount of issue used</i>		
Notes in circulation	18,233	25,162
Other liabilities payable on demand	9,817	5,623
Undrawn amount of advances on cash credit	401	533
Total amount used	28,451	31,318
Note reserve	4,245	5,926
Total	32,696	37,244

The right of note issue increased by no less than 4,548 million marks or 14 per cent. Absolutely, and especially eventually, the increase was smaller than in the preceding year. Last year's rise was due to the increasing bill holdings; the currency reserve, on the other hand, was smaller and thus had a restrictive effect on the right of note issue.

The amount of note issue used increased in 1947, but the advance was somewhat smaller than the corresponding change in the right of note issue, 2,867 millions or 10 per cent. This margin was exclusively due to the 4,194 million marks or 43 per cent drop in "other liabilities payable on demand" which in its turn is a result of the aforementioned reduction of the debit balance on foreign clearing accounts. The amount of issue unused, or note reserve, consequently increased from 4,245 million marks in 1946 to 5,926 million marks in 1947, or in other words by 1,681

millions or practically 40 per cent. The note reserve was thus exceptionally large at the end of the year.

PROFIT AND LOSS ACCOUNT.

The following table shows the Bank's Profit and Loss Account for 1947 with comparative figures for 1946.

	1946 Mill. mk	1947 Mill. mk
<i>Credit</i>		
Interest on home credits	252	517
Interest on current accounts abroad	1	3
Interest on bonds	39	36
Interest on shares	6	11
Agio	2	59
Commission	59	153
Total	359	779
<i>Debit</i>		
Salaries	55	84
Pensions	2	6
Cost of manufacturing bank notes	16	51
Sundry expenses	18	22
Written off building costs	24	8
Depreciation of furniture	2	4
Total	117	175
Net profit	242	604
Total	359	779

Increased lending, and higher rates of interest, were responsible for the substantial advance in the Bank's interest returns. Part of the interest returns were transferred, as in the preceding years, to the regulation account, but yet the interest figure in the Profit and Loss Account, viz. 517 million marks, was more than twice as large as in 1946.

Agio and commission profits increased considerably, too. The former rose from 2 millions to 59 millions, in spite of the fact that part of this profit item was transferred to the agio equalization account. Commissions advanced from 59 millions to 153 millions, mainly thanks to the increasing documentary credit business. Increases can also be noted in respect of interest on bonds and interest paid by foreign correspondents, but these sources of income remained insignificant.

The books showed a total profit of 779 million marks, compared with 359 millions in 1946; an increase of 420 million marks, or 117 per cent. Though larger — on account of the inflation — than in any preceding year, the earnings of the Bank,

it must be remembered, are expressed in depreciated marks.

Expenses rose for the same reason; salaries and pensions by a total of 33 million marks or 58 per cent, due both to higher salaries and to the necessity of increasing the Bank's staff. Sundry expenses increased by 4 millions, or 22 per cent, and the note manufacturing costs — owing to the larger circulation and bad quality of the notes — by 35 millions, or over 200 per cent. In this manner the regular expenses of the Bank were 163 million marks in 1947, i. e. 72 million marks or 79 per cent higher than in 1946. — Amounts written off were small, only 12 million marks, and derived from certain repairs and alterations to bank premises, and from the purchase of furniture.

The Bank's net profit, which in the past years used to be somewhat over 200 million marks, advanced in 1947 to 604 million

marks, or in exact figures 603,848,645:50 marks.

In accordance with the regulations of the Bank, half the annual profit, 302 million marks, was transferred to the reserve fund, and 300 million marks will be used for covering general State expenditure. The balance of 2 millions will probably, in conformity with an established practice, be transferred to the reserve fund by a special resolution of the Diet.

Whereas the reserve fund of the Bank amounted to 1,433 million marks at the end of 1947, it is now, as shown in the first weekly statement for 1948, 1,735 million marks. The sum total of the Bank's visible capital thus amounts to 2,985 million marks. In actual fact, however, the sum of 3,308 million marks representing transferable reservations, must also be included in the estimate of the Bank's own funds.

THE ECONOMIC POSITION IN FINLAND IN 1947.

BY

K. O. ALHO, DOCT. PHIL.

FELLOW OF THE BANK OF FINLAND INSTITUTE FOR ECONOMIC RESEARCH.

INTRODUCTION.

In 1947 a distinct improvement was noticeable in certain sectors of Finnish economic life, but the expected great recovery or general turn for the better did not materialize. Progress was most marked in trade and industry; industrial production increased in several branches, the war reparations were delivered on the whole according to schedule, foreign trade expanded spectacularly, and reconstruction in Northern Finland, as well as the resettlement of the displaced population and their compensation made good progress. Monetary conditions, on the other hand, gave cause for grave concern and resulted in the uneasiness and instability which characterized the period. There was a sharp tightening of the money market due to two distinct factors, namely, a large demand for capital and decreased saving.

But, worst of all, it proved impossible to check the soaring prices; inflation continued at an accelerated pace in spite of the good hopes entertained in the beginning of the year of stabilizing the money market.

AGRICULTURE.

Supplies improved in some respects, but the general outlook was still far from satisfactory. This was chiefly due to the low level of domestic food production. Although somewhat higher than in 1946, the agricultural output yet remained 30 to 40 per cent below the pre-war level. This means that Finland last year produced no more food than twenty-five years ago, when the population was half a million less. Large imports of fertilizers in Spring 1947 gave hopes of a considerable increase in the output of agricultural products,

but adverse weather conditions, and in particular the exceptional and widespread drought, had a detrimental effect on the crop returns. The crop of bread grain was 537,600 tons as against 472,900 tons in 1946. The oats yield was also larger than the year before, and the potato crop increased from 935,000 tons in 1946 to 1,093,000 tons in 1947. On the other hand, last year's drought greatly reduced the hay crop from its level in 1946, and this in turn lessened the possibilities of increasing the output of dairy farming. Another result of the poor harvest of cattle fodder was that last year's total crop was only 2,275 million fodder units, i.e. barely 4 per cent more than in 1946. Compared with the 1938 total of 4,212 million fodder units, the present crop is but little more than half the pre-war quantity.

Cattle-farming products have also fallen considerably as compared with pre-war times, and up to now recovery here has been quite insignificant. Large quantities of concentrated fodder were imported, but owing to the poor hay crop the production of milk and butter hardly increased at all; that of milk being about the same as in 1946, or 1,400-1,450 million kilograms — compared with 2,600 million kilograms before the war. In the last months of the year there was a marked improvement which raised this figure to approximately 30 per cent above that of the corresponding period of 1946. The production of butter in 1947 reached only one-third of the pre-war figure. The drought and poor hay crop also led to exceptionally heavy slaughtering, as did also the steep rise in the prices of meat and meat products which was a consequence of the derationing of meat. For these reasons meat was abundant, particularly in the autumn, and the supply largely exceeded the quantity considered normal for the present stock of cattle.

The low domestic production of farm products has had to be supplemented by large imports in recent years. Imports of bread grain were 266,900 tons in 1947, or about 15,000 tons more than in 1946. Imports of meat, edible fats and sugar were comparatively large, too; the first being smaller than in 1946, the fats and

sugar larger. Low domestic production and insufficient imports prevented any substantial increase of the basic rations of the principal foodstuffs, and rationing had to be maintained except for meat and potatoes. The recent improvement nevertheless seems to indicate that Finnish agriculture is recovering from its low war-time level.

INDUSTRY.

The expansion of industrial production was still hampered in 1947 by many factors, such as the shortage of raw materials, power and labour, by the rapid rise in production costs, by financial difficulties and an uneasy labour market. In spite of these it continued to increase. Progress was particularly marked in the first half-year in practically all branches but since the summer the great shortage of electric power — a consequence of the drought — has caused a severe set-back and in many sectors, particularly in the export industries, the output had to be reduced. Yet industrial production advanced by an average of over 20 per cent in 1947 as against one-third in 1946, the absolute increase being approximately the same in both years. The total volume of industrial production was about 15 per cent lower than in 1938, the last year of peace. The wood and paper industries are still far from their pre-war output level, whereas certain branches of the so-called home market industries, particularly the metal and engineering sector, have definitely exceeded the level of the „statistical” year 1935. The engineering industry, the main provider of war reparation goods, has already to a certain degree become an export industry. The output of the wood and paper industry increased. Thus the output of sawn timber rose from 650,000 standards in 1946 to an estimated 850,000 standards in 1947. But even this latter is very much short of pre-war figures. In 1938, for instance, Finland produced 1,031,000 standards of sawn goods. The output of chemical woodpulp rose from 739,000 tons in 1946 to 955,000 tons in 1947 (1,470,000 tons in 1938). The separate 1947 figures for sulphite and sulphate pulp were 543,000 tons and 412,000

tons respectively, compared with 433,000 and 306,000 tons in 1946. The production of paper increased from 470,000 to 515,000 tons, that of plywood from 147,000 to 192,000 cubic metres and that of mechanical pulp from 458,000 tons in 1946 to 495,000 tons in 1947.

The forest industries could not have increased their output in this way if timber-felling in the past two seasons had not been so very successful. Although higher than at any previous time, the goal set for the season 1945/46 was actually surpassed, besides which wood-hauling and floating gave satisfactory results. The felling goal for 1946/47 was 53 million cubic metres, more than that of the previous year's goal by one million cubic metres. Lumbering was very unsatisfactory in the beginning of the season, but gradually improved and about 96 per cent of the goal was reached by the spring of 1947. Hauling and floating progressed so well that practically the whole amount felled was transported to its destination by the end of the summer. The cutting goal of the present lumbering season is only 45 million cubic metres, much lower than that of the two preceding seasons. The start was bad but prospects have improved.

Whereas the stocks of industrial raw materials are larger now than they have been for many years, the fuel situation is far from satisfactory. Imports of coal and coke, amounting to 1,497,900 tons, were actually much larger than in 1946 (928,900 tons), but they were insufficient to cover the deficit due to the forest-owners' unwillingness to sell wood for fuel after the abolition of controls in the timber trade. The present high price of firewood has added to the private consumers' difficulties in securing fuel.

No great changes are to be noted in the labour market for 1947. The demand for manpower, and in particular for skilled labour, remained greater than the supply. In the beginning of the year the manpower deficit in industry alone was estimated at more than 50,000 workers; nor is efficiency what it was before the war, though a gradual improvement is distinctly noticeable. Labour conditions were often affected by disturbances and tension,

mostly political, and these frequently led to open labour disputes, sometimes even against the expressed will of the trade unions. The situation was particularly critical at the end of the summer and in September—October, when a general strike was imminent. This calamity was avoided thanks to the Government's intervention and, although the wage increases and certain other concessions made in the beginning of October did not entirely satisfy the workers, the labour market has since showed signs of stabilizing, especially in the last quarter. Yet the tension in labour relations may increase again because of the rivalry of the two leftist parties, Social Democrats and People's Democrats, and also on account of the instability of the wage and price conditions and the continuous rise in the cost of living. On the other hand, there was a certain degree of unemployment in some places at the end of the year, though as yet no general trend is apparent.

BUILDING OPERATIONS.

The severe housing shortage, a result of the war and the need to house the population evacuated from ceded Carelia, was as great as ever in 1947. New houses were greatly needed. But building activities were still hampered by the extreme shortage of building materials. In spite of this a surprisingly large number of houses were built, especially in Northern Finland, and also in the country-side, where the displaced population enjoy priority with regard to materials. The total of all buildings completed last year amounted to 20.4 million cubic metres, i.e. 8.9 million cubic metres of dwelling-houses, 8.1 million cubic metres of farm buildings, 1.7 million cubic metres of industrial buildings and 1.7 million cubic metres of other buildings. Urban building was insignificant, as it had been for many years, as illustrated by the fact that of the total new building only 2.2 million cubic metres, or 10.6 per cent, was in the towns. The low building rate, the general movement of population from country to town, and the natural increase of the urban population were the main reasons for the very difficult housing situation in all cities

and living centres. The increase in building activities is clearly reflected in the figures for cement consumption, which rose from 329,000 tons in 1946 to 422,000 tons in 1947 — by no less than 50 per cent in one year. High costs were another obstacle to building activities. The building costs index (1935 = 100) rose from 683 points in the last quarter of 1946 to 935 points in the same quarter of 1947 — an increase of 37 per cent in one year.

FOREIGN TRADE.

The considerable re-animation of foreign trade in 1946 was still more marked in 1947, and last year's returns were very satisfactory. This expansion was made possible by larger domestic production and by foreign credits, used chiefly for financing imports. The total value of last year's foreign trade, excluding war reparation deliveries, was 90,082 million marks, nearly twice the 1946 figure which was 47,324 million marks. It is true that higher prices were largely responsible for the increased value figures, but the volume also rose. We shall thus find that the volume of exports and imports in 1947 amounted to 78 per cent of the volume in the basis year 1935, the corresponding percentage figures in 1946 and 1945 being only 49 and 18 respectively. Increased foreign trade was one of the most gratifying economic aspects of last year. Yet in spite of this the balance of foreign trade remained passive, as it had been ever since the outbreak of the war. Last year's surplus of imports over purely commercial exports was 3,695 million marks. It should be noted, however, that if war reparation exports were included, the balance of foreign trade would be strongly active in 1947. As commercial exports proper amounted to 43,193 million marks and deliveries of war reparation goods and of commodities surrendered in compensation of German assets in Finland to 12,437 million marks, the total of all exports was actually 55,630 million marks in 1947. Imports, on the other hand, were valued at 46,888 million marks. It should also be stated that the volume of last year's commercial exports was 62 per cent, and that of imports 93 per cent, of the 1935 level.

As regards the division of imports between the principal classes of commodities, it is interesting to note that raw materials still represented the largest group, viz. 48.5 per cent of all imports. The second largest group was machinery, with 21.4 per cent, closely followed by food and luxuries. „Other consumption goods” made up only 9.6 per cent of all imports. Thus producer goods formed by far the larger share.

Exports were completely dominated by wood and paper industry products which represented no less than 91 per cent of all exports. The following table shows the volume of the principal classes of forest industry products exported in the past two years.

	1946 tons	1947 tons
Mechanical woodpulp	66,258	65,126
Sulphite cellulose	202,565	289,697
Sulphate cellulose	180,948	278,497
Cardboard	91,733	103,123
Newsprint	207,511	246,378
Kraft paper	32,531	40,347
Prefabricated houses	121,806	148,881
	stds.	stds.
Sawn timber	278,000	416,000

Thus exports have increased in all groups except that of mechanical woodpulp of which the production figure was also smaller than in 1946. The increase was particularly marked in sawn timber, sulphite cellulose and sulphate cellulose. Nevertheless exports of these commodities, as of nearly all other Finnish export goods, are still far below the pre-war figures.

THE MONEY MARKET.

The past years' marked tightness of the money market persisted throughout 1947, and for the same reasons as before. The credit market was heavily strained by the continuous need of capital for reconstruction and other necessary building activities and for the expansion of the war reparation industry. The economic recovery in general, and the expansion of foreign trade in particular, increased the demand for working capital from industrial and commercial enterprises, and all the more as heavy taxation and the inflation consumed much of the trading and re-investment capital which earlier had been turned into cash. Nor should last year's considerable wage increases be forgotten

as a cause for an increased demand for capital. The influx of money into the credit institutions was, on the other hand, far too slow to cover the demand. Saving was comparatively active in the first months of the year, but subsequently deposits fell again and in certain months were even smaller than withdrawals.

Efforts were made, as before, to balance deposits and credits by means of credit controls, and also by an increase of the rates of interest. The movement of deposits in the past three years appears from the following table showing the public's deposits in the principal financial institutions.

DEPOSITS BY THE PUBLIC.

	1947		Fluctuations			
	Mill. mk	%	1946		1945	
	Mill. mk	%	Mill. mk	%	Mill. mk	%
Commercial Banks..	37,736	+ 6,477 + 20.7	+ 3,135	+ 11.1	+ 6,323	+ 29.0
Savings Banks ...	24,940	+ 4,159 + 20.0	+ 1,951	+ 10.4	+ 5,133	+ 37.5
Post-Office Savings Bank	8,394	+ 1,181 + 16.4	+ 1,796	+ 33.2	+ 2,247	+ 70.9
Co-operative Credit Societies	11,360	+ 2,969 + 35.4	+ 1,465	+ 21.2	+ 2,419	+ 53.7
Central Bank for the Co-operative Credit Societies ...	236	+ 130 + 122.6	+ 27	+ 34.2	— 8	— 9.2
Consumers' Co-operative Societies ..	2,755	+ 493 + 21.8	+ 226	+ 11.0	+ 768	+ 60.6
Total	85,421	+ 15,409 + 22.0	+ 8,600	+ 14.0	+ 16,882	+ 37.9

Thus the increase in deposits, both absolute and relative, was larger in 1947 than in 1946, but it should be remembered that the purchasing power of the Finnish currency was much less in 1947. The fact that the increase of deposits was smaller than in 1945, when the inflation had by no means reached last year's proportions, makes the slow saving particularly noticeable. The real value of the saved capital is only half what it was before the war.

The banks were obliged, as in the preceding years, to resort to special measures for meeting the great demand for credit. Treasury bills were sparingly renewed and the bond holding reduced. Moreover, the financial institutions, and above all the commercial banks, were obliged to get help from the Bank of Finland by re-discounting bills and raising loans in other forms. In spite of all this the banks were unable to satisfy the demand for money and the State Bank consequently had to increase its own direct lending to trade and industry.

PRICES.

As already mentioned, prices rose very slowly in the latter half of 1946. This favourable state of affairs did not last long, and in the next year the inflationary

movement affected it once more. The first months were still rather calm, but in March the price indices rose suddenly, chiefly because of the derationing of meat. After that there was a lull but in the late summer prices rose again, making a particularly sharp jump in November. As a result the cost of living index (August 1938—July 1939 = 100) rose from 468 points in December 1946 to 720 points in the same month of December 1947 — no less than 252 points or 53.8 per cent. The corresponding advance in 1946 was only 15.8 per cent, but in 1945 as much as 99.0 per cent. From December 1946 to December 1947 the wholesale price index (1935 = 100) rose from 725 to 1,010 points, or 39.3 per cent. The Government made serious efforts to check the rise of prices and to stabilize economic life in general, but the pressure exercised by the different parties concerned (farmers, workers, etc.) was so strong, and the political factors were so dominant, that all these efforts failed. Thus 1947 was a year of serious set-backs in monetary policy and in the stabilization of economic conditions in general. In entering upon the new year 1948 Finland's possibilities of coping with the economic problems at issue were seriously prejudiced.

ITEMS.

Finland a Member of the World Bank. On January 14, 1948, Mr. K. T. Jutila, Finnish Minister in Washington, signed on behalf of the Government an agreement under which Finland became a member of the International Monetary Fund and the International Bank for Reconstruction and Development.

*

A Bank Merger that did not come off. The proposed merger of Pohjoismaiden Yhdyspankki and Helsingin Osakepankki, referred to in our preceding issue, was never carried out as the Administrative Boards of the Banks concerned decided to drop the project and consequently did not even submit it to the respective general meetings.

*

The Rates of Interest. The Bank Supervisors of the Diet have approved a proposal made by the Board of Management of the Bank of Finland to raise the Bank's discount rate and other rates of interest by two per cent. Since February 6 the lowest bank rate is consequently $7\frac{1}{4}$ per cent. The Bank of Finland raised its rates already last year, and the new increase forms part of the general policy aiming at a stabilization of the value of the Finnish currency and a repression of the unhealthy demand for credit.

The joint delegation of the financial institutions has likewise decided to increase the rates applied by the Private Banks. As from April 1, 1948, the interest paid on savings and deposit accounts will be 6 per cent in the Commercial Banks, $6\frac{1}{4}$ or $6\frac{1}{2}$ per cent in the Savings Banks, and $6\frac{1}{2}$ per cent in the Co-operative Credit Societies. The interest paid on cheque accounts will be 2 per cent in all banking institutions.

The highest interest that may be demanded for first-class long term mortgage loans is now 9 per cent.

*

Trade Agreement. A Finnish-British Trade Agreement was signed in London in the beginning of March. Under this Agreement Great Britain will deliver to Finland 500,000 tons of coal, 40,000 tons

of steel, and a number of other commodities such as wool, textiles, tractors, fertilizers, etc. Finland will in return ship 190,000 tons of chemical woodpulp, 30,000—40,000 tons of mechanical woodpulp, 150,000 fathoms of pitprops, and also sawn timber, plywood and other woodgoods. It is very gratifying for Finland that the British agreed to increase the coal and steel quotas considerably as compared with last year. In 1947, imports from Great Britain totalled 8,258 million marks and exports to that country 13,578 million marks.

*

The Stock Exchange in 1947. In comparison with 1946 last year's price movements were less steep and of shorter duration. The general trend was weak, and prices either remained unchanged or declined in spite of the inflation. No doubt this was partly due to a general passivity and lack of confidence in the Government's economic policy, but an important reason was also the monetary stringency which prevails in Finland despite the swelling note circulation. Unitas' share index, which was 339 in the beginning of January, fell to 287, or by 15 per cent, in the following two months, and reached 282, the year's lowest mark, in June—July. The stock market improved again in the Autumn and the index was 337 in October and 336 in December. The Stock Exchange turnover totalled 1,249 million marks in 1947; of this sum 353 millions, or 28 per cent, represented bonds, and 188 millions, or 15 per cent, so-called holding certificates. The corresponding figures for the preceding year were 1,188, 148 and 71 million marks respectively. The turnover in bank shares was 151 millions (an increase of 43 million marks) and that in industrial shares 553 millions (a decline of 134 million marks compared with 1946).

*

Bank Dividends. The dividends of the Commercial Banks in Finland paid out of net profits for 1946 and those proposed to be paid out for 1947 are as follows:

	1946 %	1947 %	
Kansallis-Osake-Pankki	12	14	It will be seen from the above table that the two largest banks have proposed to raise their dividends by 2 per cent and two smaller banks by 1 per cent, while the other banks have let their dividends stay unchanged.
Oy. Pohjoismaiden Yhdyspankki	15	17	
Helsingin Osakepankki	8	8	
Säästöpankkien Keskus-Osake-Pankki ..	6	6	
Suomen Maatalous-Osake-Pankki	5	6	
Pohjolan Osake-Pankki	7	7	
Ålands Aktiebank	6	7	

BANK OF FINLAND

(Cable address Suomenpankki)

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 Raittinen, Paavo
 Kekkonen, Urho
 Sundman, C. G., ad. int.

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