



# BANK OF FINLAND

## MONTHLY BULLETIN

Vol. 31 No. 2

FEBRUARY

1957

### RECENT DEVELOPMENTS

#### THE TRIPARTITE AGREEMENTS

By the terms of the five-year trade pact concluded in 1954 between Finland and the USSR for the years 1956—1960, of the annual Finnish export surplus to the USSR 40 mill. roubles are to be paid by the USSR in Western currencies, while the remaining 120 mill. roubles are to be settled by deliveries from third countries belonging to the Eastern bloc. In 1956, however, the third country deliveries amounted to 98 mill. roubles only. Of this, 56 mill. roubles represented the share of Poland, 32 mill. roubles that of Czechoslovakia and 10 mill. roubles that of Eastern Germany.

In the agreement concerning deliveries during 1957, which was signed in December last, Finnish exports to the USSR were fixed at about 615 mill. roubles and imports from the USSR at about 500 mill. roubles. The intention was that the difference would be settled by payments in free currencies, in accordance with the five-year pact, and deliveries of goods under tripartite agreements the amount of deliveries being dependent on negotiations between Finland and the countries concerned. However, the trade agreements made later with Poland, Eastern Germany and Rumania include no such provisions; only the Finnish-Czechoslovakian

agreement provides for Czech deliveries, amounting to 10 mill. roubles. Thus, for 1957, the departure from the originally planned triangular system gives rise to a claim on the USSR amounting to some 65 mill. roubles. During Prime Minister Fagerholm's visit to the USSR in January—February negotiations took place, as a result of which it was agreed that, in the near future, the representatives of the Finnish and the USSR governments will determine the final value of the excess of Finnish exports to the USSR during 1957, whereas the arrangements concerning the balancing of this surplus will be fixed in detail in May—June. It was also agreed that the triangular system will be maintained to the extent that the countries concerned are interested. In future, the extent of possible tripartite transactions will be established sufficiently early for them to be taken into account in the annual trade negotiations between Finland and the USSR. — In addition, agreement was reached on a revision of the system of prepayments for exports to the USSR (for details see Items).

*On page 18, The Finnish Economy in 1956*

## LUMBERING AND EMPLOYMENT

During the present felling season, which began on June 1, 1956, lumber work has proceeded more intensively than had been expected. The quantities cut during the first few months of the season markedly exceeded the corresponding quantities for 1955. Subsequently, the monthly quantities have been slightly smaller in comparison with the figures for the previous year, but nevertheless the total for the period June—January exceeded the corresponding 1955/56 figures by 2 per cent.

For the whole of the current season the result will, however, in all probability be poorer than that for the preceding season, as the fellings in the late winter and spring are certain to fall short of last year's fellings.

The difficulties in selling the output of the saw and plywood mills are clearly shown as a reduction in the fellings of logs in comparison with the previous season; during the period June 1, 1956 to January 31, 1957, the decrease was 32 per cent as regards coniferous logs and 54 per cent in the case of deciduous logs. On the other hand, cuts of pulpwood and pit wood had increased by 8.5 per cent. As concerns fuel wood, the fellings of which have been considerably reduced during late years as a consequence of ample stocks, nearly 50 per cent more had been cut by the end of January than in the corresponding period last year.

Although the quantities cut have slightly increased, the number of people employed in the forests was considerably lower than it was in 1955/56. During the first three months of the present felling season, the labour force remained about the same as

one year previously, but since November the increase in the number of forest workers has diminished in comparison with last season. At the end of January, only 137 000 persons (165 000 in 1956) were employed in the forests. The fact that the quantities cut have increased per head of the labour force, is partly due to the weather having been more favourable this season.

As a particular consequence of the reduction in forest workers, unemployment is far more extensive than it was last year. At the end of January, the unemployment registers included the names of 8 300 persons for whom no work had been found. On the same date, 60 200 persons were engaged in employment works financed by, or aided from public funds (33 400 in 1956). However, all of these did not belong to the unemployed category. The 1957 figure includes 8 300 skilled labourers who had been engaged on special tasks in connection with the employment works, while 12 200 were employed in undertakings arranged by communes, corporations or private enterprises, and aided from public funds by means of grants or loans.

In accordance with its seasonal character, unemployment is expected to increase until March, when about 80 000 persons, it is estimated, will be placed by the authorities. This figure is the highest on record for any post-war year. Account must be taken, however, of the fact that according to the employment policy of today, several Government projects are now regarded as employment works and are therefore included in these statistics.

*February 20, 1957*

## BANK OF FINLAND

Mill. mk

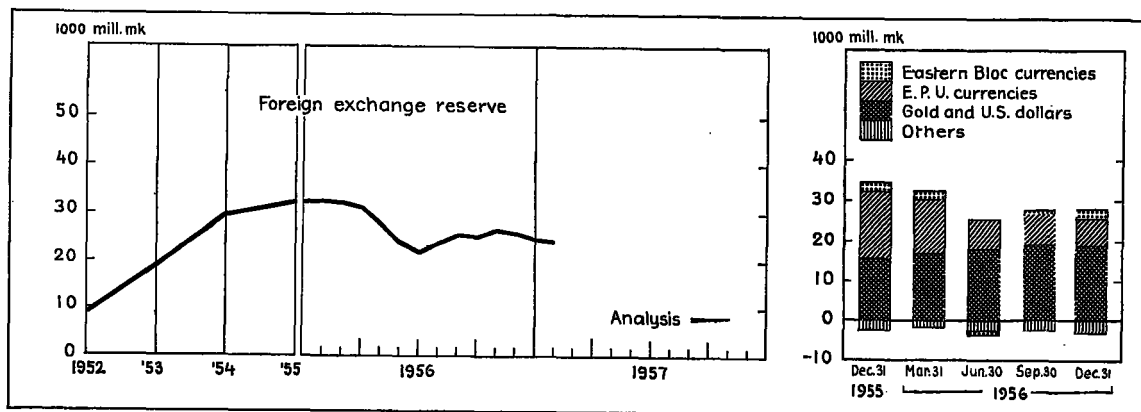
|   | 1956    |         | 1957    |         |         |         |
|---|---------|---------|---------|---------|---------|---------|
|   | Jan. 31 | Dec. 31 | Jan. 8  | Jan. 15 | Jan. 23 | Jan. 31 |
| <b>BALANCE SHEET</b>  |         |         |         |         |         |         |
| <b>Assets</b>   |         |         |         |         |         |         |
| <i>Ordinary note cover</i> .....                                  | 39 518  | 32 300  | 31 506  | 31 559  | 31 653  | 31 477  |
| Gold .....  | 7 849   | 7 849   | 7 849   | 7 849   | 7 849   | 7 849   |
| Foreign exchange .....  | 29 108  | 21 560  | 20 767  | 20 820  | 20 914  | 20 738  |
| Foreign bills .....   | 116     | 116     | 116     | 116     | 116     | 116     |
| Foreign bonds .....   | 2 445   | 2 775   | 2 775   | 2 775   | 2 775   | 2 775   |
| <i>Supplementary note cover</i> .....                             | 63 045  | 75 452  | 67 853  | 64 677  | 65 175  | 65 517  |
| Inland bills discounted   |         |         |         |         |         |         |
| In foreign currency .....   | 8 746   | 9 366   | 9 368   | 9 384   | 9 385   | 9 402   |
| In Finnish currency .....   | 15 204  | 14 922  | 15 143  | 15 354  | 15 374  | 15 427  |
| Rediscounted bills .....  | 19 096  | 33 665  | 25 842  | 22 438  | 22 916  | 23 188  |
| Treasury bond loan .....  | 20 000  | 17 500  | 17 500  | 17 500  | 17 500  | 17 500  |
| <i>Other assets</i> .....   | 11 947  | 13 370  | 13 206  | 13 147  | 12 897  | 12 748  |
| Finnish bonds .....   | 1 901   | 1 794   | 1 779   | 1 765   | 1 755   | 1 755   |
| Cheque accounts .....   | 371     | 862     | 672     | 640     | 434     | 479     |
| Finnish coin .....  | 286     | 354     | 360     | 387     | 424     | 442     |
| Other claims .....  | 9 389   | 10 360  | 10 395  | 10 354  | 10 285  | 10 072  |
| Total   | 114 510 | 121 123 | 112 565 | 109 383 | 109 725 | 109 743 |
| <b>Liabilities</b>  |         |         |         |         |         |         |
| <i>Notes in circulation</i> .....                                 | 50 539  | 60 735  | 56 183  | 54 975  | 53 046  | 54 160  |
| <i>Short-term liabilities</i> .....                               | 37 222  | 24 725  | 20 684  | 18 630  | 20 659  | 19 368  |
| Foreign exchange accounts .....                                   | 4 464   | 4 601   | 4 947   | 4 601   | 5 039   | 4 528   |
| Mark accounts of holders abroad .....                             | 4 358   | 7 047   | 7 001   | 6 974   | 6 897   | 6 888   |
| Cheque account of the Treasury .....                              | 12 905  | 10 550  | 4 768   | 4 011   | 7 411   | 6 420   |
| Cheque accounts of banks .....                                    | 7 175   | 1 167   | 2 828   | 1 759   | 151     | 472     |
| Other cheque accounts .....                                       | 7 709   | 368     | 218     | 383     | 280     | 321     |
| Other short-term liabilities .....                                | 611     | 993     | 921     | 901     | 881     | 738     |
| <i>Long-term liabilities</i> .....                                | 9 248   | 14 725  | 14 546  | 14 550  | 14 720  | 14 785  |
| Foreign .....   | 7 954   | 8 290   | 8 294   | 8 310   | 8 309   | 8 324   |
| Finnish .....   | 1 294   | 6 435   | 6 252   | 6 240   | 6 411   | 6 461   |
| <i>Equalisation accounts</i> .....                                | 5 687   | 8 074   | 8 242   | 8 254   | 8 261   | 8 356   |
| <i>Bank's own funds</i> .....                                     | 11 814  | 12 864  | 12 910  | 12 974  | 13 039  | 13 074  |
| Capital .....   | 10 000  | 10 000  | 10 000  | 10 000  | 10 000  | 10 000  |
| Reserve fund .....  | 806     | 812     | 1 838   | 1 838   | 1 838   | 1 838   |
| Profits undisposed .....  | 806     | —       | 1 026   | 1 026   | 1 026   | 1 026   |
| Earnings less expenses .....                                      | 202     | 2 052   | 46      | 110     | 175     | 210     |
| Total   | 114 510 | 121 123 | 112 565 | 109 383 | 109 725 | 109 743 |
| <b>STATEMENT OF NOTE ISSUE</b>                                    |         |         |         |         |         |         |
| <b>Right of note issue</b>  |         |         |         |         |         |         |
| <i>Ordinary cover</i> .....                                       | 39 518  | 32 300  | 31 506  | 31 559  | 31 653  | 31 477  |
| <i>Supplementary cover</i><br>(Upper limit 58 000 mill. mk) ..... | 58 000  | 58 000  | 58 000  | 58 000  | 58 000  | 58 000  |
| Total   | 97 518  | 90 300  | 89 506  | 89 559  | 89 653  | 89 477  |
| <b>Note issue</b>   |         |         |         |         |         |         |
| <i>Notes in circulation</i> .....                                 | 50 539  | 60 735  | 56 183  | 54 975  | 53 046  | 54 160  |
| <i>Short-term liabilities</i> .....                               | 37 222  | 24 725  | 20 684  | 18 630  | 20 659  | 19 368  |
| Undrawn on cheque credits .....                                   | 607     | 316     | 501     | 533     | 740     | 694     |
| Unused right of note issue .....                                  | 9 149   | 4 524   | 12 138  | 15 421  | 15 208  | 15 255  |
| Total   | 97 518  | 90 300  | 89 506  | 89 559  | 89 653  | 89 477  |

Lowest discount rate since April 19, 1956, 6 $\frac{1}{2}$  per cent

## BANK OF FINLAND

Mill. mk

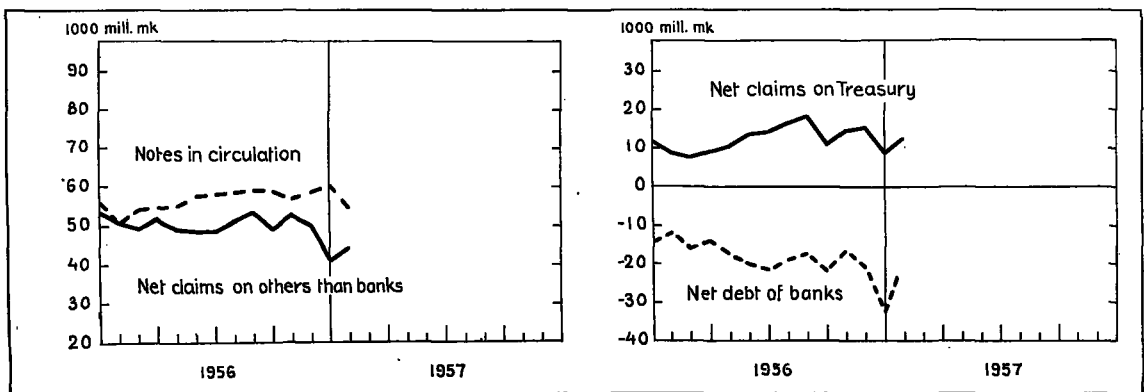
| End of year and month | Gold and foreign accounts |  |                                |                      |                           |                            | Finnish credit institutions |                       |                          |                                 |
|-----------------------|---------------------------|--|--------------------------------|----------------------|---------------------------|----------------------------|-----------------------------|-----------------------|--------------------------|---------------------------------|
|                       | Gold and foreign exchange | Liabilities on foreign exchange accounts | Foreign exchange reserve (1-2) | Other foreign assets | Other foreign liabilities | Net foreign assets (3+4-5) | Redis-counted bills         | Liabilities           |                          | Net claims on the banks (7-8-9) |
|                       |                           |  |                                |                      |                           |                            |                             | Cash reserve accounts | Cheque accounts of banks |                                 |
|                       | 1                         | 2  | 3                              | 4                    | 5                         | 6                          | 7                           | 8                     | 9                        | 10                              |
| 1949                  | 5 196                     | 6 930                                    | -1 734                         | —                    | 2 561                     | -4 295                     | 2 427                       | —                     | 665                      | 1 762                           |
| 1950                  | 10 959                    | 8 170                                    | 2 789                          | —                    | 4 807                     | -2 018                     | 6 913                       | —                     | 552                      | 7 465                           |
| 1951                  | 34 317                    | 3 594                                    | 30 723                         | —                    | 3 693                     | 27 030                     | 16                          | —                     | 218                      | 234                             |
| 1952                  | 22 099                    | 13 141                                   | 8 958                          | —                    | 5 524                     | 3 434                      | 17 217                      | —                     | 2 088                    | 15 129                          |
| 1953                  | 27 898                    | 8 737                                    | 19 161                         | 209                  | 9 237                     | 10 133                     | 8 268                       | —                     | 2 157                    | 6 111                           |
| 1954                  | 36 573                    | 7 017                                    | 29 556                         | 972                  | 10 102                    | 20 426                     | 8 465                       | —                     | 2 187                    | 6 278                           |
| 1955                  | 35 938                    | 3 855                                    | 32 083                         | 2 376                | 11 617                    | 22 842                     | 22 628                      | 6 677                 | 1 707                    | 14 244                          |
| 1956                  | 29 409                    | 4 601                                    | 24 808                         | 2 891                | 15 337                    | 12 362                     | 33 665                      | —                     | 1 167                    | 32 498                          |
| 1955                  |                           |  |                                |                      |                           |                            |                             |                       |                          |                                 |
| Nov.                  | 38 899                    | 4 166                                    | 34 733                         | 2 468                | 11 528                    | 25 673                     | 10 007                      | 6 176                 | 748                      | 3 083                           |
| Dec.                  | 35 938                    | 3 855                                    | 32 083                         | 2 376                | 11 617                    | 22 842                     | 22 628                      | 6 677                 | 1 707                    | 14 244                          |
| 1956                  |                           |  |                                |                      |                           |                            |                             |                       |                          |                                 |
| Jan.                  | 36 957                    | 4 464                                    | 32 493                         | 2 561                | 12 312                    | 22 742                     | 19 096                      | 6 689                 | 486                      | 11 921                          |
| Feb.                  | 36 080                    | 3 982                                    | 32 098                         | 2 561                | 12 347                    | 22 312                     | 23 551                      | 6 607                 | 723                      | 16 221                          |
| March                 | 34 309                    | 3 296                                    | 31 013                         | 2 561                | 12 405                    | 21 169                     | 20 086                      | 5 983                 | 135                      | 13 968                          |
| April                 | 31 585                    | 3 937                                    | 27 648                         | 2 561                | 12 400                    | 17 809                     | 24 790                      | 7 062                 | 530                      | 17 198                          |
| May                   | 29 700                    | 6 031                                    | 23 669                         | 2 561                | 12 694                    | 13 536                     | 27 236                      | 6 372                 | 665                      | 20 199                          |
| June                  | 29 339                    | 7 547                                    | 21 792                         | 2 561                | 13 386                    | 10 967                     | 27 283                      | 5 621                 | 507                      | 21 155                          |
| July                  | 29 668                    | 6 080                                    | 23 588                         | 2 561                | 13 681                    | 12 468                     | 26 918                      | 7 046                 | 812                      | 19 060                          |
| Aug.                  | 31 220                    | 5 745                                    | 25 475                         | 2 561                | 13 725                    | 14 311                     | 23 513                      | 5 498                 | 690                      | 17 325                          |
| Sept.                 | 30 613                    | 5 475                                    | 25 138                         | 2 561                | 14 355                    | 13 344                     | 27 223                      | 4 671                 | 781                      | 21 771                          |
| Oct.                  | 30 519                    | 3 801                                    | 26 718                         | 3 023                | 14 774                    | 14 967                     | 20 892                      | 3 960                 | 447                      | 16 485                          |
| Nov.                  | 29 676                    | 3 682                                    | 25 994                         | 3 023                | 15 003                    | 14 014                     | 25 177                      | 3 755                 | 464                      | 20 958                          |
| Dec.                  | 29 409                    | 4 601                                    | 24 808                         | 2 891                | 15 337                    | 12 362                     | 33 665                      | —                     | 1 167                    | 32 498                          |
| 1957                  |                           |  |                                |                      |                           |                            |                             |                       |                          |                                 |
| Jan.                  | 28 587                    | 4 528                                    | 24 059                         | 2 891                | 15 212                    | 11 738                     | 23 188                      | —                     | 472                      | 22 716                          |



## BANK OF FINLAND

Mill. mk

| End of year and month | Treasury        |                |                                  | Trade and industry               |                |                      |                                  |                   |                                  | Notes in circulation |
|-----------------------|-----------------|----------------|----------------------------------|----------------------------------|----------------|----------------------|----------------------------------|-------------------|----------------------------------|----------------------|
|                       | Bills and bonds | Cheque account | Net claims on the Treasury (1-2) | Inland bills in Finnish currency | Other advances | Total advances (4+5) | Deposits against import licences | Other liabilities | Net claims on the public (6-7-8) |                      |
|                       | 1               | 2              | 3                                | 4                                | 5              | 6                    | 7                                | 8                 | 9                                | 10                   |
| 1949                  | 22 030          | 80             | 21 950                           | 15 351                           | 1 965          | 17 316               | —                                | 625               | 16 691                           | 29 606               |
| 1950                  | 19 730          | 34             | 19 696                           | 13 516                           | 5 470          | 18 986               | —                                | 263               | 18 723                           | 34 383               |
| 1951                  | 8 685           | —              | 8 685                            | 11 567                           | 6 193          | 17 760               | —                                | 301               | 17 459                           | 44 774               |
| 1952                  | 14 738          | —              | 14 738                           | 14 678                           | 12 696         | 27 374               | —                                | 2 185             | 25 189                           | 46 153               |
| 1953                  | 21 662          | 7 281          | 14 381                           | 13 812                           | 15 525         | 29 337               | —                                | 2 314             | 27 023                           | 45 019               |
| 1954                  | 21 662          | 15 470         | 6 192                            | 11 940                           | 14 129         | 26 069               | —                                | 791               | 25 278                           | 47 902               |
| 1955                  | 21 660          | 9 816          | 11 844                           | 14 437                           | 16 357         | 30 794               | 6 578                            | 779               | 23 437                           | 55 883               |
| 1956                  | 19 160          | 10 550         | 8 610                            | 14 922                           | 18 928         | 33 850               | 4 125                            | 1 361             | 28 364                           | 60 735               |
| 1955                  |                 |                |                                  |                                  |                |                      |                                  |                   |                                  |                      |
| Nov.                  | 21 660          | 9 627          | 12 033                           | 13 563                           | 17 748         | 31 311               | 5 105                            | 872               | 25 334                           | 53 493               |
| Dec.                  | 21 660          | 9 816          | 11 844                           | 14 437                           | 16 357         | 30 794               | 6 578                            | 779               | 23 437                           | 55 883               |
| 1956                  |                 |                |                                  |                                  |                |                      |                                  |                   |                                  |                      |
| Jan.                  | 21 660          | 12 905         | 8 755                            | 15 204                           | 16 846         | 32 050               | 7 476                            | 844               | 23 730                           | 50 539               |
| Feb.                  | 21 660          | 14 292         | 7 368                            | 16 626                           | 17 134         | 33 760               | 7 929                            | 709               | 25 122                           | 53 870               |
| March                 | 20 410          | 11 521         | 8 889                            | 18 992                           | 17 501         | 36 493               | 8 131                            | 997               | 27 365                           | 54 252               |
| April                 | 20 410          | 10 161         | 10 249                           | 19 782                           | 18 211         | 37 993               | 8 753                            | 762               | 28 478                           | 54 951               |
| May                   | 20 410          | 6 940          | 13 470                           | 20 588                           | 20 005         | 40 593               | 9 289                            | 849               | 30 455                           | 57 361               |
| June                  | 20 410          | 6 284          | 14 126                           | 19 985                           | 22 082         | 42 067               | 9 540                            | 670               | 31 857                           | 57 911               |
| July                  | 20 410          | 4 327          | 16 083                           | 18 763                           | 21 923         | 40 686               | 9 675                            | 694               | 30 317                           | 58 281               |
| Aug.                  | 20 410          | 2 292          | 18 118                           | 17 025                           | 21 530         | 38 555               | 9 289                            | 1 127             | 28 139                           | 58 927               |
| Sept.                 | 19 160          | 8 310          | 10 850                           | 16 600                           | 21 763         | 38 363               | 4 886                            | 948               | 32 529                           | 58 831               |
| Oct.                  | 19 160          | 4 906          | 14 254                           | 16 517                           | 20 138         | 36 655               | 4 326                            | 1 235             | 31 094                           | 56 795               |
| Nov.                  | 19 160          | 4 091          | 15 069                           | 15 958                           | 19 260         | 35 218               | 4 349                            | 1 470             | 29 399                           | 58 468               |
| Dec.                  | 19 160          | 10 550         | 8 610                            | 14 922                           | 18 928         | 33 850               | 4 125                            | 1 361             | 28 364                           | 60 735               |
| 1957                  |                 |                |                                  |                                  |                |                      |                                  |                   |                                  |                      |
| Jan.                  | 19 160          | 6 420          | 12 740                           | 15 427                           | 18 293         | 33 720               | 4 151                            | 1 059             | 28 510                           | 54 160               |



## DEPOSITS BY THE PUBLIC - FOREIGN EXCHANGE RATES

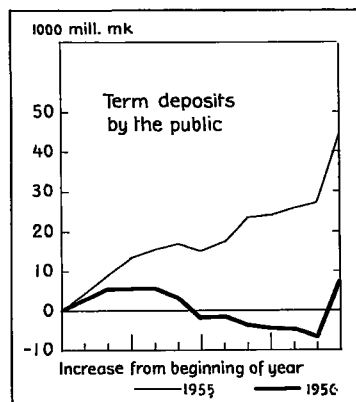
Mill. mk

| End of year and month | Sight deposits        |                            |                      | Term deposits         |                  |  |                                   |  |                            | Total<br>(2+3+9) |
|-----------------------|-----------------------|----------------------------|----------------------|-----------------------|------------------|--|-----------------------------------|--|----------------------------|------------------|
|                       | Cheque accounts       |                            | Postal giro accounts | Commer-<br>cial banks | Savings<br>banks | Co-op.<br>credit<br>societies &<br>their cen-<br>tral bank | Post<br>Office<br>Savings<br>Bank | Savings<br>depart-<br>ments of<br>co-op.<br>stores | All credit<br>institutions |                  |
|                       | Commer-<br>cial banks | All credit<br>institutions |                      |                       |                  |  |                                   |  |                            |                  |
|                       | 1                     | 2                          | 3                    | 4                     | 5                | 6  | 7                                 | 8  | 9                          | 10               |
| 1950                  | 24 460                | 28 248                     | 10 537               | 36 579                | 39 366           | 20 175   | 13 892                            | 5 356  | 115 373                    | 154 158          |
| 1951                  | 42 768                | 48 063                     | 11 203               | 46 678                | 51 790           | 29 710   | 18 243                            | 8 443  | 154 870                    | 214 136          |
| 1952                  | 28 020                | 33 410                     | 10 765               | 59 742                | 65 344           | 37 223   | 23 562                            | 10 798   | 196 706                    | 240 881          |
| 1953                  | 32 112                | 37 907                     | 11 048               | 70 455                | 76 709           | 42 537   | 27 074                            | 11 951   | 228 762                    | 277 717          |
| 1954                  | 34 913                | 42 108                     | 13 451               | 83 444                | 92 174           | 52 050   | 30 079                            | 13 415   | 271 195                    | 326 754          |
| 1955                  | 36 587                | 44 281                     | 11 795               | 97 794                | 108 541          | 61 140   | 33 073                            | 15 255   | 315 843                    | 371 919          |
| 1956*                 | 38 614                | 45 936                     | 15 265               | 96 807                | 112 505          | 63 589   | 34 162                            | 16 013   | 323 113                    | 384 314          |
| 1955                  |                       |                            |                      |                       |                  |  |                                   |  |                            |                  |
| June                  | 40 007                | 47 426                     | 10 920               | 88 173                | 97 285           | 55 766   | 30 640                            | 14 349   | 286 260                    | 344 606          |
| July                  | 34 979                | 42 488                     | 8 825                | 88 776                | 98 210           | 56 221   | 30 927                            | 14 308   | 288 491                    | 339 804          |
| Aug.                  | 37 788                | 45 175                     | 8 797                | 90 961                | 99 791           | 57 621   | 31 715                            | 14 406   | 294 543                    | 348 515          |
| Sept.                 | 37 399                | 44 979                     | 10 715               | 90 823                | 100 548          | 57 581   | 31 777                            | 14 458   | 295 236                    | 350 930          |
| Oct.                  | 37 908                | 45 561                     | 9 709                | 91 287                | 101 316          | 57 674   | 31 890                            | 14 534   | 296 751                    | 352 021          |
| Nov.                  | 38 521                | 45 887                     | 8 718                | 91 516                | 102 211          | 57 927   | 32 074                            | 14 608   | 298 384                    | 352 989          |
| Dec.                  | 36 587                | 44 281                     | 11 795               | 97 794                | 108 541          | 61 140   | 33 073                            | 15 255   | 315 843                    | 371 919          |
| 1956*                 |                       |                            |                      |                       |                  |  |                                   |  |                            |                  |
| Jan.                  | 35 193                | 42 006                     | 8 710                | 98 543                | 109 552          | 61 507   | 33 598                            | 15 563   | 318 801                    | 369 517          |
| Feb.                  | 32 806                | 39 429                     | 9 634                | 98 990                | 110 233          | 62 204   | 34 292                            | 15 762   | 321 519                    | 370 582          |
| March                 | 35 545                | 42 643                     | 12 629               | 98 745                | 110 080          | 62 567   | 34 002                            | 15 805   | 321 237                    | 376 509          |
| April                 | 33 982                | 41 095                     | 9 634                | 98 564                | 110 268          | 62 778   | 33 842                            | 15 832   | 321 321                    | 372 050          |
| May                   | 33 620                | 40 800                     | 9 669                | 97 684                | 109 704          | 62 476   | 33 401                            | 15 691   | 318 993                    | 369 462          |
| June                  | 39 536                | 47 256                     | 11 068               | 96 287                | 108 087          | 61 561   | 32 983                            | 15 409   | 314 364                    | 372 688          |
| July                  | 37 040                | 45 096                     | 9 583                | 95 701                | 108 382          | 61 781   | 33 136                            | 15 362   | 314 399                    | 369 078          |
| Aug.                  | 34 995                | 43 118                     | 7 618                | 94 685                | 107 983          | 61 583   | 33 096                            | 15 284   | 312 673                    | 363 409          |
| Sept.                 | 36 666                | 43 786                     | 15 675               | 94 176                | 107 675          | 61 160   | 33 209                            | 15 253   | 311 511                    | 370 972          |
| Oct.                  | 40 382                | 48 603                     | 8 877                | 93 059                | 107 979          | 61 217   | 33 170                            | 15 380   | 310 843                    | 368 323          |
| Nov.                  | 38 283                | 45 618                     | 9 043                | 91 961                | 107 641          | 61 128   | 33 001                            | 15 380   | 309 149                    | 363 810          |
| Dec.                  | 38 614                | 45 936                     | 15 265               | 96 807                | 112 505          | 63 589   | 34 162                            | 16 013   | 323 113                    | 384 314          |

## Selling rates for foreign exchange

January 31, 1956

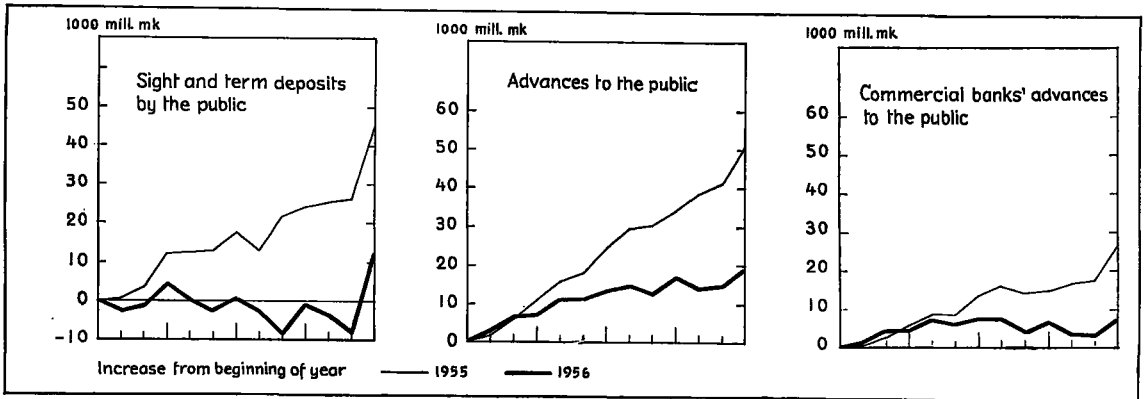
|                 |      | mk     |                   |        | mk    |
|-----------------|------|--------|-------------------|--------|-------|
| New York .....  | 1 \$ | 231    | Zürich .....      | 1 Fr   | 52.77 |
| London .....    | 1 £  | 647.50 | Frankfurt a/M ..  | 1 DM   | 55.15 |
| Stockholm ..... | 1 Kr | 44.65  | Prague .....      | 1 Kz   | 32.08 |
| Copenhagen .... | 1 Kr | 33.39  | Vienna .....      | 1 Sch  | 8.90  |
| Oslo .....      | 1 Kr | 32.38  | Lisbon .....      | 1 Es   | 8.04  |
| Paris .....     | 1 Fr | 0.66   | Montreal .....    | 1 \$   | 238   |
| Brussels .....  | 1 Fr | 4.609  | Moscow, clear. .. | 1 Rbl. | 57.75 |
| Amsterdam ....  | 1 G  | 60.75  |                   |        |       |



ADVANCES TO THE PUBLIC

Mill. mk

| End of year and month | Granted by            |                  |                                |  |                   | Types of advances |         |                   | Total<br>(1 to 9)<br>(6 to 8) |
|-----------------------|-----------------------|------------------|--------------------------------|--|-------------------|-------------------|---------|-------------------|-------------------------------|
|                       | Commer-<br>cial banks | Savings<br>banks | Post Office<br>Savings<br>Bank | Co-op.<br>credit<br>societies &<br>their cen-<br>tral bank | Mortgage<br>banks | Loans             | Bills   | Cheque<br>credits |                               |
|                       | 1                     | 2                | 3                              | 4  | 5                 | 6                 | 7       | 8                 | 9                             |
| 1950                  | 67 438                | 35 511           | 4 507                          | 35 048   | 3 830             | 97 375            | 37 934  | 11 025            | 146 334                       |
| 1951                  | 85 578                | 45 554           | 8 508                          | 41 849   | 4 425             | 117 358           | 54 645  | 13 911            | 185 914                       |
| 1952                  | 104 881               | 59 824           | 13 402                         | 50 694   | 5 379             | 147 035           | 70 106  | 17 039            | 234 180                       |
| 1953                  | 105 659               | 70 511           | 18 782                         | 56 765   | 9 847             | 177 703           | 67 572  | 16 289            | 261 564                       |
| 1954                  | 128 955               | 82 447           | 22 123                         | 64 697   | 12 773            | 212 306           | 79 200  | 19 489            | 310 995                       |
| 1955                  | 155 436               | 96 454           | 24 866                         | 72 868   | 13 599            | 245 674           | 94 123  | 23 426            | 363 223                       |
| 1956*                 | 162 663               | 102 812          | 26 232                         | 76 047   | 14 690            | 260 496           | 96 621  | 25 328            | 382 445                       |
| 1955                  |                       |                  |                                |  |                   |                   |         |                   |                               |
| June                  | 142 305               | 88 533           | 23 691                         | 67 962   | 13 042            | 226 137           | 87 218  | 22 178            | 335 533                       |
| July                  | 144 995               | 90 087           | 23 817                         | 68 461   | 13 170            | 229 737           | 88 513  | 22 280            | 340 530                       |
| Aug.                  | 143 149               | 91 262           | 24 005                         | 69 484   | 13 406            | 233 471           | 87 744  | 20 091            | 341 306                       |
| Sept.                 | 143 785               | 93 062           | 24 141                         | 70 476   | 13 517            | 236 197           | 87 237  | 21 547            | 344 981                       |
| Oct.                  | 145 683               | 94 363           | 24 518                         | 71 050   | 13 648            | 239 583           | 88 291  | 21 388            | 349 262                       |
| Nov.                  | 146 531               | 95 477           | 24 804                         | 71 454   | 13 766            | 242 132           | 88 476  | 21 424            | 352 032                       |
| Dec.                  | 155 436               | 96 454           | 24 866                         | 72 868   | 13 599            | 245 674           | 94 123  | 23 426            | 363 223                       |
| 1956*                 |                       |                  |                                |  |                   |                   |         |                   |                               |
| Jan.                  | 157 132               | 97 784           | 24 893                         | 72 824   | 13 607            | 246 784           | 95 688  | 23 768            | 366 240                       |
| Feb.                  | 159 944               | 98 334           | 24 994                         | 73 114   | 13 626            | 248 233           | 96 773  | 25 006            | 370 012                       |
| March                 | 159 981               | 98 710           | 25 374                         | 72 720   | 13 562            | 249 322           | 96 593  | 24 432            | 370 347                       |
| April                 | 162 744               | 99 408           | 25 532                         | 73 313   | 13 380            | 250 776           | 98 365  | 25 236            | 374 377                       |
| May                   | 161 545               | 99 897           | 25 637                         | 74 094   | 13 382            | 251 782           | 98 816  | 23 956            | 374 554                       |
| June                  | 163 175               | 99 764           | 25 791                         | 74 598   | 13 411            | 251 894           | 99 537  | 25 309            | 376 740                       |
| July                  | 162 798               | 100 253          | 25 929                         | 74 966   | 13 992            | 253 567           | 101 124 | 23 245            | 377 937                       |
| Aug.                  | 159 760               | 100 951          | 26 211                         | 74 978   | 14 059            | 255 663           | 98 018  | 22 277            | 375 958                       |
| Sept.                 | 161 927               | 101 902          | 26 345                         | 75 559   | 14 446            | 257 649           | 97 181  | 25 348            | 380 179                       |
| Oct.                  | 158 945               | 102 418          | 25 940                         | 75 244   | 14 646            | 258 633           | 96 133  | 22 426            | 377 193                       |
| Nov.                  | 158 723               | 102 795          | 26 206                         | 75 482   | 14 781            | 260 213           | 94 706  | 23 068            | 377 987                       |
| Dec.                  | 162 663               | 102 812          | 26 232                         | 76 047   | 14 690            | 260 496           | 96 621  | 25 328            | 382 445                       |

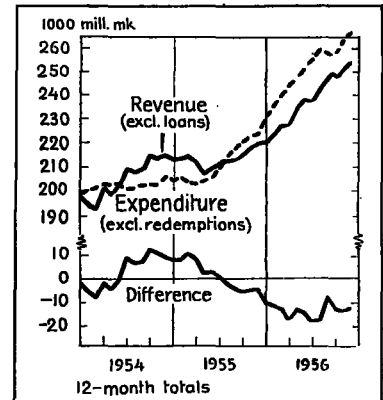


## STATE FINANCES

rooo mill. mk

| Revenue   | Jan.—Nov. |         | Expenditure   | Jan.—Nov. |        |
|---|-----------|---------|---|-----------|--------|
|   | 1955      | 1956    |   | 1955      | 1956   |
| Income and property tax (net) .....                                       | 46.9      | 54.4    | Interest on State debt .....  | 4.8       | 5.0    |
| Gross receipts .....  | (80.5)    | (94.2)  | Child allowances .....  | 19.5      | 19.8   |
| Refunds and communal income tax .....                                     | (-33.6)   | (-39.8) | Old age allowances .....  | 2.3       | 2.0    |
| Other direct taxes .....  | 0.9       | 0.8     | Compensations to war-disabled .....   | 5.8       | 7.1    |
| Purchase tax .....  | 43.5      | 53.6    | Transfer of employers' payments for<br>national pensions to National Pen-<br>sions Fund ..... | 3.0       | 3.7    |
| Import duties .....   | 23.4      | 36.1    | Subsidies .....   | 21.6      | 30.8   |
| Revenue from Alcohol Monopoly ...   | 16.6      | 17.6    | Payments by Price Equalisation Fund   | 3.0       | 8.9    |
| Excise duty on tobacco .....  | 10.1      | 12.0    | State aid to agriculture .....  | 4.5       | 4.4    |
| Other excise duties .....   | 3.7       | 3.8     | State aid to communal and private<br>schools .....  | 12.4      | 17.2   |
| Stamp duties .....  | 7.4       | 8.1     | Net loss of State enterprises .....   | —         | 2.2    |
| Employers' payments for child allow-<br>ances and national pensions ..... | 18.3      | 19.1    | Maintenance of roads .....  | 4.9       | 5.6    |
| Receipts of Price Equalisation Fund                                       | 9.1       | 7.6     | Other current expenditure .....   | 57.6      | 71.4   |
| Other revenue similar to taxes .....                                      | 3.2       | 3.4     | <b>Current expenditure</b> .....  | 139.4     | 178.1  |
| <b>Total taxes</b> .....  | 183.1     | 216.5   | Real investments .....  | 27.8      | 35.3   |
| Interest and dividends .....  | 2.5       | 2.8     | (of which: unemployment grants) ..  | (12.5)    | (17.2) |
| Other current revenue .....   | 5.6       | 6.6     | Other capital expenditure .....   | 26.1      | 28.2   |
| Net profit of State enterprises .....                                     | 0.0       | —       | <b>Capital expenditure</b> .....  | 53.9      | 63.5   |
| <b>Current revenue</b> .....  | 191.2     | 225.9   | <b>Total expenditure</b> .....  | 193.3     | 241.6  |
| Capital revenue proper .....  | 4.0       | 3.8     | Redemption of external loans .....  | 2.1       | 1.7    |
| Decrease in inventories .....   | 2.0       | 2.3     | Redemption of internal loans .....  | 3.8       | 4.1    |
| <b>Capital revenue</b> .....  | 6.0       | 6.1     | Redemption of indemnity bonds etc.  | 2.6       | 0.8    |
| <b>Total revenue</b> .....  | 197.2     | 232.0   | Index premiums .....  | 8.7       | 0.2    |
| External loans .....  | 2.6       | 1.6     | <b>Redemptions</b> .....  | 17.2      | 6.8    |
| Internal loans .....  | 8.9       | 10.6    | <b>Total</b> .....  | 210.5     | 248.4  |
| <b>Loans</b> .....  | 11.5      | 12.2    |   |           |        |
| <b>Bills</b> (increase +) .....   | -0.5      | —       |   |           |        |
| <b>Deficit (+) or surplus (-)</b> .....                                   | +2.3      | +4.2    |   |           |        |
| <b>Total</b> .....  | 210.5     | 248.4   |   |           |        |

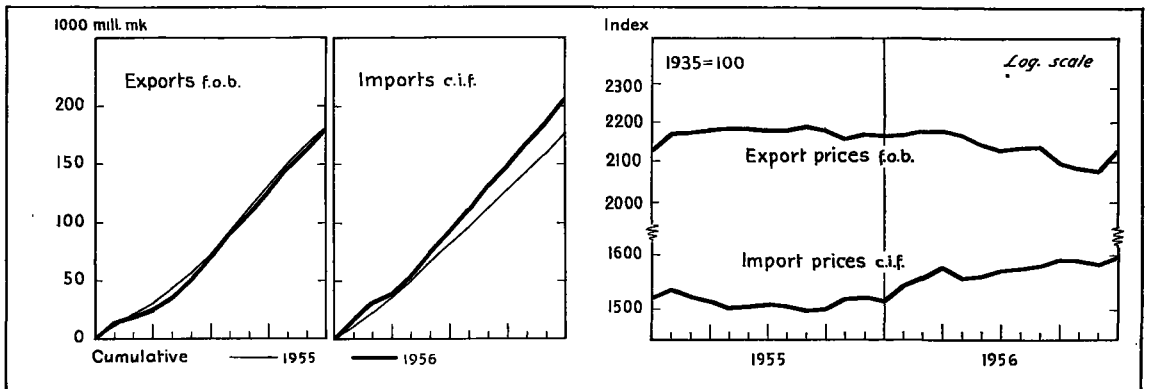
| Debt                        | 1953  | 1954  | 1955  | 1956  |       |       |       |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|
|                             | Dec.  | Dec.  | Dec.  | Sept. | Oct.  | Nov.  | Dec.* |
| <b>External debt</b> .....  | 65.0  | 62.1  | 61.3  | 61.1  | 61.0  | 61.5  | 61.9  |
| Ordinary loans .....        | 31.3  | 36.1  | 43.0  | 48.9  | 49.2  | 49.4  | 50.6  |
| Indemnity bonds etc. ..     | 10.2  | 8.8   | 6.8   | 6.9   | 7.0   | 7.0   | 7.1   |
| Bills .....                 | 3.4   | 0.5   | —     | —     | —     | —     | —     |
| Cash debt (net) .....       | 11.3  | 4.3   | 5.9   | 15.2  | 11.3  | 11.3  | ..    |
| <b>Internal debt</b> .....  | 56.2  | 49.7  | 55.7  | 71.0  | 67.5  | 67.7  | ..    |
| <b>Total debt</b> .....     | 121.2 | 111.8 | 117.0 | 132.1 | 128.5 | 129.2 | ..    |
| <b>Total debt, mill. \$</b> | 524.7 | 484.0 | 506.3 | 571.7 | 556.2 | 559.3 | ..    |





FOREIGN TRADE

| Period | Value, mill. mk  |                  |                                       | Imports by main groups, mill. mk |           |            |                      | Price indices 1935 = 100    |                             |
|--------|------------------|------------------|---------------------------------------|----------------------------------|-----------|------------|----------------------|-----------------------------|-----------------------------|
|        | Imports c. i. f. | Exports f. o. b. | Surplus of imports (-) or exports (+) | Raw materials                    | Machinery | Foodstuffs | Other consumer goods | Articles of import c. i. f. | Articles of export f. o. b. |
| 1949   | 66 278           | 65 606           | - 672                                 | 30 248                           | 15 191    | 9 370      | 11 469               | 1 063                       | 1 201                       |
| 1950   | 89 148           | 81 479           | - 7 669                               | 38 214                           | 19 218    | 16 786     | 14 930               | 1 366                       | 1 420                       |
| 1951   | 155 464          | 186 883          | +31 419                               | 75 568                           | 32 358    | 24 402     | 23 136               | 1 878                       | 2 955                       |
| 1952   | 182 186          | 156 829          | -25 357                               | 75 493                           | 49 006    | 32 600     | 25 087               | 1 801                       | 2 410                       |
| 1953   | 121 860          | 131 555          | + 9 695                               | 48 898                           | 31 760    | 26 791     | 14 411               | 1 590                       | 1 944                       |
| 1954   | 152 137          | 156 618          | + 4 481                               | 67 103                           | 39 412    | 27 082     | 18 540               | 1 550                       | 2 074                       |
| 1955   | 176 960          | 181 259          | + 4 299                               | 76 121                           | 46 902    | 30 912     | 23 025               | 1 510                       | 2 175                       |
| 1956*  | 203 558          | 177 987          | -25 571                               | 87 401                           | 59 431    | 30 039     | 26 687               | 1 572                       | 2 134                       |
| 1955   |                  |                  |                                       |                                  |           |            |                      |                             |                             |
| June   | 15 252           | 16 273           | + 1 021                               | 6 861                            | 4 147     | 2 262      | 1 982                | 1 507                       | 2 178                       |
| July   | 14 276           | 19 632           | + 5 356                               | 6 126                            | 4 467     | 2 053      | 1 630                | 1 503                       | 2 180                       |
| Aug.   | 16 759           | 20 242           | + 3 483                               | 7 114                            | 4 929     | 2 712      | 2 004                | 1 497                       | 2 189                       |
| Sept.  | 14 427           | 18 379           | + 3 952                               | 6 251                            | 3 944     | 2 342      | 1 890                | 1 498                       | 2 180                       |
| Oct.   | 16 082           | 19 211           | + 3 129                               | 7 119                            | 4 170     | 2 718      | 2 075                | 1 516                       | 2 159                       |
| Nov.   | 14 972           | 15 431           | + 459                                 | 6 502                            | 3 826     | 2 650      | 1 994                | 1 519                       | 2 170                       |
| Dec.   | 18 417           | 15 606           | - 2 811                               | 7 252                            | 4 929     | 3 529      | 2 707                | 1 513                       | 2 164                       |
| 1956*  |                  |                  |                                       |                                  |           |            |                      |                             |                             |
| Jan.   | 16 079           | 11 881           | - 4 198                               | 6 493                            | 5 162     | 2 449      | 1 975                | 1 540                       | 2 169                       |
| Feb.   | 14 629           | 7 458            | - 7 171                               | 6 012                            | 4 611     | 2 159      | 1 847                | 1 557                       | 2 178                       |
| March  | 7 826            | 5 467            | - 2 359                               | 2 758                            | 3 295     | 1 024      | 749                  | 1 575                       | 2 180                       |
| April  | 15 769           | 9 979            | - 5 790                               | 6 027                            | 4 454     | 2 521      | 2 767                | 1 557                       | 2 169                       |
| May    | 19 739           | 16 159           | - 3 580                               | 8 137                            | 5 369     | 3 525      | 2 708                | 1 559                       | 2 145                       |
| June   | 18 907           | 19 801           | + 894                                 | 8 222                            | 5 887     | 2 514      | 2 284                | 1 572                       | 2 130                       |
| July   | 18 458           | 19 617           | + 1 159                               | 7 356                            | 6 568     | 2 166      | 2 368                | 1 575                       | 2 131                       |
| Aug.   | 19 067           | 18 399           | - 668                                 | 8 139                            | 5 625     | 2 857      | 2 446                | 1 577                       | 2 132                       |
| Sept.  | 17 502           | 17 763           | + 261                                 | 8 344                            | 4 865     | 1 838      | 2 455                | 1 587                       | 2 093                       |
| Oct.   | 20 149           | 20 600           | + 451                                 | 9 091                            | 4 918     | 3 517      | 2 623                | 1 587                       | 2 084                       |
| Nov.   | 18 251           | 14 836           | - 3 415                               | 8 406                            | 4 549     | 2 907      | 2 389                | 1 583                       | 2 073                       |
| Dec.   | 17 182           | 16 027           | - 1 155                               | 8 416                            | 4 128     | 2 562      | 2 076                | 1 597                       | 2 122                       |



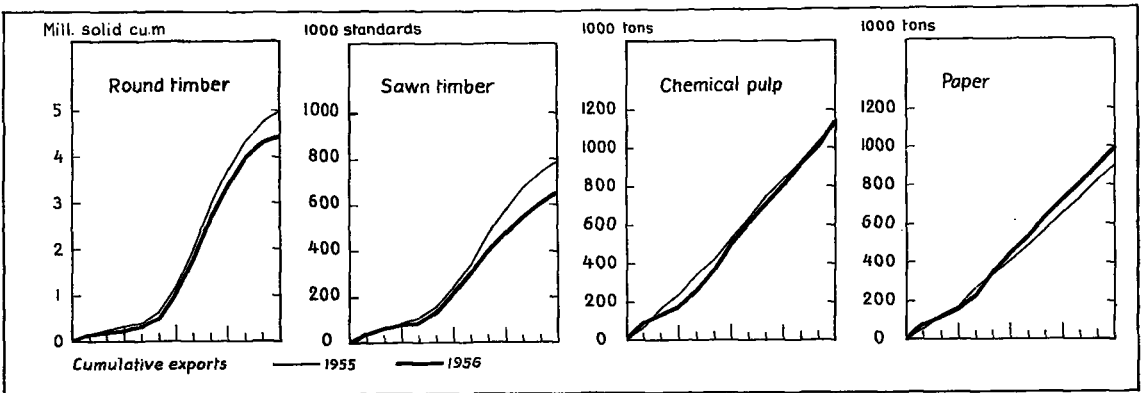
## FOREIGN TRADE BY CLASSES OF GOODS

Mill. mk

| Classes of goods  | Imports c. i. f. |         |         |         | Exports f. o. b. |         |         |         |
|---|------------------|---------|---------|---------|------------------|---------|---------|---------|
|   | Whole year       |         |         |         | Whole year       |         |         |         |
|   | 1953             | 1954    | 1955    | 1956    | 1953             | 1954    | 1955    | 1956    |
| Dairy produce, eggs, honey .....                              | 412              | 40      | 1 988   | 216     | 2 094            | 2 933   | 2 380   | 4 605   |
| Other animal products, live animals ..                        | 709              | 621     | 1 068   | 882     | 187              | 1 036   | 341     | 159     |
| Vegetables .....  | 93               | 76      | 423     | 185     | 1                | 1       | 0       | 2       |
| Edible fruit .....  | 2 150            | 3 173   | 3 915   | 4 692   | 10               | 29      | 16      | 9       |
| Coffee, tea, spices .....                                     | 6 855            | 10 299  | 8 247   | 8 377   | —                | 0       | —       | 0       |
| Cereals, milling products .....                               | 10 641           | 7 079   | 10 570  | 11 257  | 1 164            | 493     | 1       | 5       |
| Certain seeds and fruit, plants for industrial purposes ..... | 5 91             | 1 205   | 1 565   | 1 176   | 636              | 125     | 110     | 224     |
| Raw materials for tanning and dyeing                          | 85               | 120     | 108     | 99      | 3                | 3       | 2       | 0       |
| Animal and vegetable fats .....                               | 2 530            | 2 310   | 2 191   | 2 229   | 38               | 370     | 118     | 486     |
| Meat and fish products .....                                  | 432              | 344     | 549     | 719     | 0                | 0       | 0       | 1       |
| Sugar, sweets .....   | 3 722            | 2 673   | 3 812   | 3 661   | 22               | 17      | 20      | 29      |
| Beverages, vinegars .....                                     | 547              | 820     | 654     | 945     | 234              | 400     | 141     | 155     |
| Fodder .....  | 1 109            | 1 267   | 2 357   | 3 581   | 196              | 21      | —       | —       |
| Tobacco .....   | 1 554            | 1 635   | 1 598   | 1 642   | —                | 0       | 0       | 0       |
| Minerals, ore .....   | 1 198            | 1 855   | 2 250   | 2 465   | 1 120            | 1 244   | 1 776   | 2 804   |
| Mineral fuel and oils .....                                   | 16 396           | 18 118  | 22 321  | 28 051  | 30               | 25      | 13      | 17      |
| Chemical and pharmaceutical products                          | 3 663            | 6 592   | 7 210   | 7 830   | 256              | 254     | 332     | 507     |
| Tanning and dyeing extracts, varnishes                        | 1 321            | 1 925   | 2 041   | 2 177   | 6                | 6       | 3       | 18      |
| Casein, albumen, glues .....                                  | 336              | 538     | 643     | 554     | 2                | 13      | 0       | 2       |
| Fertilizers .....   | 2 662            | 3 312   | 3 129   | 3 524   | 1                | 0       | 0       | 0       |
| Hides, skins, leather and furs; manufactures thereof .....    | 1 562            | 1 892   | 2 148   | 2 531   | 672              | 477     | 872     | 1 039   |
| Rubber and rubber articles .....                              | 1 359            | 2 247   | 3 100   | 3 771   | 18               | 18      | 23      | 20      |
| Wood and wood products .....                                  | 234              | 306     | 587     | 539     | 53 085           | 62 191  | 69 917  | 56 668  |
| Woodpulp .....  | 11               | 7       | 31      | 40      | 22 256           | 29 880  | 36 778  | 38 016  |
| Board, paper, manufactures therefrom                          | 116              | 212     | 238     | 294     | 26 530           | 32 909  | 40 329  | 44 816  |
| Textile materials, textile goods .....                        | 14 883           | 20 077  | 21 209  | 23 246  | 1 115            | 1 726   | 1 996   | 2 027   |
| Footwear .....  | 46               | 55      | 57      | 72      | 23               | 101     | 45      | 37      |
| Articles of stone and of other mineral material, glass .....  | 793              | 1 360   | 1 413   | 1 336   | 466              | 556     | 642     | 654     |
| Base metals; manufactures therefrom                           | 13 987           | 20 828  | 23 561  | 26 564  | 2 588            | 2 317   | 2 768   | 3 934   |
| Machinery, apparatus .....                                    | 11 525           | 12 579  | 16 211  | 21 026  | 5 702            | 5 559   | 6 452   | 6 144   |
| Electric machinery and apparatus ...                          | 4 780            | 6 047   | 6 847   | 8 413   | 1 034            | 793     | 743     | 617     |
| Transport material .....                                      | 11 851           | 15 761  | 17 706  | 22 669  | 11 077           | 12 066  | 14 589  | 14 138  |
| Instruments, clocks and watches, musical instruments .....    | 1 082            | 1 634   | 2 181   | 2 948   | 54               | 94      | 72      | 126     |
| All others .....  | 2 625            | 5 130   | 5 032   | 5 846   | 935              | 961     | 780     | 724     |
| Total   | 121 860          | 152 137 | 176 960 | 203 558 | 131 555          | 156 618 | 181 259 | 177 987 |

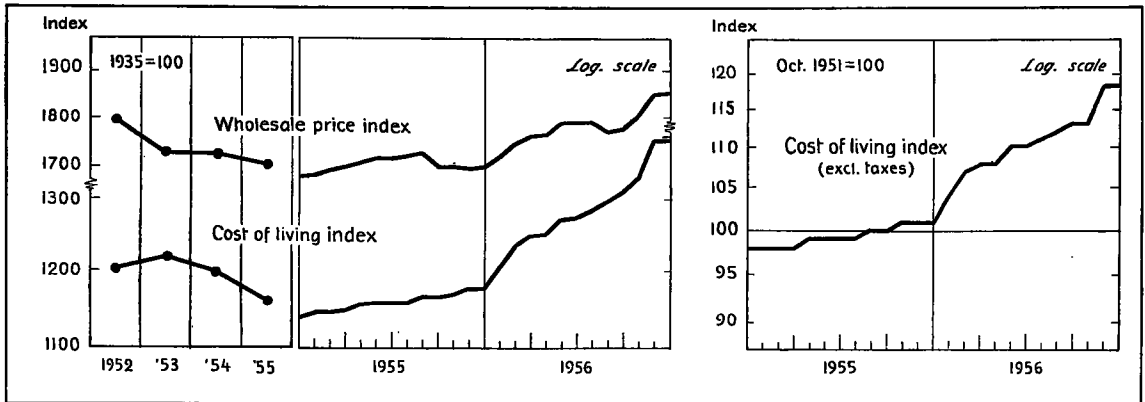
EXPORTS OF SOME IMPORTANT ARTICLES

| Period | Round timber      | Sawn timber | Veneers and plywood | Mechanical pulp | Sulphite pulp | Sulphate pulp | Board      | Fibre building board | Newsprint  | Paper, all kinds |
|--------|-------------------|-------------|---------------------|-----------------|---------------|---------------|------------|----------------------|------------|------------------|
|        | 1 000 solid cu. m | 1 000 stds  | 1 000 cu. m         | 1 000 tons      | 1 000 tons    | 1 000 tons    | 1 000 tons | 1 000 tons           | 1 000 tons | 1 000 tons       |
| 1949   | 2 251             | 607         | 208                 | 160             | 449           | 311           | 61         | 31                   | 348        | 455              |
| 1950   | 3 266             | 683         | 195                 | 177             | 513           | 365           | 89         | 50                   | 379        | 506              |
| 1951   | 5 305             | 875         | 279                 | 210             | 594           | 388           | 97         | 68                   | 382        | 605              |
| 1952   | 5 112             | 611         | 222                 | 143             | 477           | 245           | 65         | 44                   | 392        | 569              |
| 1953   | 2 388             | 688         | 216                 | 204             | 464           | 323           | 76         | 45                   | 402        | 677              |
| 1954   | 3 620             | 733         | 298                 | 193             | 580           | 375           | 101        | 59                   | 392        | 751              |
| 1955   | 4 977             | 786         | 321                 | 183             | 682           | 447           | 110        | 61                   | 470        | 905              |
| 1956*  | 4 424             | 648         | 230                 | 186             | 679           | 452           | 105        | 48                   | 537        | 998              |
| 1955   |                   |             |                     |                 |               |               |            |                      |            |                  |
| May    | 226               | 49          | 31                  | 15              | 50            | 23            | 10         | 6                    | 34         | 74               |
| June   | 541               | 80          | 21                  | 20              | 60            | 54            | 9          | 5                    | 36         | 72               |
| July   | 789               | 106         | 24                  | 19              | 62            | 43            | 9          | 4                    | 41         | 75               |
| Aug.   | 967               | 128         | 26                  | 19              | 72            | 45            | 9          | 4                    | 43         | 82               |
| Sept.  | 771               | 101         | 26                  | 9               | 53            | 30            | 10         | 5                    | 42         | 81               |
| Oct.   | 633               | 96          | 27                  | 17              | 55            | 37            | 9          | 6                    | 48         | 88               |
| Nov.   | 418               | 64          | 28                  | 16              | 60            | 40            | 9          | 6                    | 48         | 88               |
| Dec.   | 215               | 51          | 24                  | 14              | 60            | 41            | 8          | 5                    | 40         | 78               |
| 1956*  |                   |             |                     |                 |               |               |            |                      |            |                  |
| Jan.   | 139               | 40          | 21                  | 14              | 57            | 37            | 9          | 5                    | 35         | 69               |
| Feb.   | 58                | 24          | 10                  | 8               | 28            | 15            | 6          | 2                    | 26         | 52               |
| March  | 35                | 8           | 8                   | 8               | 19            | 16            | 4          | 2                    | 24         | 40               |
| April  | 101               | 16          | 22                  | 12              | 57            | 29            | 11         | 3                    | 34         | 67               |
| May    | 166               | 45          | 26                  | 22              | 68            | 38            | 10         | 6                    | 74         | 125              |
| June   | 511               | 85          | 23                  | 23              | 75            | 64            | 8          | 5                    | 49         | 94               |
| July   | 803               | 90          | 22                  | 20              | 68            | 38            | 8          | 5                    | 50         | 89               |
| Aug.   | 856               | 91          | 15                  | 14              | 55            | 45            | 9          | 2                    | 51         | 94               |
| Sept.  | 732               | 81          | 18                  | 13              | 62            | 42            | 9          | 4                    | 46         | 89               |
| Oct.   | 581               | 71          | 22                  | 23              | 69            | 41            | 10         | 5                    | 50         | 92               |
| Nov.   | 308               | 53          | 21                  | 12              | 53            | 40            | 10         | 5                    | 50         | 94               |
| Dec.   | 134               | 44          | 22                  | 16              | 69            | 47            | 11         | 4                    | 48         | 93               |



FOREIGN TRADE BY COUNTRIES

| Area and country               | Imports c. i. f. |      |      |      |          | Exports f. o. b. |      |      |      |          |
|--------------------------------|------------------|------|------|------|----------|------------------|------|------|------|----------|
|                                | Whole year       |      |      |      |          | Whole year       |      |      |      |          |
|                                | 1953             | 1954 | 1955 | 1956 |          | 1953             | 1954 | 1955 | 1956 |          |
|                                | %                | %    | %    | %    | Mill. mk | %                | %    | %    | %    | Mill. mk |
| <b>Sterling area</b> .....     | 16.3             | 19.8 | 20.9 | 21.3 | 43 364   | 24.8             | 25.8 | 27.3 | 25.2 | 44 936   |
| United Kingdom .....           | 15.8             | 18.8 | 20.3 | 20.4 | 41 575   | 22.0             | 22.5 | 24.0 | 21.4 | 38 157   |
| <b>Other OEEC countries</b> .. | 36.3             | 35.3 | 36.4 | 39.1 | 79 619   | 29.9             | 31.7 | 32.4 | 31.3 | 55 797   |
| Belgium-Luxembourg ....        | 2.9              | 3.0  | 3.0  | 3.0  | 6 043    | 2.8              | 2.9  | 3.5  | 4.4  | 7 819    |
| Denmark .....                  | 3.0              | 2.4  | 3.6  | 2.6  | 5 387    | 3.5              | 3.4  | 3.0  | 2.5  | 4 417    |
| France .....                   | 5.7              | 6.2  | 6.0  | 5.8  | 11 711   | 4.4              | 4.7  | 4.7  | 5.3  | 9 410    |
| Western Germany .....          | 7.7              | 6.7  | 9.0  | 11.8 | 23 990   | 7.0              | 7.4  | 9.1  | 8.7  | 15 401   |
| Italy .....                    | 1.1              | 1.2  | 1.1  | 1.4  | 2 773    | 0.9              | 1.4  | 1.2  | 1.4  | 2 440    |
| Netherlands .....              | 6.2              | 6.5  | 3.6  | 4.0  | 8 164    | 4.6              | 4.5  | 4.4  | 3.6  | 6 450    |
| Norway .....                   | 1.6              | 1.9  | 2.2  | 1.8  | 3 684    | 0.8              | 1.3  | 1.3  | 0.6  | 1 144    |
| Sweden .....                   | 4.3              | 4.6  | 4.9  | 5.4  | 10 996   | 3.2              | 2.7  | 1.9  | 2.2  | 3 839    |
| Switzerland .....              | 1.6              | 1.2  | 1.3  | 1.8  | 3 670    | 0.3              | 0.7  | 0.9  | 0.6  | 1 052    |
| Turkey .....                   | 0.9              | 0.7  | 0.5  | 0.4  | 792      | 1.3              | 1.5  | 1.0  | 0.7  | 1 160    |
| <b>Eastern Bloc</b> .....      | 34.5             | 28.7 | 27.1 | 25.0 | 50 807   | 31.3             | 27.9 | 25.8 | 27.6 | 49 190   |
| China .....                    | 0.3              | 0.4  | 0.5  | 0.3  | 574      | 0.9              | 1.0  | 1.6  | 1.0  | 1 703    |
| Czechoslovakia .....           | 3.3              | 2.7  | 2.7  | 2.4  | 4 945    | 0.6              | 0.7  | 1.0  | 1.3  | 2 225    |
| Eastern Germany .....          | 1.9              | 2.6  | 2.7  | 2.3  | 4 627    | 1.4              | 1.7  | 2.2  | 2.2  | 3 894    |
| Poland .....                   | 6.8              | 4.2  | 4.8  | 4.4  | 8 914    | 2.1              | 2.1  | 2.0  | 2.3  | 4 025    |
| Soviet Union .....             | 21.4             | 17.8 | 14.7 | 13.9 | 28 381   | 25.4             | 21.5 | 17.5 | 19.2 | 34 162   |
| <b>U.S. and Canada</b> .....   | 5.2              | 4.7  | 5.4  | 6.7  | 13 615   | 7.3              | 5.9  | 5.8  | 6.7  | 11 968   |
| United States .....            | 5.0              | 4.6  | 5.2  | 6.5  | 13 221   | 7.2              | 5.8  | 5.7  | 6.7  | 11 854   |
| <b>Latin America</b> .....     | 4.4              | 7.8  | 7.5  | 5.6  | 11 472   | 3.0              | 4.8  | 5.5  | 5.7  | 10 151   |
| Argentina .....                | 1.5              | 2.0  | 2.9  | 1.6  | 3 255    | 0.9              | 1.7  | 2.2  | 1.5  | 2 625    |
| Brazil .....                   | 2.3              | 5.5  | 4.1  | 3.3  | 6 774    | 1.3              | 2.1  | 2.6  | 2.9  | 5 200    |
| <b>Others</b> .....            | 3.3              | 3.7  | 2.8  | 2.3  | 4 681    | 3.7              | 3.9  | 3.3  | 3.3  | 5 945    |
| <b>Grand total</b>             | 100              | 100  | 100  | 100  | 203 558  | 100              | 100  | 100  | 100  | 177 987  |



## PRICE INDICES

| Period | Wholesale prices 1935=100 |               |                         |                      |                      |                | Cost of living 1935=100 |      |       |
|--------|---------------------------|---------------|-------------------------|----------------------|----------------------|----------------|-------------------------|------|-------|
|        | Total index               | Finnish goods |                         |                      |                      | Imported goods | Total                   | Rent | Taxes |
|        |                           | Total         | Products of agriculture | Products of forestry | Products of industry |                |                         |      |       |
| 1949   | 1 098                     | 1 099         | 1 136                   | 1 431                | 980                  | 1 092          | 871                     | 201  | 1 875 |
| 1950   | 1 265                     | 1 287         | 1 378                   | 1 664                | 1 131                | 1 222          | 992                     | 248  | 1 987 |
| 1951   | 1 809                     | 1 886         | 1 617                   | 3 103                | 1 561                | 1 646          | 1 156                   | 360  | 2 270 |
| 1952   | 1 793                     | 1 892         | 1 752                   | 3 056                | 1 545                | 1 581          | 1 203                   | 438  | 2 509 |
| 1953   | 1 727                     | 1 840         | 1 730                   | 2 857                | 1 532                | 1 486          | 1 219                   | 569  | 2 395 |
| 1954   | 1 724                     | 1 841         | 1 728                   | 2 941                | 1 506                | 1 475          | 1 199                   | 703  | 2 051 |
| 1955   | 1 707                     | 1 822         | 1 773                   | 3 040                | 1 426                | 1 462          | 1 158                   | 761  | 1 970 |
| 1956   | 1 785                     | 1 869         | 1 926                   | 2 975                | 1 478                | 1 605          | 1 293                   | 909  | 1 901 |
| 1956   |                           |               |                         |                      |                      |                |                         |      |       |
| April  | 1 764                     | 1 866         | 1 955                   | 3 026                | 1 446                | 1 546          | 1 253                   | 898  | 1 790 |
| May    | 1 790                     | 1 884         | 1 958                   | 3 026                | 1 474                | 1 591          | 1 274                   | 898  | 1 790 |
| June   | 1 789                     | 1 884         | 1 928                   | 3 042                | 1 479                | 1 586          | 1 277                   | 898  | 1 790 |
| July   | 1 791                     | 1 881         | 1 925                   | 3 015                | 1 484                | 1 598          | 1 286                   | 898  | 1 790 |
| Aug.   | 1 771                     | 1 854         | 1 852                   | 2 959                | 1 482                | 1 593          | 1 296                   | 898  | 1 790 |
| Sept.  | 1 774                     | 1 856         | 1 887                   | 2 914                | 1 490                | 1 599          | 1 311                   | 898  | 1 790 |
| Oct.   | 1 804                     | 1 872         | 1 926                   | 2 914                | 1 503                | 1 659          | 1 338                   | 938  | 2 234 |
| Nov.   | 1 849                     | 1 890         | 1 985                   | 2 869                | 1 530                | 1 762          | 1 394                   | 948  | 2 234 |
| Dec.   | 1 855                     | 1 897         | 2 000                   | 2 884                | 1 530                | 1 767          | 1 392                   | 948  | 2 234 |

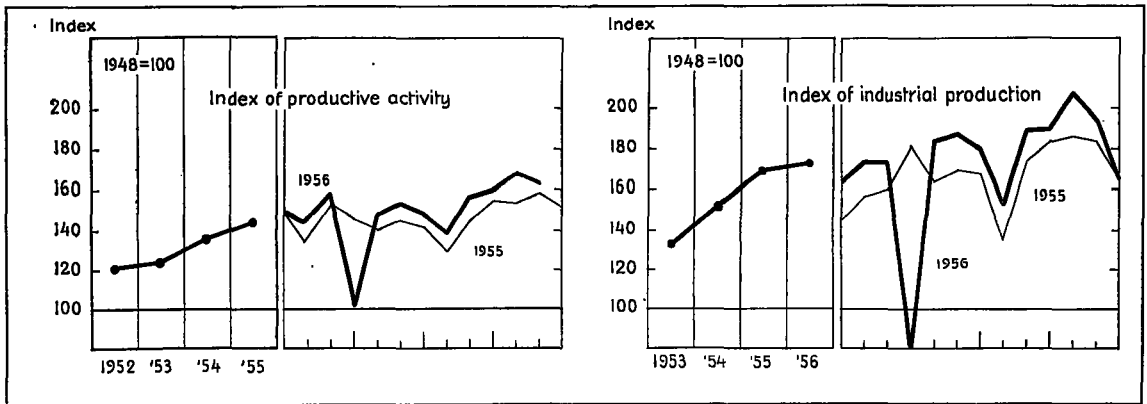
| Period | Cost of living Oct. 1951=100 |            |      |                      |          |        | Building costs 1951=100 |                   |                                  |
|--------|------------------------------|------------|------|----------------------|----------|--------|-------------------------|-------------------|----------------------------------|
|        | Total                        | Foodstuffs | Rent | Heating and lighting | Clothing | Others | Total                   | Building material | Workers' average hourly earnings |
| 1953   | 103                          | 109        | 137  | 89                   | 85       | 103    | 101                     | 101               | 99                               |
| 1954   | 103                          | 106        | 169  | 82                   | 83       | 102    | 101                     | 98                | 105                              |
| 1955   | 100                          | 102        | 183  | 83                   | 73       | 101    | 103                     | 96                | 113                              |
| 1956   | 111                          | 117        | 218  | 95                   | 76       | 108    | 109                     | 101               | 123                              |
| 1956   |                              |            |      |                      |          |        |                         |                   |                                  |
| Jan.   | 104                          | 105        | 215  | 92                   | 74       | 103    | 104                     | 98                | 113                              |
| Feb.   | 107                          | 112        | 215  | 93                   | 74       | 104    | 104                     | 99                | 109                              |
| March  | 108                          | 113        | 215  | 93                   | 74       | 104    | 106                     | 99                | 114                              |
| April  | 108                          | 113        | 215  | 94                   | 75       | 104    | 107                     | 100               | 116                              |
| May    | 110                          | 116        | 215  | 94                   | 75       | 105    | 108                     | 101               | 118                              |
| June   | 110                          | 116        | 215  | 95                   | 75       | 108    | 110                     | 103               | 123                              |
| July   | 111                          | 116        | 215  | 95                   | 75       | 109    | 111                     | 103               | 126                              |
| Aug.   | 112                          | 117        | 215  | 96                   | 77       | 110    | 112                     | 103               | 129                              |
| Sept.  | 113                          | 119        | 215  | 97                   | 78       | 111    | 113                     | 103               | 131                              |
| Oct.   | 113                          | 118        | 225  | 97                   | 79       | 111    | 114                     | 102               | 134                              |
| Nov.   | 118                          | 128        | 228  | 97                   | 79       | 111    | 113                     | 103               | 130                              |
| Dec.   | 118                          | 128        | 228  | 97                   | 79       | 111    | 112                     | 103               | 128                              |

PRODUCTION - INTERNAL TRADE - WORK CESSATIONS

| Period | Index of industrial production <sup>1)</sup> 1948 = 100 |                      |                |                 |                |               | Commercial timber fellings<br>1 000 piled cu. m | Milk received by dairies<br>1 000 tons | Wholesale trade volume index <sup>2)</sup><br>1954 = 100 | Working-days lost in work cessations<br>Thousands |
|--------|---|----------------------|----------------|-----------------|----------------|---------------|---|--|--|---|
|        | Total   | Home market industry |                | Export industry |                |               |   |  |  |   |
|        |   | Total                | Metal industry | Total           | Paper industry | Wood industry |   |  |  |   |
| 1950   | 113   | 115                  | 96             | 107             | 111            | 102           | 25 770  | 1 245                                  | 81   | 4 644   |
| 1951   | 131   | 133                  | 122            | 126             | 130            | 120           | 36 070  | 1 447                                  | 85   | 324   |
| 1952   | 125   | 133                  | 121            | 108             | 112            | 102           | 35 079  | 1 560                                  | 92   | 54  |
| 1953   | 133   | 140                  | 120            | 116             | 121            | 108           | 29 170  | 1 657                                  | 93   | 64  |
| 1954   | 152   | 158                  | 140            | 140             | 151            | 124           | 35 370  | 1 703                                  | 100  | 116   |
| 1955   | 169   | 175                  | 157            | 154             | 173            | 126           | 38 600  | 1 709                                  | 116  | 344   |
| 1956   | 173   | 180                  | 158            | 157             | 185            | 117           | 36 623  | 2 037*                                 | ..   | 6 971   |
| 1955   |   |                      |                |                 |                |               |   |  |  |   |
| June   | 167   | 176                  | 156            | 148             | 162            | 129           | 1 014   | 174                                    | 118  | 10  |
| July   | 135   | 127                  | 97             | 150             | 169            | 123           | 1 220   | 182                                    | 107  | 4   |
| Aug.   | 174   | 181                  | 156            | 158             | 184            | 120           | 1 287   | 156                                    | 122  | 2   |
| Sept.  | 184   | 193                  | 167            | 164             | 187            | 129           | 1 589   | 138                                    | 130  | 12  |
| Oct.   | 186   | 193                  | 177            | 170             | 196            | 132           | 2 237   | 123                                    | 128  | 8   |
| Nov.   | 184   | 195                  | 175            | 160             | 191            | 112           | 3 000   | 121                                    | 128  | 2   |
| Dec.   | 164   | 174                  | 163            | 142             | 167            | 105           | 3 540   | 133                                    | 128  | 2   |
| 1956   |   |                      |                |                 |                |               |   |  |  |   |
| Jan.   | 174   | 179                  | 169            | 162             | 191            | 119           | 4 275   | 146*                                   | 93   | 6   |
| Feb.   | 174   | 181                  | 170            | 157             | 189            | 109           | 4 176   | 141*                                   | 102  | 1   |
| March  | 80  | 91                   | 69             | 57              | 61             | 52            | 3 450   | 149*                                   | 91   | 6 945   |
| April  | 184   | 192                  | 171            | 166             | 187            | 135           | 2 399   | 180*                                   | 124  | 4   |
| May    | 187   | 194                  | 166            | 171             | 190            | 143           | 8 083   | 208*                                   | 138  | —   |
| June   | 180   | 190                  | 169            | 159             | 179            | 132           | 1 131   | 215*                                   | 124  | —   |
| July   | 153   | 145                  | 113            | 168             | 196            | 125           | 1 156   | 204*                                   | 119  | 1   |
| Aug.   | 190   | 197                  | 164            | 174             | 209            | 124           | 1 659   | 186*                                   | 139  | 1   |
| Sept.  | 190   | 198                  | 174            | 174             | 207            | 126           | 1 758   | 162*                                   | 132  | 1   |
| Oct.   | 209   | 219                  | 192            | 185             | 220            | 134           | 2 463   | 148*                                   | 136  | 4   |
| Nov.   | 194   | 206                  | 178            | 168             | 210            | 107           | 2 786   | 143*                                   | 137  | 6   |
| Dec.   | 164   | 173                  | 156            | 145             | 181            | 93            | 3 287   | 155*                                   | ..   | 1   |

<sup>1)</sup> Figures for 1955 and 1956 revised but not final.

<sup>2)</sup> Converted from 1948 = 100.

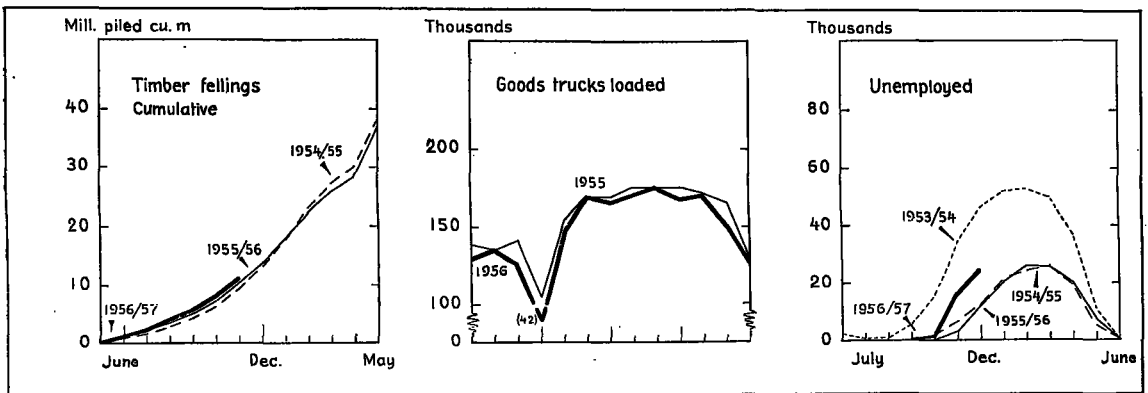


**BUILDING - WAGES - EMPLOYMENT - TRANSPORT**

| Period     | Buildings completed <sup>1)</sup> , mill. cu. m |                 |                |                                    |                    | Buildings under construction at end of period <sup>1)</sup> mill. cu. m | Wages Oct. 1951 = 100 |                | Index of working hours in industry |
|------------|---|-----------------|----------------|------------------------------------|--------------------|---|-----------------------|----------------|------------------------------------|
|            | Total   | Dwelling houses | Farm buildings | Commercial and industrial premises | Official buildings |   | Industrial workers    | Forest workers |                                    |
| 1953       | 20.09   | 8.44            | 5.66           | 2.53                               | 2.25               | 22.66   | 103.1                 | 89.7           | ..                                 |
| 1954       | 22.02   | 9.36            | 5.24           | 3.54                               | 2.87               | 22.85   | 105.6                 | 93.4           | ..                                 |
| 1955       | 20.25   | 9.47            | 4.29           | 3.12                               | 2.29               | 23.75   | 110.4                 | 113.3          | ..                                 |
| 1955       |   |                 |                |                                    |                    |   |                       |                |                                    |
| July-Sept. | 5.56  | 2.41            | 1.50           | 0.77                               | 0.53               | 28.32   | 112.2                 | 118.4          | 101.5                              |
| Oct.-Dec.  | 8.25  | 3.94            | 2.00           | 1.05                               | 0.83               | 23.75   | 112.2                 | 117.1          | 102.0                              |
| 1956       |   |                 |                |                                    |                    |   |                       |                |                                    |
| Jan.-Mar.  | 3.45*   | 1.71*           | 0.15*          | 1.10*                              | 0.35*              | 23.86*  | 112.2                 | 117.4          | 104.2                              |
| Apr.-June  | 3.76*   | 1.52*           | 0.38*          | 1.08*                              | 0.51*              | 25.39*  | 126.5                 | 120.4          | 104.2                              |
| July-Sept. | 5.19*   | 2.16*           | 0.81*          | 1.01*                              | 0.77*              | 29.68*  | ..                    | 127.5          | 103.3                              |

| Period | Railways                      |      | Foreign shipping                                 |       |                  |       | Unemployed at end of month |        |                   |      |
|--------|-------------------------------|------|--|-------|------------------|-------|----------------------------|--------|-------------------|------|
|        | Goods trucks loaded Thousands |      | Vessels arrived with cargo — 1 000 net reg. tons |       | Vessels departed |       | Registered                 |        | On relief work, % |      |
|        | 1955                          | 1956 | 1955   | 1956* | 1955             | 1956* | 1955                       | 1956   | 1955              | 1956 |
| Jan.   | 136                           | 136  | 335  | 284   | 316              | 299   | 21 165                     | 20 583 | 76.5              | 78.7 |
| Feb.   | 142                           | 126  | 252  | 154   | 258              | 142   | 24 305                     | 25 751 | 86.5              | 84.1 |
| March  | 105                           | 42   | 226  | 74    | 201              | 53    | 26 053                     | 26 047 | 91.1              | 89.1 |
| April  | 154                           | 147  | 313  | 225   | 307              | 188   | 19 434                     | 19 992 | 92.0              | 94.4 |
| May    | 169                           | 168  | 446  | 419   | 405              | 370   | 5 008                      | 7 231  | 92.2              | 98.9 |
| June   | 168                           | 166  | 440  | 410   | 582              | 551   | —                          | —      | —                 | —    |
| July   | 175                           | 170  | 413  | 470   | 684              | 679   | —                          | —      | —                 | —    |
| Aug.   | 175                           | 175  | 412  | 445   | 742              | 701   | —                          | —      | —                 | —    |
| Sept.  | 175                           | 168  | 384  | 384   | 614              | 609   | —                          | —      | —                 | —    |
| Oct.   | 172                           | 170  | 361  | 436   | 596              | 568   | 164                        | 1 711  | 47.0              | 50.5 |
| Nov.   | 165                           | 151  | 384  | 426   | 479              | 434   | 3 337                      | 15 924 | 51.9              | 61.8 |
| Dec.   | 131                           | 127  | 380  | 438   | 404              | 354   | 12 259                     | 24 057 | 64.2              | 69.4 |

<sup>1)</sup> Quarterly figures incomplete; those given for the previous year are adjusted so as to be comparable with the figures for the latest corresponding quarters.



# EXPLANATIONS RELATING TO THE STATISTICAL SECTION

## BANK OF FINLAND

Page 3. The items of the statement of the Bank of Finland are described in Monthly Bulletin No. 10, 1955, p. 25.

Page 4. *Other foreign assets* = Foreign bills + Foreign bonds. *Other foreign liabilities* = Mark accounts of holders abroad + Long-term foreign liabilities. *Cash reserve accounts* consist of deposits made by the banks and tied by special conditions. Included in Long-term Finnish liabilities.

Page 5. *Treasury bills and bonds*: up to August 1953, bills, and thereafter Treasury bond loan + Treasury bill covering certain IMF and IBRD accounts (included in Other claims). *Trade and industry, other advances* = Inland bills in foreign currency + Cheque accounts (assets) + Other claims excl. Treasury's IMF and IBRD bill. *Deposits against import licences* = importers' obligatory deposits of 10% of the value of the goods for which they have received import licences (from April 4, up to June 1, 20% for goods for which licensing is not automatic). Included in Long-term Finnish liabilities. *Other liabilities* = Other short-term liabilities + Other cheque accounts. — *Diagrams*. Left: *Net claims on others than banks* = Net foreign assets + Net claims on the Treasury + Net claims on the public + Finnish bonds + Finnish coin — (Long-term Finnish liabilities — Cash reserve accounts — Deposits against import licences) — Equalisation accounts. Right: *Net debt of banks* = net claims on banks, plotted as negative figures in order that their dependence on Net claims on others than banks might be more clearly evident.

## DEPOSITS BY THE PUBLIC — ADVANCES TO THE PUBLIC

Commercial bank and mortgage bank figures obtained from the official bank statistics, savings bank figures from the Central Statistical Office, other figures from the respective credit institutions or their central banks.

Page 6. *Cheque accounts in all credit institutions* relates to commercial banks, savings banks, co-operative credit societies, and mortgage banks. *Term deposits in all credit institutions* includes a small amount of deposits in mortgage banks.

## STATE FINANCES

Page 8. Official monthly figures adjusted by the Bank of Finland Institute for Economic Research. *Revenue and expenditure*: All extra-budgetary funds are included, and figures are reported on a payment basis. — Annual figures will be published in separate articles. *Debt*: Index-tied bond loans are given at their nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to the Post Office Savings Bank minus cash holdings of State departments. The change in this item = surplus (deficit) in the table on revenue and expenditure. *Diagram*. The 12-month totals are plotted to the last month of the respective periods.

## SYMBOLS USED

\* Preliminary    o Less than half the final digit shown  
.. Not available    — Nil

A line drawn across a column between two consecutive figures indicates that the figures above and below the line are not strictly comparable.

Beginning May 1956 figures have been rounded to the nearest final digit. For this reason there may be an appar-

## FOREIGN TRADE

Pages 9—12. Figures supplied by the Board of Customs, except for the price indices (p. 9), which are calculated by the Central Statistical Office. Foreign trade by countries (p. 12): imports by countries of purchase, exports by countries of sale.

## PRICE INDICES

Page 13. *Wholesale price index* and *Building cost index* calculated by the Central Statistical Office. *Cost of living indices* calculated by the Ministry for Social Affairs. The series based on Oct. 1951 does not include direct taxes.

## PRODUCTION — INTERNAL TRADE — WORK CESSATIONS

Page 14. *Index of industrial production* calculated by the Central Statistical Office. It is based on net values of industrial production at constant prices. Unadjusted for seasonal variations. Weights: Home market industry 69.5, of which metal industry 28.2, export industry 30.5, of which paper industry 18.0 and wood industry 12.5; total industry 100.0. *Commercial timber fellings* calculated by the Ministry of Communications and Public Works. *Milk received by dairies* calculated by the Board of Agriculture. Figures cover about 50—60% of the total milk production. The share of the dairies having grown over the last few years, this series does not correctly reflect the development of total milk production during a prolonged period. *Wholesale trade, volume index*, calculated by the Ministry of Finance. Based on sales statistics compiled by the daily Uusi Suomi, covering about 50% of all internal wholesale trade. Price fluctuations have been eliminated by means of the wholesale price index so revised that the combined weight of wood and paper products has been reduced from 17.6 to 3.2. *Working days lost in work cessations* calculated by the Ministry for Social Affairs. *Diagram*. Left: *Index of productive activity* calculated by the periodical Mercator. It comprises all sectors of the economy. Annual averages are revised according to national income figures.

## BUILDING — WAGES — EMPLOYMENT — TRANSPORT

Page 15. *Building* figures supplied by the Central Statistical Office. *Wages of industrial workers* (average hourly earnings) calculated by the Ministry for Social Affairs. Its base period changed to correspond with October 1951 by calculating a weighted average of the last two quarters of the year. *Wages of forest workers* (average daily earnings) monthly figures supplied by the Ministry for Social Affairs, changed to quarterly index. Base calculated to correspond with Oct. 1951 by taking average from August to December 1951. *Index of working hours in industry* calculated by the Ministry for Social Affairs. The index is based on the number of working hours during the corresponding quarter of the previous year. *Railway* figures supplied by the Board of Railways. *Shipping* figures supplied by the Shipping Board. *Unemployment* figures supplied by the Ministry of Communications and Public Works.

ent slight discrepancy between the total and the sum of the constituent items.

More detailed statistical information about Finland is obtained from the Finnish Official Statistics: Statistical Yearbook of Finland, Bulletin of Statistics (monthly), Foreign Trade (yearly and monthly), Bank Statistics concerning commercial banks and mortgage institutions (yearly and monthly).



## SOME PARTICULARS ABOUT FINLAND

### FORM OF GOVERNMENT

From 1154 to 1809 Finland formed a part of the kingdom of Sweden. It then became an autonomous Grand Duchy connected with Russia until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in the Diet and the President. The highest executive power is held by the President, elected for a period of 6 years. The president for the current period, March 1, 1956, to March 1, 1962, is Urho Kaleva Kekkonen.

The Diet, comprising 200 members, is elected by universal suffrage. The number of seats of the different parties in the Diet elected in 1954 are as follows: Social Democrats 54, Agrarians 53, People's Democrats 43, Conservatives 24, Swedish Party 13, Finnish People's Party 13.

### LAND

THE AREA is 337 009 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total area 9.4 % are inland waters. On an average 13.9 % of the land in the South of Finland is cultivated (1950), 1.9 % in the North and 8.0 % of the land as a whole. Of the land area 21.8 mill. ha (53.9 mill. acres), or 71.6 %, are covered by forests.

OWNERSHIP OF LAND (1950): The total land area was distributed among different classes of owners approximately as follows: private 56.9 %, State 35.0 %, joint stock companies etc. 6.4 %, communes 1.7 %.

### POPULATION

NUMBER OF INHABITANTS (1955): 4.3 millions. Sweden (1954) 7.2, Switzerland (1954) 5.0, Denmark (1954) 4.4 and Norway (1954) 3.4 millions.

DENSITY OF POPULATION (1955): In South Finland 23.7, in North Finland 3.8 and in the whole country an average of 13.9 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1955): 65.8 % of the population inhabit the rural areas, 34.2 % the towns and market towns. The largest towns are (1956): Helsinki (Helsingfors), the capital, 412 200 inhabitants, Turku (Åbo) 112 800, Tampere (Tammerfors) 114 200.

OCCUPATION (1950): Agriculture and forestry 42 %, industry 29 %, commerce 7 %, transport and communication 6 %, services 9 %, other economic activities 1 %, economically inactive persons 6 %.

LANGUAGE (1950): Finnish speaking 91.1 %, Swedish speaking 8.6 %, others 0.3 %.

EDUCATION (1955): Practically all persons over 15 years of age are literate. There are three universities (the oldest founded in 1640) and 12 colleges of university standard.

INCREASE OF POPULATION (1954): Births 21.5 ‰, deaths 9.1 ‰, increase 12.1 ‰. Deaths in France (1954) 12.0 ‰ and in Great Britain (1954) 11.4 ‰.

### TRADE AND COMMUNICATIONS

NATIONAL INCOME (1955, in thousand million marks): Gross national income at market price 985. Net national product at factor cost, by industrial origin: agriculture 89 (12 %), forestry and fishing 96 (13 %), manufacturing 250 (33 %), construction 69 (9 %), transport and communications 55 (7 %), commerce, banking and insurance 93 (12 %), public activities 72 (9 %), other services 45 (6 %), total 770. Volume index 143 (1948 = 100).

FOREST RESOURCES (1951—1953): The growing stock comprised 1 491 million of solid cu. m incl. bark (52 660 million cu. ft), of which pine 43.7 % and spruce 35.7 %, the rest 20.6 % being leaf-trees, chiefly birch. Of the growing stock, 10 900 million cu. ft, 58.0 % of them pine, was up to the standard required for logs. The annual growth is 46 million solid cu. m green wood excl. bark (1 620 mill. cu. ft). The total removal in 1954 calculated according to the use of wood was 45 million cu. m (1 589 million cu. ft).

AGRICULTURE (1950): Cultivated land 2.4 million hectares of which holdings of less than 5 ha amount to 18 %, 5 to 15 ha 45 %, 15 to 50 ha 32 % and more than 50 ha 5 %. Number of holdings 287 000, of which 130 000 are of more than 5 ha. Index of agricultural production 101 for 1955 (1938 = 100). Measure of self-sufficiency in the crop year 1954/55: bread cereals 48 %, fertilizers 49 %, dairy products 102 %, meat 104 %, fodder 92 %.

INDUSTRY (1954): Gross value of industrial production 580 000 mill. marks, number of workers 288 000, administrative employees 46 000, motive power (1953) 1.9 mill. HP. Index of industrial production 200 for 1954 (1938 = 100).

RAILWAYS (1955): Length 5 046 km, of which 4 859 km are State and 187 km private railways. The gauge of State railways 1 524 m.

MERCHANT FLEET (Sept. 1, 1956): Steamers 293 (414 000 gross reg. tons), motor vessels 169 (309 000 gross reg. tons), sailing vessels with auxiliary engines 116 (12 000 gross reg. tons). Total 578 (735 000 gross reg. tons).

MOTOR VEHICLES (1955): Passenger cars 85 400, lorries and delivery vans 50 200, buses 4 300, others 1 700. Total 141 600.

### FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. Since 1931, the redemption of bank notes in gold has been suspended. The currency unit is the mark (Finnish marka). Its official par value is 230 marks per one U.S. dollar. Finland has been a member of the International Monetary Fund since 1948.

MUNICIPAL FINANCES. In the finance accounts for 1954 expenditure amounted to 111 000 mill. marks. Total revenue was 111 000 million, of which income from taxation 56 000 million. The municipal income tax (non-progressive) averaged 11.08 % of the ratepayers' taxable income.

THE CENTRAL BANK. The Bank of Finland functions under the guarantee and supervision of the Diet. Its Board of Management is appointed by the President of the Republic; the Bank Supervisors, nine in number, are elected by the Diet. The Bank has a head office in Helsinki and 12 branch offices in other towns.

OTHER CREDIT INSTITUTIONS (1955). There are three big and three small commercial banks with in all 520 offices, 421 savings banks, 594 co-operative credit societies and their central bank, six mortgage societies, and the Post Office Savings Bank. The savings departments of the co-operative stores accept deposits from the public.

RATES OF INTEREST. (January 1, 1957). Bank of Finland: discount rates 6 ½—8 %. Other credit institutions: term deposits 5 ¼ % (index-tied 4 ¾ %) and sight deposits 1—1 ½ %; lending rate 8 % in general.

## THE FINNISH ECONOMY IN 1956

BY

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During 1956, the international boom in trade was less pronounced than had been the case during the previous year. This caused the yield from the export of Finland's staple articles, the products of the forest industry, to decline, though the falling off was not considerable. The main trouble in the Finnish economy was internal. The rise in wages and prices created particular difficulty in various spheres.

### PRICES AND WAGES

When at the end of 1955 the term of validity of the Emergency Act expired, Government price control relaxed. This enabled farmers to bring into effect a rise in the prices of dairy produce, a move for which producers had striven for a number of years. As, in addition, some other decontrolled prices were increased, the cost of living index rose from 101 in December 1955 to 107 in February (Oct. 1951 = 100). When wage-earners, as a result of the rise in the cost of living, demanded higher wages and employers did not comply with the demand, a general strike was proclaimed at the beginning of March, and lasted three weeks. Altogether the strike affected some 440 000 people. By the terms of the agreement for

terminating the strike an increase of 12 marks in hourly wages was conceded, besides which an average wage increase of 3 per cent was given in order to compensate the rise in productivity. It is estimated that as a result of the strike wages increased by about 10 per cent. Owing to the higher expenditure on wages, there was a reduction in the income and property tax payable by companies, the depreciation allowances were increased and employers' contributions towards child allowances were lowered. The February figure of 107 points for the cost of living index was taken as a basis; were it to rise to 112, the labour organisations would be entitled to introduce negotiations for the adjustment of wages to compensate for the rise in the cost of living.

Increase in the wages of Government employees, introduced prior to the general strike and in connection therewith, extensive subsidies, expenditure on the maintenance of employment and the reduction of revenue as a result of the agreement for settlement of the general strike, made it necessary to increase Government revenue during April—May. With this object in view, there were increases in the monopoly prices of spirits, the duty on sugar and petrol, and the price equalisation charges for raw materials for

margarine and petroleum. Subsequently, the railway and postal tariffs were also raised, the stamp duty was increased and purchase tax was reimposed on some textiles. As these measures proved insufficient to ensure a balance in the State economy, in October the Government decided on a reduction in the subsidies for sugar, sausages, butter and coffee. It was estimated that the measures adopted in the spring would in total increase revenue and reduce expenditure by about 13 000 million marks annually and those introduced in the autumn by about 29 000 million marks.

By an agreement concluded at the beginning of March, farmers' income was for three years linked to the general level of wage-earners' income. The Diet passed this law in May. Subject to the new law, for the farming year of 1956/57 the producers' prices for certain items of agricultural produce were raised at the beginning of September. In the same connection, the subsidising of some forms of dairy produce was abolished.

By September, the cost of living index had already risen to 113 points, and it thus exceeded the 112 points agreed upon as a basis for starting wage negotiations. In December, the index stood at 118. During 1956 the wholesale price index advanced by 9 per cent. In order to arrest the rise in prices, price control was extended during the course of the year, so that since the end of October only a few articles have remained uncontrolled. However, it has not been possible to prevent prices from rising, for the adopted measures of State economy have been the principal cause for the advance in prices subsequent to the general strike. By the end of the year notice had been given of cancellation of almost all collective agreements. The decisions on wages to be made in the spring of 1957 relative to the negotiations for fresh agreements will be partic-

ularly important from the standpoint of maintaining the value of the currency.

#### THE NATIONAL PRODUCT

According to preliminary data, the increase in real value of the net national product was only slightly above 2 per cent. In addition to the part played by the general strike, this was due to the deterioration in international trade conditions. The following table gives some particulars of the real course of development of the gross national product in 1956. The figures for 1955 are preliminary, and those for 1956 are rough estimates.

|                                   | 1955<br>1 000 million<br>marks | Real change<br>in 1956<br>per cent |
|-----------------------------------|--------------------------------|------------------------------------|
| Private consumption . . . . .     | 558.7                          | + 5                                |
| Public consumption . . . . .      | 110.7                          | + 3                                |
| Domestic gross investment . . . . | 299.3                          | + 5                                |
| Exports of goods and services     | 212.5                          | + 1                                |
| Imports of goods and services     | 197.7                          | +13                                |
| Gross national product . . . . .  | 985.3                          | + 2                                |

The real growth of consumption and investment was made possible mainly by means of more substantial imports, as the increase in the net domestic national product amounted to only slightly more than 2 per cent.

#### INDUSTRY

In spite of the general strike, industrial production increased by 2 per cent on the figure for 1955. In the forest industry, the tendency was uneven. There was a decrease in the output of sawn goods, plywood and prefabricated buildings, particularly as a result of the deterioration in the opportunities for export. In total, the timber industry decreased during the year by 7 per cent in volume. In the paper industry, there was an increase in production of 7 per cent, an upward movement being recorded for almost all paper products with the exception of cardboard and fibreboard. The output of newsprint rose by as much as 11 per cent.

The growth of output in the home market industry amounted to about 3 per cent. The most considerable rises were visible in the

chemical industry and in the food, drink and tobacco industry. In the former, the increase represented 7 per cent, and in the latter 10 per cent. In the metal industry the output was of approximately the same volume as was the case in the previous year.

#### LUMBER WORK

The weakening of the export market and the stringency of the money market had a particular effect on a falling off in lumber work. In the 1955/56 felling season, fellings for commercial purposes were 5 per cent less than they had been one year previously. In fellings of piled timber, the decline was 7 per cent, and in thick softwood close on 21 per cent. On the other hand, fellings of firewood increased by one half.

Fellings during the summer and autumn of last year were very lively. The quantity cut during the period June—October was 11 per cent greater than during the corresponding period of the previous year. In November—December, however, the level of the previous year was not attained; the quantity cut in June—December was only 2.5 per cent in excess of the quantity for the corresponding period of the year before. For the calendar year 1956, it is estimated that the output of lumber work as a whole will be about 7 per cent less than the corresponding figure for 1955.

#### BUILDING

The stringency of the money market was particularly felt in house building. During the first three quarters of the year, 12.4 million cu. m of new buildings were completed, or 3 per cent more than during the corresponding period of the previous year. The quantity of buildings completed during that time in the towns and urban districts was about 41 per cent larger than in 1955, while in the rural districts there was a

decrease of 28 per cent. Preliminary data obtained for the last quarter indicates that the total of building will fall slightly short of that for the previous year. As the state of employment grew worse than it had been in 1955, Government expenditure on maintaining employment increased. For this reason, work on roads and waterways was rather more extensive in 1956 than it had been during the previous year. According to preliminary information, building was on the whole almost on the 1955 level.

#### AGRICULTURE

Although the weather conditions were very unfavourable in the autumn, the total harvest is estimated at about 5.8 per cent more than the harvest in 1955. The increase in the output of milk was provisionally estimated at 8 per cent, which was partly due to the large imports of artificial fodder. The plentiful output of milk led in turn to an increase in the production of butter and cheese. The increase in dairy butter is estimated to be 35 per cent and that in cheese at 27 per cent. As, compared with 1955, there was no considerable change in the home consumption of these commodities, the surplus output was sold abroad. This again was based on Government export subsidies. Altogether, the increase in agricultural production is estimated at about 8 per cent above that for 1955. Earnings from agriculture are preliminarily estimated to have grown by slightly more than 30 per cent.

#### FOREIGN TRADE

The mechanical woodworking industry suffered from the poor export conditions. Almost without exception the exports of its products decreased by 10—20 per cent. At the same time, the export price index for wood products fell 6 per cent from the figure for the previous year. On the other

hand, the demand for products of the chemical woodprocessing industry remained firm, and prices of most qualities of chemical pulp and paper advanced slightly. In quantity, exports of paper products increased most, those of newsprint rising by 14 per cent and those of other paper by 6 per cent. An increase also occurred in the exports of dairy produce and metal articles. In all, the increase in the volume of exports amounted to nearly 1 per cent, and the fall in prices to 2 per cent. The value of exports amounted to 178 000 million marks, or 3 300 million less than was so in 1955.

The value of imports was 203 600 million marks, or 26 600 million more than it was in 1955. The increase in volume on the previous year was 14 per cent, and the rise in prices about 4 per cent. Nearly all of the growth of imports fell to the share of machinery and raw materials. Thus goods for productive purposes represented 72.1 per cent of the imports (69.5 per cent in 1955).

The balance of trade recorded a deficit of 25 600 million marks, whereas in 1953—1955 there was an annual surplus of some 4 000—9 000 million marks. In addition to the change in volume, this result was due to the terms of trade growing less favourable; the relation of export prices to import prices stood at 136 (1935 = 100), as against 144 in 1955.

#### THE MONEY MARKET

By means of the measures adopted during the first six months of the year, the Bank of Finland endeavoured to restrain the purchasing power of the public; during the latter half of the year, however, due consideration was given to the deterioration of the business conditions and the employment situation. Of the methods of monetary policy

available to the Bank of Finland, the principal ones comprised an elastic change in the regulations for cash reserve deposits and deposits against import licences.

The liquidity of the commercial banks was poor throughout the year, and they were obliged to keep their bills rediscounted at the Bank of Finland to the extent of between 20 000 and 30 000 million marks. The advances of the commercial banks to the public increased from the beginning of the year by 7 200 million marks only, which is a fourth part of the increase in 1955. The savings banks' advances to the public increased by 6 400 million marks, or about 45 per cent of the increase during the previous year. Altogether, the credits granted to the public by all the banking establishments increased by 19 200 million marks only, whereas the increase in the previous year was 52 200 million. Only the increase in the volume of credit of the mortgage institutions was larger in 1956 than it had been in 1955.

Owing to the inflationary situation, the falling off in grants of credit and the increased demand of the public for cash, 1956 was a very poor year as regards bank deposits. In 1955 the time deposits had grown by 44 600 million marks, whereas in 1956 they increased by 7 300 million. The current accounts of the public increased by 1 700 million marks, whereas in 1955 they had grown by 2 200 million.

In making a comparison of the various banking establishments, it appears that in those, in which deposit accounts with an index-clause were in use, the drop in deposits was least. In all, there were only 350 million marks in index-tied deposits at the end of 1955, whereas at the end of 1956 they amounted to 22 400 million.

## ITEMS

**Trade agreements.** Finland has recently concluded trade agreements with the following countries.

*Bulgaria*, on January 18. Period: 1957. Total trade is estimated at about 2.2 mill. dollars. Finnish exports will principally consist of chemical and mechanical pulp, and paper products. The principal import goods will be cereals, tobacco and fruit.

*Czechoslovakia*, on February 2. Period: 1957. Finnish exports are estimated at about 96 mill. Cz. crowns, and imports at 174 mill. Cz. crowns. Of the difference, about 18 mill. crowns (= 10 mill. roubles) will be settled by a tripartite arrangement with the USSR, and the remainder by invisible transactions. Finland will export, amongst other things, cheese, sawn wood, chemical pulp, paper and paper products, prefabricated houses, magnetite and ilmenite concentrates, and machinery. Finnish imports will include sugar, chemicals, rolled products, machinery and equipment, motor cars and tractors.

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**Prepayments for exports to the USSR.** At the beginning of February, representatives of the Finnish and the USSR governments agreed upon a new procedure concerning the prepayments for Finnish exports to the USSR, to be applied from the beginning of next year. As the practice stands at present, the advance payment for part of the price of vessels, machinery and other

goods on long-term delivery is booked on a special prepayments account, free of interest, and the Bank of Finland pays in marks the equivalent to the Finnish exporter. Not until the goods concerned are delivered, are the prepayments transferred to the clearing account. At the end of 1956 the amount on the prepayments account totalled 146 mill. roubles, or 8 400 mill. marks.

From January 1, 1958, the prepayments will be immediately booked on the clearing account, but the balance on the prepayments account on that date will be treated according to the present system until it disappears, which is estimated to occur in 1960 at the latest.

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**New bond loans.** On January 2, the Government issued a bond loan amounting to 1 500 mill. marks. It carries interest at a varying rate, which is to be 1½ per cent above the general rate of six months' deposits in the two largest commercial banks, but which is not to be in excess of 7¾ per cent. The loan will be redeemed in 1958—1967, by an annual amount of 10 per cent of the original nominal value of the loan. It is tied to the cost of living index (October 1951 = 100) to the extent of 50 per cent.

On the same day, the Government decided in addition to issue a loan of 6 000 mill. marks in total, to be subscribed by private credit institutions. It will be issued in four parts, of 1 500 million each: on January 2, April 1, July 1 and October 1. The rate of

interest is to exceed by  $\frac{1}{2}$  per cent the rate payable on index-tied deposits. The loan will be redeemed in 1958—1962, in five instalments, each of 20 per cent of the original nominal value of the loan. It is tied to the cost of living index (October 1951 = 100) to the extent of 50 per cent.

The terms of these loans are, in part, based on an agreement concluded last December between the Government and the private credit institutions relating to bonds and index-tied deposits. According to this agreement, the private credit institutions with the exception of the savings banks and their central bank undertake, during 1957, to buy index-tied Government bonds to the amount of 6 000 million marks, either for themselves or for re-sale to the public. In return, those private credit institutions, or enterprises recommended by them, are entitled to issue index-tied bond loans of their own to the value of 4 000 million marks. The value of the bonds which the Treasury, the Post Office Savings Bank and the Bank of Finland sell direct to the public will be deducted from the 6 000 million quota of the credit institutions.

At the same time, exemption from taxation was agreed upon for such Government and private bond loans of 1957 as are tied to

the cost of living index or to a foreign currency to the extent of 50 per cent, as well as for any interest on them, and index premiums; a similar decision was made for such deposits made during 1957 as are tied to the cost of living index to the extent of 50 per cent. An act based upon this agreement was passed by the Diet last December.

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**Traveller's exchange.** Owing to the strained exchange situation, from January 21 the Bank of Finland reduced the amount in marks against which travellers abroad are allowed to buy foreign currency. If the voyage is made to the Scandinavian countries only, the new maximum amount is 20 000 marks (formerly 25 000), and if the trip is extended to other countries, the limit is 40 000 marks (50 000).

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**The publications of the Bank of Finland.** The Institute for Economic Research has edited a publication on the coins of Finland. It contains particulars concerning the composition, weight and size of coins as enacted since 1860, as well as figures of the issue, withdrawal and circulation of coins.

# BANK OF FINLAND

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