



BANK OF FINLAND

MONTHLY BULLETIN

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THE FINNISH MARKET REVIEW.

THE MONEY MARKET.

The tenseness characteristic of the money market already for several months past has continued during the opening months of the current year. There has been a very great demand for money, which is normally the case in this season when lumbering is most active. Now that demand is augmented by many exceptional factors referred to in previous reviews and the articles of this issue. The depository movement improved somewhat in January—February, but apparently no very far-reaching conclusions should be drawn from this as to a favourable turn in savings. It should be borne in mind that saving is at its highest at this time of the year.

In January the deposit accounts of the public increased by 705 million marks in all credit institutions. In January 1946 there was a corresponding reduction of 320 million, but this was due to people hurrying to take out the money they had deposited at the end of the previous year for fear of the exchange of notes, so that no real comparison is possible. Data are not yet available of the depository movement in other credit institutions than the *Commercial Banks*. The increase of deposits proper was lower in February than in January — the figures being 189 and 348 million marks — but about 100 million higher than in 1946. In January—February of this year the deposit accounts of the *Commercial Banks* increased by 537 million marks as against 35 million the year before. Cheque accounts developed differently

from the deposit accounts, being reduced both in January and February, by 1,188 million marks in all as against 1,655 million in 1946. This was chiefly due to the fact that business enterprises financed themselves with money they had collected on their cheque accounts in the course of the autumn, so that unusually large amounts have been drawn from these. Owing to the great reduction of them, total deposits in the *Commercial Banks* decreased by 651 million marks in the first months of this year. The intensity of the need and the demand for credit is clearly seen from the position of the *Commercial Banks* during the first two months of this year. In January the total credits granted by them increased by 566 and in February by 755 million marks or by 1,321 million in all. Most of the new credits were discounts of bills and next to them cheque credits and loans. The amount owed by the State to the *Commercial Banks* decreased by 70 million marks in January, but remained unchanged or at 460 million in February. As, owing to the weak depository movement, the *Commercial Banks* have not been able to nearly satisfy the demand for credit, they have had to re-discount bills continually at the Bank of Finland. The stringent money market has also made the Bank of Finland issue new instructions to the credit institutions regarding the general principles to be applied in the granting of credits. The instructions were issued on January 23rd and were considerably stricter than the previous ones.

As mentioned above the *Bank of Finland* has been compelled to support the private credit institutions continuously by re-discounting their bills. Re-discounts decreased very sharply in January, from 2,458 million marks at the end of December to 968 million January 31st, but began to rise very much in the beginning of February, in the first week by more than 1 milliard marks and reached the record figure for the current year at 2,474 million on the last of February. In the first part of March re-discounts again decreased to 1,841 million on the 15th. The Bank of Finland has also been obliged to satisfy the demand of business enterprises for credit to an increasing extent. The credits of the customers of the Bank increased by 790 million marks in February, and the same movement was apparent in March. Owing to the increase in the credits granted by the Bank of Finland particularly from the beginning of February, and to the great demand for cash, above all in lumbering, notes in circulation which, as usual, had fallen off in January, began to rise again and reached a new maximum, 19,681 million marks on March 15th.

PRICES.

The relatively calm period already noticeable in the price movement at the end of 1945 has continued. The cost of living index (August 1938—July 1939 = 100), which practically did not change during the second half of 1946, has increased by 3 points, from 468 to 471 in January and by 11 points to 482 in February. Price indices are likely to rise further in the course of the spring, because rents among other things are expected to

rise. Yet increase in prices is more apparent than real, because they result partly from certain foods, particularly pork, having been freed from rationing, partly from coffee having again been included in the index. In spite of the stabilisation of the monetary situation it is apparently too early to believe that the value of the money is finally secured. The position is still uncertain because of the tense money market and by the unrest regarding wages. The Spring months will, it seems, prove very exacting in the defence of the monetary value.

TRADE AND INDUSTRY.

As figures are not yet available for the development of industry during the current year, it must be estimated on the basis of last year's data referred to elsewhere in this issue. Lumbering, so important to woodworking, was unsatisfactory in the beginning of the season 1946/47, but improved during the winter. More labour has been engaged in the forests than at the same time last year and better results have been achieved. Up to the end of February about 61 per cent of the goal set — 53 million cubic metres — had been attained.

Although interrupted by unusually severe ice conditions, foreign trade was much livelier in January—February than a year ago. The value of imports was 5,136 million marks as against only 1,828 million in the first two months of last year. For exports the corresponding figures were 3,131 and 1,638 million marks. As expected, foreign trade is still showing an excess of imports. In addition to free exports, reparation goods were delivered to the Soviet Union for 1,155 million marks.

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

| | 1946 | | | | | 1947 | |
|---|----------|--------|--------|--------|--------|----------|--------|
| | Mill. mk | | | | | Mill. mk | |
| | 28/2 | 30/9 | 31/10 | 30/11 | 31/12 | 31/1 | 28/2 |
| ASSETS. | | | | | | | |
| I. Gold Reserve | 387 | 1 | 1 | 1 | 2 | 2 | 2 |
| Foreign Correspondents | 1 883 | 1 586 | 1 475 | 1 977 | 1 915 | 2 350 | 2 391 |
| II. Foreign Bills | 72 | 129 | 98 | 90 | 175 | 224 | 289 |
| Foreign Bank Notes and Coupons | 9 | 12 | 17 | 16 | 14 | 11 | 12 |
| Inland Bills | 21 181 | 32 497 | 31 400 | 29 585 | 28 790 | 26 789 | 27 977 |
| III. Loans on Security | 160 | 52 | 22 | 62 | 63 | 24 | 24 |
| Advances on Cash Credit | 458 | 494 | 423 | 665 | 556 | 639 | 698 |
| Bonds in Finnish Currency | 330 | 306 | 303 | 301 | 257 | 243 | 241 |
| » » Foreign | 243 | 190 | 190 | 168 | 203 | 193 | 192 |
| Bank Premises and Furniture | 32 | 33 | 34 | 34 | 32 | 32 | 32 |
| Sundry Assets | 507 | 473 | 820 | 755 | 1 480 | 1 262 | 1 142 |
| Total | 25 257 | 35 773 | 34 783 | 33 654 | 33 487 | 31 769 | 33 000 |
| LIABILITIES. | | | | | | | |
| Notes in circulation | 15 631 | 19 076 | 19 667 | 19 492 | 18 233 | 17 172 | 18 896 |
| Other Liabilities payable on demand: | | | | | | | |
| Balance of Current Accounts due to the Treasury | — | 39 | 147 | 246 | 599 | 160 | — |
| » » » » » » Others | 743 | 1 036 | 1 427 | 683 | 1 481 | 1 087 | 789 |
| Bank-Post-Bills | 405 | 51 | 47 | 60 | 134 | 98 | 77 |
| Foreign Correspondents | 126 | 172 | 182 | 178 | 185 | 196 | 199 |
| Foreign Clearing Accounts | 2 342 | 8 113 | 7 991 | 7 642 | 7 414 | 7 336 | 7 407 |
| Foreign Commercial Debt | — | 817 | — | — | — | — | — |
| Sundry Accounts | 1 449 | 1 273 | 22 | 39 | 4 | 197 | 106 |
| Capital | 1 250 | 1 250 | 1 250 | 1 250 | 1 250 | 1 250 | 1 250 |
| Reserve Fund | 1 272 | 1 291 | 1 291 | 1 291 | 1 291 | 1 412 | 1 412 |
| Bank Premises and Furniture | 32 | 32 | 32 | 32 | 32 | 32 | 32 |
| Earnings less Expenses | 96 | 377 | 402 | 430 | 242 | 68 | 95 |
| Undisposed Profits | 18 | — | — | — | — | 121 | 21 |
| Sundry Liabilities | 1 893 | 2 246 | 2 325 | 2 311 | 2 622 | 2 590 | 2 716 |
| Total | 25 257 | 35 773 | 34 783 | 33 654 | 33 487 | 31 769 | 33 000 |

2. — NOTE ISSUE OF THE BANK OF FINLAND.

| | 1946 | | | | | 1947 | |
|---|----------|--------|--------|--------|--------|----------|--------|
| | Mill. mk | | | | | Mill. mk | |
| | 28/2 | 30/9 | 31/10 | 30/11 | 31/12 | 31/1 | 28/2 |
| RIGHT TO ISSUE NOTES. | | | | | | | |
| Gold Reserve and Foreign Correspondents | 2 270 | 1 587 | 1 476 | 1 978 | 1 917 | 2 352 | 2 393 |
| According to Law of Dec. 13, 1939 ¹⁾ | 21 262 | 32 638 | 31 515 | 29 691 | 28 979 | 27 024 | 28 278 |
| Additional Right of Issue | 1 800 | 1 800 | 1 800 | 1 800 | 1 800 | 1 800 | 1 800 |
| Total | 25 332 | 36 025 | 34 791 | 33 469 | 32 696 | 31 176 | 32 471 |
| AMOUNT OF ISSUE USED. | | | | | | | |
| Notes in circulation | 15 631 | 19 076 | 19 667 | 19 492 | 18 233 | 17 172 | 18 896 |
| Other Liabilities payable on demand | 5 065 | 11 501 | 9 816 | 8 848 | 9 817 | 9 124 | 8 578 |
| Undrawn Amount of Advances on Cash Credit | 175 | 459 | 531 | 290 | 401 | 319 | 260 |
| Total | 20 871 | 31 036 | 30 014 | 28 630 | 28 451 | 26 615 | 27 734 |
| NOTE RESERVE | 4 461 | 4 989 | 4 777 | 4 839 | 4 245 | 4 561 | 4 737 |
| Grand total | 25 332 | 36 025 | 34 791 | 33 469 | 32 696 | 31 176 | 32 471 |

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

Bank Rate since December 3, 1934, 4 0/0

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

| End of Month | Notes in Circulation Mill. mk | | | | Foreign Correspondents ¹⁾ Mill. mk | | | | Cover for the Issue of Notes Percentage of Liabilities payable on demand | | | | End of Month | | |
|--------------|----------------------------------|--------|--------|------------------|--|-------|-------|------------------|---|---------|--------|------------------|--------------|-------|-------|
| | 1945 | 1946 | 1947 | Monthly Movement | 1945 | 1946 | 1947 | Monthly Movement | 1945 | 1946 | 1947 | Monthly Movement | | | |
| Jan. | [15 657] | 15 580 | 17 172 | -1 061 | [350] | 349 | 1 611 | 2 350 | + 435 | [99.40] | 112.81 | 112.10 | 110.38 | +1.79 | Jan. |
| Febr. | 15 255 | 15 631 | 18 896 | +1 724 | 324 | 1 883 | 2 391 | | + 41 | 111.71 | 112.75 | 110.59 | | +0.21 | Febr. |
| March | 16 146 | 17 323 | | | 337 | 1 216 | | | | 110.54 | 113.10 | | | | March |
| April | 16 768 | 18 534 | | | 338 | 1 038 | | | | 110.71 | 111.95 | | | | April |
| May | 17 055 | 18 442 | | | 339 | 664 | | | | 109.58 | 109.97 | | | | May |
| June | 16 971 | 17 657 | | | 334 | 848 | | | | 110.74 | 109.73 | | | | June |
| July | 17 688 | 17 269 | | | 270 | 775 | | | | 112.43 | 108.35 | | | | July |
| Aug. | 18 872 | 17 986 | | | 309 | 1 365 | | | | 107.71 | 109.11 | | | | Aug. |
| Sept. | 18 113 | 19 076 | | | 346 | 1 586 | | | | 111.15 | 110.27 | | | | Sept. |
| Oct. | 17 259 | 19 667 | | | 430 | 1 475 | | | | 109.92 | 109.92 | | | | Oct. |
| Nov. | 17 414 | 19 492 | | | 193 | 1 977 | | | | 107.75 | 110.62 | | | | Nov. |
| Dec. | 13 598 | 18 233 | | | 1 283 | 1 915 | | | | 115.46 | 108.59 | | | | Dec. |

¹⁾ Credit balances with foreign correspondents.

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

| End of Month | Note Reserve Mill. mk. | | | | Home Loans ¹⁾ Mill. mk | | | | Re-discounted Bills (included in Home Loans) Mill. mk | | | | End of Month | | |
|--------------|---------------------------|-------|-------|------------------|--------------------------------------|----------|--------|------------------|---|------|-------|------------------|--------------|--------|-------|
| | 1945 | 1946 | 1947 | Monthly Movement | 1945 | 1946 | 1947 | Monthly Movement | 1945 | 1946 | 1947 | Monthly Movement | | | |
| Jan. | [1 677] | 4 011 | 4 379 | 4 561 | +316 | [19 023] | 22 151 | 27 452 | -1 957 | [50] | — | — | 968 | -1 490 | Jan. |
| Febr. | 3 852 | 4 461 | 4 737 | | +176 | 19 160 | 21 794 | 28 699 | +1 247 | — | 625 | 2 474 | | +1 506 | Febr. |
| March | 3 768 | 4 731 | | | | 20 213 | 24 433 | | | — | 949 | | | | March |
| April | 3 846 | 4 687 | | | | 20 710 | 26 429 | | | 40 | 934 | | | | April |
| May | 3 676 | 4 601 | | | | 21 050 | 30 726 | | | 80 | 2 481 | | | | May |
| June | 3 893 | 4 685 | | | | 21 133 | 32 283 | | | — | 2 874 | | | | June |
| July | 4 335 | 4 336 | | | | 22 585 | 32 837 | | | — | 1 646 | | | | July |
| Aug. | 3 465 | 4 617 | | | | 22 852 | 32 920 | | | 100 | 2 156 | | | | Aug. |
| Sept. | 4 248 | 4 989 | | | | 23 966 | 33 043 | | | — | 1 679 | | | | Sept. |
| Oct. | 3 946 | 4 777 | | | | 23 229 | 31 845 | | | — | 1 048 | | | | Oct. |
| Nov. | 3 569 | 4 839 | | | | 24 270 | 30 312 | | | — | 1 959 | | | | Nov. |
| Dec. | 5 018 | 4 245 | | | | 22 397 | 29 409 | | | — | 2 458 | | | | Dec. |

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

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

| End of Month | Treasury Bills (included in Home Loans) Mill. mk | | | | Balance of Current Accounts due to the Treasury Mill. mk | | | | Balance of Current Accounts due to others than the Treasury Mill. mk | | | | End of Month | | | |
|--------------|--|--------|--------|------------------|--|-------|------|------------------|--|------|-------|------------------|--------------|-------|------|-------|
| | 1945 | 1946 | 1947 | Monthly Movement | 1945 | 1946 | 1947 | Monthly Movement | 1945 | 1946 | 1947 | Monthly Movement | | | | |
| Jan. | [17 750] | 16 500 | 17 950 | 18 000 | + 80 | [222] | — 75 | — 213 | 160 | -439 | [721] | 635 | 888 | 1 087 | -394 | Jan. |
| Febr. | 16 500 | 16 450 | 16 950 | | -1 050 | — 319 | — 69 | -567 | -727 | | 605 | 743 | 789 | | -298 | Febr. |
| March | 17 700 | 18 150 | | | | — 343 | 69 | | | | 722 | 654 | | | | March |
| April | 17 700 | 19 550 | | | | — 295 | 94 | | | | 655 | 1 068 | | | | April |
| May | 17 700 | 21 750 | | | | — 541 | -139 | | | | 876 | 1 047 | | | | May |
| June | 17 700 | 22 500 | | | | — 419 | 64 | | | | 851 | 860 | | | | June |
| July | 19 000 | 23 900 | | | | — 14 | 195 | | | | 687 | 855 | | | | July |
| Aug. | 19 000 | 23 500 | | | | — 759 | -146 | | | | 382 | 973 | | | | Aug. |
| Sept. | 20 100 | 24 300 | | | | 143 | 39 | | | | 1 034 | 1 036 | | | | Sept. |
| Oct. | 19 400 | 23 520 | | | | — 125 | 147 | | | | 1 218 | 1 427 | | | | Oct. |
| Nov. | 20 500 | 20 370 | | | | — 416 | 246 | | | | 1 368 | 683 | | | | Nov. |
| Dec. | 18 600 | 17 920 | | | | 149 | 599 | | | | 2 685 | 1 481 | | | | Dec. |

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

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

| | 1939 | 1945 | 1946 | 1946 | 1946 | 1946 | 1946 | 1947 |
|----------------|----------|------------------------|-----------|---------|---------|---------|------------|-----------|
| | 31/12 | 31/12; 1946 31/1 | 28/2—30/4 | 31/5 | 30/6 | 31/7 | 31/8—31/12 | 31/1—23/2 |
| New York | 49:35 | 136:— | 136:— | 136:— | 136:— | 136:— | 136:— | 136:— |
| London | 197:— | 547:— | 547:— | 547:— | 547:— | 547:— | 547:— | 547:— |
| Stockholm | 1 171:— | 3 230:— | 3 230:— | 3 230:— | 3 230:— | 3 790:— | 3 790:— | 3 790:— |
| Berlin | 1 982:— | — | — | — | — | — | — | — |
| Paris | 113:50 | 115:— | 114:— | 114:— | 114:— | 114:— | 114:— | 114:— |
| Brussels | 836:— | 310:— | 310:— | 310:— | 310:— | 310:— | 310:— | 310:— |
| Amsterdam | 2 650:— | — | — | — | 5 120:— | 5 120:— | 5 120:— | 5 120:— |
| Basle | 1 123:— | 3 175:— | 3 175:— | 3 175:— | 3 175:— | 3 175:— | 3 175:— | 3 175:— |
| Oslo | 1 127:— | 2 750:— | 2 750:— | 2 745:— | 2 745:— | 2 745:— | 2 745:— | 2 745:— |
| Copenhagen | 954:— | 2 830:— | 2 830:— | 2 830:— | 2 830:— | 2 830:— | 2 830:— | 2 830:— |
| Prague | — | — | — | — | 275:— | 275:— | 275:— | 275:— |
| Rome | 260:— | — | — | — | — | — | — | — |
| Madrid | 1) 540:— | — | — | — | — | — | — | — |
| Montreal | 45:25 | 124:— | 124:— | 124:— | 124:— | 135:50 | 135:50 | 135:50 |
| Lisbon | — | 560:— | 560:— | 560:— | 560:— | 560:— | 560:— | 560:— |
| Rio de Janeiro | — | — | 760:— | 760:— | 760:— | 740:— | 765:— | 765:— |

1) Nominal rate.

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

| End of Month | Due to the Public | | | | Due to other Credit Institutions | | Total | | | Monthly Movement | Credits from the Bank of Finland | | End of Month |
|--------------|-------------------|--------|----------|--------|----------------------------------|-------|----------|--------|--------|------------------|----------------------------------|-------|--------------|
| | Cheque Accounts | | Deposits | | Mill. mk | | Mill. mk | | | | Mill. mk | | |
| | 1946 | 1947 | 1946 | 1947 | 1946 | 1947 | 1945 | 1946 | 1947 | 1947 | 1946 | 1947 | |
| Jan. | [11 566] | | [16 558] | | [7 184] | | [26 070] | | | | [—] | | Jan. |
| Febr. | 10 246 | 13 641 | 16 508 | 17 912 | 6 977 | 4 055 | 26 191 | 33 731 | 35 608 | + 178 | — | 722 | Febr. |
| March | 9 911 | 12 507 | 16 593 | 18 101 | 6 329 | 3 990 | 26 445 | 32 833 | 34 598 | — 1 010 | 797 | 2 438 | March |
| April | 9 951 | | 16 938 | | 6 425 | | 27 150 | 33 314 | | | 1 071 | | April |
| May | 11 216 | | 16 969 | | 5 891 | | 26 972 | 34 076 | | | 1 066 | | May |
| June | 11 009 | | 17 047 | | 5 681 | | 27 400 | 33 737 | | | 2 607 | | June |
| July | 11 173 | | 17 271 | | 5 231 | | 28 306 | 33 675 | | | 3 158 | | July |
| Aug. | 11 740 | | 17 234 | | 5 034 | | 28 344 | 34 008 | | | 1 930 | | Aug. |
| Sept. | 11 998 | | 17 286 | | 4 788 | | 28 035 | 34 072 | | | 2 312 | | Sept. |
| Oct. | 12 684 | | 17 249 | | 4 555 | | 30 839 | 34 488 | | | 1 703 | | Oct. |
| Nov. | 14 005 | | 17 185 | | 4 241 | | 32 148 | 35 431 | | | 705 | | Nov. |
| Dec. | 13 612 | | 17 013 | | 3 813 | | 32 462 | 34 438 | | | 1 639 | | Dec. |
| | 13 695 | | 17 564 | | 4 171 | | 35 308 | 35 430 | | | 2 896 | | |

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

8. — COMMERCIAL BANKS. HOME LOANS.

| End of Month | To the Public | | | | To other Credit Institutions | | Total | | | Monthly Movement | | End of Month | |
|--------------|---------------|--------|---------------|--------|------------------------------|------|----------|--------|--------|------------------|-------|--------------|-------|
| | Inland Bills | | Other Credits | | Mill. mk | | Mill. mk | | | | | | |
| | 1946 | 1947 | 1946 | 1947 | 1946 | 1947 | 1945 | 1946 | 1947 | 1946 | 1947 | | |
| Jan. | [7 248] | | [14 081] | | [964] | | [16 822] | | | | | | Jan. |
| Febr. | 8 122 | 10 345 | 15 330 | 19 092 | 979 | 658 | 16 951 | 24 431 | 30 095 | + 2 138 | + 566 | | Febr. |
| March | 7 839 | 10 818 | 15 992 | 19 418 | 873 | 614 | 17 120 | 24 704 | 30 850 | + 273 | + 755 | | March |
| April | 8 435 | | 16 676 | | 904 | | 17 642 | 26 015 | | + 1 311 | | | April |
| May | 9 009 | | 17 194 | | 972 | | 18 148 | 27 175 | | + 1 160 | | | May |
| June | 9 834 | | 17 702 | | 1 040 | | 18 674 | 28 576 | | + 1 401 | | | June |
| July | 10 113 | | 18 007 | | 939 | | 19 134 | 29 059 | | + 483 | | | July |
| Aug. | 9 737 | | 18 382 | | 928 | | 20 567 | 29 047 | | — 12 | | | Aug. |
| Sept. | 9 593 | | 18 267 | | 761 | | 20 403 | 28 621 | | — 426 | | | Sept. |
| Oct. | 9 560 | | 18 153 | | 704 | | 21 631 | 28 417 | | — 204 | | | Oct. |
| Nov. | 9 641 | | 18 604 | | 658 | | 22 935 | 28 903 | | + 486 | | | Nov. |
| Dec. | 9 711 | | 18 876 | | 658 | | 22 600 | 29 245 | | + 342 | | | Dec. |
| | 10 176 | | 18 598 | | 755 | | 22 293 | 29 529 | | + 284 | | | |

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

9. — COMMERCIAL BANKS. POSITION TOWARDS FOREIGN COUNTRIES.

| End of Month | Claims ¹⁾ Mill. mk | | | | Indebtedness ²⁾ Mill. mk | | | | Net Claims (+) or Net Indebtedness (-) Mill. mk | | | | Monthly Movement | | End of Month | | | |
|--------------|----------------------------------|------|-------|-------|--|-------|-------|-------|--|-------|--------|------|------------------|------|--------------|-----|-------|------|
| | 1944 | 1945 | 1946 | 1947 | 1944 | 1945 | 1946 | 1947 | 1944 | 1945 | 1946 | 1947 | 1946 | 1947 | | | | |
| Jan. | [140] | 141 | 125 | 342 | 2 501 | [352] | 373 | 251 | 355 | 2 299 | [-212] | -232 | -126 | -13 | +202 | -46 | -154 | Jan. |
| Febr. | 134 | 103 | 473 | 2 397 | 390 | 255 | 357 | 2 092 | -256 | -152 | +116 | +305 | +129 | +103 | | | Febr. | |
| March | 128 | 84 | 662 | | 320 | 263 | 720 | | -192 | -179 | -58 | | -174 | | | | March | |
| April | 131 | 86 | 696 | | 324 | 276 | 819 | | -193 | -190 | -123 | | -65 | | | | April | |
| May | 133 | 91 | 781 | | 356 | 274 | 982 | | -223 | -133 | -201 | | -78 | | | | May | |
| June | 133 | 95 | 796 | | 385 | 283 | 999 | | -252 | -188 | -203 | | -2 | | | | June | |
| July | 137 | 86 | 672 | | 518 | 296 | 868 | | -381 | -210 | -196 | | +7 | | | | July | |
| Aug. | 127 | 98 | 673 | | 461 | 292 | 860 | | -334 | -194 | -187 | | +9 | | | | Aug. | |
| Sept. | 125 | 104 | 869 | | 425 | 301 | 911 | | -300 | -197 | -52 | | +135 | | | | Sept. | |
| Oct. | 124 | 176 | 1 169 | | 438 | 313 | 919 | | -314 | -137 | +250 | | +302 | | | | Oct. | |
| Nov. | 123 | 232 | 1 090 | | 247 | 317 | 932 | | -124 | -85 | +158 | | -92 | | | | Nov. | |
| Dec. | 125 | 385 | 2 460 | | 247 | 352 | 2 104 | | -122 | +33 | +356 | | +198 | | | | Dec. | |

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

10. — FOREIGN PAYMENT POSITION OF ALL BANKS.¹⁾

| End of Month | Net Claims (+) or Net Indebtedness (-) Mill. mk | | | | Monthly Movement | | |
|--------------|--|--------|--------|--------|------------------|-------|------|
| | 1944 | 1945 | 1946 | 1947 | 1946 | 1947 | |
| Jan. | [-3700] | -3 488 | -822 | -1 166 | -4 806 | + 390 | +347 |
| Febr. | -3 273 | -875 | -398 | -4 621 | + 768 | + 185 | |
| March | -2 624 | -991 | -1 289 | | + 891 | | |
| April | -2 162 | -951 | -1 487 | | - 198 | | |
| May | -1 715 | -887 | -6 509 | | -5 022 | | |
| June | -1 206 | -929 | -8 486 | | -1 977 | | |
| July | -1 107 | -1 332 | -9 289 | | + 803 | | |
| Aug. | -967 | -1 379 | -8 620 | | + 669 | | |
| Sept. | -982 | -1 507 | -7 439 | | +1 181 | | |
| Oct. | -1 095 | -1 624 | -6 350 | | +1 089 | | |
| Nov. | -814 | -2 543 | -5 595 | | + 755 | | |
| Dec. | -813 | -1 556 | -5 153 | | + 442 | | |

11. — DEPOSITS IN POST OFFICE SAVINGS BANK.²⁾

| End of Month | Deposits Mill. mk | | | | Monthly Movement | | End of Month | |
|--------------|----------------------|-------|-------|-------|------------------|------|--------------|-------|
| | 1944 | 1945 | 1946 | 1947 | 1946 | 1947 | | |
| Jan. | [1949] | 2 103 | 3 355 | 5 319 | 7 365 | - 98 | +167 | Jan. |
| Febr. | 2 173 | 3 337 | 5 370 | 7 481 | + 51 | +116 | | Febr. |
| March | 2 305 | 3 342 | 5 589 | | +219 | | | March |
| April | 2 472 | 3 413 | 5 712 | | +123 | | | April |
| May | 2 552 | 3 749 | 5 784 | | + 72 | | | May |
| June | 2 589 | 4 112 | 5 846 | | + 62 | | | June |
| July | 2 661 | 4 139 | 5 940 | | + 94 | | | July |
| Aug. | 2 735 | 4 130 | 6 488 | | +548 | | | Aug. |
| Sept. | 2 777 | 4 494 | 6 647 | | +159 | | | Sept. |
| Oct. | 2 878 | 4 681 | 6 777 | | +130 | | | Oct. |
| Nov. | 2 857 | 4 784 | 6 845 | | + 68 | | | Nov. |
| Dec. | 3 170 | 5 417 | 7 198 | | +353 | | | Dec. |

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

²⁾ According to Finnish Official Statistics VII, D, Bank Statistics.

12. — DEPOSITS IN THE SAVINGS BANKS.

| End of Month | Savings Accounts Mill. mk | | | Current Accounts Mill. mk | | | Total Mill. mk | | | | Monthly Movement | | End of Month | | |
|--------------|------------------------------|---------|---------|------------------------------|-------|--------|-------------------|--------|--------|---------|------------------|---------|--------------|-------|-------|
| | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | 1944 | 1945 | 1946 | 1947 | 1946 | 1947 | | | |
| Jan. | [12 928] | 13 258 | 17 465* | 19 637* | [769] | 746 | 916* | 1 228* | 11 687 | 14 004 | 18 381* | 20 865* | -449* | + 83* | Jan. |
| Febr. | 13 455 | 17 603* | 19 834* | | 761 | 923* | 1 263* | 11 839 | 14 216 | 18 526* | 21 097* | | +145* | +232* | Febr. |
| March | 13 532 | 17 770* | | | 779 | 931* | | 12 068 | 14 311 | 18 751* | | | +225* | | March |
| April | 13 577 | 17 896* | | | 757 | 1 050* | | 12 185 | 14 334 | 18 946* | | | +195* | | April |
| May | 13 753 | 17 884* | | | 800 | 1 156* | | 12 435 | 14 553 | 19 040* | | | + 94* | | May |
| June | 14 160 | 18 303* | | | 844 | 1 262* | | 12 714 | 15 004 | 19 565* | | | +525* | | June |
| July | 14 318 | 18 431* | | | 868 | 1 260* | | 12 880 | 15 186 | 19 691* | | | +126* | | July |
| Aug. | 14 456 | 18 586* | | | 945 | 1 353* | | 13 169 | 15 401 | 19 939* | | | +248* | | Aug. |
| Sept. | 15 277 | 18 628* | | | 1 017 | 1 409* | | 13 352 | 16 294 | 20 037* | | | + 98* | | Sept. |
| Oct. | 15 807 | 18 562* | | | 1 024 | 1 363* | | 13 569 | 16 831 | 19 925* | | | -112* | | Oct. |
| Nov. | 16 167 | 18 593* | | | 1 034 | 1 334* | | 13 701 | 17 201 | 19 927* | | | + 2* | | Nov. |
| Dec. | 17 583 | 19 457* | | | 1 247 | 1 325* | | 13 697 | 18 830 | 20 732* | | | +855* | | Dec. |

According to figures supplied by the Central Statistical Office.

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

* Preliminary figures subject to minor alterations.

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

| End of Month | Deposits in Co-operative Credit Societies ¹⁾ Mill. mk | | | | Monthly Movement | | Deposits in Consumers' Co-operative Societies ²⁾ Mill. mk | | | | Monthly Movement | | End of Month |
|--------------|---|-------|-------|-------|------------------|------|---|-------|-------|-------|------------------|------|--------------|
| | 1944 | 1945 | 1946 | 1947 | 1946 | 1947 | 1944 | 1945 | 1946 | 1947 | 1946 | 1947 | |
| Jan. | [3434] | | | | | | [1 039] | | | | | | Jan. |
| Febr. | 3 482 | 4 602 | 6 757 | 8 339 | -169 | -18 | 1 087 | 1 318 | 2 031 | 2 315 | - 5 | +53 | Febr. |
| March | 3 583 | 4 661 | 6 838 | 8 433 | + 81 | +94 | 1 108 | 1 341 | 2 053 | 2 354 | + 22 | +39 | March |
| April | 3 781 | 4 804 | 7 118 | | +280 | | 1 132 | 1 354 | 2 085 | | + 32 | | April |
| May | 3 888 | 4 842 | 7 304 | | +186 | | 1 151 | 1 363 | 2 112 | | + 27 | | May |
| June | 4 005 | 4 978 | 7 405 | | +101 | | 1 171 | 1 388 | 2 112 | | - 0 | | June |
| July | 4 110 | 5 150 | 7 534 | | +129 | | 1 188 | 1 429 | 2 138 | | + 26 | | July |
| Aug. | 4 187 | 5 246 | 7 606 | | + 72 | | 1 193 | 1 447 | 2 132 | | - 6 | | Aug. |
| Sept. | 4 310 | 5 332 | 7 739 | | +133 | | 1 209 | 1 465 | 2 127 | | - 5 | | Sept. |
| Oct. | 4 374 | 5 657 | 7 869 | | +130 | | 1 216 | 1 599 | 2 126 | | - 1 | | Oct. |
| Nov. | 4 447 | 5 901 | 7 883 | | + 14 | | 1 232 | 1 690 | 2 130 | | + 4 | | Nov. |
| Dec. | 4 453 | 6 061 | 7 871 | | - 12 | | 1 244 | 1 755 | 2 145 | | + 15 | | Dec. |
| | 4 507 | 6 926 | 8 357 | | +486 | | 1 268 | 2 036 | 2 262 | | +117 | | |

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

14. — DEPOSITS IN ALL CREDIT INSTITUTIONS. ¹⁾

| End of Month | Total Deposits due to the Public Mill. mk | | | | Monthly Movement | |
|--------------|--|--------|---------|---------|------------------|-------|
| | 1944 | 1945 | 1946 | 1947 | 1946 | 1947 |
| Jan. | [36 569] | | | | | |
| Febr. | 36 741 | 45 061 | 59 332* | 70 535* | -2 085* | +567* |
| March | 37 155 | 45 586 | 59 378* | 70 067* | + 46* | -468* |
| April | 39 065 | 46 263 | 60 517* | | +1 139* | |
| May | 39 579 | 46 420 | 62 351* | | +1 834* | |
| June | 40 596 | 47 396 | 62 475* | | + 124* | |
| July | 41 924 | 49 098 | 63 601* | | +1 126* | |
| Aug. | 42 539 | 49 067 | 64 423* | | + 822* | |
| Sept. | 43 883 | 49 285 | 65 664* | | +1 241* | |
| Oct. | 44 452 | 52 835 | 66 716* | | +1 052* | |
| Nov. | 45 266 | 54 874 | 67 988* | | +1 272* | |
| Dec. | 45 535 | 56 186 | 67 504* | | + 484* | |
| | 44 535 | 61 417 | 69 968* | | +2 465* | |

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

15. — INSURANCES IN LIFE ASSURANCE COMPANIES.

| End of Month | New risks accepted ¹⁾ | | | |
|--------------|----------------------------------|-----------------|---------|-----------------|
| | 1946 | | 1945 | |
| | Number | Amount Mill. mk | Number | Amount Mill. mk |
| January | 14 933 | 689 | 14 139* | 835* |
| February | 17 956 | 847 | 15 920* | 981* |
| March | 19 586 | 919 | | |
| April | 18 290 | 881 | | |
| May | 18 045 | 925 | | |
| June | 14 759 | 758 | | |
| July | 11 645 | 611 | | |
| August | 13 222 | 705 | | |
| September | 14 264 | 801 | | |
| October | 17 262 | 997 | | |
| November | 17 497 | 1 025 | | |
| December | 21 688 | 1 348 | | |
| Total | 199 147 | 10 506 | 30 059* | 1 816* |
| Jan.—Febr. | 32 889 | 1 536 | | |

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

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

| Year and Quarter | Companies founded | | Companies with increased Capital | | Companies liquidated | | Companies with reduced Capital | | Net increase (+) or reduction (-) | | Year and Quarter |
|------------------|-------------------|------------------|----------------------------------|------------------------------|----------------------|------------------|--------------------------------|-------------------------------|-----------------------------------|------------------|------------------|
| | Number | Capital Mill. mk | Number | Increase of Capital Mill. mk | Number | Capital Mill. mk | Number | Reduction of Capital Mill. mk | Number | Capital Mill. mk | |
| 1943 | 866 | 573 | 541 | 1 250 | 193 | 134 | 6 | 9 | + 673 | +1 680 | 1943 |
| 1944 | 523 | 238 | 316 | 633 | 176 | 128 | 2 | 1 | + 347 | + 742 | 1944 |
| 1945 | 1 485 | 797 | 428 | 511 | 120 | 111 | 4 | 34 | +1 365 | +1 163 | 1945 |
| 1946 | 1 355 | 649 | 956 | 3 764 | 110 | 51 | 8 | 7 | +1 245 | +4 355 | 1946 |
| 1945 | | | | | | | | | | | 1945 |
| Oct.—Dec. | 430 | 163 | 141 | 135 | 33 | 12 | 1 | 5 | + 397 | + 281 | Oct.—Dec. |
| 1946 | | | | | | | | | | | 1946 |
| Jan.—March | 392 | 195 | 150 | 183 | 36 | 13 | 3 | 1 | + 356 | + 364 | Jan.—March |
| April—June | 338 | 140 | 152 | 372 | 29 | 16 | 1 | 0 | + 309 | + 496 | April—June |
| July—Sept. | 268 | 106 | 182 | 401 | 24 | 6 | 1 | 4 | + 244 | + 497 | July—Sept. |
| Oct.—Dec. | 357 | 208 | 472 | 2 808 | 21 | 16 | 3 | 2 | + 336 | +2 998 | Oct.—Dec. |

Figures supplied by the Central Statistical Office.

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

* Preliminary figures subject to minor alterations.

17. — BANKRUPTCIES.

| Month | Bankruptcies ¹⁾ | | | | | |
|-----------|----------------------------|------|------|------|------|------|
| | Number | | | | | |
| | 1941 | 1942 | 1943 | 1944 | 1945 | 1946 |
| January | 11 | 12 | 15 | 7 | 10 | 12 |
| February | 18 | 6 | 8 | 10 | 7 | 8 |
| March | 22 | 13 | 8 | 4 | 6 | 10 |
| April | 19 | 10 | 10 | 12 | 3 | 7 |
| May | 29 | 7 | 13 | 6 | 7 | 10 |
| June | 7 | 6 | 9 | 2 | 12 | 6 |
| July | 3 | 9 | 11 | 9 | 3 | 6 |
| August | 9 | 7 | 4 | 12 | 8 | 6 |
| September | 2 | 17 | 1 | 15 | 2 | 6 |
| October | 15 | 9 | 7 | 10 | 11 | 17 |
| November | 17 | 7 | 12 | 10 | 2 | 13 |
| December | 28 | 14 | 11 | 8 | 8 | 5 |
| Total | 180 | 117 | 109 | 105 | 79 | 106 |

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

18. — STOCK EXCHANGE.

| Month | Turnover of Stock Exchange ¹⁾ | | | | | |
|------------|--|------|------|-------|-------|------|
| | Mill. mk | | | | | |
| | 1942 | 1943 | 1944 | 1945 | 1946 | 1947 |
| January | 40 | 24 | 30 | 29 | 54 | 83 |
| February | 51 | 26 | 38 | 41 | 75 | 84 |
| March | 88 | 29 | 44 | 117 | 65 | |
| April | 75 | 34 | 27 | 108 | 57 | |
| May | 75 | 48 | 41 | 81 | 144 | |
| June | 20 | 30 | 49 | 129 | 87 | |
| July | 19 | 28 | 31 | 114 | 59 | |
| August | 19 | 24 | 44 | 132 | 40 | |
| September | 28 | 59 | 51 | 219 | 87 | |
| October | 40 | 37 | 33 | 157 | 170 | |
| November | 29 | 40 | 53 | 94 | 206 | |
| December | 38 | 46 | 47 | 109 | 144 | |
| Total | 522 | 425 | 488 | 1 330 | 1 188 | |
| Jan.—Febr. | 91 | 50 | 68 | 70 | 129 | 167 |

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

19. — STOCK EXCHANGE INDEX. 1935=100.

| Month | Share Prices | | | | | | | | | | | | Month |
|------------|--------------|------|------|------|-------------|------|------|------|-------------------|------|------|------|------------|
| | All kinds | | | | Bank Shares | | | | Industrial Shares | | | | |
| | 1944 | 1945 | 1946 | 1947 | 1944 | 1945 | 1946 | 1947 | 1944 | 1945 | 1946 | 1947 | |
| January | 244 | 218 | 414 | 324 | 131 | 111 | 143 | 108 | 282 | 262 | 536 | 411 | January |
| February | 240 | 214 | 324 | 304 | 126 | 109 | 130 | 106 | 277 | 258 | 407 | 379 | February |
| March | 249 | 260 | 293 | | 128 | 122 | 121 | | 289 | 322 | 364 | | March |
| April | 255 | 305 | 324 | | 128 | 134 | 124 | | 301 | 383 | 405 | | April |
| May | 257 | 352 | 396 | | 127 | 147 | 130 | | 304 | 451 | 519 | | May |
| June | 245 | 458 | 436 | | 123 | 160 | 129 | | 287 | 611 | 582 | | June |
| July | 239 | 651 | 378 | | 120 | 205 | 122 | | 280 | 878 | 496 | | July |
| August | 256 | 691 | 356 | | 122 | 206 | 121 | | 303 | 916 | 462 | | August |
| September | 248 | 499 | 353 | | 120 | 167 | 125 | | 294 | 661 | 463 | | September |
| October | 235 | 497 | 368 | | 117 | 162 | 123 | | 282 | 648 | 477 | | October |
| November | 202 | 417 | 370 | | 108 | 148 | 117 | | 239 | 541 | 481 | | November |
| December | 209 | 416 | 340 | | 108 | 140 | 110 | | 250 | 545 | 436 | | December |
| Whole year | 240 | 415 | 363 | | 121 | 134 | 125 | | 282 | 540 | 469 | | Whole year |

*Unitas index based on the prices quoted for the shares of 3 banks and 10 industrial firms.

20. — PUBLIC DEBT.

| End of Year and Month | According to the Finance Accounts | | | | | | | | | Mill. Dollars ^{a)} | End of Year and Month |
|-----------------------|-----------------------------------|----------|--------|-------------------|----------|--------|-------------------|----------|---------|-----------------------------|-----------------------|
| | Funded Debt | | | Short-term Credit | | | Total Public Debt | | | | |
| | Foreign | Internal | Total | Foreign | Internal | Total | Foreign | Internal | Total | | |
| 1941 | 3 631 | 8 744 | 12 375 | 674 | 14 444 | 15 118 | 4 305 | 23 188 | 27 493 | 557 | 1941 |
| 1942 | 3 931 | 12 550 | 16 481 | 1 034 | 19 330 | 20 364 | 4 965 | 31 880 | 36 845 | 747 | 1942 |
| 1943 | 4 144 | 23 561 | 27 705 | 1 248 | 22 669 | 23 917 | 5 392 | 46 230 | 51 622 | 1 046 | 1943 |
| 1944 | 4 832 | 35 777 | 40 609 | 1 266 | 25 447 | 26 713 | 6 098 | 61 224 | 67 322 | 1 364 | 1944 |
| 1945 | 16 425 | 38 612 | 55 037 | 3 522 | 26 947 | 30 469 | 19 947 | 65 559 | 85 506 | ^{a)} 629 | 1945 |
| 1946 | | | | | | | | | | | 1946 |
| August | 22 726 | 41 571 | 64 297 | 4 168 | 30 971 | 35 139 | 26 894 | 72 542 | 99 436 | 731 | August |
| September | 23 246 | 42 685 | 65 931 | 4 172 | 32 581 | 36 753 | 27 418 | 75 266 | 102 684 | 755 | September |
| October | 24 029 | 44 268 | 68 297 | 4 177 | 31 869 | 36 046 | 28 206 | 76 137 | 104 343 | 767 | October |
| November | 24 375 | 45 102 | 69 477 | 4 181 | 28 332 | 32 513 | 28 556 | 73 434 | 101 990 | 750 | November |
| December | 27 454 | 46 288 | 73 742 | 4 179 | 26 848 | 31 027 | 31 633 | 73 136 | 104 769 | 770 | December |

¹⁾ According to data supplied by the Treasury. Internal loans are given at their nominal value and foreign loans in Finnish currency according to current rates of exchange. — ²⁾ The outstanding amounts of both internal and foreign loans have been converted into United States dollars at the Helsinki rates of exchange of the respective currencies. — ³⁾ New rates of exchange caused a fall.

21. — STATE REVENUE AND EXPENDITURE.

| Year and Month | Total Revenue | Current Revenue ¹⁾ derived from | | | | | | | Capital Revenue | Expenditure | | | Year and Month |
|-----------------|---------------|--|--------------------------------|------------|-----------|------------------------|---|-----------------------------|-----------------|-------------|---------|---------|-----------------|
| | | Income and Property tax ²⁾ | Excise on spirits, wines, etc. | Stamp duty | Sales tax | Interest and Dividends | Railways, Posts, Telegraphs ³⁾ | State Forests ⁴⁾ | | Total | Current | Capital | |
| | | | | | | | | | | | | | |
| 1945 Whole year | 42 897 | 13 759 | 334 | 857 | 6 872 | 2 533 | —601 | 113 | 9 163 | 42 755 | 33 754 | 9 001 | 1945 Whole year |
| 1946 Whole year | 104 345 | 19 551 | 435 | 1 375 | 13 536 | 5 736 | 249 | 1 187 | 37 945 | 100 106 | 76 159 | 23 947 | 1946 Whole year |
| 1947 Budget | 62 558 | 15 650 | 354 | 1 000 | 11 000 | 6 834 | 648 | 881 | 13 241 | 62 532 | 47 169 | 15 363 | 1947 Budget |

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

22. — COLLECTION OF CUSTOMS.

| Year and Month | Total Customs Receipts | Customs duty on | | Fines, Light Dues, etc. |
|-----------------|------------------------|--------------------------------------|----------------|-------------------------|
| | | Imported goods incl. storage charges | Exported goods | |
| | | | | |
| 1946 January | 34 | 32 | 0 | 2 |
| 1946 Whole year | 2 531 | 2 470 | 0 | 61 |
| 1947 January | 177 | 171 | 0 | 6 |
| 1947 Budget | 3 522 | 3 500 | 1 | 21 |

23. — COLLECTION OF EXCISE DUES.

| Year and Month | Total Excise Dues | Excise on | | | |
|-----------------|-------------------|-----------|---------|------|---------|
| | | Tobacco | Spirits | Beer | Matches |
| | | | | | |
| 1946 January | 311 | 268 | — | 0 | 27 |
| 1946 Whole year | 4 430 | 3 472 | 198 | 237 | 245 |
| 1947 January | . | 294 | . | . | 18 |
| 1947 Budget | 4 314 | 3 500 | 174 | 180 | 250 |

24. — VALUE OF IMPORTS AND EXPORTS.

| Month | Imports (c. i. f.) Mill. mk | | | Exports (f. o. b., free exports) Mill. mk | | | Surplus of Imports (—) or Exports (+) Mill. mk | | | Month |
|------------|--------------------------------|---------|--------|--|---------|--------|---|----------|----------|------------|
| | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | |
| | | | | | | | | | | |
| January | 391 | 944* | 2 832* | 31 | 957* | 1 961* | — 360 | + 13* | — 871* | January |
| February | 339 | 884* | 2 304* | 15 | 681* | 1 170* | — 324 | — 203* | — 1 134* | February |
| March | 332 | 1 330* | | 31 | 1 013* | | — 301 | — 317* | | March |
| April | 368 | 1 388* | | 46 | 1 067* | | — 322 | — 321* | | April |
| May | 429 | 1 999* | | 67 | 1 708* | | — 362 | — 291* | | May |
| June | 349 | 2 511* | | 127 | 1 965* | | — 222 | — 546* | | June |
| July | 311 | 2 988* | | 248 | 2 068* | | — 63 | — 920* | | July |
| August | 662 | 2 729* | | 550 | 2 505* | | — 112 | — 224* | | August |
| September | 512 | 2 391* | | 730 | 2 379* | | + 218 | — 12* | | September |
| October | 685 | 2 316* | | 1 055 | 3 240* | | + 370 | + 924* | | October |
| November | 812 | 2 268* | | 988 | 2 907* | | + 176 | + 639* | | November |
| December | 1 631 | 2 538* | | 1 340 | 2 561* | | — 291 | + 23* | | December |
| Total | 6 821 | 24 286* | | 5 228 | 23 051* | | — 1 593 | — 1 235* | | Total |
| Jan.—Febr. | 730 | 1 828* | 5 136* | 46 | 1 638* | 3 131* | — 684 | — 190* | — 2 005* | Jan.—Febr. |

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

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

* Preliminary figures subject to minor alterations.

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

| Classes of Goods | Imports (c. i. f.) Mill. mk | | | | | Exports (f. o. b.) Mill. mk | | | | |
|---|-----------------------------------|---------------|------------|------------|--------------|-----------------------------------|---------------|-----------|------------|--------------|
| | Whole year | | January | | | Whole year | | January | | |
| | 1945 | 1946* | 1945 | 1946* | 1947* | 1945 | 1946* | 1945 | 1946* | 1947* |
| Dairy produce, eggs, honey | 274 | 702 | 1 | 0 | 81 | 57 | 107 | — | — | 2 |
| Other animal products, live animals | 264 | 635 | 12 | 23 | 76 | 18 | 67 | 0 | 7 | 5 |
| Vegetables | 78 | 9 | 8 | 0 | 1 | — | 0 | — | — | — |
| Eatable fruit | 4 | 74 | 0 | 0 | 11 | 0 | 14 | — | — | 3 |
| Coffee, tee, spices | 13 | 171 | 0 | 0 | 1 | — | — | — | — | — |
| Cereals, milling products .. | 1 365 | 3 088 | 110 | 299 | 478 | 0 | — | — | — | — |
| Certain seeds and fruit, plants for industrial purposes .. | 46 | 153 | 1 | 7 | 36 | 2 | 29 | 0 | 6 | 0 |
| Raw materials for tanning and dyeing | 3 | 78 | 0 | 2 | 4 | 0 | — | — | — | — |
| Animal and vegetable fats .. | 269 | 333 | 0 | 0 | 46 | — | 0 | — | — | 0 |
| Meat and fish products ... | 81 | 62 | 1 | 10 | 0 | — | 0 | — | — | — |
| Sugar, sweets | 272 | 846 | 29 | 51 | 67 | — | — | — | — | — |
| Beverages, vinegars | 0 | 166 | 0 | 5 | 22 | — | 19 | — | — | 11 |
| Fodder | 2 | 143 | 2 | — | — | 0 | 0 | — | — | — |
| Tobacco | 195 | 415 | 15 | 34 | 46 | — | — | — | — | — |
| Minerals, ore | 207 | 864 | 13 | 42 | 83 | 85 | 76 | 11 | 3 | 8 |
| Mineral fuel and oils | 531 | 3 643 | 71 | 81 | 267 | 2 | 0 | — | — | — |
| Chemical and pharmaceutic- al products | 274 | 1 010 | 5 | 27 | 110 | 20 | 39 | 1 | 1 | 7 |
| Tanning and dyeing extracts, varnishes | 73 | 340 | 5 | 7 | 53 | 1 | 2 | — | 0 | 0 |
| Caseine, albumine, glues .. | 116 | 263 | 2 | 1 | 21 | — | 1 | — | — | — |
| Fertilizers | 157 | 854 | 22 | 12 | 126 | 0 | — | — | — | — |
| Hides, skins, leather and furs; manufactures of these materials | 45 | 215 | 6 | 1 | 34 | 0 | 97 | — | — | 17 |
| Rubber and rubber articles | 77 | 656 | 2 | 17 | 37 | 2 | 0 | 0 | — | — |
| Wood and wooden goods .. | 3 | 21 | 0 | 1 | 1 | 1 908 | 9 744 | 2 | 229 | 637 |
| Woodpulp | 4 | 1 | — | 0 | — | 1 217 | 4 285 | — | 257 | 407 |
| Cardboard and paper; their applications | 6 | 38 | 0 | 1 | 4 | 1 312 | 6 915 | 1 | 385 | 699 |
| Textile materials, textile goods | 567 | 1 719 | 49 | 88 | 241 | 206 | 646 | 1 | 41 | 62 |
| Footwear | 40 | 101 | 7 | 0 | 4 | 0 | 4 | — | — | — |
| Articles of stone and of other mineral material, glass .. | 48 | 222 | 1 | 6 | 19 | 62 | 204 | 2 | 13 | 21 |
| Base metals; articles made therefrom | 1 092 | 3 433 | 10 | 112 | 376 | 120 | 445 | 7 | 2 | 48 |
| Machinery, apparatus | 364 | 1 428 | 7 | 64 | 169 | 88 | 41 | 1 | 1 | 8 |
| Electrical machinery and apparatus | 123 | 535 | 2 | 22 | 61 | 23 | 46 | 0 | 2 | 4 |
| Transport material | 52 | 1 533 | 2 | 8 | 293 | 3 | 10 | 0 | 0 | 1 |
| Instruments, clocks and watches, musical instru- ments | 31 | 111 | 3 | 6 | 13 | 1 | 5 | 0 | 0 | 1 |
| All others | 145 | 424 | 5 | 17 | 51 | 101 | 255 | 5 | 10 | 20 |
| Total free trade | 6 821 | 24 286 | 391 | 944 | 2 832 | 5 228 | 23 051 | 31 | 957 | 1 961 |
| Reparation deliveries | | | | | | 8 172 | 8 775 | 689 | 456 | 519 |
| Restitution goods | | | | | | 1 284 | 655 | — | 62 | — |

* Preliminary figures subject to minor alterations.

26. — IMPORTS OF THE MOST IMPORTANT ARTICLES.

| Month | Wheat Tons | | | Rye Tons | | | Sugar Refined and unrefined Tons | | | Month |
|------------|---------------|---------|---------|-------------|----------|---------|--|---------|--------|------------|
| | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | |
| January | 11 183 | 5 242* | 17 066* | 12 764 | 22 724* | 14 341* | 2 278 | 1 659* | 1 501* | January |
| February | 7 326 | 4 764* | — | 5 839 | 2 403* | 12 817* | 1 679 | 2 276* | 1 587* | February |
| March | 11 378 | 3 953* | — | 12 887 | 14 924* | — | 1 563 | 2 161* | — | March |
| April | 3 384 | 4 435* | — | 12 994 | 1 049* | — | 1 305 | 2 020* | — | April |
| May | 2 221 | 0* | — | 25 967 | 9 459* | — | 538 | 1 963* | — | May |
| June | 45 | 16 011* | — | 16 632 | 40 308* | — | 997 | 2 410* | — | June |
| July | 1 270 | 17 454* | — | 12 732 | 21 047* | — | 1 910 | 4 892* | — | July |
| August | — | 30 274* | — | 19 175 | 15 312* | — | 1 355 | 3 690* | — | August |
| September | 3 450 | 12 735* | — | 5 748 | 19 861* | — | 795 | 3 112* | — | September |
| October | 6 645 | 1 551* | — | 2 200 | 8 829* | — | 1 361 | 3 531* | — | October |
| November | 6 370 | — | — | 5 910 | 213* | — | 389 | 3 656* | — | November |
| December | 16 504 | — | — | 17 015 | — | — | 1 992 | 1 128* | — | December |
| Total | 69 726 | 96 419* | 17 066* | 149 863 | 156 129* | 27 158* | 16 162 | 32 498* | 3 088* | Total |
| Jan.—Febr. | 18 459 | 10 006* | 17 066* | 18 603 | 25 127* | 27 158* | 3 957 | 3 935* | 3 088* | Jan.—Febr. |

| Month | Raw Tobacco Tons | | | Coal and Coke Tons | | | Petrol Tons | | | Month |
|------------|---------------------|--------|------|-----------------------|----------|---------|----------------|---------|---------|------------|
| | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | |
| January | 119 | 167* | 215* | 36 322 | 19 422* | 40 833* | 113 | — | 7 545* | January |
| February | 108 | 142* | 205* | 6 726 | 23 868* | 50 620* | 177 | 191* | 7 404* | February |
| March | 96 | 152* | — | 3 012 | 46 747* | — | 88 | 36* | — | March |
| April | 93 | 166* | — | — | 73 911* | — | 228 | 386* | — | April |
| May | 60 | 197* | — | — | 88 959* | — | 196 | 1 201* | — | May |
| June | 96 | 144* | — | — | 70 041* | — | 208 | 4 122* | — | June |
| July | 91 | 102* | — | — | 154 693* | — | 259 | 5 279* | — | July |
| August | 203 | 208* | — | — | 95 672* | — | 386 | 6 969* | — | August |
| September | 128 | 198* | — | — | 126 632* | — | 525 | 5 819* | — | September |
| October | 157 | 192* | — | 20 123 | 95 977* | — | 316 | 6 315* | — | October |
| November | 159 | 182* | — | 32 948 | 62 322* | — | 419 | 6 457* | — | November |
| December | 89 | 108* | — | 12 167 | 79 719* | — | 1 720 | 5 554* | — | December |
| Total | 1 399 | 1 958* | 420* | 111 298 | 937 963* | 91 453* | 4 635 | 42 329* | 14 949* | Total |
| Jan.—Febr. | 227 | 309* | 420* | 43 048 | 43 290* | 91 453* | 290 | 191* | 14 949* | Jan.—Febr. |

| Month | Raw Cotton Tons | | | Pig Iron Tons | | | Bar Iron and Bar Steel Tons | | | Month |
|------------|--------------------|--------|--------|------------------|--------|------|--------------------------------|---------|--------|------------|
| | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | |
| January | 908 | 1 137* | 1 088* | — | 101* | 10* | 116 | 654* | 3 193* | January |
| February | 692 | 441* | 3 430* | — | — | 5* | 826 | 1 825* | 3 789* | February |
| March | 196 | 276* | — | — | 150* | — | 3 291 | 2 124* | — | March |
| April | 314 | 1 402* | — | — | 660* | — | 3 201 | 2 694* | — | April |
| May | 286 | 423* | — | — | 150* | — | 2 414 | 4 467* | — | May |
| June | 836 | 719* | — | — | 220* | — | 1 586 | 3 491* | — | June |
| July | 257 | 502* | — | 150 | 69* | — | 691 | 6 531* | — | July |
| August | 278 | 2 583* | — | 99 | 100* | — | 1 169 | 3 820* | — | August |
| September | 367 | 118* | — | 125 | — | — | 1 156 | 4 218* | — | September |
| October | 646 | 647* | — | — | 471* | — | 1 295 | 4 173* | — | October |
| November | 556 | 203* | — | 227 | 65* | — | 952 | 7 100* | — | November |
| December | 543 | 67* | — | 100 | 242* | — | 605 | 4 152* | — | December |
| Total | 5 879 | 8 518* | 4 518* | 701 | 2 228* | 15* | 17 302 | 45 249* | 6 982* | Total |
| Jan.—Febr. | 1 600 | 1 578* | 4 518* | — | 101* | 15* | 942 | 2 479* | 6 982* | Jan.—Febr. |

*) Preliminary figures subject to minor alterations.

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

| Month | Copper Ore Tons | | | Round Timber All kinds excl. fuel 1 000 m ³ | | | Sawn Timber All kinds 1 000 standards | | | Month |
|------------|--------------------|------|------|--|--------|------|---|------|------|------------|
| | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | |
| January | 3 150 | — | — | 1 | 24* | 30* | — | 2* | 16* | January |
| February | 69 | — | — | — | 9* | 15* | 0 | 0* | 5* | February |
| March | 129 | — | — | — | 15* | — | — | 0* | — | March |
| April | 3 367 | — | — | 0 | 26* | — | — | 0* | — | April |
| May | 100 | — | — | 0 | 74* | — | 0 | 6* | — | May |
| June | 97 | — | — | 1 | 88* | — | 1 | 20* | — | June |
| July | 153 | — | — | 1 | 153* | — | 3 | 31* | — | July |
| August | 45 | — | — | 14 | 258* | — | 6 | 34* | — | August |
| September | 54 | — | — | 35 | 187* | — | 14 | 43* | — | September |
| October | 158 | — | — | 138 | 235* | — | 34 | 64* | — | October |
| November | 118 | — | — | 63 | 149* | — | 16 | 48* | — | November |
| December | 249 | — | — | 26 | 121* | — | 22 | 30* | — | December |
| Total | 7 689 | — | — | 279 | 1 839* | — | 96 | 278* | — | Total |
| Jan.—Febr. | 3 219 | — | — | 1 | 33* | 45* | 0 | 2* | 21* | Jan.—Febr. |

1 standard sawn timber = 4.072 m³.

| Month | Matches Tons | | | Plywood 1 000 m ³ | | | Bobbins (spools) Tons | | | Month |
|------------|-----------------|--------|------|---------------------------------|------|------|--------------------------|--------|------|------------|
| | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | |
| January | — | 24* | 205* | 0 | 2* | 8* | — | 41* | 67* | January |
| February | — | 78* | 114* | 0 | 1* | 7* | — | 65* | 46* | February |
| March | — | 53* | — | 1 | 10* | — | — | 256* | — | March |
| April | — | 301* | — | 0 | 9* | — | — | 108* | — | April |
| May | — | 126* | — | 1 | 16* | — | — | 212* | — | May |
| June | — | 260* | — | 1 | 12* | — | 9 | 123* | — | June |
| July | — | 148* | — | 1 | 8* | — | — | 212* | — | July |
| August | — | 180* | — | 2 | 9* | — | — | 86* | — | August |
| September | 89 | 154* | — | 5 | 10* | — | — | 162* | — | September |
| October | 116 | 278* | — | 7 | 14* | — | 3 | 146* | — | October |
| November | 72 | 114* | — | 5 | 9* | — | 45 | 158* | — | November |
| December | 72 | 87* | — | 6 | 10* | — | 55 | 217* | — | December |
| Total | 349 | 1 803* | — | 29 | 110* | — | 112 | 1 786* | — | Total |
| Jan.—Febr. | — | 102* | 319* | 0 | 3* | 15* | — | 106* | 113* | Jan.—Febr. |

| Month | Mechanical Pulp ²⁾ Tons | | | Sulphite Cellulose ²⁾ Tons | | | Sulphate Cellulose ²⁾ Tons | | | Month |
|------------|---------------------------------------|---------|--------|--|----------|---------|--|----------|---------|------------|
| | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | |
| January | — | 4 838* | 4 075* | — | 14 419* | 19 410* | — | 10 154* | 10 653* | January |
| February | — | 1 697* | 2 156* | — | 7 816* | 9 742* | — | 7 785* | 8 591* | February |
| March | — | 1 448* | — | — | 11 082* | — | — | 8 170* | — | March |
| April | — | 1 037* | — | — | 15 897* | — | — | 11 546* | — | April |
| May | — | 7 221* | — | — | 27 990* | — | — | 24 109* | — | May |
| June | — | 11 836* | — | 178 | 23 778* | — | 949 | 15 731* | — | June |
| July | 4 017 | 10 090* | — | 7 412 | 11 798* | — | 6 125 | 15 082* | — | July |
| August | 9 674 | 11 190* | — | 9 721 | 17 309* | — | 9 684 | 22 642* | — | August |
| September | 2 759 | 4 053* | — | 3 209 | 10 823* | — | 9 121 | 12 521* | — | September |
| October | 2 062 | 5 304* | — | 9 275 | 19 880* | — | 5 930 | 15 916* | — | October |
| November | 4 742 | 4 567* | — | 18 699 | 19 562* | — | 18 735 | 16 965* | — | November |
| December | 15 611 | 3 207* | — | 16 242 | 22 211* | — | 9 633 | 20 327* | — | December |
| Total | 38 845 | 66 488* | — | 64 736 | 202 565* | — | 60 177 | 180 948* | — | Total |
| Jan.—Febr. | — | 6 535* | 6 231* | — | 22 235* | 29 152* | — | 17 939* | 19 244* | Jan.—Febr. |

¹⁾ Free exports. — ²⁾ Dry weight.

* Preliminary figures subject to minor alterations.

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

| Month | Cardboard All Kinds Tons | | | Paper All Kinds Tons | | | Newsprint (included in previous column) Tons | | | Month |
|------------|--------------------------------|---------|---------|----------------------------|----------|---------|--|----------|---------|------------|
| | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | 1945 | 1946 | 1947 | |
| January | — | 5 834* | 7 891* | 42 | 23 867* | 24 094* | — | 16 551* | 12 880* | January |
| February | — | 3 761* | 2 675* | 40 | 14 376* | 9 300* | — | 7 588* | 4 953* | February |
| March | — | 9 870* | — | 79 | 20 378* | — | — | 13 321* | — | March |
| April | 29 | 9 486* | — | 65 | 20 783* | — | — | 13 354* | — | April |
| May | — | 7 056* | — | 57 | 26 621* | — | — | 16 496* | — | May |
| June | 119 | 7 783* | — | 5 360 | 29 129* | — | 3 631 | 19 113* | — | June |
| July | 486 | 8 214* | — | 7 467 | 29 463* | — | 6 280 | 19 667* | — | July |
| August | 2 833 | 9 425* | — | 13 022 | 29 125* | — | 7 879 | 20 925* | — | August |
| September | 2 212 | 7 105* | — | 15 055 | 27 526* | — | 10 610 | 17 864* | — | September |
| October | 4 613 | 8 123* | — | 12 814 | 33 035* | — | 7 769 | 20 953* | — | October |
| November | 3 863 | 6 889* | — | 11 236 | 33 568* | — | 6 999 | 22 120* | — | November |
| December | 11 393 | 8 187* | — | 17 304 | 29 762* | — | 12 422 | 19 559* | — | December |
| Total | 25 548 | 91 733* | — | 82 541 | 317 633* | — | 55 590 | 207 511* | — | Total |
| Jan.—Febr. | — | 9 595* | 10 566* | 82 | 38 243* | 33 394* | — | 24 139* | 17 833* | Jan.—Febr. |

28. — FOREIGN TRADE WITH VARIOUS COUNTRIES.

| Country | Imports (s. i. f.) | | | | | Exports (f. o. b., free exports) | | | | |
|--|-----------------------|-------|---------|----------|-------|-------------------------------------|-------|----------|-------|-------|
| | Whole year | | January | | | Whole year | | January | | |
| | 1945 | 1946* | 1946* | 1947* | 1945 | 1946* | 1946* | 1947* | | |
| Europe: | % | % | % | Mill. mk | % | % | % | Mill. mk | % | |
| Belgium | 0.3 | 5.8 | 3.1 | 66 | 2.4 | 1.6 | 7.3 | 7.8 | 99 | 5.0 |
| Bulgaria | 0.6 | 0.1 | 0.3 | 1 | 0.0 | — | 0.0 | — | — | — |
| Denmark | 15.2 | 10.3 | 11.9 | 315 | 11.1 | 10.9 | 11.1 | 11.2 | 221 | 11.3 |
| France | 0.0 | 2.6 | 0.6 | 99 | 3.5 | 0.3 | 3.8 | 0.9 | 126 | 6.4 |
| Germany | 1.6 | 0.1 | 0.2 | 0 | 0.0 | — | — | — | — | — |
| Great Britain | 10.7 | 21.4 | 9.3 | 519 | 18.3 | 35.2 | 26.7 | 19.8 | 436 | 22.2 |
| Greece | 0.0 | 0.0 | 0.0 | 1 | 0.0 | 0.1 | 0.3 | — | 6 | 0.3 |
| Holland | 0.2 | 1.8 | 0.0 | 118 | 4.2 | 0.5 | 3.1 | 1.2 | 90 | 4.6 |
| Hungary | 0.0 | 0.0 | 0.0 | 0 | 0.0 | — | — | — | — | — |
| Italy | 0.0 | 0.0 | 0.0 | 0 | 0.0 | 0.0 | 0.3 | — | 37 | 1.9 |
| Norway | 0.3 | 2.7 | 8.2 | 54 | 1.9 | 0.2 | 2.4 | 1.2 | 31 | 1.6 |
| Rumania | 0.2 | 0.0 | 0.1 | 0 | 0.0 | — | — | — | — | — |
| Soviet Union | 19.0 | 21.4 | 41.5 | 458 | 16.2 | 29.6 | 20.1 | 41.7 | 241 | 12.3 |
| Sweden | 51.3 | 10.0 | 18.9 | 143 | 5.0 | 15.9 | 9.4 | 11.0 | 169 | 8.6 |
| Switzerland | 0.0 | 0.4 | 1.1 | 17 | 0.8 | 0.2 | 1.0 | 0.3 | 11 | 0.6 |
| Spain | — | 0.0 | 0.0 | 0 | 0.0 | — | 0.0 | — | — | — |
| Turkey | 0.4 | 0.4 | 0.1 | 19 | 0.7 | 0.6 | 0.0 | — | 11 | 0.6 |
| Other European countries | 0.2 | 0.5 | 0.0 | 64 | 2.3 | 0.2 | 1.3 | 0.1 | 26 | 1.3 |
| Total for Europe | 100.0 | 77.5 | 95.3 | 1 874 | 66.2 | 95.3 | 86.8 | 95.2 | 1 504 | 76.7 |
| Asia | 0.0 | 0.0 | — | 3 | 0.1 | — | 1.2 | — | 62 | 3.2 |
| Africa | 0.0 | 0.1 | 0.0 | 8 | 0.3 | 0.1 | 1.9 | — | 53 | 2.7 |
| United States | 0.0 | 19.5 | 4.7 | 838 | 29.6 | 1.9 | 6.9 | 4.6 | 228 | 11.6 |
| Other States of North America | — | 0.0 | 0.0 | 0 | 0.0 | 0.1 | 0.1 | — | 2 | 0.1 |
| South America | 0.0 | 2.9 | 0.0 | 109 | 3.8 | 2.6 | 3.0 | 0.2 | 96 | 4.9 |
| Australia | — | 0.0 | — | 0 | 0.0 | — | 0.1 | 0.0 | 16 | 0.8 |
| Grand total | 100.0 | 100.0 | 100.0 | 2 832 | 100.0 | 100.0 | 100.0 | 100.0 | 1 961 | 100.0 |

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

* Preliminary figures subject to minor alterations.

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

| Year and Month | Total Imports | Groups of Imported Goods | | | | Total Exports | Principal Exported Goods | | | | Year and Month |
|----------------|---------------|--------------------------|-----------|------------|-------------------------|---------------|--------------------------|-----------------|---------------|-------|----------------|
| | | Raw materials | Machinery | Foodstuffs | Other consumption goods | | Sawn timber | Mechanical pulp | Dry cellulose | Paper | |
| 1942 | 333 | 379 | 279 | 338 | 271 | 244 | 234 | 215 | 254 | 214 | 1942 |
| 1943 | 420 | 457 | 346 | 486 | 324 | 304 | 277 | 271 | 320 | 311 | 1943 |
| 1944 | 457 | 468 | 360 | 560 | 400 | 323 | 292 | 309 | 337 | 314 | 1944 |
| 1945 | 709 | 729 | 798 | 713 | 447 | 452 | 433 | 597 | 436 | 445 | 1945 |
| 1946 | | | | | | | | | | | 1946 |
| January | 865 | 894 | 637 | 1 091 | 664 | 662 | 677 | 660 | 624 | 647 | January |
| Jan.—Sept. | 887 | 855 | 897 | 965 | 940 | 760 | 757 | 717 | 674 | 747 | Jan.—Sept. |
| Jan.—Oct. | 884 | 855 | 876 | 962 | 860 | 776 | 778 | 765 | 683 | 756 | Jan.—Oct. |
| Jan.—Nov. | 896 | 882 | 891 | 954 | 847 | 789 | 793 | 774 | 694 | 770 | Jan.—Nov. |
| Jan.—Dec. | 896 | 888 | 883 | 947 | 846 | 796 | 802 | 776 | 700 | 777 | Jan.—Dec. |
| 1947 | | | | | | | | | | | 1947 |
| January | 955 | 838 | 719 | 1 334 | 861 | 914 | 904 | 1 132 | 818 | 990 | January |

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

30. — TOTAL SALES OF WHOLESALE FIRMS.

| Month | Total Sales Mill. mk | | | | | | Month |
|-----------|-------------------------|--------|--------|--------|--------|-------|-----------|
| | 1942 | 1943 | 1944 | 1945 | 1946 | 1947 | |
| January | 677 | 981 | 1 046 | 1 412 | 2 840 | 3 456 | January |
| February | 821 | 1 073 | 1 206 | 1 432 | 2 957 | | February |
| March | 923 | 1 306 | 1 360 | 1 585 | 3 470 | | March |
| April | 914 | 1 266 | 1 246 | 1 626 | 3 680 | | April |
| May | 1 007 | 1 329 | 1 411 | 1 848 | 4 039 | | May |
| June | 1 138 | 1 099 | 1 043 | 1 759 | 3 731 | | June |
| July | 1 186 | 1 106 | 948 | 1 400 | 3 402 | | July |
| August | 1 072 | 1 167 | 1 229 | 1 847 | 3 911 | | August |
| September | 1 125 | 1 308 | 1 023 | 2 420 | 4 040 | | September |
| October | 1 098 | 1 337 | 1 077 | 2 954 | 4 622 | | October |
| November | 1 076 | 1 302 | 1 191 | 3 186 | 4 551 | | November |
| December | 1 188 | 1 429 | 1 419 | 3 267 | 5 024 | | December |
| Total | 12 225 | 14 703 | 14 199 | 24 786 | 46 267 | | Total |

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

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

| Month | Home Industries | | | | | | | | | | Exporting Industries | | | | | Month | | |
|------------|-----------------|------|------|------|------|--------------|------|------|------|------|----------------------|------|------|------|------|------------|----|-----------|
| | Value Index | | | | | Volume Index | | | | | Volume Index | | | | | | | |
| | 1942 | 1943 | 1944 | 1945 | 1946 | 1942 | 1943 | 1944 | 1945 | 1946 | 1942 | 1943 | 1944 | 1945 | 1946 | | | |
| January | 192 | 204 | 244 | 221 | 530 | 98 | 97 | 97 | 76 | 94 | 38 | 48 | 47 | 40 | 55 | January | | |
| February | 216 | 257 | 288 | 264 | 607 | | | | 89 | 107 | 66 | 49 | 48 | 38 | 55 | 55 | 55 | February |
| March | 201 | 237 | 265 | 220 | 548 | | | | 73 | 94 | 37 | 50 | 51 | 40 | 57 | 57 | 57 | March |
| April | 169 | 203 | 211 | 220 | 582 | 95 | 89 | 76 | 70 | 97 | 38 | 54 | 53 | 44 | 59 | April | | |
| May | 176 | 208 | 222 | 220 | 528 | | | | 69 | 88 | 37 | 52 | 51 | 47 | 66 | 66 | 66 | May |
| June | 203 | 201 | 199 | 239 | 561 | | | | 69 | 93 | 43 | 40 | 40 | 50 | 63 | 63 | 63 | June |
| July | 217 | 226 | 239 | 213 | 582 | 81 | 77 | 78 | 56 | 97 | 46 | 42 | 31 | 47 | 65 | July | | |
| August | 159 | 194 | 235 | 309 | 620 | | | | 69 | 103 | 49 | 45 | 33 | 48 | 62 | 62 | 62 | August |
| September | 196 | 184 | 199 | 341 | 676 | | | | 72 | 112 | 47 | 48 | 32 | 52 | 70 | 70 | 70 | September |
| October | 166 | 179 | 195 | 390 | 609 | 76 | 75 | 72 | 76 | 101 | 48 | 50 | 32 | 56 | 69 | October | | |
| November | 190 | 205 | 230 | 484 | 669 | | | | 89 | 111 | 43 | 49 | 32 | 54 | 70 | 70 | 70 | November |
| December | 196 | 221 | 221 | 470 | 713 | | | | 85 | 118 | 42 | 46 | 38 | 51 | 71 | 71 | 71 | December |
| Whole year | 189 | 208 | 225 | 303 | 607 | 83 | 82 | 80 | 76 | 102 | 43 | 48 | 40 | 47 | 64 | Whole year | | |

«Unitas» index based on seasonally adjusted monthly figures.

32. — BUILDING ACTIVITY.

| Month | Consumption of Cement in Finland ¹⁾ | | | | | | Plans approved in the Capital ²⁾ | | | | | | Month |
|-----------|--|------|------|------|------|------|---|-------|-------|---------|---------|-----------|------------|
| | 1 000 tons | | | | | | All buildings, 1 000 m ³ | | | | | | |
| | 1941 | 1942 | 1943 | 1944 | 1945 | 1946 | 1942 | 1943 | 1944 | 1945 | 1946 | 1947 | |
| January | 25 | 23 | 28 | 31 | 46 | 27 | 92.2 | 7.1 | 0.6 | 64.7 | 105.6 | 39.2* | January |
| February | 25 | | | | | | 88.3 | 18.3 | 0.3 | 35.5 | 91.8 | 28.4* | February |
| March | 29 | | | | | | 3.9 | — | 25.6 | 71.9 | 39.2 | March | |
| April | 34 | 76 | 73 | 60 | 89 | 79 | 12.1 | 4.8 | 2.9 | 116.8 | 97.1 | April | |
| May | 57 | | | | | | 72.4 | 196.6 | 8.1 | 229.7 | 54.5 | May | |
| June | 36 | | | | | | 35.1 | 19.9 | 70.2 | 101.7 | 56.9 | June | |
| July | 23 | 96 | 79 | 52 | 83 | 127 | 8.5 | 82.7 | 1.5 | 126.5 | 119.9 | July | |
| August | 15 | | | | | | 8.9 | 11.5 | 6.9 | 42.5 | 87.4 | August | |
| September | 8 | | | | | | 1.5 | 1.2 | 0.0 | 12.6 | 57.8 | September | |
| October | 8 | 53 | 46 | 44 | 63 | 96 | 12.1 | 12.7 | 1.7 | 47.7 | 101.6 | October | |
| November | 8 | | | | | | 9.9 | 2.0 | 40.6 | 150.9 | 73.2 | November | |
| December | 8 | | | | | | 9.3 | 0.5 | 42.0 | 36.1 | 119.2 | December | |
| Total | 276 | 248 | 226 | 187 | 281 | 329 | 354.2 | 357.3 | 200.4 | 1 036.6 | 1 004.2 | 67.6* | Total |
| | | | | | | | 180.5 | 25.4 | 0.9 | 100.2 | 197.4 | | Jan.—Febr. |

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

33. — FOREIGN SHIPPING.

| Year and Month | Arrivals | | | | Sailings | | | | Year and Month |
|----------------|-------------------|------------------|---------------|---------------------|-------------------|------------------|---------------|---------------------|----------------|
| | Number of vessels | | Net reg. tons | | Number of vessels | | Net reg. tons | | |
| | Total | of which Finnish | Total | of which with Cargo | Total | of which Finnish | Total | of which with Cargo | |
| 1944 | 1 659 | 1 053 | 1 272 138 | 937 883 | 1 639 | 1 038 | 1 268 918 | 979 070 | 1944 |
| 1945 | 1 360 | 768 | 930 358 | 384 412 | 1 412 | 810 | 973 256 | 823 805 | 1945 |
| 1946 | 3 029 | 1 560 | 2 337 142 | 1 481 163 | 3 020 | 1 572 | 2 334 282 | 1 845 806 | 1946 |
| 1946 | | | | | | | | | 1946 |
| January | 99 | 75 | 68 986 | 47 993 | 101 | 75 | 75 816 | 59 276 | January |
| August | 434 | 182 | 344 784 | 203 258 | 430 | 194 | 325 391 | 254 034 | August |
| September | 433 | 198 | 331 599 | 166 505 | 415 | 192 | 289 174 | 244 856 | September |
| October | 380 | 181 | 278 570 | 118 349 | 358 | 152 | 284 220 | 239 584 | October |
| November | 275 | 135 | 213 260 | 117 963 | 307 | 144 | 255 210 | 246 858 | November |
| December | 226 | 129 | 198 818 | 152 284 | 222 | 108 | 233 787 | 179 292 | December |
| 1947 | | | | | | | | | 1947 |
| January | 136 | 80 | 136 119 | 121 872 | 143 | 73 | 157 731 | 108 274 | January |

Figures supplied by the Statistical Office of the Shipping Board.

34. — STATE RAILWAYS.

| Month | Weight of Goods transported 1 000 Tons | | | | Axle-kilometres of Goods trucks Mill. km | | Revenue (less Re-imburements) Mill. mk | | | | Regular Expenditure Mill. mk | | | | Month |
|-------|---|--------|--------|--------|---|------|--|-------|-------|-------|---------------------------------|-------|-------|-------|-------|
| | 1943 | 1944 | 1945 | 1946 | 1945 | 1946 | 1943 | 1944 | 1945 | 1946 | 1943 | 1944 | 1945 | 1946 | |
| Jan. | 728 | 714 | 752 | 995 | 53 | 62 | 118 | 136 | 189 | 414 | 131 | 178 | 197 | 495 | Jan. |
| Febr. | 703 | 673 | 703 | 855 | 49 | 56 | 116 | 134 | 162 | 370 | 165 | 209 | 230 | 509 | Febr. |
| March | 1 006 | 807 | 886 | 1 052 | 55 | 68 | 158 | 169 | 203 | 459 | 167 | 209 | 218 | 479 | March |
| April | 1 197 | 1 091 | 947 | 1 073 | 67 | 70 | 230 | 284 | 224 | 500 | 174 | 209 | 237 | 465 | April |
| May | 1 397 | 1 354 | 988 | 1 189 | 70 | 75 | 291 | 274 | 236 | 484 | 180 | 224 | 367 | 520 | May |
| June | 955 | 580 | 1 046 | 1 231 | 67 | 67 | 188 | 158 | 279 | 575 | 170 | 213 | 314 | 497 | June |
| July | 1 210 | 1 428 | 996 | 1 363 | 66 | 70 | 251 | 411 | 294 | 596 | 161 | 242 | 284 | 511 | July |
| Aug. | 1 111 | 1 150 | 1 079 | 1 391 | 68 | 72 | 249 | 236 | 377 | 600 | 162 | 210 | 376 | 558 | Aug. |
| Sept. | 1 207 | 666 | 971 | 1 261 | 63 | 70 | 249 | 282 | 331 | 528 | 164 | 211 | 548 | 582 | Sept. |
| Oct. | 1 390 | 2 139 | 986 | 1 375 | 65 | 74 | 315 | 290 | 347 | 513 | 171 | 202 | 488 | 512 | Oct. |
| Nov. | 1 204 | 671 | 1 036 | 1 182 | 65 | 69 | 240 | 210 | 333 | 515 | 223 | 213 | 538 | 627 | Nov. |
| Dec. | 1 863 | 878 | 1 212 | 1 094 | 61 | 67 | 454 | 470 | 492 | 532 | 213 | 368 | 696 | 731 | Dec. |
| Total | 13 971 | 12 151 | 11 602 | 14 061 | 749 | 820 | 3 070 | 3 054 | 3 467 | 6 086 | 2 174 | 2 688 | 4 493 | 6 486 | Total |

According to Monthly Statistics of the Finnish State Railways.

¹⁾ Including a certain group of incomes, the monthly distribution of which is not known. — ²⁾ Including a certain group of expenditure, the monthly distribution of which is not known.

* Preliminary figures subject to minor alterations.

35. — WHOLESALE PRICE INDEX. 1935-100.

| Month | Index for Goods in Finnish Wholesale trade | | | | | | | | | | | | | | Articles of Export (f. o. b.) | | Month |
|------------|--|------|------|------|------|---------------|------|-------------------------|------|----------------------|------|----------------------|------|----------------|-------------------------------|------|------------|
| | Total Index | | | | | Finnish Goods | | | | | | | | Imported Goods | | | |
| | | | | | | Total | | Products of agriculture | | Products of forestry | | Products of industry | | | | | |
| 1943 | 1944 | 1945 | 1946 | 1947 | 1946 | 1947 | 1946 | 1947 | 1946 | 1947 | 1946 | 1947 | 1946 | 1947 | 1946 | 1947 | |
| Jan. | 263 | 293 | 322 | 614 | 721 | 615 | 666 | 616 | 655 | 771 | 901 | 565 | 593 | 595 | 860 | 723 | Jan. |
| Febr. | 263 | 295 | 326 | 619 | 726 | 621 | 673 | 629 | 681 | 775 | 903 | 568 | 596 | 597 | 860 | 735 | Febr. |
| March | 264 | 303 | 331 | 633 | | 637 | | 661 | | 775 | | 585 | | 602 | | 746 | March |
| April | 268 | 304 | 343 | 690 | | 645 | | 663 | | 775 | | 598 | | 803 | | 762 | April |
| May | 272 | 304 | 348 | 687 | | 645 | | 627 | | 802 | | 599 | | 791 | | 763 | May |
| June | 274 | 304 | 383 | 695 | | 656 | | 652 | | 832 | | 600 | | 791 | | 769 | June |
| July | 275 | 306 | 421 | 702 | | 661 | | 648 | | 855 | | 603 | | 802 | | 807 | July |
| Aug. | 282 | 308 | 489 | 708 | | 668 | | 663 | | 871 | | 603 | | 807 | | 820 | Aug. |
| Sept. | 284 | 309 | 515 | 716 | | 670 | | 660 | | 887 | | 603 | | 830 | | 827 | Sept. |
| Oct. | 286 | 309 | 577 | 720 | | 672 | | 664 | | 891 | | 603 | | 840 | | 884 | Oct. |
| Nov. | 290 | 310 | 596 | 720 | | 673 | | 671 | | 891 | | 603 | | 837 | | 885 | Nov. |
| Dec. | 291 | 314 | 607 | 725 | | 672 | | 667 | | 891 | | 603 | | 859 | | 883 | Dec. |
| Whole year | 276 | 305 | 438 | 686 | | 653 | | 652 | | 834 | | 594 | | 763 | | 800 | Whole year |

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

36. — COST OF LIVING INDEX.

| Month | Aug. 1938 - July 1939 = 100 | | | 1935 = 100 | | | | | | | | | | | | | | Month |
|------------|-----------------------------|-----|-----|-------------|------|------|------|------------|------|------|------|----------------|------|----------|------|-------|------|------------|
| | Total Index | | | Total Index | | | | Foodstuffs | | Rent | | Fuel and light | | Clothing | | Taxes | | |
| | | | | 1944 | 1945 | 1946 | 1947 | 1946 | 1947 | 1946 | 1947 | 1946 | 1947 | 1946 | 1947 | 1946 | 1947 | |
| Jan. | 204 | 423 | 471 | 216 | 222 | 461 | 513 | 505 | 556 | 144 | 144 | 855 | 968 | 479 | 554 | 652 | 786 | Jan. |
| Febr. | 204 | 423 | 482 | 217 | 222 | 460 | 525 | 499 | 579 | 144 | 144 | 856 | 968 | 497 | 556 | 652 | 786 | Febr. |
| March | 205 | 431 | | 217 | 223 | 470 | | 515 | | 144 | | 856 | | 505 | | 652 | | March |
| April | 207 | 434 | | 218 | 225 | 473 | | 513 | | 144 | | 858 | | 514 | | 680 | | April |
| May | 210 | 437 | | 218 | 228 | 476 | | 517 | | 144 | | 859 | | 523 | | 680 | | May |
| June | 243 | 450 | | 218 | 264 | 490 | | 541 | | 144 | | 901 | | 530 | | 680 | | June |
| July | 281 | 463 | | 219 | 306 | 504 | | 536 | | 144 | | 921 | | 540 | | 916 | | July |
| Aug. | 313 | 466 | | 219 | 341 | 507 | | 536 | | 144 | | 939 | | 548 | | 916 | | Aug. |
| Sept. | 325 | 469 | | 220 | 354 | 511 | | 541 | | 144 | | 943 | | 557 | | 916 | | Sept. |
| Oct. | 387 | 469 | | 221 | 422 | 511 | | 537 | | 144 | | 960 | | 562 | | 916 | | Oct. |
| Nov. | 398 | 467 | | 221 | 434 | 508 | | 531 | | 144 | | 968 | | 565 | | 916 | | Nov. |
| Dec. | 404 | 468 | | 221 | 440 | 509 | | 533 | | 144 | | 968 | | 568 | | 916 | | Dec. |
| Whole year | 282 | 450 | | 219 | 307 | 490 | | 525 | | 144 | | 907 | | 532 | | 791 | | Whole year |

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

37. — BANK OF FINLAND BUILDING COST INDEX. 1935-100.

| Year | Total Index | | | | | Index of the Contractor | | | | | Index of Overhead Costs | | | | | Year |
|------|-------------|-----|-----|-----|-------|-------------------------|-----|-----|-----|-------|-------------------------|-----|-----|-----|-------|------|
| | I | II | III | IV | Aver. | I | II | III | IV | Aver. | I | II | III | IV | Aver. | |
| 1937 | . | . | . | . | 120 | . | . | . | . | 120 | . | . | . | . | 115 | 1937 |
| 1938 | . | . | . | . | 127 | . | . | . | . | 127 | . | . | . | . | 121 | 1938 |
| 1939 | 129 | 130 | 134 | 141 | 134 | 130 | 130 | 134 | 141 | 134 | 124 | 124 | 128 | 134 | 128 | 1939 |
| 1940 | 151 | 157 | 165 | 172 | 161 | 152 | 158 | 165 | 173 | 162 | 141 | 147 | 154 | 157 | 150 | 1940 |
| 1941 | 180 | 189 | 195 | 199 | 191 | 181 | 191 | 196 | 201 | 192 | 164 | 173 | 178 | 182 | 174 | 1941 |
| 1942 | 212 | 226 | 231 | 243 | 228 | 213 | 227 | 233 | 245 | 230 | 193 | 206 | 204 | 215 | 205 | 1942 |
| 1943 | 244 | 252 | 259 | 264 | 255 | 246 | 254 | 261 | 266 | 257 | 216 | 223 | 230 | 233 | 226 | 1943 |
| 1944 | 267 | 271 | 272 | 283 | 273 | 269 | 273 | 274 | 286 | 276 | 236 | 240 | 241 | 245 | 241 | 1944 |
| 1945 | 299 | 396 | 503 | 529 | 432 | 302 | 399 | 507 | 534 | 436 | 259 | 342 | 435 | 457 | 373 | 1945 |
| 1946 | 564 | 613 | 657 | 683 | 629 | 570 | 619 | 664 | 689 | 636 | 489 | 530 | 569 | 591 | 545 | 1946 |
| 1947 | 697 | | | | | 703 | | | | | 603 | | | | | 1947 |

Quarterly indices and yearly averages of them. For details concerning the calculation of the index see p. 35 in this Bulletin Nos. 4-6, 1946.

CERTAIN PARTICULARS ABOUT FINLAND.

1. FORM OF GOVERNMENT

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

The Diet, composed of 200 members, is elected by universal suffrage. The proportions of the different parties in the Diet elected in 1945 are at present as follows:

| | Number |
|---|--------|
| Democratic League | 50 |
| Agrarian party | 48 |
| Social-Democratic party | 48 |
| Unionist party | 29 |
| Swedish party | 14 |
| Progressive party | 9 |
| Swedish Left | 1 |
| Outside of the Parliamentary groups | 1 |

2. LAND.

THE AREA is 337 113 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 310 000 sq. km). Of the total area 9.4 % are inland waters. On an average 13.5 % of the land in the South of Finland is cultivated, 1.6 % in the North, 7.5 % of the whole land. Of the land area 21.7 mill. ha (53.5 mill. acres) or 70.9 % are covered by forests.

3. POPULATION.

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

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

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

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

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

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

EDUCATION (1945): Practically all persons over 15 years of age are literate. There are three universities (the oldest founded in 1640) and 7 colleges of university standard.

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

4. TRADE AND COMMUNICATIONS.

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

6.3 % or 65 million trees. The annual increment is 41 million cub. m (1 441 million cub. ft.). The total removal in the felling season 1945/46 was 47 million m³ (1 672 million cub. ft.).

AGRICULTURE (1945): Cultivated land 2.3 million hectares, divided as follows: area under cultivation under 10 hectares 33.1 %, 10—50 ha 54.4 %, 50—100 ha 7.2 %, over 100 ha 5.3 %. Cultivated land is divided between the different kinds of crops as follows: 56.2 % hay, 13.2 % oats, 6.2 % rye, 6.1 % wheat, 5.9 % barley, 3.0 % potatoes, 9.4 % other. The number of dairies in 1944 amounted to 512.

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

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

LENGTH OF RAILWAYS (1945): 4 755 km, of which 4 514 km State railways and 241 km private. The gauge is in general 1.524 m.

MERCHANT FLEET (1940): Steamships 333 (279 523 gross reg. tons), motor vessels 68 (23 750 gross reg. tons), sailing ships with auxiliary engine 135 (13 681 gross reg. tons), other sailing ships 13 (2 794 gross reg. tons). Total 549 (329 758 gross reg. tons).

5. FINANCE AND BANKING.

CURRENCY. Since 1860 Finland has its own monetary system. From 1877 up to 1914 the currency maintained its stable gold value, and after the disturbances caused by the war a gold standard was again introduced from January 1st, 1926. The unit of currency is the mark (Finnish «markka» = 100 pennä). According to the monetary law of December 21, 1925, a gold coin of 100 marks' value shall contain 3 ¹¹/₁₆ grains of fine gold. Since October 12, 1931, the redemption of bank notes in gold is, however, suspended.

STATE FINANCES. According to the finance accounts for 1945 the State revenue was 42 897 million marks of which 33 734 million marks were current revenue, and State expenditure 42 755 million marks, of which 33 753 million marks were current expenditure. The principal sources of revenue were as follows: direct taxes 15 258, indirect taxes 2 669, sales tax 6 872, interest and dividends, etc. 2 633. State property and undertakings (net) 774, and capital revenue 9 163. For Public Debt see table 20 in this issue.

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

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

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

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

OTHER BANKS (1945): Mortgage banks 5, Savings banks 470, Co-operative Credit Societies 927 and a Central Bank for the latter.

THE BANK OF FINLAND IN 1946.

BY

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The activity of the Bank of Finland in the past year was characterized by the tightness of the money market and the great demand for credit which have been described in another article of the present issue (vide page 26). The exchange of notes which was carried out at the beginning of the year and the expectation of which in the autumn of 1945 had clearly influenced both the money market in general and especially the position of the Bank of Finland, also affected in the beginning of 1946 the note circulation and in general several important accounts of the Bank of Finland.

NOTE CIRCULATION AND EXCHANGE OF NOTES.

The note circulation had reached its peak, 18,872 million marks, in August 1945, and thereafter gradually decreased as rumours began to circulate concerning an impending exchange of notes. The lowest figure, 13,598 million marks, was registered on the last day of that year. The exchange of notes was carried out at the turn of the year — 1945/46 — as described on page 30, number 1-3, 1946 of this Bulletin, viz. so that the large notes of 5,000, 1,000 and 500 marks were reduced to half of their value as legal tender, the other half becoming a compulsory loan to the State. On February 16th, 1946 also the other halves of the old type notes ceased to be legal tender and had to be exchanged before the end of February. The aim of this measure, which was one of a series, was partly monetary and partly financial in character. At the same time smaller notes were exchanged against notes of a new type, and this was to be done before March 16th of the same year. As the large notes had lost half their value as legal tender on January 1st, 1946, the value of notes in circulation fell to 7,952 million marks, and it was natural that the amount

could not satisfy the needs of the market as prices and wages were the same as before. Those entitled to exchange all their notes without subscribing to the compulsory loan, i.e. first of all, banks and public offices, effected the exchange immediately, and in that manner their holdings of legal tender increased by a sum corresponding to half the value of the large notes they had held, or by a total of 2,376 million marks. On the other hand the people who for fear of the impending exchange had deposited their liquid cash in banks could again take out their money as required. Consequently the note circulation soon increased again, and still further because of the normal seasonal increase in February—April. By the end of April the note circulation was 18,107¹⁾ million marks and was consequently nearing the peak of the preceding year. After that the note circulation, as is usual at that time, first diminished somewhat, but rose again in autumn and reached a new peak with 19,667 million at the end of October. In December it was rumoured in certain quarters that there would be a new exchange of notes, and the note circulation, contrary to the normal, fell to 18,233 million marks on December 31st. The adjoining graph shows its great fluctuations as compared with the preceding year.

Different opinions have been expressed on the importance of the exchange of notes. Its value had evidently been greatly over-rated beforehand in certain unenlightened quarters, and on the other hand fears were expressed that the exchange would upset the country's entire economic life. The exchange of notes, however, passed comparatively smoothly, and although never looked upon as a patent medicine against inflation, it seemed to reduce to a certain extent the demand for goods and thus had a stabilizing effect on the value of the mark. From the financial point of view

¹⁾ These figures deviate from those presented in the Statements of the Bank of Finland, as the latter include the unexchanged right halves of the notes and until June also all the notes that had not been exchanged.

it resulted in bringing to light certain capital sums that had previously escaped taxation and in providing the State with a compulsory loan of about 3,000 million marks.

BALANCE SHEET.

The following table illustrates the changes which have taken place in the different accounts of the Bank of Finland between 1944 and 1946.

| Assets | 1944 | 1945 | 1946 |
|--|---------------------|---------------------|---------------------|
| | Dec. 31 Mill. mk | Dec. 31 Mill. mk | Dec. 31 Mill. mk |
| <i>Cover for note issue:</i> | | | |
| Gold reserve | 172 | 387 | 2 |
| Foreign correspondents .. | 350 | 1,283 | 1,915 |
| Foreign bills | 25 | 72 | 175 |
| Foreign bank notes and coupons | 4 | 10 | 14 |
| Inland bills | 19,856 | 22,282 | 26,332 |
| Re-discounted bills | 50 | — | 2,458 |
| <i>Other assets:</i> | | | |
| Foreign clearing accounts | 2,365 | — | — |
| Loans on security | 19 | 38 | 63 |
| Advances on cash credit.. | 51 | 77 | 556 |
| Bonds in Finnish currency | 408 | 336 | 257 |
| Bonds in foreign currency | 227 | 273 | 203 |
| Bank premises and furniture | 32 | 32 | 32 |
| Sundry assets | 383 | 435 | 1,480 |
| Total | 23,942 | 25,225 | 33,487 |
| <i>Liabilities</i> | | | |
| <i>Payable on demand:</i> | | | |
| Notes in circulation | 15,657 | 13,598 | 18,233 |
| Bank-post-bills | 43 | 87 | 134 |
| Balance of current accounts due to the Treasury .. | 222 | 149 | 599 |
| Balance of current accounts due to others | 721 | 2,685 | 1,481 |
| Foreign correspondents .. | 3,432 | 141 | 185 |
| Foreign clearing accounts | — | 2,803 | 7,414 |
| Sundry accounts | 309 | 1,079 | 4 |
| <i>Other liabilities:</i> | | | |
| Capital | 1,250 | 1,250 | 1,250 |
| Reserve Fund | 1,000 | 1,154 | 1,291 |
| Value of Bank premises and furniture | 32 | 32 | 32 |
| Sundry liabilities | 1,054 | 2,010 | 2,622 |
| Profit and Loss Account | 222 | 237 | 242 |
| Total | 23,942 | 25,225 | 33,487 |

On the debit side attention is drawn to the reduction to practically nil of the gold reserve, this being of course an indication of the shortage of foreign currency which prevailed in 1946. Although certain foreign credits were granted in the course of the year, the currency thus obtained was mostly used to finance imports directly. Large exports have also greatly increased the influx of foreign currency as compared with the preceding year, but these too

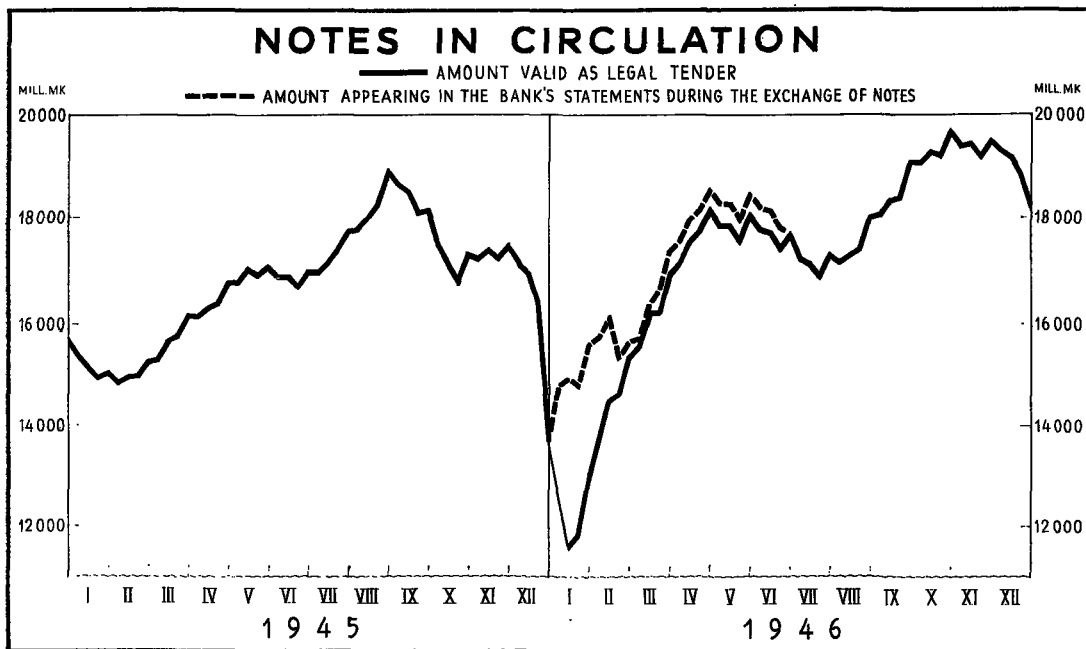
were badly needed for the purchase of vital goods from abroad. After considerable fluctuations during the year, the foreign currency reserve of the Bank of Finland at the end of 1946 exceeded the reserve of 1945 by no less than 632 million marks. It must be observed that a great proportion of the foreign currency appearing in the balance sheet is earmarked for the payment of goods ordered but as yet undelivered.

The increase of the foreign bills account is a consequence of the reviving foreign trade.

The greatest change on the debit side is the considerable increase of inland bills discounted directly with the bank. The rise was 4,050 million marks or 18 per cent, and it was due exclusively to the fact that credits granted by the Bank of Finland to trade and industry ran up from 3,682 million marks at the end of 1945 to no less than 8,412 million marks at the end of 1946. This difference of 4,730 million marks, or 128 per cent, is a natural consequence on the one hand of livelier economic activity and on the other hand of rising wages and prices. Discounted Treasury bills, the other main factor in the Bank's lending, declined. At the beginning of 1946 they totalled 18,600 million marks, and after culminating in 24,500 million in September they declined to 17,920 million marks on the last day of the year.

The stringency of the money market is best reflected in the exceptionally large amount of re-discounted bills. No such bills appeared in the balance sheet for December 31st, 1945, but as early as in February the Joint Stock Banks had to turn to the central bank for assistance. Re-discounts were highest, 3,034 million marks, in June, but they fell in autumn and were 2,458 million marks at the end of the year. If all bills are considered, both those directly discounted and those re-discounted, they had increased in 1946 from 22,282 to 28,790 million marks, i.e. by 6,508 million marks or 29 per cent.

Loans on security and advances on cash credit likewise increased considerably. Their total rose from 115 million to 619 million, increasing more than fivefold. On the other hand the bonds owned by



the Bank lessened, this being due in part to the redemption of bonds and in part to a depreciation of their values before the closing of the books.

With regard to liabilities, the most important factor, which is the note circulation, has been referred to earlier. It can further be noted that the balance of current accounts due to the Treasury was at the end of the year four times as high as in the beginning of the year, whereas the balance of current accounts due to others had fallen by nearly one-half. The figure of 2,685 million marks appearing in this account at the end of 1945 was exceptionally high owing to the exchange of notes, and therefore the reduction to 1,481 million was in no way unexpected.

The balance of foreign clearing accounts also deserves attention; they rose from 2,803 million to 7,414 million. This was due exclusively to the fact that the equivalent of Germany's and German nationals' former assets in Finland surrendered to the Soviet Union, or 4,639 million marks, was entered to this account. Without these transfers the balance of foreign clearing accounts would have been reduced during the year.

The Bank of Finland's own funds were increased during the past year in accor-

dance with the regulations, the sum transferred to the Reserve Fund being 137 million marks. In addition certain reservations were made which partly explain the rise of the other accounts.

THE RIGHT OF NOTE ISSUE.

The following table shows the total right of note issue, and also the amount of issue used and the note reserve at the end of 1946 as compared with 1945 and 1944.

| | 1944 Dec. 31 Mill. mk | 1945 Dec. 31 Mill. mk | 1946 Dec. 31 Mill. mk |
|---|-----------------------------|-----------------------------|-----------------------------|
| <i>Right to issue notes</i> | | | |
| Gold reserve and foreign correspondents | 522 | 1,670 | 1,917 |
| According to the Law of Dec. 13, 1939 | 19,935 | 22,364 | 28,979 |
| Additional right of issue | 1,800 | 1,800 | 1,800 |
| Total right to issue notes | 22,257 | 25,834 | 32,696 |
| <i>Amount of issue used</i> | | | |
| Notes in circulation | 15,657 | 13,598 | 18,233 |
| Other liabilities payable on demand | 4,727 | 6,944 | 9,817 |
| Undrawn amount of advances on cash credit .. | 196 | 274 | 401 |
| Total amount used | 20,580 | 20,816 | 28,451 |
| Note reserve | 1,677 | 5,018 | 4,245 |
| Total | 22,257 | 25,834 | 32,696 |

The cover for the right of note issue increased by a total of 6,862 million marks or 29 per cent in 1946, this being due not

only to the swelling amount of bills but also to larger holdings of foreign currency. The amount of issue used increased still more steeply, viz. by 7,635 million marks or 37 per cent, and the three main items under this heading were all responsible for this rise. In consequence the note reserve, exceptionally high at the end of 1945, fell by no less than 773 million marks or 15 per cent.

PROFIT AND LOSS ACCOUNT.

The following table shows the Bank's Profit and Loss Account for 1946 with comparative figures for 1945 and 1944.

| | 1944 Mill. mk | 1945 Mill. mk | 1946 Mill. mk |
|--|------------------|------------------|------------------|
| <i>Credit</i> | | | |
| Interest on home credits .. | 188 | 290 | 252 |
| Interest on current accounts abroad | 0 | 5 | 1 |
| Interest on bonds | 44 | 46 | 39 |
| Interest on shares | 9 | 5 | 6 |
| Agio | 1 | 3 | 2 |
| Commission | 30 | 20 | 59 |
| Total | 272 | 369 | 359 |
| <i>Debit</i> | | | |
| Salaries | 25 | 40 | 55 |
| Pensions | 2 | 2 | 2 |
| Cost of manufacturing bank notes | 9 | 22 | 16 |
| Sundry expenses | 8 | 13 | 18 |
| Written off building costs | 2 | 54 | 24 |
| Depreciation of furniture .. | 4 | 1 | 2 |
| Total | 50 | 132 | 117 |
| Net profit | 222 | 237 | 242 |
| Total | 272 | 369 | 359 |

Owing to increased lending in 1946 the Bank of Finland's interest revenue was larger than in the preceding years. Considerable reservations were made as before in order to strengthen the position of the Bank, and the visible interest revenue was therefore somewhat smaller than last year. Interests from bonds were reduced as a natural consequence of the lessened bonds' account. Commissions increased substantially as a result of the expansion of the Bank's business, especially with regard to documentary credits. Although part of these incomes was transferred to reservations, the commissions entered in the books are nearly three times as high as in 1945. — Other items of income are small. The total sum of incomes, 359 million marks, was about 10

million marks smaller than in 1945, but nevertheless 87 million marks larger than in 1944.

Expenses have also increased very much. The increase in salaries is due in part to a larger staff, and in part to higher salaries as a consequence of the decreasing value of the mark. Higher prices have also affected the account of sundry expenses. On the other hand the cost of manufacturing bank notes was smaller than in 1945, as most of the notes needed for the exchange of notes were produced in that year.

The expenses of running the Bank were 91 million marks as against 77 million in 1945. The increase was 14 million marks or 18 per cent. In addition to this depreciations were made to an amount of 26 million marks compared with 55 million in the preceding year. The cost of extensions and repairs to bank premises were as usual written off from the value of real estate. The value of works of art and furniture purchased during the year was also written off.

The net profit of the Bank of Finland was thus 242 million marks. This is almost the same sum as in the two preceding years, viz. 237 and 222 million marks respectively.

According to the regulations a sum of 121 million marks which is half the net profit for 1946 was transferred to the Reserve Fund at the beginning of the current year; 100 million marks represents the State's profit, and the balance, 21 million marks, has been left in the Profit and Loss Account, pending the Diet's decision on its use. The Bank's Reserve Fund is now 1,412 million marks, and the total capital, including the book value of bank premises, is 2,694 million marks. With regard to the depreciation of the mark the real value of the Bank's total capital is much lower now than before the war, 1,730 million marks in 1938. The real position of the Bank, however, as has been pointed out earlier, is stronger than indicated by the books because a considerable part of its own funds has been entered in the accounts of sundry liabilities pending future settlement regarding their use.

THE ECONOMIC POSITION IN FINLAND IN 1946.

BY

K. O. ALHO, DOCT. PHIL.

INTRODUCTION.

Economic conditions in Finland continued to be very difficult in 1946. It had been generally expected that the strenuous efforts, sacrifices and sufferings of many years would have led to a material change for the better, but these hopes were frustrated. The burden of a long and ruinous war and the heavy war indemnity and other economic obligations entailed by the armistice agreement of 1944, severely hampered the task of reconstruction, the economic rehabilitation, and the improvement of the standard of living. These objects were the more difficult to attain as productivity, for various reasons, had fallen below the normal level in most branches of economic life, and as capacity for work in general had declined. In spite of all these difficulties the year 1946 showed an advance. The payment of the war reparations is the main issue in the economic policy, and until now the country has succeeded, on the whole, in carrying out the reparations according to schedule. The rebuilding of Northern Finland made good headway, and progress was also made in the payment of compensations to the population displaced from the ceded territories and in re-settling them. The most encouraging achievements were the great increase in industrial output and the revival of foreign trade. The monetary situation showed greater stability after the increasing inflation slackened in the last months of the year and the restlessness among the wage-earners subsided. The situation with regard to the value of the money, however, was still critical at the close of the year. The money market took a definite turn for the worse during the year, a fact which was not without a detrimental effect on the efforts to revive the economic life.

AGRICULTURE.

The supply situation was very difficult during the whole of 1946 in spite of increased domestic production and livelier foreign trade as compared with the preceding year. This was partly due to the insufficiency of imports and to the fact that a considerable proportion of the output of industry had to be exported in the form of war reparations for which no return was received; but the chief cause was the weak domestic production of foodstuffs. The capacity of agriculture was decreased by the reduction of the tilled land area, and by the deterioration and other disturbances due to the war. This capacity, now 50 or 60 per cent of the pre-war level, is not higher than it was 25 years ago when the population was half a million smaller. These reasons, to which must be added a shortage of fertilizers and unfavourable meteorological conditions, explain the distinctly weak crop of 1946; in some instances even lower than in 1945. The production of cereals, the principal agricultural crops, was 468,600 metric tons, as against 473,200 tons in 1945. For the sake of comparison it may be noted that the grain crop amounted to 849,600 tons in 1938, or nearly twice as much as in 1946. The bad crops of cereals were partly counterbalanced by a better crop of potatoes, an important food for the great majority of the population. With 935,000 tons this crop was roughly 20 per cent higher than in 1945. The result was better too for all root vegetables, excepting swede turnips. The yield of hay and oats — of essential importance for cattle-farming — was lower than in 1945. Hay fell about 9 per cent, and oats 2 or 3 per cent. Cattle-farming products have also declined considerably since pre-war years, chiefly because of the reduced livestock

and poor feeding, and no change for the better could be noticed in 1946. On the contrary, the result in respect of the principal products was still worse. Milk production fell by more than 100 million kg to 1,450 million kg; a decline the more remarkable as the average output in 1936—38 was 2,600 million kg per annum. The shortage of milk entailed a further sharp reduction of butter-churning and consequently the fat situation continued to be critical. In 1946, the production of butter was but one-third of that before the war. Meat production was approximately the same as in the preceding year and much lower than in peace-time.

Prior to the war Finland was an exporter of cattle-farming products and practically self-supporting in respect of grain. Now, she is obliged to import large quantities of foodstuffs. Imports of grain in 1946 were above 250,000 tons, or about 30,000 tons more than in 1945. Imports of meat, edible fats and sugar had also risen considerably. The difficult food-situation all over the world, the lack of foreign currency, transport difficulties and other adverse conditions prevented the importation of foodstuffs from reaching the level that would have made it possible to increase the food rations. However, the energetic measures which have been taken, and will be taken in the near future, justify the assumption that the lowest level of agricultural production has now been passed.

INDUSTRY.

Industry, in spite of continuing difficulties in procuring raw materials and man-power and certain labour conflicts, was able to increase its output considerably. The index for the volume of production in all industries (1935 = 100) had reached 93 points by the last quarter of the year, as compared with 71 points for the same quarter of 1945. The increase was thus nearly 30 per cent in one year. The index for the whole year rose to 86 points from 64 points in 1945. It was particularly marked in the so-called home-market industries; and in certain sectors, such as those of metal, engineering and building materials, the output already exceeded the pre-war level. The volume index for the

home-market industries' output reached 118 points in December the corresponding figure having been 85 one year earlier. The corresponding indices for the whole year were 102 and 76 respectively (1935 = 100). The increase was considerable also in the export industries for which the output volume index was more than 35 per cent higher than in 1945. Production in the export industries was still below the pre-war level, as indicated by the index figure 71 for December 1946.

An examination of the output figures for the several branches of these industries in 1946 shows that the rise was less in saw-milling than in the other branches. According to available returns the output of sawn timber is estimated at approximately 650,000 standards in 1946, as against 550,000 standards in 1945. Even so, the output of sawn timber is only about half of what it was before the war. The production of cellulose rose from 492,000 tons in 1945 to 739,000 tons in 1946, this being still about half the 1938 figure, which was 1,472,000 tons. The output of sulphite cellulose was 433,000 tons and that of sulphate cellulose 306,000 tons in 1946, as against 292,000 and 200,000 tons respectively in 1945. The production of paper increased approximately in the same proportion as that of cellulose, viz. from 280,000 tons in 1945 to about 470,000 tons in 1946; being thus nearly 85 per cent of the pre-war (1938) figure of 560,000 tons, and here the paper industry has almost attained its normal capacity.

One reason for the considerable rise in the output of the wood-working industries is the successful lumbering in the winter 1945/46. Whereas only 75 per cent of the timber-felling goal (43 million cubic metres) was reached in the season 1944/45, the much larger goal set for 1945/46, viz. 52 million cubic metres, was not only reached, but exceeded. The hauling and floating of timber was successful and the supplies of raw materials improved substantially. Last autumn and winter lumbering did not proceed so well, and it is feared that the 1946/47 goal (53 million cubic metres) will not be reached. The possibilities of these industries were also furthered by an improved situation with regard to acces-

sories and by larger supplies of coal and coke. Imports of the latter were 938,000 tons in 1946, as against only 111,000 tons in 1945. The improved fuel situation was also reflected in other productive branches and in transport.

During the whole of last year the prevailing shortage of man power badly hampered efforts to increase industrial output and the general reconstruction work. This was felt in all branches of production, but was most serious in industry, and in particular in the wood-working and textile industries. Labour was short also in those working for the war reparations and, especially in the autumn, in lumbering. Other negative aspects of the labour market were the declining efficiency in work and the state of tension prevailing between workers and employers; also open labour conflicts occurred in the course of the year. Towards the close of 1946, however, the labour market showed signs of greater calm. It is to be noted that the relative importance of the workers and their influence on economic life has greatly increased of late, for instance by the setting-up, in connection with industrial and large commercial enterprises, of the so-called committees of production described in an earlier issue of this Bulletin (Nos. 4-6, 1946).

BUILDING OPERATIONS.

The need for dwellings has been exceptionally great in this country since the war. The carrying-out of the building programme was severely hampered by the great shortage of materials. This affected urban building especially which was, however, considerably livelier in 1946 than in the preceding year. Thus the output of dwellings in the cities was more than twice as large in the period January-September 1946 as in the corresponding period of 1945. In spite of this the housing situation in the towns remained practically unchanged, as the urban population simultaneously increased, partly by natural growth, and partly by the influx of people from rural districts. This movement was very marked especially in the capital Helsinki. Building activities in rural districts were unexpectedly brisk in certain

places, but complete information for the whole country is not yet available. The majority of houses built in rural districts were of timber, and this explains the great number erected. Priority for allocations from the small stocks of building materials available was given to Northern Finland and to the displaced population; for this reason the rebuilding of devastated Northern Finland and its houses under the provisions of the Land Expropriation Act was rapid, and also more extensive than in the preceding year. The extent of building operations can best be illustrated by the fact that the number of their workers was about the same in 1946 as in those pre-war years when the building of dwellings was at its highest.

FOREIGN TRADE.

Increased domestic production and the foreign credits, principally those granted by the United States, formed the basis for a noteworthy increase in the volume of foreign trade last year as compared with 1945. Another favourable circumstance was the fact that Finland could increase her free exports, and thereby also her imports, when the proportion of staple export goods in war reparations had declined and that of the products of the metal industry had increased. Excluding indemnity and restitution deliveries, the total value of foreign trade was nearly quadrupled, from 12,049 million marks in 1945 to 47,337 million marks in 1946. It is true that this remarkable result was partly due to the fall in the value of the mark, but it also indicates a larger volume of trade. The volume of foreign trade in 1946 was 49 per cent of the pre-war (1935) level, as against only 18 per cent in 1945. In spite of this favourable development the balance of trade remained passive last year. Imports totalled 24,286 million marks and free exports 23,051 million marks. The excess of imports was thus 1,235 million marks, or slightly less than in the preceding year. In addition to free exports war reparation and restitution goods were delivered to a value of 9,430 million marks in 1946, as against 9,456 million marks in 1945.

As regards the distribution of imports between the several groups of merchandise,

it is interesting to note that the largest group was that of raw materials, representing no less than 44 per cent of the total value. Foodstuffs, tobacco etc. followed, being 26 per cent, machinery, 20 per cent, and finally "other consumers' goods", 9.5 per cent. The bulk of exports naturally consisted of products of the wood-working industries, which last year formed more than 90 per cent of all exports. The following table indicates the volume of exports of certain wood working products in 1945 and 1946 respectively.

| | 1945 Tons | 1946 Tons |
|---|--------------|--------------|
| Mechanical pulp | 38,800 | 66,300 |
| Sulphite cellulose | 64,700 | 202,600 |
| Sulphate cellulose | 60,200 | 180,900 |
| Board | 25,500 | 91,700 |
| Newsprint | 55,600 | 207,500 |
| Wrapping-paper | 11,200 | 53,100 |
| Pre-fabricated houses and bar-racks | 38,000 | 121,800 |

It can be seen that exports increased all along the line; in respect of some products

three or four times, or even more. Although pre-war volumes were not yet reached in this branch, this great expansion of production and exports was one of the most satisfactory and positive aspects of the economic development in 1946.

THE MONEY MARKET.

In the beginning of the year the money market was comparatively easy as the impending exchange of bank-notes had caused an exceptional influx of money to the banks at the end of 1945. In the first half of 1946, however, the situation changed for the worse, a tendency that had been noticeable already in 1945, and since that the money market has gradually tightened. Two distinct factors affected this development: on the one hand the slow formation of saved capital, and on the other hand the great demand for credit. The following table shows the movement of deposits in the principal financial institutions in 1945 and 1946.

DEPOSITS DUE TO THE PUBLIC.

| | 31/12 1946 | | 1940 | | Fluctuations | | | |
|---|---------------|----------------|---------------|-----------------|---------------|----------------|---------------|---|
| | Mill. mk | Mill. mk | % | 1945 | | 1944 | | % |
| | | | | Mill. mk | % | Mill. mk | % | |
| Commercial Banks | 31,259 | + 3,135 | + 36.7 | + 6,323 | + 37.5 | + 3,238 | + 40.6 | |
| Savings Banks ... | 20,782 | + 1,952 | + 22.8 | + 5,133 | + 30.4 | + 2,187 | + 27.5 | |
| Post-Office Savings Bank | 7,198 | + 1,781 | + 20.8 | + 2,247 | + 13.3 | + 1,221 | + 15.3 | |
| Co-operative Credit Societies | 8,357 | + 1,431 | + 16.7 | + 2,419 | + 14.3 | + 1,073 | + 13.5 | |
| Central Bank for the Co-operative Credit Societies | 106 | + 27 | + 0.3 | — 8 | — 0.0 | + 19 | + 0.2 | |
| Consumers' Co-operative Societies .. | 2,262 | + 226 | + 2.7 | + 768 | + 4.5 | + 229 | + 2.9 | |
| Total | 69,964 | + 8,552 | + 13.0 | + 16,882 | + 37.0 | + 7,967 | + 21.8 | |

It can thus be seen that last year's absolute increase of saved capital was only half of that in 1945, and only slightly more than in 1944, when the purchasing power of the mark was considerably higher than in 1946. The general influx of deposits was slow in the last months of the year and even became a decline in the principal credit institutions, e.g. the Commercial Banks. Many causes explain the weakness in the movement of deposits, among them the lack of confidence in the value of the money and the heavy

taxation. The smallness of deposits prevents the financial institutions meeting more than a fraction of the great demand for capital.

During the whole of 1946 money was in very great demand. This was due to the revival of business and the higher costs thus entailed; the work of reconstruction, the re-establishment of displaced persons and other activities aiming at counteracting the effects of the war; and further the weakened financial position of the commercial enterprises. As the lending

capacity of the credit institutions did not increase correspondingly, it became necessary to maintain and further sharpen wartime credit control and the direction of lending towards general purposes. The banks were nevertheless in a position to increase their lending somewhat more than is implied by the movement of deposits. Thus loans to business enterprises increased by 10,892 million marks in 1946, despite the fact that deposits were only 3,135 million marks higher than in 1945. The banks achieved this in the first place by means of reduced lending to the Government. This they did by not renewing loans against Treasury bills that had fallen due, and they reduced their bond holdings. Additional funds were raised by re-discounting bills with the Central Bank, and by other means. Their last resort was to reduce cash holdings. This proved comparatively easy as the banks' liquid assets had been exceptionally large at the beginning of the year in consequence of the exchange of bank-notes. In the course of the year the Commercial Banks' cash accounts fell from 6,055 million marks to 3,756 million marks. The great stringency of the money market at the end of the year somewhat obstructed the efforts to raise production and revive economic life in general.

PRICES.

The steep rise in 1945 was succeeded by a slower advance of prices in 1946. This is clearly reflected in the development of the price-indices. The cost of living index (August 1938—July 1939 = 100) rose from 404 points in December 1945 to 468 points in December 1946, in other words by 64 points or 15.8 per cent as against fully

99 per cent in 1945. The gradual stabilization of prices is further confirmed by the fact that the greater part of the rise took place in the first half of the year, whereas changes were comparatively small in the second half.

Several reasons account for this stabilization. Without definitely improving the state of the money market, the exchange of bank-notes at the beginning of the year and other measures in that connection greatly calmed the public's uneasiness. Also the wages front was quieter than the year before. It is true that insistent claims for higher wages had been made in the spring, but a serious crisis was avoided when it was decided, on the insistence of the Government, to respect a general truce of prices and wages.

The object of this truce was peace in business life until the end of the year and thus to afford the Government the opportunity of drafting a programme to raise production and the standard of living and to prepare a bill for an appropriate regulation of prices and wages. Although neither prices nor wages could be entirely controlled in the autumn, the monetary situation became easier towards the close of the year, thanks to the truce and other measures to the same effect. The wages and prices front began to stir again at the very end of the year and this indicates that the danger of a further fall in the value of the mark is far from being definitely overcome. A great cause of inflation is still the fact that the State finances could not yet be balanced in 1946. The difficult credit situation had a similar effect. But on the other hand, there are also deflating factors, such as the increasing tax burden and the great shortage of money.

GENERAL OUTLINES OF FINLAND'S ECONOMIC POLICY IN 1947.

BY

KLAUS WARIS, DOCT. PHIL.

HEAD OF THE ECONOMIC DEPARTMENT OF THE MINISTRY OF FINANCE.

As mentioned in an earlier issue of this Bulletin¹⁾, the Government drew up a plan during the second half of last year to co-ordinate the economic measures for stimulating production and stabilizing the monetary value. It was prepared in the main by the Economic Council appointed in October which had the assistance of several public bodies and numerous experts. Before the close of the year it had drafted the plan which embraced the economic policy for the near future. The main points were subsequently approved by the Government and issued in the form of instructions to be carried out by the authorities concerned.

PROMOTION OF EXPORTS.

The part of the programme which refers to production aims chiefly at an increased output of export goods. The key position in Finnish national economy is held by the wood-working industries which have developed mainly on the basis of domestic resources. Incomes derived from exports, on the other hand, determine the possibilities of procuring raw materials for most branches of the home market industry and the level of employment in these. The theoretical capacity of the export industries is sufficient to allow for a further increase by 40—45 per cent of their average output in 1946, if only labour can be directed towards them in sufficient numbers and raw materials and power be placed at their disposal. Full-capacity production, however, is unattainable at present, owing to the shortage of man-power and coal, but it is nevertheless estimated that the value of exports can rise to about 300 million dollars in 1947, as against 240 million dollars in 1946. Of this amount about 70 million dollars would represent war reparation deliveries, and roughly 10 million dollars must be reserved for uncompensated deliveries of actual export goods under the

agreement recently concluded with the Soviet Union regarding the transfer of German assets in Finland. Free exports are thus estimated to attain a value of about 220 million dollars.

INCREASING AGRICULTURAL PRODUCTION.

The second central object of the plan is to increase agricultural production. The present output of agriculture is not more than about 60 per cent of its total capacity. The principal reason for such a reduction of the field-crops and milk and meat per unit of production is the shortage of fertilizers and fodder. It is estimated that if the country could import fertilizers and rich fodder for 40 million dollars in 1947, for 30 million dollars in 1948, and for 15 million dollars annually thereafter, the field-crops and cattle-farming products would gradually reach a normal level. This would correspondingly lessen the need to import grain and other foodstuffs and consequently mean a saving of about 15 million dollars worth of foreign currencies already in 1948, of 30 million dollars in 1949 and as much as 40 million dollars in the following years. This clearly shows how important it is, also from the point of view of the country's balance of payments, to stimulate domestic agricultural production.

A particular problem is the re-settlement of the population, chiefly agricultural, from the ceded territories, in such a way as to allow them to pursue their original occupation effectively. The measures taken to procure land for displaced persons are described in the preceding issue of this Bulletin.¹⁾ It is hoped that about 10,000 of the about 40,000 new farms procured for displaced persons can be ready in 1947. About 20,000—30,000 hectares of new fields are to be cleared chiefly in connection with these farms. For this purpose various kinds of clearing and digging machines and

¹⁾ Monthly Bulletin, Nos. 4—6, 1946, p. 29.

¹⁾ Monthly Bulletin, Nos. 10—12, 1946, p. 22.

tractors have already been purchased in the United States, and more are to be bought.

BUILDING PLAN FOR POWER STATIONS.

An assured supply of energy has become a problem of paramount importance for industrial production in general and for export production in particular. The cession of territory reduced supplies of water-power from about 3,200 million kWh per annum to about 2,350 million kWh per annum at average water level. New generators have since then been added to certain power plants and the amount of energy produced by water-power now exceeds 2,400 million kWh per annum. The whole problem of water-power economy has been studied by a special committee which has found that the growing deficit of first class energy can be filled only by increasing supplies of water-power energy to about 4,600 million kWh per annum by 1950, which means that the present capacity must be almost doubled. Eight large power plants are actually under construction, and when ready, these will produce an additional 1,900 million kWh per annum. The necessary power transmission lines are also being set up. However, these plants will not be ready in time to improve the situation in the current year and shortage of energy will therefore still hamper production. A marked improvement is not expected before the autumn of 1948.

LIMITATION OF INVESTMENTS.

Shortage of capital makes it imperative to reduce to a minimum investments for needs other than those of the export industries (including the necessary war reparation industries), of agriculture and of power economy. The following investments will first be considered, viz. the most urgent repairs in certain industries, the reconstruction and supply of transport lines and of rolling stock, etc. Building activities must be greatly reduced in spite of the great housing shortage. About 22.5 million cubic metres of new buildings were erected in 1946. The Economic Council had proposed that only 11.5 million cubic metres be built in the current year; but the Government raised this amount to 16.5 million cubic metres, at the same time increasing

the scheduled proportion of wooden houses at the expense of stone houses. The construction of dwellings is mainly directed towards industrial workers' dwellings and indispensable farm-buildings.

The guiding principle in investment control is first to achieve full production in branches working below capacity, such as the export industries and agriculture, and also to release productive power for this purpose. By this means it is hoped to check the inflatory tendency resulting from the great demand for labour and materials for purposes of investment and reconstruction. As all building must be licensed, it can in actual fact be effectively controlled as desired. The Bank of Finland has issued instructions to the credit institutions regarding the granting of loans.

IMPORT PROGRAMME.

The view points treated above also influenced the import plan. If only minimum needs are considered, the fulfilment of the programme demands foreign currencies to the equivalent of about 230 million dollars; but it is desirable that imports be increased by a further 50 million dollars. In addition, about 30 million dollars are required to cover interest, freights, etc. Owing to the fact that exportation, according to the estimate referred to earlier, will not yield more than about 220 million dollars in foreign currencies, the minimum import programme alone will necessitate the raising of new foreign credits.

| | Minimum import scheme c. i. f. mill. doll. | Additional imports desired c. i. f. mill. doll. |
|---|--|---|
| Foodstuffs, drinks, tobacco . . . | 75 | 10 |
| Raw materials and machines for war reparation industries . . . | 12 | — |
| Coal and coke | 22 | 8 |
| Petrol | 5 | — |
| Oils and lubricants | 5 | — |
| Requisites for export industries | 10 | — |
| Fertilizers and rich fodder . . . | 20 | 15 |
| Building material a. requisites .. | 8 | — |
| Machinery and requisites for po- wer stations | 8 | — |
| Hides and leather | 5 | — |
| Textile raw materials and manu- factures | 10 | } 7 |
| Machinery, appliances, vehicles .. | 10 | |
| Other imports | 40 | } 10 |
| Total | 230 | |

As agricultural production cannot be raised sufficiently in the current year, foodstuffs still form the main item of import, notwithstanding the fact that this will barely maintain the present low level of consumption. Import of raw materials for, and products of, the textile and leather industries must likewise be reduced to the strict minimum.

Scheduled reservations for imports of machinery, vehicles and building materials (practically all concrete iron, rolled wire, pipings and sheet iron have to be imported) reflect the policy to limit investments as far as possible in the present year. In 1938, for instance, capital goods proper represented about 22 per cent of all imports, but this year their share will fall, at the worst, below 10 per cent.

SHORTAGE OF MAN-POWER.

Shortage of man-power is the most difficult problem in the present production policy. In November last, the following shortages of man-power were registered in the principal production spheres:

| | Total shortage |
|--|----------------|
| Metal industry producing reparation goods | 4,800 |
| Saw-mills, prefabrication of houses, joineries | 6,000 |
| Plywood factories | 2,800 |
| Mines (Outokumpu) | 200 |
| Pulp and board mills | 150 |
| Paper and cellulose mills | 2,500 |
| Cement and lime industry | 1,100 |
| Cotton industry | 2,300 |
| Pottery industry | 400 |
| Brick industry | 100 |
| Bobbin factories | 350 |
| | <hr/> |
| | Total 20,700 |

In addition there was still a shortage of about 30,000 men in lumbering in November, but since then labour has been obtained in quantities sufficient to cover the most urgent needs. The shortage of man-power in the industries mentioned above can probably not be covered during the current year. In the next few years the annual increase of the population of working age will average only about 14,000 persons; but it is nevertheless possible that the supply of labour will increase more quickly as all the young people who after the war crowded into trade and other schools will gradually seek occupation. It is cha-

racteristic that the shortage of female workers is generally greater than that of men. One reason for this seems to be the difficult food situation which forces women to devote much time to household duties. Larger supplies of foodstuffs are therefore in due time expected to increase the available female workers, provided that the birth rate, which increased in 1946, does not have a contrary effect. Taxation measures have also been devised to encourage women to seek paid occupations. Working efficiency, which had generally fallen during the war and immediately after, seems to be gradually rising again. It must also be remembered that better supplies of coal and liquid fuel will automatically release labour from forestry and thereby essentially improve the present capacity of the export industries.

PRICE AND WAGE POLICY.

The stabilization of wages and prices constitutes a distinct complex of problems in the economic policy of the near future. It was already possible, at the end of last year, to check the rise of wages quite efficiently, and at the beginning of this year a new wage control decree drafted by the Economic Council came into force. On the whole it aims at maintaining industrial wages at last year's level. A certain elasticity has nevertheless been given to its application, *inter alia* by the provision that higher efficiency can be rewarded with higher wages. The decree further includes provisions making it possible to correct maladjustments between wages paid in different branches, and to pay greater attention to the achievements of individual workers and to their skill and responsibility. In imperative cases exceptions can be granted to wage norms for the purpose of directing labour towards branches which are vital for the nation's economy as a whole. A burning question is whether the wage control decree can be carried into effect or whether it will prove only „a scrap of paper” which will be destroyed when faced by wage claims, put forward with the threat of strikes — as actually happened in the spring of 1945.

The Trade Unions agreed to co-operate in stabilizing wages for the present if the

prices of most industrial products, which are still controlled, be lowered by an average of 5 per cent from the beginning of this year. Certain prices can obviously be lowered still more. This means of course that price control will have to be maintained and in certain instances even sharpened. It is, however, generally intended to abolish war-time control if essential production can be expected to rise thereby and the free formation of prices to take a downward trend. Of the principal foodstuffs, only fish, eggs and vegetables were unrationed at the end of 1946. Since then the rationing of mutton and horse meat has been relinquished, and in the beginning of March that of pork. The „opening” prices of the released foodstuffs were probably no higher than black-market prices before that; in certain instances they were even lower and fresh experience seems to indicate that prices will take a favourable turn from the consumer's point of view.

Despite the fact that the real level of prices has been stabilized, it is probable that the official price-indices will rise in the coming months. This is because the indices, calculated as they are almost exclusively on the basis of price-controlled commodities, have not correctly reflected the actual level of prices. Suspended rationing of the farming products already mentioned will thus in any case raise the price indices. Furthermore, from the beginning of this year, the price of coffee is again included in the cost of living index from which it was removed several years ago. As a higher import duty and the devaluation of the mark have considerably raised the domestic price of this commodity, it will in its turn affect the index. For all these reasons the cost of living index is likely to rise much above 500 in a few months' time (August 1938—July 1939 = 100). If it is not possible to check the rise of production costs, especially that of wages, the actual price level and thus also the indices will rise still higher.

It is to be regretted that the relationship between prices and costs in Finland has not yet achieved a permanent balance. Necessary adjustments made to attain equilibrium may even become the real or nominal causes of new wage movements. In this sense rents should be mentioned

as presenting one of the most delicate problems. They have been strictly controlled for several years. Consequently, the current expenses for the maintenance of houses are in general higher now than the income from the rents, and rents in new houses, which are fixed according to building costs, are many times higher than those paid in old houses. The raising and levelling of rents can obviously not be avoided in the long run.

FINANCIAL POLICY.

The balancing of the public finances will probably be another critical issue in the general stabilization policy of the near future. The Budget for 1947 was originally over-balanced, but the situation has subsequently changed and new measures are now necessary to balance it again. In order to satisfy wage-earners and simultaneously remove a factor which badly affected their productivity and desire to work, namely the increase of the tax burden and the sharp rise of progressiveness in taxation which took place last year, the Government decided in the beginning of this year to reduce income tax on wages and possibly also on other earnings by 20 or 25 per cent. A bill to this effect is being drafted and will in due time be laid before the Diet. It must also be added that the imperative raising of the salaries of civil servants to the level of other salaries means an additional burden on the Treasury. The Government has furthermore incurred new expenses in connection with the transfer of German assets to the Soviet Union. Among possible means of balancing the Budget are the following: a temporary increase of the tax on property, an increase of certain indirect taxes on consumers' goods, and on the other hand a reduction of certain categories of Government expenditure. This last could be done, *inter alia*, by discontinuing the payment of stabilization subsidies which at their present rate involve an expenditure of 7,500 million marks per annum. These subsidies, however, keep down the cost of living and they have therefore been justified for reasons of wage policy. In the near future these questions will be settled by the public bodies concerned.

There will be yet another year of scarcity for Finland. Further efforts will nevertheless be made to strengthen the productive basis of her economy and to remove as far as possible the causes of the prevailing instability. The points of the plan described above indicate the direction of

policy, but it is impossible as yet to tell how far they can be realized. In Finland's present plight her economic policy must be very flexible and adaptable to cope with new situations, in order that the possibilities of every particular case may be used to the very best advantage.

ITEMS.

The Diet. The Autumn Session lasted from September 3rd, 1946, to January 28th, 1947. Some of the most important economic and financial questions settled by it were the amendments to the income and property tax law. According to these the tax was decreased in the lower income classes. By another law the pay-as-you-earn system was extended to cover the communal taxes. The State Budget for 1947, which is referred to below, was also passed.

*

Budget for 1947. The changes made by the Diet to the Government's Budget proposals for 1947 referred to in the preceding issue of this Bulletin were, on the whole, not very great. Both the revenue and the expenditure were reduced by about 2,300 million marks. Because of the removal of the supplementary property tax on individuals the estimated income from taxation was decreased by nearly 1,900 million. On the other hand the amount reserved for the amortisation of the Public Debt was decreased by nearly 2,000 million.

A general idea of the Budget as compared with that for 1946 is given by the following figures. As stated already in the previous issue the picture of the public finances given by the ordinary Budget figures for 1946 greatly deviates from the real state of affairs.

| | 1947 | 1946 |
|-------------|----------|----------|
| | Mill. mk | Mill. mk |
| Revenue | | |
| Current | 49,317 | 42,949 |
| Capital | 13,241 | 12,580 |
| Total | 62,558 | 55,529 |
| Expenditure | | |
| Current | 47,170 | 41,200 |
| Capital | 15,363 | 14,326 |
| Total | 62,532 | 55,526 |

Some details are given in Tables 21—23 in the statistical section of this Bulletin.

*

Finlands' short-term foreign accounts.

Data are now available concerning Finland's short-term foreign debts and credit balances at the end of 1945 and 1946. The particulars are neither complete nor exact in all respects, yet on the whole they give a correct idea of the movements of capital between Finland and foreign countries. The figures are calculated at current rates of exchange.

| | 1945 | 1946 |
|---------------------------|----------|----------|
| | Dec. 31 | Dec. 31 |
| | Mill. mk | Mill. mk |
| <i>Indebtedness:</i> | | |
| Government | 3,522 | 4,179 |
| Bank of Finland | 266 | 519 |
| Clearing accounts | 3,975 | 7,480 |
| Commercial Banks | 352 | 363 |
| Bank guarantees | 219 | 583 |
| Other known debts | 827 | 1,274 |
| Total | 9,161 | 14,398 |
| <i>Credit balances:</i> | | |
| Bank of Finland | 2,335 | 4,041 |
| Clearing accounts | 1,175 | 59 |
| Commercial Banks | 530 | 2,678 |
| Other known balances | 13 | 131 |
| Total | 4,053 | 6,909 |
| <i>Net debit balances</i> | 5,108 | 7,489 |

External debts appear to have increased by 5,237 million marks in 1946 and reached 14,398 million on December 31st, but this did not mean that a corresponding amount of foreign currency was disposed of. Of the increase 4,639 million were not new credits but former German property that was paid in to the clearing account of the Soviet Union. There was further an agio loss of 709 million marks in consequence of the value of the Swedish crown having been raised. Actually the short-term indebtedness decreased by

111 million marks in the course of the year. At the same time credit balances increased by 2,856 million to 6,909 million as a result of the foreign connections becoming more active after a long period of stagnation.

*

New foreign credits. According to an agreement of February 19th, 1947, the Export-Import Bank of Washington has established two credits with an aggregate amount of 30 million dollars in favour of the Finnish State.

One of them, amounting to 20 million dollars, is for the acquisition of machinery, appliances and requisites for the use of the wood-working industry. According to the terms the credit is to be used for the following purposes:

| | Mill. dollar. |
|---|---------------|
| Machinery for the wood-working industry | 7.0 |
| " " power establishments | 3.5 |
| Iron and steel | 1.0 |
| Lead | 0.2 |
| Coal | 2.5 |
| Spare parts for lorries | 1.0 |
| Fuel and lubrication oils | 3.0 |
| Miscellaneous | 1.0 |
| | Total 20.0 |

The repayment of the loan begins in 1954 and ends in 1958, the rate of interest being 3 ½ per cent.

The other is a short-term credit running to the end of this year. Of this credit, amounting to 10 million dollars, 5 million is reserved for the purchase of grain and grain products, 2 ½ million for sugar and another 2 ½ million for fats. The interest rate is 2 ½ per cent.

The Export-Import Bank has also granted a credit of 2 million dollars to the Finnish State for cotton purchases in America.

In addition the bank has established a credit of 2 ½ million dollars to the Finnish-American Trading Corporation and promised to take part in the financing of American exports to Finland by private American exporters on condition that they themselves will grant credits amounting to 25—50 per cent of the selling-price of their goods. The upper limit of these credits has been fixed at 5 million dollars.

*

The former German assets in Finland. According to the Potsdam Agreement the property and claims of Germany and German citizens in Finland were to be surrendered to the Soviet Union.

Negotiations between the Finnish and the Soviet authorities concerning the use of these assets — amounting to a total of 5,999.9 million marks — were concluded by an agreement in February this year.

To begin with, the Finnish State will, by the terms of this agreement, sell two rapids in North Finland with the surrounding territory of 176 km² (=68 sq.m.) to the Soviet Union for 700 million marks; 600 million will be reserved for re-building the power stations on these rapids and 75 million will be used as compensation for damages due to the alteration of the water level in Lake Inari.

The Finnish State will sell the armed warship Vainämöinen to the Soviet Union for 265 million marks and its buildings in Leningrad and Tallinn for 60 million, and 75 million will be used for re-building the air-raid damaged house owned by the Soviet Union in Helsinki.

Finland shall deliver various kinds of articles (the most important of which are horses and products of the wood-working, cellulose and paper industries) to an aggregate value of 3,020 million marks; Finland shall carry out repairs to Russian ships to a total value of 400 million marks and supply several kinds of goods and services to the Porkkala leased territory to a value of 15 million.

According to the agreement a Finnish-Russian company for the production of artificial fibres will be established. Of the former German assets 200 million marks will become one-half of the capital of this company and 125 million form building credits to the same company.

The rest of the sum, 464.9 million marks, is to be paid to the Soviet Union in English pounds.

These deliveries and payments are to take place in 1947 and 1948.

*

The merchant fleet. The total net increase of the merchant fleet in 1946, including all vessels released during the year, amounted to 55 vessels, corresponding to 62,649 gross reg. tons. The number and

tonnage of various types of vessels at the end of 1946 compared with the corresponding figures at the end of 1945, was as follows:

| | Dec. 31, 1945. | | Dec. 31, 1946. | |
|--|----------------|------------------|----------------|------------------|
| | Number | Gross reg. tons. | Number | Gross reg. tons. |
| Steamers | 312 | 232,328 | 333 | 279,533 |
| Motorships | 37 | 7,906 | 68 | 23,750 |
| Sailing vessels with auxiliary machinery ... | 130 | 12,876 | 135 | 13,681 |
| Sailing vessels .. | 15 | 13,999 | 13 | 12,794 |
| Total | 494 | 267,109 | 549 | 329,758 |

*

Rationing and price control of farm products. As mentioned in an earlier issue of this Bulletin (Nos. 7—9, 1946, p. 35) the Government decided on June 20th, 1946, to release the farm products exceeding the fixed amounts of which the delivery is compulsory, from all rationing and price control. The decision was made in connection with the arrangement of the wages of farm labourers.

After further investigation, however, the Government stated that circumstances did not yet allow this decision to be put into effect. Instead of this, in addition to certain price adjustments, the increased farm wages should be compensated by releasing some kinds of farm products from all rationing and control.

As a consequence of this decision mutton, goat meat and horse meat as well as live pigs were released as from January 1st. The skins of sheep and goats were also released. As from March 1st, pork has also been free, and potatoes will be released on July 1st.

*

Rearrangement of the tables. In the statistical section of this Bulletin some tables have been rearranged. Table 4 will henceforth include the re-discounted bills, and the figures indicating the proportion of the note cover to the liabilities payable on demand have been moved to Table 3.

In accordance with the rearrangement of the Bank Statistics, Table 7 showing the deposits in the Commercial Banks and their indebtedness to other credit institutions has been rearranged. The columns „Due to other credit institutions” do not include, as formerly, the debts to the Bank of Finland. Credits from the Bank of Finland are given in separate columns and are not included in the totals. Consequently these differ from the figures as previously presented.

The wholesale price index for articles of exports, which has not been calculated for some time, is now again available and has been added to Table 35.

BANK OF FINLAND

(Cable address Suomenpankki)

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