

BANK OF FINLAND

MONTHLY BULLETIN

Vol. 33 No. 5

MAY

1959

RECENT DEVELOPMENTS

ECONOMIC ACTIVITY

The decline in economic activity came to a halt during the last quarter of 1958. In February this year, the revival set in, and became more definite in March. The Mercator index of productive activity for February exceeded the figure for one year previously by 1 per cent, whereas the increase was 7 per cent for March. The recovery extended to all sectors of the economy, except forestry. The revival in economic activity was reflected in a rise of the national income. As a consequence of rises in wages and salaries, the labour income increased more than did the national income. It is presumed that the income-redistribution tendency has brought a marked rise in private consumption as compared with the development of total demand.

The expansion of consumption has clearly affected retail sales. During the first quarter, the value of retail sales was about 6 per cent above the level reached during the corresponding period in 1958. This meant a considerable rise in the volume of sales, because the prices rose to a much lesser extent. — The cost of living index indicates an increase of less than 3 per cent.

According to available information, it seems that a re-stocking process is on the

way, which gives an additional impetus to the recovery in productive activity.

Private investment appears to respond only slowly to the revival. Signs of an increased willingness to invest can be ascribed largely to the improvement of the employment situation in housebuilding, and to the rise in the number of building permits, although exceptional circumstances, such as favourable weather conditions, may have stimulated building activity.

The direction of the growth in demand, referred to above, seems to have stimulated in particular the production of consumer goods. If one eliminates the difference in the number of working days, the manufacture of consumer goods during the first quarter was about 8 per cent higher than during the corresponding period one year ago, whereas the rise in the total industrial production was about 2 per cent. The slackness in the woodprocessing industry is, of course, a direct consequence of the not quite satisfactory prospects for Finnish exports (see below).

Forestry remains the weak point in the economy. In March the quantity of timber cut was 11 per cent less than for the corre-

*On page 18, Finnish Exports of Sawn Goods
Since the Second World War*

sponding period one year ago. The decrease for the whole felling season until the end of March was 17 per cent, indicating, however, a relative improvement in forest works.

The recovery in productive activity, together with the seasonal factors, is bound to raise the level of employment. According to the most recent information, on May 15, the number of unemployed was 58 058 of whom 294 were entirely without work.

FOREIGN TRADE

The slackness last year in the export markets for wood and paper products principally appeared as a fall in prices, whereas the quantities exported could be maintained at the level of the previous year, thanks to the improved competitive ability of the Finnish export industry. This year the situation has generally speaking been the same, although it has not been uniform for the different articles of export.

The marketing of the largest category of exports, the products of the paper industry, has lately encountered difficulties as regards certain kinds of chemical pulp and wrapping paper. The prices of these articles had to be reduced by 3—7 per cent in respect of deliveries to European markets to be made in the second quarter of this year. In addition, Nordic exporters were still forced to cut down production, in some instances on a larger scale even than before.

Market prospects are more optimistic for mechanical wood processing. The reanimation of building, and the necessity which is apparent in the chief buyer countries for importers to restock, have increased the demand for these products. Thus so far sawn timber has been sold for delivery from Fin-

VOLUME OF EXPORTS AND IMPORTS IN JAN.— MARCH 1958—59, 1954 = 100

| | 1958 | 1959 | Change per cent |
|-----------------------------|------------|------------|--------------------|
| <i>Exports</i> | <i>124</i> | <i>133</i> | + 7 |
| Agricultural products . . . | 185 | 203 | + 10 |
| Round and hewn timber .. | 161 | 152 | — 6 |
| Wood industry products .. | 80 | 98 | + 23 |
| Paper industry products . | 145 | 147 | + 1 |
| Metal, engin. ind. products | 110 | 125 | + 14 |
| <i>Imports</i> | <i>124</i> | <i>135</i> | + 9 |
| Raw materials and access. | 117 | 121 | + 3 |
| Fuels and lubricants | 138 | 144 | + 4 |
| Finished producer goods .. | 146 | 160 | + 10 |
| Finished consumer goods .. | 116 | 137 | + 18 |

land in 1959 to a quantity of about 600 000 standards, which is some 75 per cent of the estimated production for export this year. The prices of sawn timber have remained stable.

In the first quarter of the year, the value of exports amounted to 47 600 million marks, and the value of imports to 57 200 million; these are both about 1 per cent above last year's trading figure. The seasonal deficit in the balance of trade was 9 600 million marks, or about the same as last year.

As the unit value index of exports had decreased by 6 per cent on last year, and that of imports by 7 per cent, the volume of foreign trade increased considerably more than its value (see table above).

The volume of exports was larger than in the first quarter of any previous year. The general increase in the quantities exported was largely owing to very favourable ice conditions.

Only in 1957 was the import volume for the first three months larger than this year. It is evident that the improvement in economic activity will also keep the import demand higher in the next few months than was the case last year.

May 16, 1959.

BANK OF FINLAND

Mill. mk

| | 1958 | | 1959 | | | |
|---------------------------------------|----------|---------|---------|----------|----------|----------|
| | April 30 | Dec. 8 | April 8 | April 15 | April 23 | April 30 |
| BALANCE SHEET | | | | | | |
| Assets | | | | | | |
| <i>Ordinary note cover</i> | 46 252 | 60 642 | 69 527 | 69 304 | 68 551 | 68 231 |
| Gold | 7 850 | 7 850 | 8 473 | 8 473 | 8 473 | 8 473 |
| Foreign exchange | 34 465 | 49 708 | 57 784 | 57 561 | 56 814 | 56 508 |
| Foreign bills | 1 162 | 871 | 674 | 674 | 675 | 661 |
| Foreign bonds | 2 775 | 2 213 | 2 596 | 2 596 | 2 589 | 2 589 |
| <i>Supplementary note cover</i> | 53 547 | 47 049 | 29 828 | 29 087 | 29 935 | 32 028 |
| Inland bills discounted | | | | | | |
| In foreign currency | 13 183 | 12 644 | 12 405 | 12 320 | 12 284 | 12 285 |
| In Finnish currency | 17 252 | 8 823 | 9 414 | 9 442 | 9 115 | 9 135 |
| Rediscounted bills | 14 987 | 18 707 | 1 134 | 450 | 1 661 | 3 733 |
| Treasury bond loan | 8 125 | 6 875 | 6 875 | 6 875 | 6 875 | 6 875 |
| <i>Other assets</i> | 18 168 | 19 027 | 18 533 | 18 435 | 18 510 | 19 942 |
| Finnish bonds | 1 202 | 909 | 1 528 | 1 499 | 1 499 | 3 049 |
| Cheque accounts | 477 | 440 | 290 | 245 | 316 | 210 |
| Finnish coin | 579 | 438 | 737 | 753 | 752 | 748 |
| Other claims | 15 910 | 17 240 | 15 978 | 15 938 | 15 943 | 15 935 |
| Total | 117 967 | 126 718 | 117 888 | 116 826 | 116 996 | 120 201 |
| Liabilities | | | | | | |
| <i>Notes in circulation</i> | 56 174 | 65 075 | 58 223 | 58 947 | 59 312 | 61 613 |
| <i>Short-term liabilities</i> | 19 057 | 18 046 | 18 630 | 16 882 | 16 682 | 17 572 |
| Foreign exchange accounts | 2 703 | 2 178 | 1 791 | 1 894 | 1 840 | 1 807 |
| Mark accounts of holders abroad | 2 810 | 4 643 | 4 443 | 4 441 | 4 437 | 4 443 |
| Cheque account of the Treasury | 9 982 | 7 146 | 5 679 | 4 183 | 5 341 | 8 033 |
| Cheque accounts of banks | 314 | 1 474 | 5 472 | 5 037 | 3 755 | 1 830 |
| Other cheque accounts | 196 | 293 | 240 | 171 | 247 | 346 |
| Other short-term liabilities | 3 052 | 2 312 | 1 005 | 1 156 | 1 062 | 1 113 |
| <i>Long-term liabilities</i> | 16 487 | 20 872 | 19 818 | 19 690 | 19 411 | 19 343 |
| Foreign | 12 135 | 11 370 | 11 363 | 11 242 | 11 243 | 11 243 |
| Finnish | 4 352 | 9 502 | 8 455 | 8 448 | 8 168 | 8 100 |
| <i>Equalisation accounts</i> | 11 688 | 8 170 | 6 284 | 6 348 | 6 605 | 6 663 |
| <i>Bank's own funds</i> | 14 561 | 14 555 | 14 933 | 14 959 | 14 986 | 15 010 |
| Capital | 10 000 | 10 000 | 10 000 | 10 000 | 10 000 | 10 000 |
| Reserve fund | 2 924 | 2 924 | 3 739 | 3 739 | 3 739 | 3 739 |
| Profits undisposed | 1 085 | — | 815 | 815 | 815 | 815 |
| Earnings less expenses | 552 | 1 631 | 379 | 405 | 432 | 456 |
| Total | 117 967 | 126 718 | 117 888 | 116 826 | 116 996 | 120 201 |
| STATEMENT OF NOTE ISSUE | | | | | | |
| Right of note issue | | | | | | |
| Ordinary cover | 46 252 | 60 642 | 69 527 | 69 304 | 68 551 | 68 231 |
| Supplementary cover | | | | | | |
| (Upper limit 58 000 mill. mk) | 53 547 | 47 049 | 29 828 | 29 087 | 29 935 | 32 028 |
| Total | 99 799 | 107 691 | 99 355 | 98 391 | 98 486 | 100 259 |
| Note issue | | | | | | |
| Notes in circulation | 56 174 | 65 075 | 58 223 | 58 947 | 59 312 | 61 613 |
| Short-term liabilities | 19 057 | 18 046 | 18 630 | 16 882 | 16 682 | 17 572 |
| Undrawn on cheque credits | 776 | 814 | 963 | 1 008 | 937 | 1 043 |
| Unused right of note issue | 23 792 | 23 756 | 21 539 | 21 554 | 21 555 | 20 031 |
| Total | 99 799 | 107 691 | 99 355 | 98 391 | 98 486 | 100 259 |

Lowest Bank rate since March 1, 1959, 6 per cent

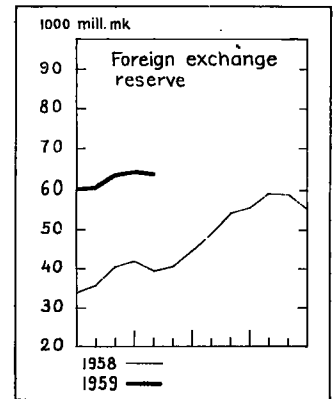
BANK OF FINLAND

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) |
| | | | | | | | | Cheque accounts of banks | Account of the Mortgage Bank of Finland Oy | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1950 | 10 959 | 8 170 | 2 789 | 364 | 4 807 | -1 654 | 6 913 | -552 | — | 7 465 |
| 1951 | 34 317 | 3 594 | 30 723 | 1 644 | 3 693 | 28 674 | 16 | -218 | — | 234 |
| 1952 | 22 099 | 13 141 | 8 958 | 7 024 | 5 524 | 10 458 | 17 217 | 2 088 | — | 15 129 |
| 1953 | 27 898 | 8 737 | 19 161 | 8 329 | 9 237 | 18 253 | 8 268 | 2 157 | — | 6 111 |
| 1954 | 36 573 | 7 017 | 29 556 | 8 206 | 10 102 | 27 660 | 8 465 | 2 187 | — | 6 278 |
| 1955 | 35 938 | 3 855 | 32 083 | 9 427 | 11 617 | 29 893 | 22 628 | 8 383 ¹⁾ | — | 14 245 |
| 1956 | 29 410 | 4 601 | 24 809 | 11 271 | 15 337 | 20 743 | 33 665 | 1 167 | 280 | 32 218 |
| 1957 | 38 429 | 4 569 | 33 860 | 17 642 | 20 185 | 31 317 | 24 912 | 2 405 | -42 | 22 549 |
| 1958 | 57 558 | 2 178 | 55 380 | 12 619 | 16 013 | 51 986 | 18 707 | 1 474 | 2 080 | 15 153 |
| 1958 | | | | | | | | | | |
| April | 42 315 | 2 703 | 39 612 | 16 984 | 14 945 | 41 651 | 14 987 | 314 | 2 973 | 11 700 |
| May | 43 553 | 2 831 | 40 722 | 16 982 | 15 556 | 42 148 | 12 970 | 271 | 2 463 | 10 236 |
| June | 47 333 | 2 802 | 44 531 | 15 798 | 15 913 | 44 416 | 16 668 | -145 | 2 432 | 14 381 |
| July | 52 157 | 3 096 | 49 061 | 15 278 | 16 164 | 48 175 | 11 556 | 367 | 2 226 | 8 963 |
| Aug. | 57 759 | 3 315 | 54 444 | 14 755 | 16 456 | 52 743 | 8 688 | 570 | 3 192 | 4 926 |
| Sept. | 58 966 | 3 224 | 55 742 | 14 461 | 16 694 | 53 509 | 11 038 | -4 | 2 856 | 8 186 |
| Oct. | 61 533 | 2 407 | 59 126 | 14 047 | 15 940 | 57 233 | 8 627 | 1 554 | 2 760 | 4 313 |
| Nov. | 61 294 | 2 268 | 59 026 | 13 375 | 15 925 | 56 476 | 8 714 | 1 079 | 2 504 | 5 131 |
| Dec. | 57 558 | 2 178 | 55 380 | 12 619 | 16 013 | 51 986 | 18 707 | 1 474 | 2 080 | 15 153 |
| 1959 | | | | | | | | | | |
| Jan. | 62 264 | 1 996 | 60 268 | 12 562 | 16 214 | 56 616 | 5 302 | 1 665 | 2 054 | 1 583 |
| Feb. | 64 665 | 1 701 | 62 964 | 12 486 | 16 209 | 59 241 | 755 | 627 | 1 734 | -1 606 |
| March | 65 618 | 1 836 | 63 782 | 12 237 | 15 806 | 60 213 | 2 903 | -772 | 875 | 2 800 |
| April | 64 981 | 1 807 | 63 174 | 12 166 | 15 686 | 59 654 | 3 733 | 1 830 | 1 082 | 821 |

¹⁾ Including cash reserve accounts 6 677

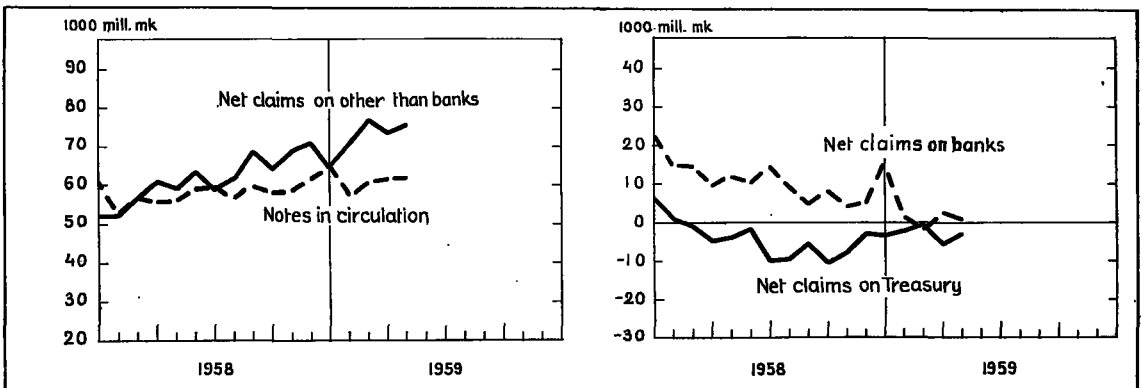
| Category of currency | Foreign exchange reserve (col. 3 above) 1 000 mill. mk | | | | |
|----------------------------|---|---------|---------|----------|----------|
| | 1957 | 1958 | 1959 | | |
| | Dec. 31 | Dec. 31 | Feb. 28 | March 31 | April 30 |
| Gold | 7.8 | 7.8 | 8.5 | 8.5 | 8.5 |
| Convertible currencies | 17.8 | 31.2 | 37.4 | 37.5 | 35.9 |
| Transferable OEEC * | 3.9 | | | | |
| Non-transferable OEEC * | 4.4 | 7.7 | 5.5 | 4.6 | 5.1 |
| Eastern Bloc currencies .. | 2.0 | 8.2 | 10.5 | 10.5 | 11.2 |
| Other currencies | -2.0 | 0.5 | 1.1 | 2.7 | 2.5 |
| Total | 33.9 | 55.4 | 63.0 | 63.8 | 63.2 |



BANK OF FINLAND

Mill. mk

| End of year and month | Treasury | | | | | Trade and industry | | | | Notes in circulation |
|-----------------------|-----------------|------------------------------|----------------|-----------|--------------------------------------|----------------------------------|----------------|-------------|----------------------------------|----------------------|
| | Bills and bonds | Advances for stand-by stocks | Liabilities | | Net claims on the Treasury (1+2-3-4) | Inland bills in Finnish currency | Other advances | Liabilities | Net claims on the public (6+7-8) | |
| | | | Cheque account | Long-term | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 1950 | 19 730 | — | 34 | — | 19 696 | 13 516 | 5 106 | 263 | 18 359 | 34 383 |
| 1951 | 8 685 | — | — | — | 8 685 | 11 567 | 4 549 | 301 | 15 815 | 44 774 |
| 1952 | 14 738 | — | — | — | 14 738 | 14 678 | 5 672 | 2 185 | 18 165 | 46 153 |
| 1953 | 21 662 | — | 7 281 | — | 14 381 | 13 812 | 7 405 | 2 314 | 18 903 | 45 019 |
| 1954 | 21 662 | — | 15 470 | — | 6 192 | 11 940 | 6 895 | 791 | 18 044 | 47 902 |
| 1955 | 21 660 | — | 9 816 | 1 294 | 10 550 | 14 437 | 9 306 | 7 357 | 16 386 | 55 883 |
| 1956 | 19 160 | — | 10 550 | 2 310 | 6 300 | 14 922 | 10 547 | 5 205 | 20 264 | 60 735 |
| 1957 | 16 021 | — | 5 145 | 3 965 | 6 911 | 12 909 | 14 425 | 561 | 26 773 | 60 640 |
| 1958 | 9 033 | 4 335 | 7 146 | 9 502 | —3 280 | 8 823 | 14 296 | 525 | 22 594 | 65 075 |
| 1958 | | | | | | | | | | |
| April | 10 396 | — | 9 982 | 4 352 | —3 938 | 17 252 | 14 252 | 275 | 31 229 | 56 174 |
| May | 10 396 | — | 6 155 | 5 835 | —1 594 | 17 710 | 14 860 | 421 | 32 149 | 59 038 |
| June | 10 396 | — | 12 932 | 7 348 | —9 884 | 18 368 | 14 893 | 393 | 32 868 | 59 332 |
| July | 10 396 | — | 11 464 | 8 561 | —9 629 | 16 663 | 14 784 | 414 | 31 033 | 56 824 |
| Aug. | 10 396 | 564 | 6 941 | 9 497 | —5 478 | 14 748 | 14 292 | 1 077 | 27 963 | 59 511 |
| Sept. | 9 146 | 1 788 | 10 953 | 10 273 | —10 292 | 13 493 | 14 198 | 366 | 27 325 | 58 191 |
| Oct. | 9 146 | 2 228 | 8 620 | 10 613 | —7 859 | 11 448 | 13 923 | 313 | 25 058 | 58 681 |
| Nov. | 9 146 | 3 440 | 5 371 | 10 216 | —3 001 | 10 141 | 13 810 | 465 | 23 486 | 61 755 |
| Dec. | 9 033 | 4 335 | 7 146 | 9 502 | —3 280 | 8 823 | 14 296 | 525 | 22 594 | 65 075 |
| 1959 | | | | | | | | | | |
| Jan. | 9 033 | 4 363 | 6 318 | 9 287 | —2 209 | 8 704 | 13 940 | 541 | 22 103 | 57 777 |
| Feb. | 9 033 | 4 363 | 5 271 | 8 740 | —615 | 9 115 | 13 733 | 360 | 22 488 | 60 585 |
| March | 8 745 | 4 363 | 10 356 | 8 455 | —5 703 | 8 898 | 13 635 | 334 | 22 199 | 61 387 |
| April | 8 745 | 4 363 | 8 033 | 8 100 | —3 025 | 9 135 | 13 281 | 377 | 22 039 | 61 613 |



DEPOSITS BY THE PUBLIC - FOREIGN EXCHANGE RATES

Mill. mk

| End of year and month | Sight deposits | | | Term deposits | | | | | | Total (2+3+9) |
|-----------------------|-----------------------|----------------------------|----------------------|-----------------------|------------------|--|-----------------------------------|--|----------------------------|------------------|
| | Cheque accounts | | Postal giro accounts | Commer- cial banks | Savings banks | Co-op. credit societies & their cen- tral bank | Post Office Savings Bank | Savings depart- ments of co-op. stores | All credit institutions | |
| | Commer- cial banks | All credit 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 | 36 588 | 44 281 | 11 795 | 97 794 | 108 541 | 61 139 | 33 073 | 15 255 | 315 842 | 371 918 |
| 1956 | 38 614 | 45 963 | 15 265 | 96 807 | 112 402 | 63 531 | 34 162 | 16 013 | 322 953 | 384 181 |
| 1957 | 37 708 | 46 138 | 14 912 | 103 223 | 117 859 | 67 111 | 33 960 | 16 823 | 339 009 | 400 059 |
| 1958* | 39 568 | 49 558 | 18 277 | 122 256 | 131 426 | 74 407 | 38 167 | 19 191 | 385 476 | 453 311 |
| 1958* | | | | | | | | | | |
| March | 37 090 | 45 954 | 16 165 | 108 414 | 121 740 | 69 893 | 35 616 | 17 907 | 353 601 | 415 720 |
| April | 36 827 | 45 649 | 10 005 | 108 946 | 122 789 | 70 596 | 35 666 | 18 165 | 356 193 | 411 847 |
| May | 37 567 | 45 824 | 10 082 | 110 103 | 123 336 | 71 008 | 35 706 | 18 129 | 358 314 | 414 220 |
| June | 36 748 | 45 596 | 17 747 | 110 016 | 122 055 | 70 314 | 35 588 | 18 018 | 356 023 | 419 366 |
| July | 39 130 | 48 802 | 10 626 | 111 135 | 122 675 | 70 570 | 35 860 | 18 079 | 358 350 | 417 778 |
| Aug. | 38 509 | 47 961 | 10 836 | 111 848 | 123 175 | 70 714 | 36 322 | 18 107 | 360 199 | 418 996 |
| Sept. | 36 777 | 46 681 | 16 021 | 113 081 | 123 868 | 70 865 | 36 418 | 18 189 | 362 453 | 425 155 |
| Oct. | 38 352 | 48 337 | 10 656 | 115 048 | 125 455 | 71 155 | 36 539 | 18 356 | 366 583 | 425 576 |
| Nov. | 37 271 | 46 811 | 9 750 | 116 434 | 126 869 | 71 890 | 36 933 | 18 611 | 370 767 | 427 328 |
| Dec. | 39 568 | 49 558 | 18 277 | 122 256 | 131 426 | 74 407 | 38 167 | 19 191 | 385 476 | 453 311 |
| 1959* | | | | | | | | | | |
| Jan. | 41 784 | 50 194 | 10 166 | 125 007 | 133 044 | 75 187 | 38 902 | 19 530 | 391 699 | 452 059 |
| Feb. | 40 160 | 49 757 | 10 819 | 127 993 | 135 125 | 76 615 | 39 797 | 19 928 | 399 487 | 460 063 |
| March | 42 237 | 53 530 | 20 240 | 130 338 | 136 579 | 77 764 | 40 069 | 20 154 | 404 933 | 478 703 |
| April | 42 429 | 52 482 | 12 697 | 133 032 | 137 942 | 78 215 | 40 373 | 20 306 | 409 897 | 475 076 |

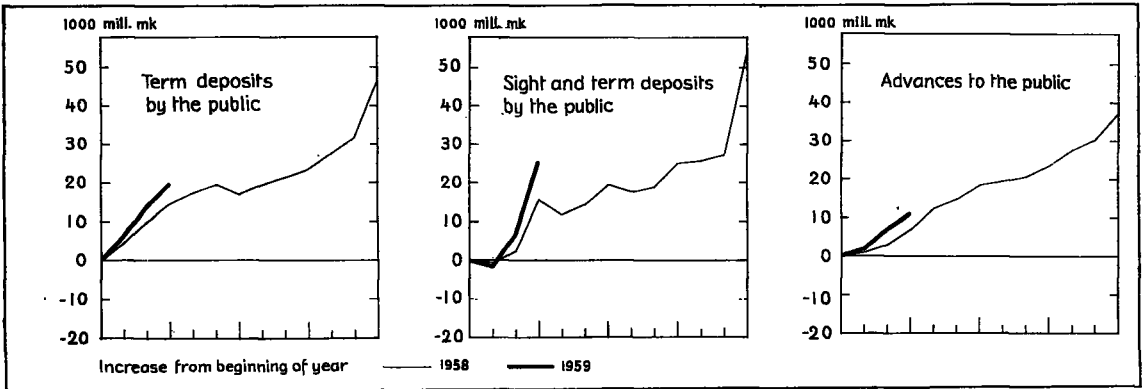
| End of month | Index-tied deposits | | |
|--------------|---------------------|--------|--------|
| | 1957 | 1958 | 1959 |
| Jan. | 30 151 | 85 733 | 79 991 |
| Feb. | 35 301 | 87 884 | 76 797 |
| March | 42 689 | 89 735 | 72 012 |
| April | 47 185 | 89 777 | 65 620 |
| May | 50 034 | 90 611 | |
| June | 53 325 | 91 041 | |
| July | 55 500 | 91 386 | |
| Aug. | 58 398 | 91 543 | |
| Sept. | 73 815 | 87 640 | |
| Oct. | 77 571 | 85 954 | |
| Nov. | 80 155 | 84 711 | |
| Dec. | 82 444 | 83 312 | |

| Selling rates for foreign exchange | | | |
|------------------------------------|----------------|----------------|-----------------|
| April 30, 1959 | | | |
| | mk | | mk |
| New York ... | 1 \$ 320:20 | Zurich | 100 Fr 7 404:— |
| London | 1 £ 902:— | Frankfurt a/M | 100 DM 7 660:— |
| Stockholm ... | 100 Kr 6 192:— | Prague | 100 Kz 4 458:— |
| Copenhagen .. | 100 Kr 4 652:— | Vienna | 100 Sch 1 238:— |
| Oslo | 100 Kr 4 500:— | Lisbon | 100 Es 1 118:50 |
| Paris | 100 Fr 64:98 | Rome | 100 Lit 51:59 |
| Brussels | 100 Fr 642:— | Montreal | 1 \$ 333:— |
| Amsterdam ... | 100 G 8 485:— | Moscow, clear. | 100 Rbl 8 025:— |

ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

| End of year and month | Granted by | | | | | Types of advances | | Total (1 to 7) (6 and 7) | Money Supply |
|-----------------------|-----------------------|------------------|--------------------------------|---|-------------------|---------------------|-------------------|--------------------------------|--------------|
| | Commer- cial banks | Savings banks | Post Office Savings Bank | Co-op. credit societies & their central bank | Mortgage banks | Loans & Bills | Cheque credits | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1950 | 67 438 | 35 511 | 4 507 | 35 048 | 3 830 | 135 309 | 11 025 | 146 334 | 67 640 |
| 1951 | 85 578 | 45 554 | 8 508 | 41 849 | 4 425 | 172 003 | 13 911 | 185 914 | 95 038 |
| 1952 | 104 881 | 59 824 | 13 402 | 50 694 | 5 379 | 217 141 | 17 039 | 234 180 | 84 113 |
| 1953 | 105 659 | 70 511 | 18 782 | 56 765 | 9 847 | 245 275 | 16 289 | 261 564 | 87 294 |
| 1954 | 128 955 | 82 447 | 22 123 | 64 697 | 12 773 | 291 506 | 19 489 | 310 995 | 95 935 |
| 1955 | 155 436 | 96 454 | 24 866 | 72 868 | 13 599 | 339 797 | 23 426 | 363 223 | 102 032 |
| 1956 | 162 663 | 102 830 | 26 232 | 76 761 | 14 690 | 357 802 | 25 374 | 383 176 | 109 559 |
| 1957 | 160 379 | 106 639 | 26 047 | 78 064 | 15 717 | 363 000 | 23 846 | 386 846 | 112 398 |
| 1958* | 174 542 | 115 386 | 29 027 | 83 503 | 21 931 | 401 114 | 23 275 | 424 389 | 124 603 |
| 1958* | | | | | | | | | |
| March | 164 761 | 108 099 | 26 514 | 78 212 | 16 147 | 368 048 | 25 685 | 393 733 | 112 220 |
| April | 167 825 | 108 981 | 26 778 | 79 165 | 16 308 | 373 526 | 25 531 | 399 057 | 107 476 |
| May | 167 137 | 110 001 | 26 832 | 80 002 | 17 976 | 377 489 | 24 459 | 401 948 | 111 310 |
| June | 168 620 | 110 302 | 26 859 | 80 739 | 18 596 | 379 435 | 25 681 | 405 116 | 117 431 |
| July | 168 101 | 111 012 | 26 983 | 81 362 | 18 910 | 382 789 | 23 579 | 406 368 | 108 551 |
| Aug. | 167 422 | 111 831 | 27 819 | 81 521 | 18 993 | 384 843 | 22 743 | 407 586 | 115 649 |
| Sept. | 167 472 | 113 003 | 28 074 | 82 153 | 19 580 | 385 662 | 24 620 | 410 282 | 115 057 |
| Oct. | 168 537 | 114 134 | 28 833 | 82 240 | 19 822 | 390 366 | 23 200 | 413 566 | 112 748 |
| Nov. | 170 157 | 115 230 | 28 840 | 82 823 | 20 141 | 393 321 | 23 870 | 417 191 | 113 356 |
| Dec. | 174 542 | 115 386 | 29 027 | 83 503 | 21 931 | 401 114 | 23 275 | 424 389 | 124 603 |
| 1959* | | | | | | | | | |
| Jan. | 174 433 | 116 500 | 29 148 | 83 956 | 22 231 | 402 582 | 23 686 | 426 268 | 113 357 |
| Feb. | 176 447 | 117 723 | 29 820 | 84 261 | 23 014 | 406 559 | 24 706 | 431 265 | 117 650 |
| March | 177 519 | 118 748 | 30 025 | 85 659 | 23 481 | 410 216 | 25 216 | 435 432 | 127 995 |
| April | 180 780 | 120 876 | 30 171 | 87 216 | 23 291 | 417 729 | 24 605 | 442 334 | .. |

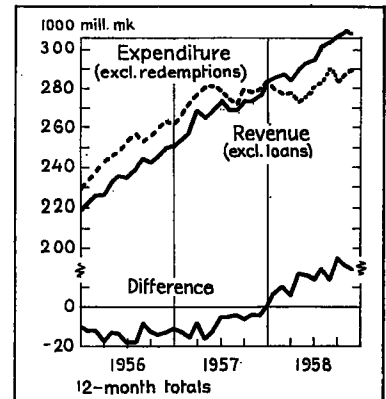


STATE FINANCES

1000 mill. mk

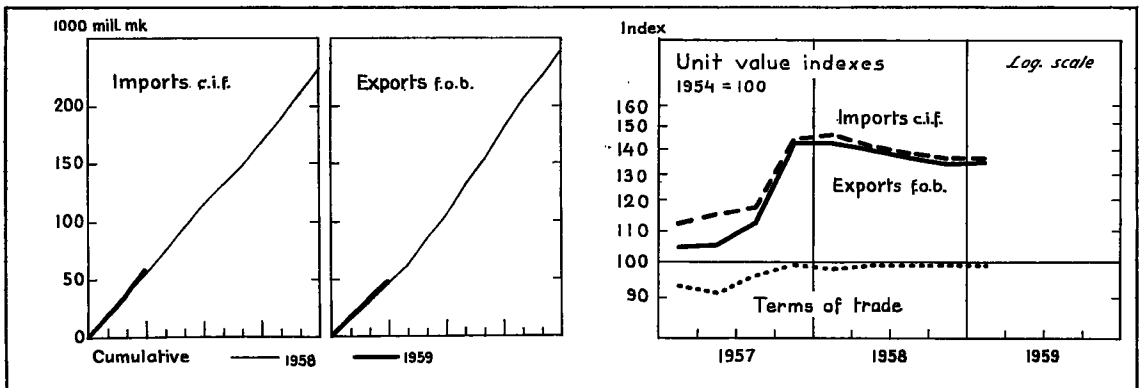
| Revenue | Jan.-March | | Expenditure | Jan.-March | |
|--|-------------|-------------|--|-------------|-------------|
| | 1958 | 1959 | | 1958 | 1959 |
| Income and property tax (net) | 14.0 | 15.6 | Interest on State debt | 2.4 | 2.0 |
| Gross receipts | (31.9) | (33.3) | Child allowances | 5.0 | 5.1 |
| Refunds and communal income tax | (-17.9) | (-17.7) | The State's share in national pensions | 1.6 | 2.1 |
| Other direct taxes | 0.2 | 0.3 | Compensations to war-disabled | 1.8 | 1.9 |
| Purchase tax | 14.5 | 15.1 | Transfer of employers' payments for national pensions to the National Pensions Institution | 1.8 | 1.8 |
| Import duties | 9.3 | 8.8 | Subsidies | 4.5 | 7.1 |
| Revenue from Alcohol Monopoly | 4.5 | 4.7 | State aid to agriculture | 0.6 | 1.3 |
| Excise duty on tobacco | 3.4 | 4.5 | State aid to communal and private schools | 6.0 | 7.1 |
| Excise duty on liquid fuel | 0.7 | 1.9 | Net loss of State enterprises | 1.8 | 0.9 |
| Other excise duties | 1.0 | 1.0 | Maintenance of roads | 1.1 | 1.2 |
| Tax on automobiles and motor cycles | 0.3 | 0.2 | Other current expenditure | 20.7 | 23.2 |
| Stamp duties | 3.3 | 3.5 | Current expenditure | 47.3 | 53.7 |
| Levy on export proceeds | 6.8 | 0.0 | Real investments | 15.2 | 16.0 |
| Employers' payments for child allowances and national pensions | 5.2 | 5.9 | Other capital expenditure | 6.8 | 7.2 |
| Net receipts of price equalisation by extra-budgetary funds | 1.5 | 1.1 | Capital expenditure | 22.0 | 23.2 |
| Other revenue similar to taxes | 0.6 | 0.5 | Total expenditure | 69.3 | 76.9 |
| Total taxes | 65.3 | 63.1 | Redemption of external loans | 1.0 | 1.3 |
| Interest and dividends | 0.7 | 0.7 | Redemption of internal loans | 4.2 | 6.3 |
| Net profit of State enterprises | — | — | Redemption of indemnity bonds etc. | 0.2 | 0.2 |
| Other current revenue | 1.9 | 2.5 | Index premiums | 0.4 | 0.5 |
| Current revenue | 67.9 | 66.3 | Redemptions | 5.8 | 8.3 |
| Capital revenue proper | 1.2 | 1.6 | Total | 75.1 | 85.2 |
| Decrease in inventories | 4.6 | 2.7 | | | |
| Capital revenue | 5.8 | 4.3 | | | |
| Total revenue | 73.7 | 70.6 | | | |
| External loans | — | — | | | |
| Internal loans | 0.4 | 7.0 | | | |
| Loans | 0.4 | 7.0 | | | |
| Short-term credit (increase +) | +3.0 | +3.5 | | | |
| Deficit (+) or surplus (-) | -2.0 | +4.1 | | | |
| Total | 75.1 | 85.2 | | | |

| Debt | 1956 | | 1957 | | 1958 | | 1959 | |
|-----------------------------|--------------|--------------|--------------|-------|--------------|--------------|--------|--|
| | Dec. | Dec. | Nov. | Dec.* | Feb. | March | April* | |
| External debt | 61.5 | 81.8 | 79.5 | 79.4 | 79.0 | 78.3 | 78.3 | |
| Ordinary loans | 50.7 | 52.9 | 53.7 | 61.4 | 63.2 | 62.1 | 63.0 | |
| Indemnity bonds etc. | 7.1 | 7.4 | 7.3 | 7.3 | 7.3 | 7.2 | 7.2 | |
| Short-term credit | — | — | 4.3 | 1.2 | 1.2 | 4.7 | 5.7 | |
| Cash debt (net) | 8.8 | 9.6 | -8.6 | .. | -2.0 | 2.7 | .. | |
| Internal debt | 66.6 | 69.9 | 56.7 | .. | 69.7 | 76.7 | .. | |
| Total debt | 128.1 | 151.7 | 136.2 | .. | 148.7 | 155.0 | .. | |
| Total debt, mill. \$ | 554.5 | 472.7 | 424.3 | .. | 463.2 | 483.0 | .. | |



FOREIGN TRADE

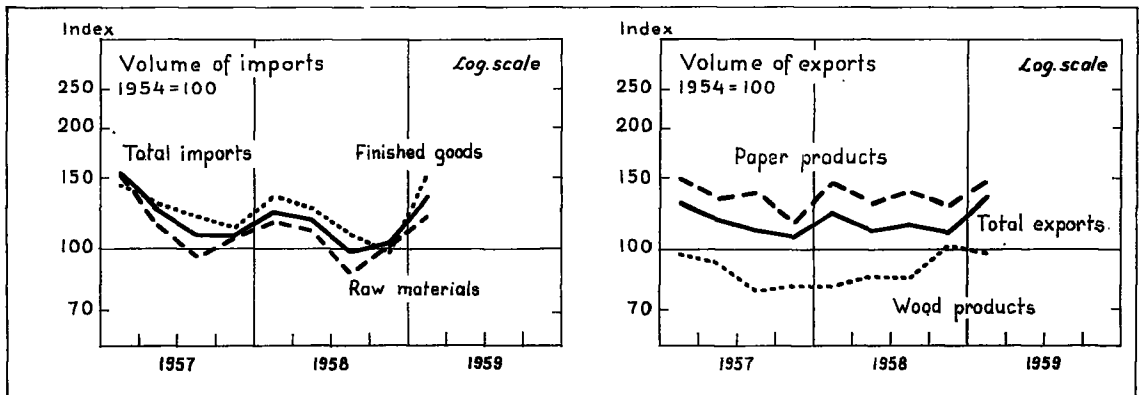
| Period | Value, mill. mk | | | Unit value indexes 1954 = 100 | | | | | | |
|----------------|---------------------|---------------------|--|-------------------------------|-----------------------------|------------------------------|-------------------------------|---|-----------------------------------|----------------------|
| | Imports c. i. f. | Exports f. o. b. | Surplus of imports (-) or exports (+) | Articles of export f. o. b. | | | | | Articles of import c. i. f. | Terms of Trade |
| | | | | Total | Round and hewn timber | Wood industry products | Paper industry products | Metal, en- gineering industry products | | |
| 1950 | 89 148 | 81 479 | - 7 669 | 75 | 61 | 70 | 72 | 103 | 92 | 82 |
| 1951 | 155 464 | 186 883 | +31 419 | 137 | 100 | 98 | 179 | 106 | 123 | 111 |
| 1952 | 182 186 | 156 829 | -25 357 | 130 | 165 | 99 | 147 | 118 | 121 | 107 |
| 1953 | 121 860 | 131 555 | + 9 695 | 98 | 111 | 95 | 91 | 109 | 106 | 92 |
| 1954 | 152 137 | 156 618 | + 4 481 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 1955 | 176 960 | 181 259 | + 4 299 | 106 | 110 | 105 | 105 | 115 | 100 | 106 |
| 1956 | 203 558 | 177 987 | -25 571 | 106 | 110 | 104 | 109 | 106 | 105 | 101 |
| 1957 | 227 927 | 212 385 | -15 542 | 116 | 118 | 113 | 119 | 120 | 122 | 95 |
| 1958* | 233 302 | 247 934 | +14 632 | 138 | 139 | 133 | 139 | 153 | 140 | 99 |
| Jan.- March | | | | | | | | | | |
| 1957 | 54 281 | 36 238 | -18 043 | 104 | 104 | 98 | 108 | 108 | 112 | 93 |
| 1958* | 56 761 | 47 052 | - 9 709 | 143 | 145 | 140 | 142 | 157 | 146 | 98 |
| 1959* | 57 232 | 47 655 | - 9 577 | 135 | 135 | 121 | 134 | 175 | 136 | 99 |
| 1958* | | | | | | | | | | |
| July | 16 759 | 25 301 | + 8 542 | 136 | 138 | 132 | 139 | 139 | 138 | 99 |
| Aug. | 16 337 | 22 292 | + 5 955 | | | | | | | |
| Sept. | 19 500 | 26 689 | + 7 189 | | | | | | | |
| Oct. | 21 031 | 24 933 | + 3 902 | 134 | 135 | 120 | 135 | 163 | 136 | 99 |
| Nov. | 22 029 | 21 250 | - 779 | | | | | | | |
| Dec. | 22 430 | 21 668 | - 762 | | | | | | | |
| 1959* | | | | | | | | | | |
| Jan. | 19 445 | 16 190 | - 3 255 | 135 | 135 | 121 | 134 | 175 | 136 | 99 |
| Feb. | 19 316 | 14 985 | - 4 331 | | | | | | | |
| March | 18 471 | 16 480 | - 1 991 | | | | | | | |



FOREIGN TRADE BY MAIN GROUPS

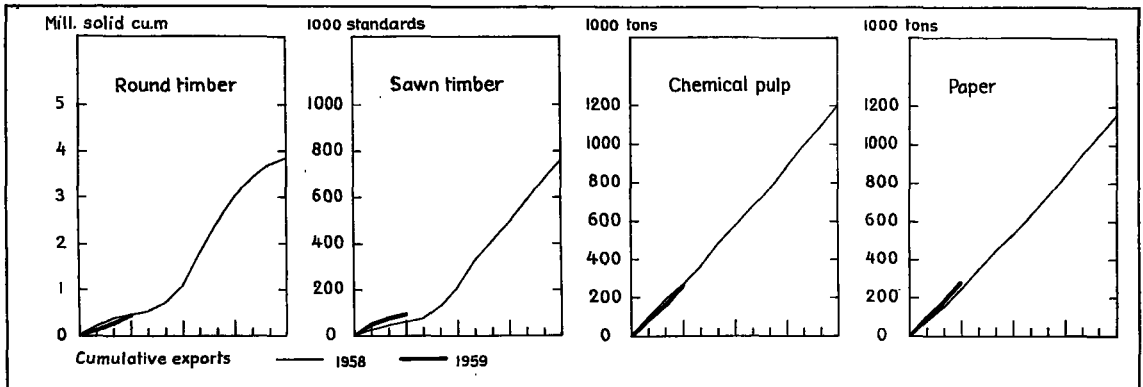
Mill. mk

| Period | Imports, c. i. f. | | | | Exports, f. o. b. | | | | | |
|------------|-------------------------------|----------------------|----------------|----------------|-----------------------|-----------------------|------------------------|-------------------------|--------------------------------------|-------------|
| | Raw materials and accessories | Fuels and lubricants | Finished goods | | Agricultural products | Round and hewn timber | Wood industry products | Paper industry products | Metal, engineering industry products | Other goods |
| | | | Producer goods | Consumer goods | | | | | | |
| 1950 | 50 638 | 10 242 | 12 619 | 15 649 | 3 347 | 8 152 | 28 543 | 33 919 | 4 009 | 3 509 |
| 1951 | 91 790 | 19 760 | 22 004 | 21 910 | 3 152 | 19 028 | 56 229 | 97 244 | 7 151 | 4 079 |
| 1952 | 97 500 | 21 952 | 35 664 | 27 072 | 5 185 | 28 441 | 42 891 | 65 350 | 11 094 | 3 868 |
| 1953 | 65 148 | 15 879 | 24 029 | 16 804 | 4 719 | 10 251 | 43 671 | 47 926 | 20 936 | 4 052 |
| 1954 | 86 420 | 17 337 | 28 797 | 19 581 | 5 152 | 13 582 | 49 730 | 61 662 | 20 988 | 5 504 |
| 1955 | 94 919 | 21 540 | 34 225 | 26 276 | 3 880 | 19 905 | 51 321 | 75 793 | 24 803 | 5 557 |
| 1956 | 104 284 | 27 464 | 43 357 | 28 453 | 6 206 | 17 243 | 40 485 | 81 780 | 25 125 | 7 148 |
| 1957 | 117 424 | 40 238 | 41 353 | 28 912 | 10 169 | 17 095 | 48 287 | 97 638 | 30 433 | 8 763 |
| 1958* | 119 501 | 32 658 | 48 797 | 32 346 | 10 651 | 19 346 | 57 818 | 115 173 | 34 036 | 10 910 |
| Jan.-March | | | | | | | | | | |
| 1957 | 27 907 | 10 684 | 8 971 | 6 719 | 2 017 | 1 711 | 6 608 | 20 517 | 4 106 | 1 279 |
| 1958* | 28 678 | 7 737 | 12 811 | 7 535 | 2 878 | 2 197 | 7 786 | 26 180 | 6 062 | 1 949 |
| 1959* | 27 365 | 7 042 | 14 447 | 8 378 | 3 306 | 1 930 | 8 225 | 24 970 | 7 673 | 1 551 |
| 1958* | | | | | | | | | | |
| March | 9 620 | 1 885 | 3 820 | 2 642 | 770 | 325 | 2 505 | 9 262 | 3 082 | 871 |
| April | 9 652 | 2 147 | 3 800 | 3 062 | 726 | 374 | 2 576 | 9 303 | 1 411 | 660 |
| May | 9 801 | 2 475 | 4 156 | 3 112 | 996 | 1 062 | 4 463 | 10 740 | 3 820 | 824 |
| June | 10 256 | 2 604 | 4 512 | 2 878 | 711 | 1 793 | 5 711 | 8 657 | 3 748 | 1 173 |
| July | 8 704 | 1 964 | 3 692 | 2 399 | 850 | 3 643 | 7 577 | 9 635 | 2 393 | 1 203 |
| Aug. | 8 129 | 2 520 | 3 407 | 2 281 | 967 | 3 365 | 5 909 | 9 478 | 1 706 | 867 |
| Sept. | 10 129 | 2 801 | 4 141 | 2 429 | 723 | 2 663 | 5 876 | 10 546 | 5 878 | 1 003 |
| Oct. | 9 633 | 4 231 | 4 196 | 2 971 | 818 | 2 105 | 6 319 | 11 507 | 2 788 | 1 396 |
| Nov. | 12 481 | 2 840 | 3 874 | 2 834 | 671 | 1 378 | 6 103 | 9 423 | 2 669 | 1 006 |
| Dec. | 12 039 | 3 339 | 4 207 | 2 845 | 1 311 | 766 | 5 498 | 9 704 | 3 561 | 828 |
| 1959* | | | | | | | | | | |
| Jan. | 9 326 | 3 101 | 4 519 | 2 499 | 895 | 736 | 3 498 | 7 888 | 2 659 | 514 |
| Feb. | 8 997 | 2 198 | 5 209 | 2 912 | 1 495 | 537 | 2 370 | 7 332 | 2 816 | 435 |
| March | 9 042 | 1 743 | 4 719 | 2 967 | 916 | 657 | 2 357 | 9 750 | 2 198 | 602 |



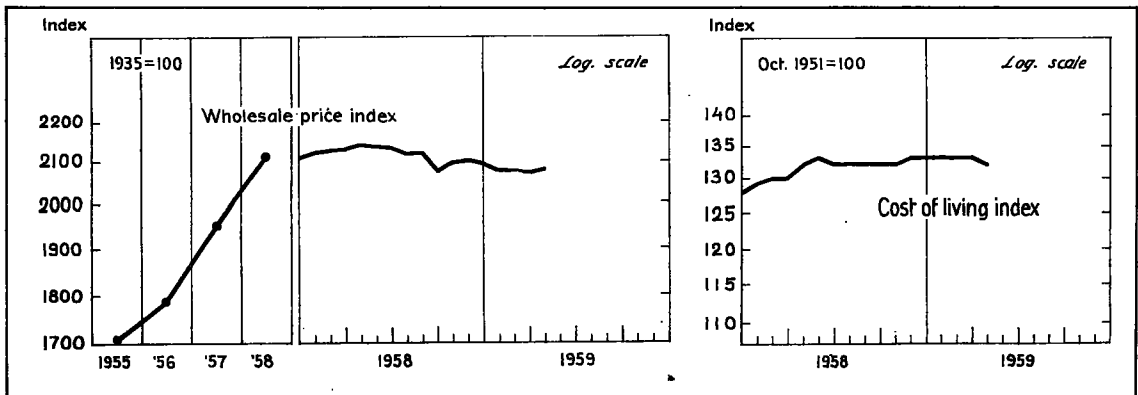
EXPORTS OF SOME IMPORTANT ARTICLES

| Period | Round timber 1 000 solid cu. m | Sawn timber 1 000 stds | Veneers and plywood 1 000 cu. m | Mechanical pulp 1 000 tons | Sulphite pulp 1 000 tons | Sulphate pulp 1 000 tons | Board 1 000 tons | Fibre building board 1 000 tons | Newsprint 1 000 tons | Paper, all kinds 1 000 tons |
|----------------|--------------------------------------|------------------------------|--|-------------------------------------|-----------------------------------|-----------------------------------|------------------------|---|----------------------------|--------------------------------------|
| 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 | 106 | 49 | 537 | 997 |
| 1957 | 4 063 | 719 | 260 | 165 | 697 | 474 | 134 | 60 | 551 | 1 108 |
| 1958* | 3 861 | 762 | 239 | 143 | 725 | 476 | 145 | 83 | 585 | 1 147 |
| Jan.- March | | | | | | | | | | |
| 1957 | 429 | 98 | 65 | 33 | 160 | 97 | 30 | 15 | 136 | 263 |
| 1958* | 459 | 58 | 65 | 27 | 164 | 105 | 36 | 22 | 131 | 253 |
| 1959* | 440 | 93 | 68 | 39 | 153 | 115 | 28 | 27 | 137 | 283 |
| 1958* | | | | | | | | | | |
| March | 63 | 12 | 23 | 9 | 51 | 32 | 13 | 8 | 49 | 98 |
| April | 76 | 18 | 22 | 11 | 61 | 34 | 11 | 7 | 53 | 95 |
| May | 188 | 58 | 16 | 15 | 74 | 43 | 13 | 6 | 53 | 100 |
| June | 361 | 74 | 16 | 10 | 60 | 31 | 12 | 6 | 38 | 82 |
| July | 702 | 115 | 13 | 10 | 53 | 42 | 12 | 4 | 52 | 100 |
| Aug. | 680 | 85 | 16 | 14 | 57 | 36 | 12 | 6 | 48 | 97 |
| Sept. | 559 | 84 | 19 | 11 | 63 | 42 | 12 | 8 | 57 | 110 |
| Oct. | 401 | 93 | 24 | 17 | 71 | 52 | 13 | 7 | 57 | 115 |
| Nov. | 277 | 93 | 23 | 13 | 57 | 41 | 12 | 8 | 45 | 100 |
| Dec. | 158 | 85 | 25 | 14 | 65 | 50 | 13 | 8 | 51 | 95 |
| 1959* | | | | | | | | | | |
| Jan. | 156 | 49 | 20 | 13 | 53 | 36 | 7 | 8 | 45 | 88 |
| Feb. | 125 | 23 | 24 | 9 | 47 | 32 | 11 | 9 | 37 | 80 |
| March | 159 | 21 | 24 | 17 | 53 | 47 | 10 | 10 | 55 | 115 |



FOREIGN TRADE BY COUNTRIES

| Area and country | Imports c. i. f. | | | | | Exports f. o. b. | | | | |
|--------------------------------|------------------|-------|------------|-------|----------|------------------|-------|------------|-------|----------|
| | Whole year | | Jan.—March | | | Whole year | | Jan.—March | | |
| | 1957 | 1958* | 1958* | 1959* | | 1957 | 1958* | 1958* | 1959* | |
| | % | % | % | % | Mill. mk | % | % | % | % | Mill. mk |
| Sterling area | 18.4 | 17.9 | 20.5 | 16.1 | 9 227 | 24.8 | 25.6 | 24.8 | 29.0 | 13 801 |
| United Kingdom | 17.6 | 17.2 | 20.0 | 15.7 | 8 981 | 21.7 | 22.1 | 21.4 | 25.0 | 11 931 |
| Other OEEC countries .. | 37.6 | 44.7 | 43.7 | 50.5 | 28 913 | 32.0 | 36.6 | 33.1 | 37.9 | 18 058 |
| Belgium-Luxembourg | 3.0 | 2.8 | 2.7 | 2.2 | 1 237 | 3.9 | 3.6 | 2.5 | 2.9 | 1 391 |
| Denmark | 2.1 | 2.3 | 2.4 | 2.4 | 1 379 | 2.5 | 3.0 | 2.7 | 3.0 | 1 435 |
| France | 5.1 | 4.7 | 4.6 | 5.4 | 3 086 | 5.6 | 6.2 | 6.7 | 4.8 | 2 273 |
| Western Germany | 11.4 | 16.6 | 16.6 | 17.4 | 9 946 | 8.9 | 10.9 | 9.1 | 10.8 | 5 148 |
| Italy | 1.5 | 1.5 | 1.9 | 1.9 | 1 066 | 1.3 | 1.7 | 2.3 | 2.5 | 1 192 |
| Netherlands | 4.1 | 4.3 | 4.1 | 6.1 | 3 501 | 4.1 | 4.4 | 3.3 | 5.4 | 2 574 |
| Norway | 1.3 | 1.1 | 1.2 | 1.9 | 1 088 | 0.4 | 0.7 | 0.7 | 0.8 | 364 |
| Sweden | 5.9 | 8.3 | 7.1 | 9.9 | 5 662 | 3.1 | 3.6 | 2.6 | 3.5 | 1 680 |
| Switzerland | 1.6 | 1.7 | 1.7 | 2.1 | 1 216 | 0.6 | 0.7 | 1.0 | 0.3 | 135 |
| Turkey | 0.3 | 0.2 | 0.2 | 0.2 | 123 | 0.4 | 0.2 | 0.5 | 0.2 | 108 |
| Eastern Bloc | 30.6 | 25.7 | 23.1 | 23.3 | 13 336 | 29.4 | 24.9 | 29.0 | 14.8 | 7 049 |
| China | 0.7 | 0.5 | 0.6 | 1.5 | 873 | 0.7 | 1.1 | 0.7 | 0.0 | 2 |
| Czechoslovakia | 2.9 | 1.2 | 1.6 | 1.5 | 850 | 1.6 | 1.2 | 1.9 | 0.4 | 183 |
| Eastern Germany | 2.5 | 1.7 | 1.4 | 1.3 | 750 | 1.9 | 1.8 | 2.1 | 1.1 | 537 |
| Poland | 5.2 | 3.1 | 1.5 | 2.3 | 1 298 | 3.4 | 2.6 | 3.5 | 2.2 | 1 036 |
| Soviet Union | 17.7 | 18.0 | 16.0 | 16.3 | 9 348 | 20.0 | 17.3 | 19.0 | 10.4 | 4 956 |
| U.S. and Canada | 5.7 | 5.5 | 6.7 | 4.6 | 2 603 | 5.1 | 4.7 | 5.3 | 7.4 | 3 534 |
| United States | 5.6 | 5.3 | 6.6 | 4.4 | 2 517 | 5.0 | 4.6 | 5.2 | 7.3 | 3 487 |
| Latin America | 5.1 | 4.4 | 3.8 | 3.9 | 2 226 | 4.8 | 4.5 | 4.2 | 7.9 | 3 786 |
| Argentina | 1.4 | 0.3 | 0.0 | 0.3 | 160 | 1.1 | 1.0 | 0.9 | 1.8 | 850 |
| Brazil | 3.3 | 3.7 | 3.5 | 3.1 | 1 776 | 2.7 | 2.4 | 2.1 | 4.4 | 2 126 |
| Others | 2.6 | 1.8 | 2.2 | 1.6 | 927 | 3.9 | 3.7 | 3.6 | 3.0 | 1 427 |
| Grand total | 100.0 | 100.0 | 100.0 | 100.0 | 57 232 | 100.0 | 100.0 | 100.0 | 100.0 | 47 655 |



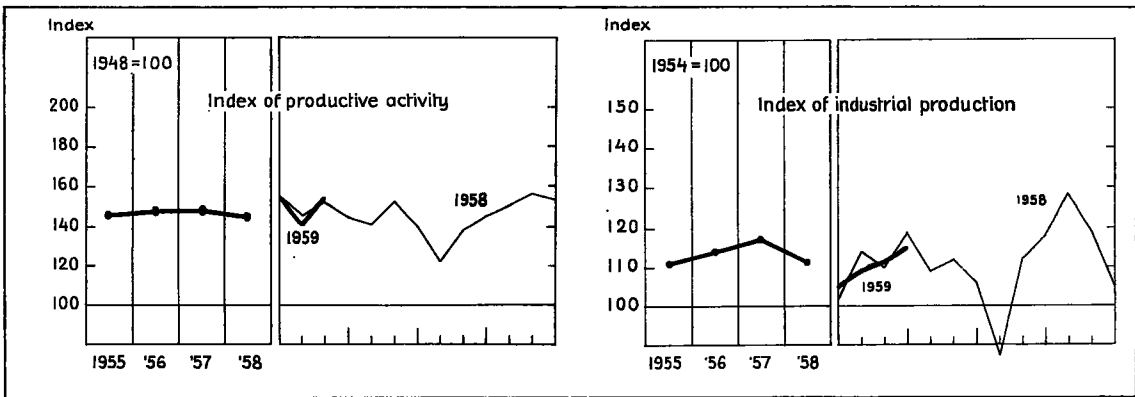
PRICE INDEXES

| Period | Wholesale prices 1935=100 | | | | | | Building costs 1951=100 | | |
|--------|---------------------------|---------------|-------------------------|----------------------|----------------------|----------------|-------------------------|-------------------|----------------------------------|
| | Total index | Finnish goods | | | | Imported goods | Total | Building material | Workers' average hourly earnings |
| | | Total | Products of agriculture | Products of forestry | Products of industry | | | | |
| 1953 | 1 727 | 1 840 | 1 730 | 2 857 | 1 532 | 1 486 | 101 | 101 | 99 |
| 1954 | 1 724 | 1 841 | 1 728 | 2 941 | 1 506 | 1 475 | 101 | 98 | 105 |
| 1955 | 1 707 | 1 822 | 1 773 | 3 040 | 1 426 | 1 462 | 103 | 96 | 113 |
| 1956 | 1 785 | 1 869 | 1 926 | 2 975 | 1 478 | 1 605 | 109 | 101 | 123 |
| 1957 | 1 954 | 1 980 | 2 103 | 2 947 | 1 615 | 1 897 | 113 | 105 | 127 |
| 1958 | 2 113 | 2 125 | 2 193 | 3 106 | 1 773 | 2 085 | 117 | 112 | 124 |
| 1958 | | | | | | | | | |
| Aug. | 2 116 | 2 137 | 2 253 | 3 127 | 1 766 | 2 070 | 118 | 112 | 126 |
| Sept. | 2 076 | 2 082 | 2 124 | 2 990 | 1 761 | 2 066 | 117 | 111 | 125 |
| Oct. | 2 092 | 2 097 | 2 115 | 3 034 | 1 775 | 2 081 | 117 | 110 | 125 |
| Nov. | 2 099 | 2 106 | 2 144 | 3 031 | 1 782 | 2 085 | 116 | 110 | 124 |
| Dec. | 2 092 | 2 101 | 2 159 | 2 997 | 1 781 | 2 072 | 116 | 110 | 125 |
| 1959 | | | | | | | | | |
| Jan. | 2 077 | 2 101 | 2 161 | 2 998 | 1 779 | 2 024 | 116 | 110 | 122 |
| Feb. | 2 073 | 2 097 | 2 154 | 2 998 | 1 775 | 2 020 | 115 | 110 | 122 |
| March | 2 071 | 2 095 | 2 149 | 3 005 | 1 771 | 2 020 | 116 | 110 | 123 |
| April | 2 081 | 2 106 | 2 151 | 3 005 | 1 788 | 2 027 | 117 | 110 | 125 |

| Period | Cost of living Oct. 1951=100 | | | | | | Consumer prices Oct.—Dec. 1957=100 | | | | | |
|--------|------------------------------|-------------|------|----------------------|----------|-------|------------------------------------|-------------|------|----------------------|----------|-------|
| | Total | Food-stuffs | Rent | Heating and lighting | Clothing | Other | Total | Food-stuffs | Rent | Heating and lighting | Clothing | Other |
| 1953 | 103 | 109 | 137 | 89 | 85 | 103 | | | | | | |
| 1954 | 103 | 106 | 169 | 82 | 83 | 102 | | | | | | |
| 1955 | 100 | 102 | 183 | 83 | 73 | 101 | | | | | | |
| 1956 | 111 | 117 | 218 | 95 | 76 | 108 | | | | | | |
| 1957 | 124 | 132 | 260 | 99 | 80 | 117 | | | | | | |
| 1958 | 132 | 140 | 277 | 102 | 83 | 129 | 103 | 103 | 102 | 99 | 103 | 105 |
| 1958 | | | | | | | | | | | | |
| Aug. | 132 | 140 | 276 | 100 | 84 | 130 | 104 | 103 | 102 | 97 | 104 | 106 |
| Sept. | 132 | 140 | 276 | 99 | 84 | 131 | 104 | 103 | 102 | 96 | 104 | 106 |
| Oct. | 132 | 139 | 277 | 99 | 84 | 131 | 104 | 102 | 103 | 96 | 104 | 107 |
| Nov. | 133 | 141 | 277 | 99 | 84 | 131 | 104 | 104 | 103 | 96 | 105 | 107 |
| Dec. | 133 | 141 | 277 | 99 | 84 | 132 | 104 | 103 | 103 | 96 | 105 | 108 |
| 1959 | | | | | | | | | | | | |
| Jan. | 133 | 140 | 279 | 99 | 84 | 133 | 104 | 103 | 103 | 96 | 105 | 108 |
| Feb. | 133 | 139 | 279 | 99 | 84 | 133 | 104 | 102 | 103 | 96 | 105 | 108 |
| March | 133 | 140 | 279 | 99 | 84 | 133 | 104 | 103 | 103 | 96 | 104 | 108 |
| April | 132 | 139 | 273 | 101 | 84 | 133 | 104 | 102 | 101 | 98 | 104 | 109 |

PRODUCTION - INTERNAL TRADE

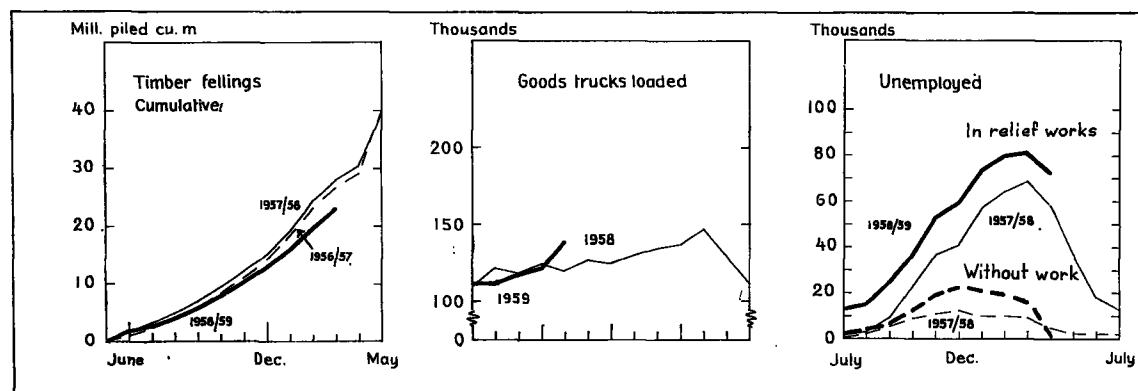
| Period | Index of industrial production 1954 = 100 | | | | | | | | Commercial timber fellings 1 000 piled cu. m | Milk received by dairies 1 000 litres | Wholesale trade volume index 1954 = 100 |
|--------|---|------------------|----------------------|----------------|----------------------------------|----------------|----------------|-------|---|--|--|
| | Total | Investment goods | Other producer goods | Consumer goods | Special indexes of manufacturing | | | | | | |
| | | | | | Wood industry | Paper industry | Metal industry | Other | | | |
| 1950 | | | | | | | | | 25 770 | 1 209 | 81 |
| 1951 | | | | | | | | | 36 070 | 1 405 | 85 |
| 1952 | | | | | | | | | 35 079 | 1 515 | 92 |
| 1953 | | | | | | | | | 29 170 | 1 609 | 93 |
| 1954 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 35 370 | 1 653 | 100 |
| 1955 | 111 | 116 | 109 | 113 | 99 | 115 | 111 | 111 | 38 600 | 1 659 | 116 |
| 1956 | 114 | 117 | 110 | 120 | 76 | 122 | 113 | 118 | 36 623 | 1 977 | 121 |
| 1957* | 117 | 118 | 118 | 117 | 81 | 134 | 117 | 116 | 40 919 | 2 085 | 114 |
| 1958* | 111 | 110 | 113 | 109 | 89 | 133 | 107 | 107 | 37 981 | 2 109 | 109 |
| 1958* | | | | | | | | | | | |
| Jan. | 114 | 122 | 115 | 108 | 85 | 129 | 116 | 106 | 4 120 | 147 | 89 |
| Feb. | 110 | 119 | 111 | 104 | 95 | 127 | 115 | 101 | 4 882 | 136 | 93 |
| March | 119 | 118 | 121 | 115 | 105 | 144 | 115 | 111 | 3 857 | 158 | 104 |
| April | 109 | 112 | 107 | 110 | 100 | 115 | 107 | 105 | 2 201 | 181 | 108 |
| May | 112 | 106 | 113 | 111 | 107 | 129 | 104 | 108 | 10 118 | 206 | 111 |
| June | 106 | 107 | 105 | 107 | 81 | 119 | 104 | 103 | 1 646 | 218 | 105 |
| July | 87 | 67 | 95 | 82 | 87 | 127 | 66 | 80 | 982 | 216 | 109 |
| Aug. | 112 | 104 | 114 | 112 | 87 | 133 | 103 | 111 | 1 337 | 193 | 116 |
| Sept. | 118 | 118 | 118 | 119 | 80 | 148 | 113 | 117 | 1 674 | 179 | 121 |
| Oct. | 127 | 124 | 129 | 126 | 90 | 155 | 121 | 126 | 2 140 | 161 | 131 |
| Nov. | 119 | 114 | 124 | 112 | 80 | 145 | 112 | 118 | 2 456 | 149 | 106 |
| Dec. | 105 | 104 | 106 | 104 | 75 | 119 | 103 | 102 | 2 568 | 165 | 116 |
| 1959* | | | | | | | | | | | |
| Jan. | 109 | 109 | 109 | 107 | 79 | 130 | 106 | 103 | 3 117 | 170 | 93 |
| Feb. | 111 | 111 | 112 | 110 | 93 | 128 | 107 | 106 | 3 840 | 158 | 103 |
| March | 115 | 107 | 107 | 113 | 101 | 128 | 108 | 113 | 3 434 | 182 | 115 |



BUILDING - WAGES - EMPLOYMENT - TRANSPORT

| Period | Buildings completed, mill. cu. m | | | | | Buildings under construction at end of period mill. cu. m | Index of salary and wage earners' earnings 1957 = 100 | | | |
|--------------------|----------------------------------|-----------------|----------------|------------------------------------|--------------------|---|---|-----------------|----------|---------------|
| | Total | Dwelling houses | Farm buildings | Commercial and industrial premises | Official buildings | | All salary and wage earners | Wage earners in | | |
| | | | | | | | | Agriculture | Forestry | Manufacturing |
| 1955 | 20.25 | 9.47 | 4.29 | 3.12 | 2.29 | .. | 84 | 82 | 90 | 85 |
| 1956 | 19.92 | 8.82 | 2.83 | 4.59 | 2.42 | 22.98 | 95 | 94 | 99 | 96 |
| 1957 | 20.81 | 9.56 | 3.20 | 4.14 | 2.68 | 20.86 | 100 | 100 | 100 | 100 |
| 1958 | 18.92 | 8.32 | 2.96 | 3.52 | 2.90 | 20.38 | 105 | 103 | 103 | 105 |
| 1957 Oct.-Dec. | 7.84 | 3.81 | 1.67 | 1.27 | 0.59 | 20.86 | 101 | 100 | 98 | 101 |
| 1958* Jan.-Mar. | 3.20 | 1.46 | 0.26 | 0.87 | 0.44 | 19.85 | 101 | 101 | 101 | 101 |
| Apr.-June | 3.28 | 1.33 | 0.34 | 0.75 | 0.64 | 23.04 | 106 | 101 | 105 | 106 |
| July-Sept. | 5.32 | 2.28 | 0.98 | 0.59 | 1.03 | 22.94 | 106 | 104 | 105 | 106 |
| Oct.-Dec. | 7.12 | 3.25 | 1.38 | 1.31 | 0.79 | 20.38 | 107 | 104 | 104 | 107 |

| Period | Railways | | Foreign shipping | | | | Unemployed at end of month | | | |
|--------|----------------------------------|------|---|------|------------------|------|----------------------------|--------|---------------------------|--------|
| | Goods trucks loaded Thousands | | Vessels arrived with cargo — 1 000 net reg. tons | | Vessels departed | | Without work Number | | In relief works Number | |
| | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 | 1958 | 1959 |
| Jan. | 122 | 112 | 254 | 307 | 320 | 359 | 9 988 | 20 520 | 56 871 | 72 956 |
| Feb. | 118 | 117 | 196 | 232 | 259 | 271 | 9 982 | 19 201 | 64 227 | 79 765 |
| March | 124 | 122 | 243 | 281 | 236 | 333 | 9 475 | 14 103 | 68 649 | 81 255 |
| April | 120 | 138 | 280 | 289 | 270 | 350 | 5 160 | 905 | 57 627 | 72 800 |
| May | 127 | | 314 | | 380 | | 2 169 | | 36 876 | |
| June | 125 | | 415 | | 544 | | 2 016 | | 18 147 | |
| July | 130 | | 470 | | 715 | | 1 979 | | 12 955 | |
| Aug. | 134 | | 463 | | 664 | | 4 353 | | 14 756 | |
| Sept. | 137 | | 418 | | 580 | | 6 108 | | 23 786 | |
| Oct. | 147 | | 418 | | 561 | | 11 998 | | 35 827 | |
| Nov. | 129 | | 421 | | 485 | | 19 387 | | 52 330 | |
| Dec. | 112 | | 400 | | 404 | | 22 171 | | 59 805 | |



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 + Prepayments for exports. *Other foreign liabilities* = Mark accounts of holders abroad + Long-term foreign 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, Prepayments for exports and Advances for stand-by stocks. *Liabilities* = Other short-term liabilities + Other cheque accounts + Deposits against import licences (in 1955—56) — Account of the Mortgage Bank of Finland Oy. — *Diagrams*. Left: *Net claims on other than banks* = Net foreign assets + Net claims on the Treasury + Net claims on the public + Finnish bonds + Finnish coin — Equalisation accounts = Notes in circulation + Bank's own funds — Net claims on the banks.

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. *Indexed deposits* are included in term deposits.

Page 7. *Money supply* = Finnish notes and coins in circulation — Finnish notes and coins held by the banks + Cheque accounts of the public + Postal giro accounts of the public — Cash holdings of the State.

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.

FOREIGN TRADE

Pages 9—12. Figures supplied by the Board of Customs. *The unit value indexes* (p. 9): The indexes are calculated first according to the Laspeyres formula but at the end of each year adjustments are made according to the Fisher formula,

and the level of the quarterly indexes is corrected so that their arithmetic mean equals the annual index. Seasonal variations are not eliminated. Terms of trade: the ratio of export indexes to import indexes. *Foreign trade by countries* (p. 12): imports by countries of purchase, exports by countries of sale.

PRICE INDEXES

Page 13. *Wholesale price index* and *Building cost index* calculated by the Central Statistical Office. *Cost of living index* and *Consumer price index* calculated by the Ministry for Social Affairs.

PRODUCTION — INTERNAL TRADE — WORK CESSATIONS

Page 14. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The weight of each group represents the ratio of its value added to the total value added of industrial production in 1954. Monthly figures are unadjusted for seasonal variations. Commodities according to use: investment goods weight 12.7, other producer goods weight 54.6 and consumer goods weight 32.7. Special manufacturing indexes: wood industry ISIC no. 25, weight 8.6, paper industry no. 27, weight 8.6, metal industry nos. 34—38, weight 25.4, and other manufactures nos. 20—24, 26, 28—33, 39, weight 44.9. *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 revised wholesale price index. *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. *Index of salary and wage earners' earnings* calculated by the Central Statistical Office. Beginning 1957, the weights employed are determined according to the structure of total earnings in 1957; for 1954—1956, the weights are in accordance with earnings in 1951. *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. The first column shows the number of persons actually without work, while the second one comprises unemployed persons engaged in relief works or other works financed from relief funds. The figures relate to the Friday nearest to the end of the month.

SYMBOLS USED

* Preliminary o Less than half the final digit shown . Logically impossible .. 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.

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 Kekkonen.

The Diet, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in the Diet elected in 1958 are as follows: People's Democrats 50, Agrarians 47, Social Democrats 38, Conservatives 29, Swedish Party 14, Social Democrat Opposition 13, Finnish People's Party (liberal) 8 and Finnish Small Farmers' Party 1.

LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4 %. 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 (1957): 4.4 million. Sweden 7.4, Switzerland 5.1, Denmark 4.5 and Norway 3.5 million.

DENSITY OF POPULATION (1957): In South Finland 24.3, in North Finland 3.9 and in the whole country an average of 14.3 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1957): 63.4 % of the population inhabit the rural areas, 36.6 % the towns and market towns. The largest towns are: Helsinki (Helsingfors), the capital, 436 852 inhabitants, Tampere (Tammerfors) 119 250, Turku (Åbo) 117 464.

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 (1957): 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 (1957): births 20.1 ‰, deaths 9.4 ‰, increase 9.7 ‰. Deaths in France 12.0 ‰ and in Great Britain 11.5 ‰.

TRADE AND COMMUNICATIONS

NATIONAL INCOME (1957, in thousand million marks): Gross domestic product at market prices 1 104 (excl. repairs and maintenance). Net domestic product at factor cost, by industrial origin: agriculture 99 (11 %), forestry and fishing 86 (10 %), manufacturing 284 (31 %), construction 88 (10 %), transport and communications 74 (8 %), commerce, banking and insurance 111 (12 %), general government 99 (11 %), other services 60 (7 %), total 901. Index of real domestic product 146 (1948 = 100).

FOREST RESOURCES (1951—1953): The growing stock comprised 1 493 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 17 %, 5 to 15 ha 46 %, 15 to 50 ha 32 % and more than 50 ha 5 %. Number of holdings 357 000, of which 162 000 are of more than 5 ha. Index of agricultural production 91 for 1957 (1954 = 100). Measure of self-sufficiency in the crop year 1957/58: bread cereals 42 %, animal products 121 %.

INDUSTRY (1956): Gross value of industrial production 835 000 mill. marks, number of workers 319 000, administrative employees 57 000, motive power (1956) 2.5 mill. HP. Index of industrial production 114 for 1956 (1954 = 100).

RAILWAYS (Jan. 1, 1959): Length 5 183 km, of which 5 109 km are State and 74 km private railways. The gauge of State railways 1 524 m.

MERCHANT FLEET (Jan. 1, 1959): Steamers 252 (361 765 gross reg. tons), motor vessels 183 (382 819 gross reg. tons), sailing vessels with auxiliary engines 103 (10 255 gross reg. tons). Total 538 (754 839 gross reg. tons).

MOTOR VEHICLES (Feb. 28, 1959): Private cars 141 600, lorries and delivery vans 54 600, buses 5 300, others 2 400. Total 203 900.

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 markka). Its official par value is 320 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 1957 expenditure amounted to 159 411 mill. marks. Total revenue was 159 591 million, of which income from taxation 84 383 million. The municipal income tax (non-progressive) averaged 11.22 % 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 (Dec. 31, 1958). There are three big and two small cooperative banks with in all 538 offices, 406 savings banks, 555 cooperative credit societies and their central bank, six mortgage societies, and the Post Office Savings Bank. The savings departments of the cooperative stores accept deposits from the public.

RATES OF INTEREST (April 1, 1959). Bank of Finland discount rates 6—7 ½ %. Other credit institutions: term deposits 4 ¼ % (12 months' deposits 5 %, index-tied deposits 3 ½ %) and sight deposits in savings banks and cooperative credit societies ½ %; lending rate 7 % in general.

FINNISH EXPORTS OF SAWN GOODS SINCE THE SECOND WORLD WAR

BY

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MANAGING DIRECTOR OF THE FINNISH SAWMILL OWNERS' ASSOCIATION

During the second world war, the force of circumstances restricted Finnish exports of sawn goods to a few countries on the continent of Europe. They amounted annually to about 200 000 stds with the exception of 1944, the last war year, when they totalled only 130 000 stds and this figure already included war reparation deliveries. After the war, exports grew rapidly, although „costs crises” in Finnish industry retarded the growth in some years, and the dull period after the Korean boom caused a great setback.

The course of exports of Finnish sawn goods since the second world war contains some special features that came about either as a direct result of post-war conditions or of the trade policy pursued after the war.

Thus the figures in table 1 illustrate, in addition to the total quantity of exports of sawn softwood goods (including box-boards, sleepers and sawn balks) the figures for „tied exports” and free commercial exports.

Of the exports of Finnish sawn goods, war reparation and restitution deliveries represented about 68 per cent in 1945, 23 per cent in 1946, 8 per cent in 1947 and even 5 per cent in 1948.

During the late 1940's and subsequently, Finland concluded bilateral trade agreements with several countries. These included not only the countries of Eastern Europe, but also some others, especially countries in the Mediterranean zone. Exports of sawn goods were either partly bound by the quotas of such trade agreements, or else such agreements provided Finnish exports of sawn goods with opportunities which were not available to exporters in other countries. Finnish commercial exports to the Soviet Union began in 1946, when they amounted to 25 000 stds. The exports to that country were at their highest in 1952, totalling 123 000 stds. Since then, the quantity has been on the down grade. Exports to Czechoslovakia started in 1954, and in 1956 they represented fully 22 000 stds, but since then they have fallen off. Poland and Eastern Germany have imported considerable quantities in some years, and so has Hungary. Israel has gained in importance, during the

1. FINNISH EXPORTS OF SAWN SOFTWOOD GOODS, IN THOUSANDS OF STANDARDS

| Year | Total exports | Tied exports | Free commercial exports |
|---------|---------------|--------------|-------------------------|
| 1935—39 | 940 | — | 940 |
| 1945 | 301 | 206 | 95 |
| 1946 | 359 | 107 | 252 |
| 1947 | 445 | 91 | 354 |
| 1948 | 489 | 101 | 388 |
| 1949 | 605 | 63 | 542 |
| 1950 | 660 | 41 | 619 |
| 1951 | 860 | 97 | 763 |
| 1952 | 606 | 144 | 462 |
| 1953 | 680 | 101 | 579 |
| 1954 | 729 | 104 | 625 |
| 1955 | 782 | 104 | 678 |
| 1956 | 644 | 128 | 516 |
| 1957 | 715 | 130 | 585 |
| 1958 | 759 | 88 | 671 |

2. THE GEOGRAPHICAL DISTRIBUTION OF FINNISH EXPORTS OF SAWN SOFTWOOD, PER CENT.

| Years | 1891—1913 | 1922—1927 | 1933—1939 | 1945—1951 | 1952—1958 | 1957 | 1958 |
|----------------------|-----------|-----------|-----------|-----------|-----------|-------|-------|
| United Kingdom | 35.5 | 42.8 | 56.0 | 36.7 | 38.2 | 39.4 | 43.2 |
| Germany | 12.6 | 8.0 | 8.3 | 5.6 | 10.6 | 8.4 | 9.7 |
| France | 16.4 | 10.4 | 3.3 | 1.6 | 2.9 | 3.8 | 4.2 |
| Netherlands | 8.9 | 17.2 | 8.3 | 12.6 | 10.4 | 10.1 | 9.4 |
| Belgium | 8.8 | 11.3 | 8.4 | 5.0 | 5.6 | 6.0 | 7.1 |
| Denmark | 5.1 | 5.6 | 5.8 | 13.7 | 5.4 | 3.9 | 4.6 |
| Others | 12.7 | 4.7 | 9.9 | 24.8 | 26.9 | 28.4 | 21.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

last three years and the quantity exported to that country has exceeded 20 000 stds.

The „tied exports” fell off as the share of the sawmill industry in war reparation deliveries decreased, but grew as exports to the bilateral countries increased. Such an increase occurred regularly up to 1956 and 1957, when it reached the level of 130 000 stds. In exceptional cases, it was even slightly above this quantity, as for instance in 1952, when 123 000 stds were exported to the Soviet Union alone on the basis of the trade agreement and some supplementary agreements.

The difference between the total exports and the „tied exports” in table 1 represents the free commercial exports. In this connection, the restrictions on imports and their control resorted to in the United Kingdom and some other countries during the post-war years may be ignored.

The geographical distribution of the exports of Finnish sawn goods is shown in table 2. The proportion for each country is given as a percentage of the total exports of each year or period. The years 1891—1913 have been chosen as the first period of comparison, as those years were a period of prolonged and great advance in the Finnish sawmill industry prior to the first world war. Exports increased during that period from a level of 300 000 to about 900 000 stds. The years 1922—27 were selected as a second period. In the last year of this period, the record figure of 1 278 000 stds was attained in the export of sawn

goods, this quantity not being equalled in the 1930's. The years 1933—39 were taken as the next period of comparison, before the second world war, and then 1945—51, these years constituting a period of comparatively rapid progress in the Finnish sawmill industry after the second world war. In addition to the average quantities for the subsequent years of 1952—58, the figures for the last two years are given separately.

The United Kingdom has continued to be Finland's principal buyer of sawn goods. In fact, British imports have dominated the European sawn goods market since last century. Until the first world war, Britain's proportion of Finnish exports of sawn goods constantly decreased. As regards Swedish exports, Britain's share was, on broad lines, just as large, and declined in the same way as it did with regard to Finland. This was mainly owing to the growth of Russia's exports of sawn goods to the United Kingdom. In the 1920's and 1930's, Britain's share of Finnish exports of sawn goods began to increase again, principally owing to a falling off in the competition from Sweden. After the second world war, Britain's share once again distinctly decreased. During the last two years, however, it has risen again in comparison with the average for the last seven years.

An examination of developments concerned with the British market shows that about three-quarters of the British softwood imports were shared by Finland, Sweden,

Canada and the Soviet Union. In the 1930's, up to the outbreak of the second world war, Finland occupied the first place, except for 1939, when imports from Canada increased substantially. In those years Finland's share was 24—28 per cent, the Soviet Union was generally second, Canada third and Sweden fourth. After the second world war, Canada maintained, with two exceptions, her position as Britain's largest supplier until 1954. Sweden attained the first place in 1953 and kept it from 1955 until last year. Finland generally came third in those years, and her share in British imports fluctuated between 17 and 19 per cent during the 1950's. In 1951 and 1953 it was higher, and in 1952 slightly lower. During the years immediately after the war the geographical distribution of imports presented some special features. Imports from Western Germany were on a considerable scale in 1947—49. In 1947 and 1948 the United Kingdom also imported considerable quantities from the United States, and in 1949—51 from Yugoslavia.

Before the first world war, France was Finland's second largest importer. During the 1930's, however, French imports of sawn goods fell off steeply, and France's share in Finnish exports decreased. The last few years, however, have shown a distinct improvement which seems likely to continue this year, judging by the quantities sold up to the present.

Germany's imports of sawn goods began to increase in the 1880's and 1890's, and she became the third largest buyer both from Finland and Sweden. Broadly speaking, Germany has maintained this position, although during some periods the Netherlands and Belgium supplanted her as buyers of Finnish sawn goods. The drop in Germany's share in 1945—51 is intelligible in view of the post-war conditions.

Austria increased her exports to Germany many times over in 1952, and since 1954 they

3. FINLAND'S PROPORTIONATE SHARE OF EXPORTS OF EUROPEAN SAWN SOFTWOOD GOODS IN 1913—1958

| Year | Finland/Sweden | Finland/USSR | Finland/Austria |
|------|----------------|--------------|-----------------|
| 1913 | 64 | 58 | 115 |
| 1922 | 78 | 563 | 567 |
| 1925 | 101 | 288 | 262 |
| 1927 | 122 | 258 | 367 |
| 1935 | 135 | 82 | 390 |
| 1938 | 124 | 105 | — |
| 1950 | 82 | 330 | 148 |
| 1955 | 73 | 170 | 115 |
| 1956 | 63 | 134 | 87 |
| 1957 | 64 | 96 | 101 |
| 1958 | 87 | 103 | 115 |

have been at a level of 200 000 stds. At this figure, Austria is clearly the principal supplier of sawn goods to Germany (40—45 per cent). Sweden equally clearly comes next. In recent years, Finland has occupied the third place (10—15 per cent). In 1957, however, she was surpassed by Rumania with an exceptionally large quantity. Exports from the Soviet Union to Germany have grown regularly, but in 1957 they were still slightly below those from Finland.

During the 1950's, Finland's share of the Netherlands market has decreased, but she has nevertheless maintained her position as the second largest supplier (15—20 per cent) after Sweden (40—50 per cent). Until 1954, Austria was on reasonably even terms with Finland in the third place in the market, but subsequently reduced her quantities and lost the third place to the Soviet Union which has purposefully tried to increase its exports.

In the Belgian market, Finland has maintained her position as the largest supplier (40 per cent), the quantities having even grown slightly in recent years. The quantities delivered by Sweden and the Soviet Union have fluctuated during the last few years, and so has the position of these countries as the second and third suppliers of sawn goods to Belgium.

Denmark's share of Finnish sawn goods exports increased exceptionally in 1945—51,

but has fallen off since, while at the same time Swedish supplies, especially from Southern Sweden, have grown and have captured the Danish market by rail deliveries. Sweden's share has been as much as 70—80 per cent and Finland's 15—25 per cent.

Great fluctuations occurred during the period between the two world wars, and after the second world war, in the geographical distribution of supplies among the European producing countries. Table 3 illustrates these changes, by comparing the quantities exported by Finland with those exported by the principal competing countries.

The Soviet Union was, practically speaking, entirely absent from the sawn goods market in the first half of the 1920's. In 1920—26 its exports of sawn softwood goods were on an average only about 200 000 stds a year. In 1928—29 it increased its exports substantially. By lowering prices, it secured a dominating position in the British market up to 1934. The trend in the 1950's shows that exports from the Soviet Union have caught up with Finland's export quantities.

Sweden's exports of sawn goods had almost reached their peak in 1913, while those of Finland increased greatly up to 1927. Finnish exports surpassed Swedish exports in 1924, and were larger up to the second world war, with the exception of 1930 and 1932.

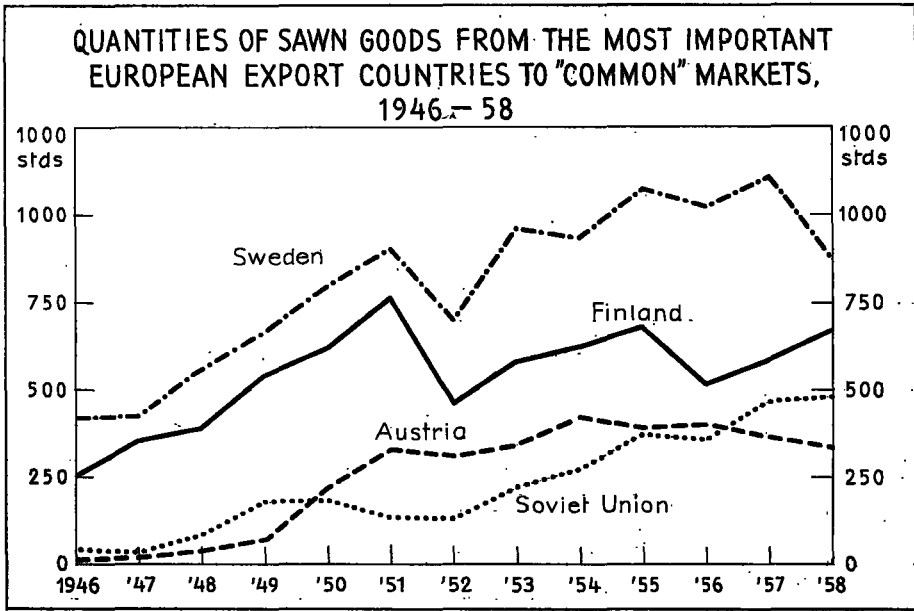
Since the second world war, Swedish exports of sawn goods have exceeded those from Finland. The export of sawn goods from Finland encountered difficulties, particularly in 1956, when the level of costs rose appreciably. However, the devaluation undertaken in September 1957 (the change in the rates of exchange amounted to 39 per cent) assisted the output and exports of the sawmill industry. The difference in comparison with the figures for Swedish exports was greatly reduced in 1958.

The course of supplies from the European

exporting countries in the 1950's will be seen from the diagram. In order to make the figures comparable, they have been adjusted so that exports to those areas in which other exporters do not figure as competitors have been deducted from the export figures of the various countries. Thus the „tied exports“ have been deducted from the quantities of Finnish exports. Of the Soviet Union's exports, account has been taken only of those to Western markets. Exports to Italy have correspondingly been deducted from Austria's total exports. They represent about 40 per cent of Austria's exports, but the share of other exporting countries in the Italian market is almost non-existent. In this connection, other European exporting countries (Czechoslovakia, Poland, Yugoslavia, Rumania and France) have been omitted from the investigation, their combined importance being comparatively small. Imports to European markets from outside Europe, the greater part of which consist of British imports from Canada, have also not been dealt with in this connection.

The diagram shows that since the second world war Sweden has been the most important exporter of sawn softwood goods in Europe. The quantities she exported rose rather steeply until 1957, when they exceeded 1 100 000 stds and surpassed the former Swedish record of 1929. This trend included a fairly pronounced exception in 1952, the year following the Korean boom, and two lesser exceptions in 1954 and 1956. In 1958 there was an abrupt decrease in Swedish exports.

Finnish free exports fairly closely followed the same course as Swedish exports. The reduction in 1952 was even steeper than in the case of Sweden, and since then the difference between Finnish and Swedish exports has increased fairly regularly from year to year. In 1952, this difference amounted to 150 000 stds and in 1957 to more than



500 000 stds. In 1958 Finland was able to increase her exports, thanks to the devaluation, at the expense of export prices. This was done despite the fact that the total demand in the European market had fallen off in comparison with the previous year. The steep reduction of Swedish exports could be explained by the unwillingness of exporters to agree to the abruptly lowered export prices.

The increase in exports from the Soviet Union since the second world war indicates a rather determined effort to return to Western markets. According to available information, the output of the sawmills in the Soviet Union has risen steeply, and will evidently grow still further. This fact has, however, not influenced the development of exports, for the demand for domestic consumption has obviously increased and is increasing steeply.

Austria's exports began rather modestly, but in 1956 the total exports amounted to about 730 000 stds, which was more in that year than Finland's total exports. Since then, the output and exports of Austria have remained at an unexpectedly high level.

The general trend of the exports of Finnish sawn goods has distinctly been a rising one since the second world war. The highest volume of exports hitherto was attained during the Korean boom in 1951. Since then, exports have been retarded by the continuous rise in the costs of production. The year 1958 marks a distinct change in the course of Finnish exports compared with her leading competitors. As far as can be concluded from the situation of the 1959 export market, Finland's share in the European sawn goods market should be maintained on a parity with 1958. This also applies to the mutual ratios of competitors.

ITEMS

Foreign Exchange Restrictions. The Bank of Finland has announced certain relaxations in the regulations concerning payments to foreign countries for various services and other „invisible” transactions. Beginning on May 2, foreign exchange applications for specified transactions of this type need no longer be submitted to the Bank of Finland for advance approval; the authorized exchange banks are entitled to approve the transfer and to sell the foreign exchange required if the transaction conforms with the general instructions issued by the Bank of Finland.

The new regulation covers certain transfers relating to advertising, membership fees, foreign currencies sold to emigrants, certain insurance and reinsurance payments, installation costs for machinery and equipment, repair and refining costs, ship repairs, agent's fees, etc.

*

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

The People's Republic of China, on May 15. Period: November 1, 1958, to October 31, 1959. Trade is fixed by quotas. Finland's import list includes oil seeds, vegetable oils, soya, tin, antimony, rice etc. and she will principally export metal products, chemical pulp, paper, rayon staple fibre, plywood, and copper. — In 1958, Finnish exports to China amounted to 2 694 million marks and imports therefrom to 1 220 million. According to the agreement, the exchange of goods will be continued to the same extent as hitherto.

Ireland, on April 29. The trade agreement which expired at the end of March was extended by twelve months. — In 1958, Finnish exports to Ireland amounted to 1 849 million marks and imports therefrom to 49 million.

Hungary, on April 22. The term of validity of the trade agreement for 1957 was further extended from July 1, 1959 to December 31, 1959.

*

Changes in the statistical tables. Page 4: Under Gold and foreign accounts, *Other foreign assets* now includes prepayments for exports in the form of advances to Finnish firms for exports to the USSR booked before 1958. Under Finnish credit institutions, *Cash reserve accounts* has been removed as a separate heading and *the Account of the Mortgage Bank of Finland Oy* inserted.

Page 5: Under Treasury, two series have been added viz. *Advances for stand-by stocks* (see Item in Bulletin No. 1, 1959) and *Long-term liabilities*. The latter item is reported in the balance sheet as Long-term Finnish liabilities including a) the Gold loan of 1954 received by the State from the USSR and re-lent to the Bank of Finland, and b) the balance of the Levy on export proceeds collected since September 1957. Under Trade and industry, *Other advances* now excludes Advances for stand-by stocks. *Liabilities* corresponds to the previous heading *Other liabilities* but excludes the Account of the Mortgage Bank of Finland Oy and includes Deposits against import licences the latter being previously reported under a separate heading.

BANK OF FINLAND

BOARD OF MANAGEMENT

KLAUS WARIS,
Governor

ESKO K. LEINONEN

A. SIMONEN

AHTI KARJALAINEN
*(Absent as a member of
Government)*

REINO ROSSI

SECRETARIES

U. A. VATANEN,
Credits

PERTTI TAMMIVUORI,
Administration

EERO ASP,
*Foreign affairs
(On leave of absence)*

JOUKO J. VOUTILAINEN
*Information
(Foreign affairs ad int.)*

HEADS OF DEPARTMENT

HEIKKI VALVANNE,
*Institute for
Economic Research*

G. ENGBERG,
Personnel

C. G. SUNDMAN,
*Foreign exchange
(trade)*

P. BLOMQUIST,
Accounts

P.-E. ÖSTERLUND,
*Foreign exchange
(services)*

A. KAJANTIE,
Documentary credits

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