

# BANK OF FINLAND

## MONTHLY BULLETIN

No. 6

JUNE

1927

### THE FINNISH MARKET REVIEW.

#### THE MONEY MARKET.

The state of the money market in May and the beginning of June was a quiet one, but showed at the same time a slight continued stringency, as is the rule at this time of the year. The demand for credit has even exceeded the figures for last year. This is, of course, in connection with strenuous activity in industry, lively building operations and the heavy imports, while timber shipments have not yet got under way. Although the increase in saved capital in the banks was fairly small — which is also characteristic of this month — no difficulty was experienced by the Joint Stock banks in supplying the demand for credit and they did not even find it necessary to resort to the help of the Bank of Finland. — The rates of interest are falling, the Joint Stock banks having come to an agreement to lower the rates on deposits partly from June 1st, partly from July 1st, when the greater part of the Savings banks will adopt a lower rate on deposits. When the funds borrowed by the Dwelling-House Mortgage Bank abroad have been received in Finland, a further reduction in the rates of interest is expected.

Credits granted by the *Joint Stock banks* were increased in May to an unusually great extent or by no less than 201.8 million marks as compared with 93.1 millions last year. Such a large increase has only occurred previously in a few exceptional cases. On the other hand the great increase in deposits in the Joint Stock

banks, which is usual for January—April, ceased in May. The deposits of the Joint Stock banks only grew by 30.6 million marks, the greater part of which consisted of short-term deposits. In spite of the difference between credits and deposits having thus increased by 171.2 million marks, the banks were in general able to manage without requiring the help of the Bank of Finland; re-discounting was quite insignificant, showing an increase from 8.2 to 18.2 million marks at the end of May as against 75.8 millions a year earlier. At the same time the cash of the Joint Stock banks was reduced by 59.0 millions; it was, however, about 55 million marks higher than a year ago.

Similarly, their *position towards foreign countries* slightly deteriorated. The foreign indebtedness increased during May by 15.9 million marks, while foreign balances fell off by 20.8 millions. The net indebtedness thus shows a rise for May of 36.7 millions to 168.6 million marks. In May, 1926, the increase was 44.7 millions and the net indebtedness at the end of the month 290.2 million marks.

In the position of the *Bank of Finland* the most striking fact is the considerable reduction of the reserve of foreign currency which was reduced by 122.4 million marks during May and a further 51.3 millions in the first half of June. This reduction, too, is a seasonal phenomenon and a natural consequence of the state of foreign trade moving in an unfavourable direction at this time of the year. On the last day of May

the reserve of foreign currency was 973.9 million marks as against 948.0 a year before. The credits of the Bank of Finland also increased in May by 22.3 million marks and in the first weeks of June by 44.6 millions. Owing to lively trade the notes in circulation, though reduced in an absolute sense, increased in comparison with the corresponding figures last year and are about 95 millions higher in the middle of June than a year ago. In spite of the great recourse to the Bank, the note reserve only fell off slightly. It is now almost 80 millions above what it was at the same time last year.

The *level of prices* displayed a falling tendency, as usual in May. The wholesale price index fell 1 point to 142 and the cost of living index dropped 7 points to 1,166. They are, however, both a little higher than in May, 1926. The movement was in so far favourable as the index for exported goods rose, while the index for imported goods remained unchanged.

#### TRADE AND INDUSTRY.

Foreign trade proved livelier in May than ever before at this time of the year. The value of imports at 605.8 million marks reached a fresh maximum as compared with 484.7 millions in May, 1926, and 466.1 millions in April this year. The value of exports was 411.0 million marks which was, indeed, no new record, but appreciably higher than, for instance, last year. As usual at this time of the year, a considerable surplus of imports was evident, amounting to 194.8 million marks. As regards the five completed months of this year it may be stated that exports with a value of 1,407.4 million marks very nearly approached the record that was set up during the unusually mild winter of 1925 and considerably exceeded the value for 1926. Imports, on the other hand, with a value of 2,282.8 million marks exceeded in a high degree the results for these months during the previous years. Thanks to these circumstances the balance of trade proved rather unfavourable; the surplus of imports for January—May amounted to 875.4 million marks as compared with 736.2 millions last year. As the actual

export season has not yet begun, it is impossible to draw any conclusions whatever with regard to the final result for the whole year.

The composition of imports and exports was a normal one for the season in May. Several points, however, deserve mention. Thus, imports of coal and petroleum, for instance, were unusually heavy. Exports of butter established a fresh record in May. The exports of mechanical pulp, plywood and raw hides were also remarkably large during the month under review.

The timber market continues quiet, which is natural, seeing that such a large part of the year's production has been sold. It is to be presumed that the sale of the remaining parcels will not cause any trouble, but renewed liveliness is only expected towards the end of the summer. According to calculations 50,000 standards were sold in May, so that the total sales should amount at present to 925,000 standards. Sales are divided among different countries in such a way that, as usual, Great Britain occupies first place with 408,000 stds., then come Holland with 135,000 stds., Germany with 110,000, Belgium with 90,000, France with 65,000, Denmark with 33,000, Spain with 30,000, other European countries with 9,000 and countries outside Europe with 45,000 stds. Prices have remained firm without any changes worth mentioning. — The market for the other important articles of export has not undergone any particular change.

#### THE LABOUR MARKET.

The unrest on the labour market referred to in our last issue continues to make itself felt. The lockout declared at the end of May in the metal trade, partly as an answer to strikes at some works, is of greater importance than the local strikes that have occurred here and there. This stoppage of work affects over 10,000 workpeople and is a heavy blow to this industry, which is working under depressing conditions. As attempts at mediation have failed, there does not seem to be any prospect of an early settlement in this labour dispute.

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## STATISTICS.

## 1. — BALANCE SHEET OF THE BANK OF FINLAND.

	1926	1927				
	Mill. Fmk	Mill. Fmk				
	15/6	23/5	31/5	8/6	15/6	
<b>ASSETS.</b>						
I. Gold Reserve .....	331.0	324.6	324.3	324.0	323.8	
Foreign Correspondents and Credit abroad .....	894.9	1 001.2	973.9	956.7	922.6	
II. Foreign Bills .....	58.2	51.9	46.7	48.1	44.5	
Foreign Bank Notes and Coupons .....	1.5	1.1	1.2	1.2	1.6	
Inland Bills .....	632.7	619.0	628.9	658.3	666.7	
III. Loans on Security .....	33.0	18.1	18.0	21.6	21.3	
Advances on Cash Credit .....	35.4	81.9	74.3	75.7	77.7	
Finnish State Bonds in Finnish Currency .....	237.5	112.0	109.8	109.8	109.8	
Other State Obligations <sup>1)</sup> .....	24.0	12.0	12.0	12.0	12.0	
Bonds in Foreign Currency .....	104.9	224.4	230.3	234.1	234.1	
»    »    Finnish .....	12.5	12.3	12.3	12.3	12.3	
Bank Premises and Furniture .....	12.0	12.0	12.0	12.0	12.0	
Sundry Assets .....	62.7	32.8	36.2	28.6	34.8	
<b>Total</b>	<b>2 440.3</b>	<b>2 503.3</b>	<b>2 479.9</b>	<b>2 494.4</b>	<b>2 473.2</b>	
<b>LIABILITIES.</b>						
Notes in circulation .....	1 289.6	1 367.7	1 411.3	1 416.9	1 384.5	
Other Liabilities payable on demand:						
Drafts outstanding .....	9.4	9.8	14.3	13.9	13.4	
Balance of Current Accounts due to Government .....	222.5	97.8	44.5	42.5	49.0	
»    »    »    »    »    Others .....	68.4	97.8	76.3	73.1	84.3	
Credit abroad .....	114.6	114.6	114.6	114.6	114.6	
Foreign Correspondents .....	7.2	3.2	3.5	4.4	4.2	
Sundry Accounts .....	26.8	11.5	12.3	20.7	13.8	
Capital .....	500.0	500.0	500.0	500.0	500.0	
Reserve Fund .....	133.4	240.5	240.5	240.5	240.5	
Bank Premises and Furniture .....	12.0	12.0	12.0	12.0	12.0	
Earnings less Expenses .....	56.4	48.4	50.6	55.8	56.9	
<b>Total</b>	<b>2 440.3</b>	<b>2 503.3</b>	<b>2 479.9</b>	<b>2 494.4</b>	<b>2 473.2</b>	

<sup>1)</sup> Balance, free of interest, of the reimbursement, which according to a resolution of the Diet the Government makes to the Bank of Finland for special Russian liabilities, already written off.

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

	1926	1927				
	15/6	23/5	31/5	8/6	15/6	
	<b>RIGHT TO ISSUE NOTES:</b>					
Gold Reserve and Foreign Correspondents .....	1 225.9	1 325.8	1 298.2	1 280.7	1 246.4	
Additional Right of Issue .....	1 200.0	1 200.0	1 200.0	1 200.0	1 200.0	
<b>Total</b>	<b>2 425.9</b>	<b>2 525.8</b>	<b>2 498.2</b>	<b>2 480.7</b>	<b>2 446.4</b>	
<b>USED AMOUNT OF ISSUE:</b>						
Notes in circulation .....	1 289.6	1 367.7	1 411.3	1 416.9	1 384.5	
Other Liabilities payable on demand .....	448.9	334.7	265.5	269.2	279.3	
Undrawn Amount of Advances on Cash Credit .....	20.2	31.9	39.3	37.9	33.8	
<b>Total</b>	<b>1 758.7</b>	<b>1 734.3</b>	<b>1 716.1</b>	<b>1 724.0</b>	<b>1 697.6</b>	
<b>NOTE RESERVE:</b>						
Immediately available .....	159.6	263.5	258.9	264.3	261.6	
Dependent on increased supplementary Cover .....	507.6	528.0	523.2	492.4	487.2	
<b>Total</b>	<b>667.2</b>	<b>791.5</b>	<b>782.1</b>	<b>756.7</b>	<b>748.8</b>	
<b>Grand total</b>	<b>2 425.9</b>	<b>2 525.8</b>	<b>2 498.2</b>	<b>2 480.7</b>	<b>2 446.4</b>	

Bank Rate since March 22 1927, 7 %.

## 3. — BANK OF FINLAND. NOTE CIRCULATION AND FOREIGN CORRESPONDENTS.

End of Month	Note Circulation Mill. Fmk					Foreign Correspondents <sup>1)</sup> Mill. Fmk					End of Month
	1913	1925	1926	1927	Monthly Movement	1913	1925	1926	1927	Monthly Movement	
Jan.	[117.5]	[1 249.9]				[60.4]	[793.9]				
Jan.	114.4	1 205.5	1 291.6	1 330.4	— 15.3	55.1	867.1	1 360.8	1 047.6	— 34.8	Jan.
Febr.	119.6	1 288.0	1 349.9	1 446.6	+ 116.2	53.7	906.8	1 226.6	1 126.6	+ 79.0	Febr.
March	116.0	1 383.7	1 385.8	1 472.8	+ 26.2	53.6	858.6	1 182.2	1 185.3	+ 58.7	March
April	110.6	1 382.0	1 361.8	1 447.3	— 25.5	49.6	1 131.7	1 073.1	1 096.3	— 89.0	April
May	118.2	1 336.1	1 319.7	1 411.3	— 36.0	48.5	1 089.1	948.0	973.9	— 122.4	May
June	114.9	1 286.0	1 297.7			48.7	1 018.1	899.9			June
July	109.9	1 252.1	1 289.4			52.1	1 024.0	890.1			July
Aug.	109.4	1 268.2	1 295.9			51.9	999.5	972.2			Aug.
Sept.	112.0	1 279.5	1 334.5			58.5	1 088.3	956.1			Sept.
Oct.	109.2	1 271.2	1 327.4			64.9	1 265.9	901.0			Oct.
Nov.	112.3	1 253.1	1 295.6			62.9	1 308.6	1 006.3			Nov.
Dec.	113.0	1 309.3	1 345.7			58.5	1 408.0	1 082.4			Dec.

<sup>1)</sup> Credit balances with foreign correspondents. Including the Credit abroad, which amounted to 244.8 mill. mk. to January 31st 1925, 256.2 mill. mk. to January 31st 1926, and has since amounted to 114.6 mill. mk.

## 4. — BANK OF FINLAND. NOTE RESERVE AND HOME LOANS.

End of Month	Note Reserve Mill. Fmk					Home Loans <sup>1)</sup> Mill. Fmk					End of Month
	1913	1925	1926	1927	Monthly Movement	1913	1925	1926	1927	Monthly Movement	
Jan.	[16.0]	[597.5]				[115.2]	[551.1]				
Jan.	17.2	586.3	809.5	785.2	+ 31.0	114.9	613.6	477.7	627.0	— 27.3	Jan.
Febr.	23.6	593.1	761.7	776.3	+ 41.1	119.2	604.6	567.1	637.4	+ 10.4	Febr.
March	22.2	539.7	731.8	804.6	+ 28.3	120.8	653.1	600.5	654.6	+ 17.2	March
April	23.0	671.7	767.0	806.9	+ 2.3	121.5	544.6	594.8	698.9	+ 44.3	April
May	18.6	767.3	733.5	782.1	— 24.8	126.4	438.0	623.3	721.2	+ 22.3	May
June	26.2	764.5	640.6			119.6	420.2	735.4			June
July	32.8	820.2	748.9			113.4	371.2	649.6			July
Aug.	37.7	792.2	767.7			108.9	390.0	596.7			Aug.
Sept.	42.9	747.4	737.4			104.5	377.6	602.7			Sept.
Oct.	45.2	911.0	637.9			102.9	350.1	653.9			Oct.
Nov.	46.4	864.0	696.6			103.9	363.9	672.2			Nov.
Dec.	41.2	763.4	704.2			110.0	478.9	654.3			Dec.

<sup>1)</sup> Inland Bills, Loans on Security and Advances on Cash Credit.

## 5. — BANK OF FINLAND. REDISCOUNTED BILLS AND BALANCES OF CURRENT ACCOUNTS.

End of Month	Rediscounted Bills <sup>1)</sup> Mill. Fmk				Balance of Current Accounts due to Government Mill. Fmk				Balance of Current Accounts due to others than Government Mill. Fmk				End of Month
	1913	1926	1927	Monthly Movement	1913	1926	1927	Monthly Movement	1913	1926	1927	Monthly Movement	
Jan.	[12.2]	[25.9]			[23.1]	[505.7]			[4.7]	[51.4]			
Jan.	14.2	22.4	54.7	— 32.3	20.1	441.9	181.9	— 121.5	4.9	47.9	137.0	+ 50.4	Jan.
Febr.	15.5	75.9	22.4	— 32.3	17.7	455.1	196.8	+ 14.9	3.6	46.0	65.5	— 71.5	Febr.
March	18.3	112.9	8.7	— 13.7	20.1	380.6	165.6	— 31.2	4.3	41.9	86.5	+ 21.0	March
April	17.5	86.8	8.2	— 0.5	22.5	300.1	99.5	— 66.1	3.6	32.0	95.9	+ 9.4	April
May	23.1	75.8	18.2	+ 10.0	17.7	259.2	44.5	— 55.0	3.4	7.3	76.3	— 19.6	May
June	20.3	140.3			18.2	269.2			4.4	57.6			June
July	17.3	81.6			19.0	216.8			5.2	8.7			July
Aug.	16.7	71.7			18.1	199.2			4.5	76.6			Aug.
Sept.	16.0	51.9			17.9	161.9			4.8	81.1			Sept.
Oct.	13.6	37.3			27.3	207.7			4.7	88.6			Oct.
Nov.	14.7	50.0			23.1	291.9			4.3	81.1			Nov.
Dec.	15.2	87.0			20.7	303.4			5.7	86.6			Dec.

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

<sup>1)</sup> Included in home loans, see table 4. Rediscounted Bills for 1913 according to Finland's Official Statistics VII, D, Bank Statistics, for 1926 and 1927 according to the monthly balance sheets of the Bank of Finland.



## 9. — POSITION OF THE JOINT STOCK BANKS TOWARDS FOREIGN COUNTRIES.

End of Month	Credits <sup>1)</sup> Mill. Fmk			Indebtedness <sup>2)</sup> Mill. Fmk			Net Claims (+) and Net Indebtedness (-) Mill. Fmk			Monthly Movement of Net Indebtedness		End of Month
	1913	1926	1927	1913	1926	1927	1913	1926	1927	1926	1927	
	[32.9]	[140.9]		[15.7]	[334.5]		[+17.2]	[-193.6]				
Jan.	30.1	159.6	372.4	14.7	334.3	316.6	+15.4	-174.7	+55.8	-18.9	-106.8	Jan.
Febr.	30.4	116.1	308.1	17.2	341.6	325.1	+13.2	-225.5	-17.0	+50.8	+72.8	Febr.
March	27.8	139.7	223.7	17.6	345.8	353.8	+10.2	-206.1	-130.1	-19.4	+113.1	March
April	26.7	113.0	223.0	23.1	358.5	354.9	+3.6	-245.5	-131.9	+39.4	+1.8	April
May	27.5	97.6	202.3	27.7	387.8	370.8	-0.2	-290.2	-168.6	+44.7	+36.7	May
June	32.2	127.1		26.0	383.1		+6.2	-256.0		-34.2		June
July	40.9	170.7		19.7	343.3		+21.2	-172.6		-83.4		July
Aug.	50.5	191.3		16.1	329.2		+34.4	-137.9		-34.7		Aug.
Sept.	52.1	189.4		15.6	342.6		+36.5	-153.2		+15.3		Sept.
Oct.	53.8	186.1		20.1	327.2		+33.7	-141.1		-12.1		Oct.
Nov.	50.5	182.7		20.3	325.7		+30.2	-143.0		+1.9		Nov.
Dec.	49.5	270.9		16.2	321.9		+33.3	-51.0		-92.0		Dec.

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

<sup>1)</sup> Balances with foreign correspondents and foreign bills. — <sup>2)</sup> Due to foreign correspondents. (90—95 % foreign deposits in Fmks.)

10. — POSITION OF THE BANKS TOWARDS FOREIGN COUNTRIES.<sup>1)</sup>11. — CLEARING.<sup>2)</sup>

End of Month	Net Claims (+) and Net Indebtedness (-) Mill. Fmk						Monthly Movement of Net Claims	1926		1927		Month
	1922	1923	1924	1925	1926	1927		Number	Amount	Number	Amount	
Jan.	-656.2	-169.0	-40.9	+323.1	+1026.6	+1075.5	+50.9	105 650	1 405.0	113 277	1 628.8	Jan.
Febr.	-668.0	-166.9	+2.3	+344.1	+961.8	+1053.6	-21.9	93 689	1 212.1	102 953	1 558.3	Febr.
March	-715.3	-185.4	-25.5	+297.4	+921.2	+988.2	-65.4	110 978	1 447.4	120 853	1 727.1	March
April	-733.3	-261.3	-161.4	+571.4	+768.5	+886.6	-101.6	109 791	1 389.0	118 394	1 750.4	April
May	-791.1	-335.2	-222.6	+503.5	+596.3	+733.8	-152.8	114 052	1 357.2	125 701	1 737.9	May
June	-831.6	-394.2	-387.4	+446.5	+582.0			119 212	1 380.5			June
July	-780.5	-472.1	-122.9	+545.5	+655.5			126 605	1 514.2			July
Aug.	-767.6	-552.0	-179.5	+559.6	+794.0			106 981	1 352.3			Aug.
Sept.	-529.0	-535.8	-198.1	+653.4	+785.7			114 269	1 477.4			Sept.
Oct.	-67.0	-339.3	-98.0	+90.4	+748.2			125 735	1 661.0			Oct.
Nov.	-80.7	-141.2	+11.8	+995.9	+842.5			124 478	1 658.7			Nov.
Dec.	-220.7	-128.0	+229.3	+1049.1	+1024.6			130 114	1 701.4			Dec.
								1 381 554	17 556.2			Total

<sup>1)</sup> The figures indicate the position towards foreign countries of the Bank of Finland (balances with foreign correspondents and foreign bills are taken into account as well as credits due to foreign correspondents) and of the Joint Stock Banks (net claims or net indebtedness; see table 9 above).

<sup>2)</sup> Indicates the clearing operations joined by 12 Joint Stock Banks both at the Head Office and five Branch Offices of the Bank of Finland.

## 12. — DEPOSITS IN THE SAVINGS-BANKS.

End of Month	In the towns Mill. Fmk			In the country Mill. Fmk			Total Mill. Fmk			Monthly Movement		End of Month
	1925	1926	1927	1925	1926	1927	1925	1926	1927	1926	1927	
Jan.	831.8	972.4*	1 202.6*	998.0	1 155.7*	1 373.9*	1 829.8	2 128.1*	2 576.5*	+44.8*	+66.1*	Jan.
Febr.	840.7	936.7*	1 226.1*	1 008.1	1 174.9*	1 402.6*	1 848.8	2 161.6*	2 628.7*	+33.5*	+52.2*	Febr.
March	854.5	1 004.4*	1 259.6*	1 021.7	1 193.0*	1 431.6*	1 876.2	2 197.4*	2 691.2*	+35.8*	+62.5*	March
April	859.5	1 017.1*	1 280.2*	1 036.9	1 209.4*	1 459.5*	1 896.4	2 226.5*	2 739.7*	+29.1*	+48.5*	April
May	859.6	1 026.3*	1 293.4*	1 043.6	1 225.1*	1 483.7*	1 903.2	2 251.4*	2 777.1*	+24.9*	+37.7*	May
June	862.7	1 033.2*		1 042.7	1 221.4*		1 905.4	2 254.6*		+3.2*		June
July	871.3	1 046.5*		1 042.3	1 223.6*		1 913.6	2 270.1*		+15.5*		July
Aug.	875.5	1 058.3*		1 038.9	1 221.5*		1 914.4	2 279.8*		+9.7*		Aug.
Sept.	875.9	1 063.1*		1 040.8	1 223.9*		1 916.7	2 287.0*		+7.2*		Sept.
Oct.	880.1	1 071.9*		1 044.1	1 225.6*		1 924.2	2 297.5*		+10.5*		Oct.
Nov.	882.2	1 084.5*		1 052.1	1 240.9*		1 934.3	2 325.4*		+27.9*		Nov.
Dec.	949.2	1 171.2*		1 134.1	1 339.2*		1) 2 083.3	2) 2 510.4*		+15.2*		Dec.

<sup>1)</sup> Increased by 148.1 mill. Fmk interest for 1925. — <sup>2)</sup> Increased by 169.8 mill. Fmk calculated interest for 1926.

Deposits in the Savings Banks, including long-term deposits and current accounts, according to figures supplied by the Central Statistical Office.

\* Preliminary figures subject to minor alterations.

### 13. — DEPOSITS IN POST OFFICE SAVINGS BANK AND ON CONSUMERS' CO-OPERATIVE SOCIETIES' SAVINGS ACCOUNT.

End of Month	Deposits in Post Office Savings Bank <sup>1)</sup> Mill. Fmk				Monthly Movement		Deposits on Consumers' Co-operative Societies' Savings Account <sup>2)</sup> Mill. Fmk			Monthly Movement		End of Month
	1913	1925	1926	1927	1926	1927	1925	1926	1927	1926	1927	
January	8.2	139.1	154.0	172.7*	+ 2.2	- 0.1	147.5	204.0	264.7	+ 8.7	+ 10.3	January
February	8.2	140.4	156.4	173.5*	+ 2.4	+ 0.8	153.0	213.2	277.1	+ 9.2	+ 12.4	February
March	8.2	152.3	169.0	185.7*	+ 12.6	+ 12.2	160.1	221.1	290.3	+ 7.9	+ 13.1	March
April	8.5	152.4	169.6	184.8*	+ 0.6	- 0.9	164.7	224.0	295.3	+ 2.9	+ 5.1	April
May	8.5	151.5	169.2	183.0*	- 0.4	- 1.8	166.8	223.1	296.8	- 0.9	+ 1.5	May
June	8.5	151.8	169.0		- 0.2		174.7	231.3		+ 8.2		June
July	8.6	152.9	170.4		+ 1.4		179.0	234.8		+ 3.5		July
August	8.7	153.7	172.2		+ 1.8		181.4	236.7		+ 1.9		August
September	8.7	153.1	172.8		+ 0.6		183.8	238.4		+ 1.7		September
October	8.6	152.7	172.9		+ 0.1		185.2	241.0		+ 2.6		October
November	8.6	152.2	173.8		+ 0.9		187.9	246.3		+ 5.3		November
December	8.5	151.8	172.8		- 1.0		195.3	254.4		+ 8.1		December

Post Office Savings Bank deposits according to Finnish Official Statistics VII, D. Bank Statistics. Monthly Reports.  
Consumers' Co-operative Societies' deposits according to data from the Finnish Co-operative Wholesale Society Ltd. and the Co-operative Wholesale Society.

<sup>1)</sup> Interest added to capital partly in April, partly in March.

<sup>2)</sup> Interest added to capital partly in January, partly in June and December.

### 14. — CHANGES IN NUMBER AND CAPITAL OF LIMITED COMPANIES.

Year and Month	Companies founded		Increase of capital		Companies liquidated		Companies with reduced capital		Net increase (+) or reduction (-)		Year and Month
	Number	Capital Mill. Fmk	Number	Mill. Fmk	Number	Capital Mill. Fmk	Number	Reduction of capital Mill. Fmk	Number	Capital Mill. Fmk	
1924	564	323.6	214	199.0	128	236.1	12	42.2	+ 342	+ 244.3	1924
1925	593	171.3	216	168.8	134	85.1	6	13.6	+ 422	+ 241.4	1925
1926											1926
Jan.—March	146	69.4	48	21.1	29	8.6	1	1.5	+ 117	+ 80.4	Jan.—March
April—June	163	83.2	50	12.1	32	8.0	1	0.3	+ 131	+ 87.0	April—June
July—Sept.	112	35.3	48	70.3	33	11.3	—	—	+ 79	+ 94.3	July—Sept.
Oct.—Dec.	162 <sup>1)</sup>	38.1	36	57.1	49	11.8	2	0.3	+ 113	+ 83.1	Oct.—Dec.
1927											1927
Jan.—March	186	80.9	64	52.8	37	15.6	2	0.1	+ 149	+ 118.0	Jan.—March
April—June											April—June
July—Sept.											July—Sept.
Oct.—Dec.											Oct.—Dec.

According to information supplied by the Central Statistical Office.

<sup>1)</sup> Of which 5 were such which after being declared bankrupt, came to an agreement with their creditors.

### 15. — NEW RISKS INSURED BY LIFE ASSURANCE COMPANIES.

End of Month	New risks accepted by Finnish Life Assurance Companies								End of Month
	1924 <sup>1)</sup>		1925 <sup>1)</sup>		1926		1927		
	Number	Amount Mill. Fmk	Number	Amount Mill. Fmk	Number	Amount Mill. Fmk	Number	Amount Mill. Fmk	
January	4 346	44.6	5 530	54.2	6 906*	85.6*	6 334*	88.1*	January
February	6 867	67.4	7 651	75.3	8 695*	102.2*	9 001*	121.9*	February
March	8 668	77.8	9 780	96.5	11 283*	137.3*	11 847*	158.8*	March
April	7 490	70.6	7 823	79.2	10 658*	131.4*	9 132*	127.7*	April
May	6 662	65.4	7 521	78.1	7 494*	98.7*	8 199*	123.5*	May
June	7 348	73.1	7 364	73.7	7 498*	96.5*			June
July	5 253	49.4	5 585	58.1	5 996*	80.4*			July
August	5 550	52.6	6 321	64.3	7 317*	101.4*			August
September	7 186	71.1	8 188	84.8	8 621*	122.1*			September
October	7 287	69.1	7 821	84.3	8 817*	121.3*			October
November	8 083	76.8	8 845	91.5	10 028*	135.1*			November
December	10 975	121.5	11 287	135.4	12 758*	217.1*			December
Total	85 715	839.4	93 716	975.4	106 071*	1 429.1*	44 513*	620.0*	Total
Jan.—May	34 033	325.8	38 805	383.3	45 036*	555.2*			Jan.—May

According to information supplied by Life Assurance Companies.

<sup>1)</sup> Distribution by months partly according to estimates.

\* Preliminary figures subject to minor alterations.



16. — HELSINGFORS STOCK EXCHANGE. BANKRUPTCIES. PROTESTED BILLS.

Month	Turnover of Stock Exchange Mill. Fmk			Bankruptcies			Protested Bills							Month	
				Number			Number				Amount Mill. Fmk				
	1925	1926	1927	1925	1926	1927	1913	1925	1926	1927	1913	1925	1926		1927
January	8.5	32.9	59.0	110*	76*	100*	959	710	453	688	2.8	3.6	2.2	4.6	January
February	12.1	25.8	99.1	100*	73*	65*	762	590	473	593	2.1	4.0	2.5	2.7	February
March	12.7	37.6	76.3	103*	68*	94*	957	618	533	691	1.1	4.5	2.7	2.7	March
April	9.5	24.0	61.0	69*	70*	79*	881	596	531	654	1.2	2.7	2.4	2.8	April
May	11.5	30.0	70.8	76*	47*		861	499	642	652	1.0	2.5	3.1	3.8	May
June	6.9	17.3		45*	48*		807	490	639		0.8	2.2	3.8		June
July	10.8	16.4		60*	58*		820	499	718		0.8	2.1	2.8		July
August	7.2	26.1		48*	49*		799	509	548		1.0	3.3	2.1		August
September	10.4	42.9		76*	74*		838	447	623		1.1	2.3	3.0		September
October	14.3	35.6		76*	97*		888	575	728		0.8	4.0	4.1		October
November	17.8	24.8		70*	93*		762	486	610		0.6	3.3	3.1		November
December	23.8	28.0		58*	75*		942	505	771		1.0	2.2	5.6		December
Total	145.5	341.4		891*	828*		10 276	6 524	7 269		56.9	36.7	37.4		Total
Jan.-May	54.3	150.3	366.2				4 420	3 013	2 632	3 278	8.2	17.3	12.9	16.6	Jan.-May

Turnover of Stock Exchange according to figures supplied by the Stock Exchange Committee.

The figures for bankruptcies are not comparable with those published earlier in 1925. The figures above, compiled by the Central Statistical Office according to the reports sent in by the various Courts, include all bankruptcy petitions, of which only about half will lead in due course to actual bankruptcy, whereas the rest owing to agreement, lack of means etc. will be cancelled.

Protested bills according to figures published in the 'Report of Bills Protested in Finland'.

\* Preliminary figures subject to minor alterations.

17. — STOCK EXCHANGE INDEX.

Year	Jan.	Febr.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
1924	143	143	139	129	127	126	125	125	122	123	123	122	1924
1925	126	127	121	118	120	125	132	134	135	136	141	147	1925
1926	144	147	152	154	153	157	164	172	175	172	177	178	1926
1927	198	211	222	219	224								1927

According to figures published in the 'Mercator'.

This revised index series is based on the prices bid at the end of each month for 13 representative securities, viz., 4 bank, 12 industrial and 2 other kinds of shares. By multiplying the price bid for each security by the number of shares in the corresponding company the so-called 'Exchange value' has been arrived at for the share capital of the company, the sum of which values has been calculated in % of the total nominal value of the share capital of the same companies. These percentages in the above table usually show a fall during March and April owing to the payment of dividends.

18. — NATIONAL DEBT.

End of Month or Year	According to the Official Book-keeping Mill. Fmk <sup>1)</sup>				Calculated in Mill. Dollars <sup>2)</sup>				End of Month or Year
	Foreign	Internal	Total	Monthly Movement	Foreign	Internal	Total	Monthly Movement	
1924	1 396.6	882.8	2 279.4	.	62.6	22.2	84.8	.	1924
1925	1 714.0	761.3	2 475.3	.	72.5	19.2	91.7	.	1925
1926									1926
May	1 787.6	668.5	2 456.1	- 0.5	75.4	16.8	92.2	- 0.1	May
June	1 786.3	668.4	2 454.7	- 1.4	75.6	16.8	92.4	+ 0.2	June
July	1 785.1	668.4	2 453.5	- 1.2	75.2	16.8	92.0	- 0.4	July
August	1 781.7	668.1	2 449.8	- 3.7	75.2	16.8	92.0	-	August
September	1 778.7	666.2	2 444.9	- 4.9	75.1	16.8	91.9	- 0.1	September
October	2 358.8	532.5	2 891.3	+ 446.4	89.6	13.4	103.0	+ 11.1	October
November	2 350.3	528.6	2 878.9	- 12.4	89.8	13.3	103.1	+ 0.1	November
December	2 349.9	496.9	2 846.8	- 32.1	89.9	12.5	102.4	- 0.7	December
1927									1927
January	2 349.1	496.9	2 846.0	- 0.8	90.0	12.5	102.5	+ 0.1	January
February	2 257.8	496.8	2 754.6	- 91.4	82.1	12.5	94.6	- 7.9	February
March	2 257.6	496.8	2 754.4	- 0.2	82.2	12.5	94.7	+ 0.1	March
April	2 256.6	496.5	2 753.1	- 1.3	82.1	12.5	94.6	- 0.1	April
May	2 255.0	496.3	2 751.3	- 1.8	82.1	12.5	94.6	-	May

The above table is based on the monthly report on the National Debt published by the Treasury in the Official Gazette. — The whole National Debt is funded.

<sup>1)</sup> Internal loans are given at their nominal value. Foreign loans are given in Finnish currency according to the rate ruling on the date of the raising of the loan. As a result of this, loans of an earlier date than 1914 are set down at par.

<sup>2)</sup> Calculated as follows: The loans raised in the country have been calculated in dollars, according to the average rate of exchange of each month. The loans, negotiated abroad, which are all issued in different currencies, are grouped according to the proportion of currencies, shown by the coupons paid, and reduced to dollars at the rate of exchange just mentioned.

## 19. — STATE REVENUE AND EXPENDITURE.

Groups of revenue and expenditure	Jan.—March Mill. Fmk		Groups of revenue and expenditure	Jan.—March Mill. Fmk	
	1926	1927		1926	1927
Revenue derived from State forests..	55.6	76.3	Telegraph fees .....	5.2	5.2
"    "    "    canals .....	—	—	Shipping dues .....	2.0	2.1
"    "    "    railways .....	177.2	193.5	Fines .....	6.6	8.5
Income and Property taxes .....	6.4	9.0	Various taxes and other revenue ....	73.0	91.1
Customs dues .....	139.7	246.5	<b>Total State revenue</b>	<b>598.6</b>	<b>776.3</b>
Excise on tobacco .....	36.2	36.5	Ordinary expenditure .....	620.2	906.3
"    matches .....	4.9	5.5	Extraordinary expenditure .....	40.8	91.0
Stamp duty .....	45.1	50.0	<b>Total State expenditure</b>	<b>661.0</b>	<b>997.3</b>
Interest .....	21.1	24.8			
Postal fees .....	25.6	27.3			

According to figures compiled by the Treasury from the balances of accounts at the end of each month. These are preliminary figures of gross amounts. This table gives figures for the excise on tobacco excluding stamp duty on imported tobacco, which is included in the respective figures in table 20.

## 20. — MISCELLANEOUS STATE RECEIPTS COLLECTED BY CUSTOMS.

(Fmk, 000's omitted.)

Month	Import Customs and Storage Charges	Export Customs	Fines	Clearing Charges	Light Dues	Excise on Tobacco	Excise on Matches	Excise on Sweets	Month
1927									1927
January	84 408*	74*	954*	109*	448*	12 101*	1 677*	2 217*	January
February	76 255*	36*	400*	70*	263*	11 922*	1 637*	1 616*	February
March	87 592*	45*	1 243*	82*	329*	12 455*	2 244*	916*	March
April	92 331*	58*	331*	136*	622*	12 691*	1 329*	1 191*	April
May	115 283*	700*	869*	351*	1 832*	13 226*	900*	1 622*	May
June									June
July									July
August									August
September									September
October									October
November									November
December									December
Jan.-May 1927	455 867*	913*	3 797*	748*	3 494*	62 395*	7 787*	7 562*	Jan.-May 1927
"    1926	284 412	414	1 930	490	2 651	58 795	7 422	1 865	"    1926
1927 Budget Estimate	1 100 000	10 000	—	3 500	15 500	163 000	17 000	16 000	1927 Budget Estimate

Tables 20—29 according to Finland's Official Statistics I. A., Foreign Trade of Finland, Monthly Reports.

## 21. — VALUE OF IMPORTS AND EXPORTS.

Month	Imports (C. I. F. Value) Mill. Fmk			Exports (F. O. B. Value) Mill. Fmk			Surplus of Imports (—) or Exports (+) Mill. Fmk			Month
	1913	1926	1927	1913	1926	1927	1913	1926	1927	
January	29.9	287.8	393.3*	13.0	197.0	255.1*	—16.9	— 90.8	—138.2*	January
February	26.6	272.5	364.7*	14.2	181.3	236.8*	—12.4	— 91.2	—127.9*	February
March	30.0	383.0	452.9*	13.6	228.9	237.2*	—16.4	—154.1	—215.7*	March
April	32.3	481.5	466.1*	17.3	279.3	267.3*	—15.0	—202.2	—198.3*	April
May	52.6	484.7	605.8*	36.6	286.8	411.0*	—16.0	—197.9	—194.3*	May
June	43.0	512.9		49.1	580.7		+ 6.1	+ 67.8		June
July	43.5	471.2		56.6	851.4		+13.1	+380.2		July
August	40.3	499.9		52.1	649.3		+11.8	+149.4		August
September	51.8	537.2		50.3	646.1		— 1.5	+108.9		September
October	61.4	572.1		42.9	711.7		—18.5	+139.6		October
November	48.4	611.6		32.3	568.9		—16.1	— 42.6		November
December	35.6	553.4		26.8	455.1		— 8.8	— 98.3		December
Total	495.4	5 667.7		404.8	5 636.5		—90.6	— 31.2		Total
Jan.-May	171.4	1 909.5	2 282.8*	94.7	1 173.3	1 407.4*	—76.7	—736.2	—875.4*	Jan.-May

The term *imports* covers all imported goods which have been 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.

## 22. — VALUE OF IMPORTS AND EXPORTS IN DIFFERENT GROUPS OF GOODS.\*

No. of group	Groups of Goods	Imports (C. I. F. Value) Mill. Fmk						Exports (F. O. B. Value) Mill. Fmk					
		May	April	May	Jan.—May			May	April	May	Jan.—May		
		1926	1927	1927	1925	1926	1927	1926	1927	1927	1925	1926	1927
1	Live animals .....	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.0	2.9	0.4	1.0	
2	Food obtained from animals	4.8	5.0	5.7	23.9	47.0	32.6	55.4	61.9	61.8	254.5	255.2	285.0
3	Cereals and their products	41.3	36.5	59.1	331.4	194.5	214.6	0.0	0.1	0.2	0.4	0.1	0.6
4	Fodder and seed .....	19.8	17.8	12.7	94.5	120.8	97.9	0.8	0.8	0.8	2.9	1.6	2.5
5	Fruit, vegetables, live plants, etc. ....	11.1	10.2	10.6	36.3	52.2	47.1	0.1	0.1	0.1	0.1	0.1	0.8
6	Colonial produce and spices	34.0	51.2	58.4	263.4	118.7	259.9	0.0	0.1	0.1	0.5	0.1	0.5
7	Preserves, in hermetically sealed packages .....	0.2	0.3	0.3	1.2	1.3	1.5	0.0	0.0	0.1	0.8	0.4	0.4
8	Beverages .....	1.2	1.8	0.7	4.3	11.3	8.0	0.0	—	0.0	0.0	0.0	0.0
9	Spinning materials .....	28.4	17.0	21.5	136.0	127.8	118.8	0.1	0.0	0.0	1.1	0.7	0.2
10	Yarns and ropes .....	11.0	10.7	12.4	32.0	56.1	54.7	0.1	0.4	0.7	6.7	0.7	1.6
11	Cloth .....	26.0	34.6	29.5	134.5	171.2	178.4	0.8	1.0	0.9	13.5	4.8	4.9
12	Diverse textile products ..	23.6	30.1	24.8	77.9	94.2	104.7	0.1	0.1	0.1	0.7	0.3	0.4
13	Timber and wooden articles	1.5	2.7	3.5	6.9	6.5	11.7	103.0	34.9	188.2	373.3	211.8	312.1
14	Bark, cane, branches or twigs, and articles made from same .....	1.0	1.4	2.7	9.5	6.4	7.6	0.1	0.1	0.1	0.3	0.3	0.4
15	Board, cardboard and paper and articles made from same .....	1.8	1.8	2.3	5.2	6.2	8.1	107.3	146.5	131.0	623.0	600.8	672.5
16	Hair, bristles, feathers to- gether with bones, horn and other carvable goods not specifically mentioned and articles made from same	1.6	2.2	2.1	6.0	7.1	8.2	0.2	0.4	0.2	1.4	1.2	1.2
17	Hides and skins, leather- goods, furs, etc. ....	16.6	18.0	14.8	63.0	82.6	78.6	6.1	8.1	11.9	66.6	39.7	61.1
18	Metals and metal goods ..	54.5	50.8	78.4	160.2	175.5	257.9	0.6	1.0	1.1	5.5	4.3	5.9
19	Machinery and apparatus ..	35.7	33.3	53.5	79.4	124.2	175.1	1.2	1.7	1.2	9.1	7.0	5.5
20	Means of transport .....	61.7	53.3	68.3	104.6	166.0	182.7	0.1	0.0	0.1	0.1	0.1	0.1
21	Musical instruments, instru- ments, clocks and watches	5.7	5.1	5.5	13.3	18.5	22.3	0.0	0.0	0.0	0.0	0.0	0.1
22	Stones and earths, and ar- ticles made from same ..	19.7	13.2	46.6	39.2	43.2	107.8	1.6	1.8	1.7	7.0	7.6	7.5
23	Asphalt, tar, resins, rubber and products made from same .....	16.0	12.6	18.9	41.9	61.6	57.4	1.3	1.7	2.0	6.5	5.6	9.1
24	Oils, fats and waxes, and products of same .....	20.6	16.2	30.7	76.0	68.6	80.2	0.2	0.1	0.1	0.5	0.4	0.3
25	Ethers, alcohols not speci- fically described, ethereal oils, cosmetics, etc. ....	0.9	0.9	0.9	2.4	3.2	3.5	0.2	0.1	0.1	1.7	0.5	0.4
26	Colours and dyes .....	8.5	6.9	8.8	18.1	19.5	24.4	0.0	0.0	0.0	0.1	0.1	0.0
27	Explosives, fire-arms and materials, fuses and fire- works .....	0.4	0.5	0.7	2.7	2.1	2.0	3.4	3.1	2.4	13.8	17.1	12.8
28	Chemical elements and com- binations thereof and drugs .....	12.8	8.4	10.5	26.9	30.9	32.4	0.8	0.2	0.1	3.4	2.8	0.7
29	Fertilizers .....	10.7	14.9	10.8	29.5	50.7	57.1	—	0.0	—	—	—	0.0
30	Literature and works of art, educational materials, office fittings, etc. ....	4.0	4.3	5.2	15.3	17.1	22.1	0.8	0.3	0.8	1.5	2.2	2.1
31	Articles not specified else- where .....	9.6	4.4	5.8	11.8	24.4	25.4	0.2	0.2	0.3	0.7	0.7	0.7
	Total	484.7	466.1	605.8	1 847.4	1 909.5	2 282.8	284.6	264.9	406.1	1 398.6	1 166.6	1 390.4
	Re-exports .....	—	—	—	—	—	—	2.2	2.4	4.9	9.5	6.7	17.1
	Total	484.7	466.1	605.8	1 847.4	1 909.5	2 282.8	286.8	267.3	411.0	1 408.1	1 173.3	1 407.5

\*) Preliminary figures subject to minor alterations.

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

Month	Rye Tons			Rye Flour Tons			Wheat Tons			Month
	1913	1926	1927	1913	1926	1927	1913	1926	1927	
January	903.3	17 883.6	5 653.6*	7 844.3	175.3	48.0*	69.7	100.1	— *	January
February	974.6	4 955.6	6 962.8*	8 619.6	147.7	32.0*	12.4	—	— *	February
March	1 391.6	6 641.2	7 796.0*	9 524.6	238.9	30.0*	10.5	109.3	5.0*	March
April	906.6	16 853.0	6 206.2*	5 218.6	438.2	—	23.0	261.8	21.7*	April
May	6 902.8	8 051.1	8 683.0*	22 320.0	235.8	25.0*	51.6	0.9	0.8*	May
June	3 696.3	14 316.7	16 083.5	16 083.5	277.8	—	22.2	72.9	—	June
July	5 981.6	18 666.6	14 597.3	14 597.3	362.5	—	0.3	109.7	—	July
August	4 769.6	10 815.8	12 149.3	12 149.3	525.9	—	24.3	159.7	—	August
September	13 264.9	8 381.9	28 854.6	28 854.6	789.0	—	30.2	1.3	—	September
October	16 126.1	20 533.7	37 290.8	37 290.8	710.0	—	66.4	70.9	—	October
November	9 643.9	11 753.5	24 991.0	24 991.0	518.7	—	28.0	24.6	—	November
December	1 048.9	10 105.2	8 536.8	8 536.8	154.6	—	29.8	73.5	—	December
Total	65 610.4	148 957.8	35 301.6*	196 080.3	5 074.4	135.0*	368.3	984.7	27.5*	Total
Jan. - May	11 078.7	54 384.6	35 301.6*	53 527.0	1 235.9	135.0*	167.1	472.1	27.5*	Jan. - May

Month	Wheaten Flour and Grain of Wheat Tons			Rice and Grain of Rice Tons			Oats Tons			Month
	1913	1926	1927	1913	1926	1927	1913	1926	1927	
January	8 858.2	3 125.0	7 054.9*	16.7	573.3	819.2*	579.2	213.2	307.7*	January
February	5 904.9	2 980.1	5 060.2*	53.7	890.3	593.7*	423.3	224.8	247.4*	February
March	5 799.8	3 678.4	5 042.1*	20.9	722.8	802.2*	658.3	159.6	180.5*	March
April	5 950.5	4 367.6	5 139.6*	77.5	998.8	761.0*	562.8	85.2	144.4*	April
May	14 905.8	4 704.4	8 029.8*	2 856.5	1 741.9	2 595.0*	796.5	431.0	220.9*	May
June	10 647.2	6 816.5	1 636.4	1 636.4	2 301.9	—	1 053.2	532.6	—	June
July	10 103.0	9 331.6	2 895.2	2 895.2	1 872.3	—	589.3	608.6	—	July
August	6 870.2	8 069.9	1 161.2	1 161.2	1 210.3	—	370.8	795.7	—	August
September	8 862.9	8 799.0	1 315.5	1 315.5	1 332.6	—	428.5	1 260.1	—	September
October	16 015.3	9 602.6	2 060.6	2 060.6	1 495.4	—	799.4	1 424.3	—	October
November	15 444.7	14 615.4	185.9	185.9	1 040.6	—	754.8	1 577.2	—	November
December	9 034.3	10 054.2	136.4	136.4	1 105.1	—	336.9	744.7	—	December
Total	118 401.8	86 144.7	12 416.5	12 416.5	15 285.7	5 571.1*	7 403.0	8 057.0	1 100.9*	Total
Jan. - May	41 419.2	18 855.5	30 326.6*	3 025.3	4 927.1	5 571.1*	3 020.1	1 113.8	1 100.9*	Jan. - May

Month	Coffee Tons			Sugar Refined and Unrefined Tons			Raw Tobacco Tons			Month
	1913	1926	1927	1913	1926	1927	1913	1926	1927	
January	623.9	122.2	1 026.3*	3 659.9	58.1	6 238.7*	326.4	242.6	250.7*	January
February	745.4	489.5	1 238.2*	3 702.2	78.6	5 077.3*	324.3	229.2	246.1*	February
March	510.7	815.8	1 357.4*	3 250.1	88.1	4 944.1*	284.7	216.5	269.1*	March
April	719.4	900.7	1 177.8*	3 777.2	117.8	6 004.4*	353.7	259.1	244.1*	April
May	1 812.4	1 148.9	1 338.5*	3 835.0	438.9	6 530.5*	297.2	253.8	302.0*	May
June	1 300.0	1 482.5	—	3 502.3	1 686.1	—	260.1	255.8	—	June
July	808.8	1 142.6	—	3 031.3	3 676.6	—	315.7	186.0	—	July
August	946.6	1 201.6	—	3 740.7	4 741.0	—	320.7	279.8	—	August
September	1 494.4	1 623.3	—	5 945.3	5 584.4	—	295.4	279.5	—	September
October	1 899.8	1 594.7	—	5 916.5	5 453.1	—	462.3	240.9	—	October
November	1 286.6	1 673.2	—	4 397.4	7 119.5	—	327.3	247.7	—	November
December	719.0	1 032.8	—	2 907.5	4 949.3	—	192.7	143.7	—	December
Total	12 866.9	13 227.8	47 665.4	47 665.4	33 991.5	28 795.0*	3 760.5	2 834.6	1 312.0*	Total
Jan. - May	4 411.8	3 477.1	6 138.2*	18 224.4	781.6	28 795.0*	1 586.3	1 201.2	1 312.0*	Jan. - May

\*) Preliminary figures subject to minor alterations.

## 23. — IMPORTS OF THE MOST IMPORTANT ARTICLES. — Continued.

Month	Raw Cotton Tons			Wool Tons			Oilsakes Tons			Month
	1913	1926	1927	1913	1926	1927	1913	1926	1927	
January	1 153.1	923.8	849.9*	66.3	89.6	110.7*	536.6	449.1	1 688.3*	January
February	659.9	723.7	867.1*	80.9	77.2	102.6*	508.5	1 634.7	1 996.9*	February
March	668.4	489.1	942.8*	79.1	74.6	156.4*	707.2	344.8	1 012.7*	March
April	561.5	763.2	418.7*	86.6	91.2	116.8*	423.3	542.7	1 117.0*	April
May	998.1	707.8	765.0*	39.5	120.0	116.7*	317.0	201.3	169.2*	May
June	541.5	621.8		37.1	82.9		284.6	137.0		June
July	709.4	922.8		57.8	77.4		421.1	1 655.4		July
August	700.2	486.0		61.8	114.8		1 274.1	4 450.7		August
September	214.2	516.2		118.4	101.4		1 940.0	3 482.9		September
October	557.0	518.0		81.8	134.9		2 024.1	3 725.1		October
November	842.9	1 038.3		103.3	128.4		1 698.2	2 727.8		November
December	847.9	1 058.4		53.8	91.7		1 447.0	1 580.6		December
Total	8 454.1	8 769.1		866.4	1 184.1		11 581.7	20 932.1		Total
Jan. - May	4 041.0	3 607.6	3 843.5*	352.4	452.6	603.2*	2 492.6	3 172.6	5 984.6*	Jan.-May

Month	Raw Hides Tons			Coal Tons			Petroleum Tons			Month
	1913	1926	1927	1913	1926	1927	1913	1926	1927	
January	558.7	578.9	221.1*	8 411.6	14 459.8	85 326.5*	616.8	24.1	636.0*	January
February	371.3	290.6	272.9*	2 016.6	10 887.7	17 666.2*	610.7	25.8	—	February
March	336.4	444.1	309.9*	1 255.0	11 204.5	15 354.6*	188.0	32.5	0.6*	March
April	539.5	279.5	340.9*	15 108.4	14 487.1	30 461.6*	26.3	12.3	0.6*	April
May	753.1	407.1	249.6*	81 395.7	51 031.0	125 678.7*	61.6	1 658.6	5 102.1*	May
June	586.6	367.0		76 753.2	50 382.3		1 764.6	5 562.6		June
July	420.0	605.6		78 673.8	39 577.3		7 914.6	730.3		July
August	694.2	614.6		73 848.4	45 465.6		9 699.6	3 377.9		August
September	416.6	415.2		99 646.1	84 008.9		7 334.4	6 325.9		September
October	440.2	374.2		67 200.5	51 102.4		4 020.4	7 035.2		October
November	390.8	442.6		43 533.0	99 271.8		3 373.8	1 184.1		November
December	336.2	212.3		37 771.4	95 052.0		460.0	4 198.7		December
Total	5 843.6	5 031.7		585 613.7	566 930.4		36 071.3	30 168.0		Total
Jan. - May	2 559.0	2 000.2	1 394.4*	108 187.3	102 070.1	274 487.5*	1 503.9	1 753.3	5 739.2*	Jan.-May

## 24. — EXPORTS OF THE MOST IMPORTANT ARTICLES.

Month	Fresh Meat <sup>1)</sup> Tons			Butter Tons			Cheese Tons			Month
	1913	1926	1927	1913	1926	1927	1913	1926	1927	
January	244.6	401.5	303.9*	864.3	1 026.7	1 311.5*	34.7	152.5	323.3*	January
February	203.6	421.4	212.9*	891.9	1 120.0	1 417.9*	115.2	220.3	314.1*	February
March	116.0	360.8	181.5*	1 025.0	1 453.0	1 661.6*	57.3	128.6	256.3*	March
April	73.8	248.9	97.7*	1 776.8	1 528.7	1 861.2*	95.1	154.6	310.4*	April
May	80.8	164.6	83.1*	1 297.1	1 497.2	1 874.7*	67.9	258.1	281.3*	May
June	75.2	117.1		1 396.8	1 403.7		51.5	281.8		June
July	71.1	191.0		1 530.6	1 214.4		29.1	273.6		July
August	113.0	161.2		797.8	803.3		117.0	207.7		August
September	169.7	284.9		706.9	756.3		173.3	264.8		September
October	299.7	361.8		813.8	714.7		173.0	351.6		October
November	276.7	344.0		711.2	690.1		142.4	282.2		November
December	240.7	393.2		828.1	1 003.8		167.6	310.7		December
Total	1 964.9	3 450.4		12 640.3	13 211.9		1 224.1	2 886.5		Total
Jan. - May	718.3	1 597.2	879.1*	5 855.1	6 625.6	8 126.9*	370.2	914.1	1 485.4*	Jan.-May

<sup>1)</sup> Fresh meat, excluding pork.

<sup>2)</sup> Preliminary figures subject to minor alterations.

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

Month	Raw Hides Tons			Unsawn Timber (All Kinds excl. fuel) 1 000 m <sup>3</sup>			Fuel (wood) 1 000 m <sup>3</sup>			Month
	1913	1926	1927	1913	1926	1927	1913	1926	1927	
January	317.0	240.3	489.2*	3.0	5.6	21.4*	77.8	0.6	27.9*	January
February	393.4	146.9	555.5*	5.1	0.6	6.9*	73.7	0.5	2.4*	February
March	303.1	283.3	374.2*	4.2	0.7	5.5*	57.3	0.4	0.8*	March
April	441.6	419.9	399.6*	24.0	11.4	13.1*	74.6	0.6	1.4*	April
May	298.7	210.6	594.7*	307.7	91.9	212.0*	80.1	4.0	4.3*	May
June	185.4	360.7		487.6	529.6		111.3	8.8		June
July	230.3	408.2		610.0	907.3		123.3	9.9		July
August	185.7	383.8		721.8	739.7		128.5	12.2		August
September	343.5	824.8		604.5	631.6		102.2	7.3		September
October	297.4	740.1		295.4	421.7		118.1	3.2		October
November	336.6	720.1		81.0	131.7		60.1	3.9		November
December	352.7	563.5		18.6	66.3		58.9	5.0		December
Total	3 685.4	5 302.2		3 162.9	3 538.1		1 066.4	56.4		Total
Jan. - May	1 753.8	1 301.0	2 413.2*	344.0	110.2	258.9*	363.5	6.1	36.8*	Jan.-May

Month	Sawn Timber All Kinds 1 000 standards			Flywood Tons			Matches Tons			Month
	1913	1926	1927	1921 <sup>1)</sup>	1926	1927	1913	1926	1927	
January	2.8	6.4	5.1*	358.7	3 623.5	3 953.7*	0.5	318.6	423.9*	January
February	0.0	1.8	2.0*	461.6	2 782.7	4 550.1*	—	441.7	355.8*	February
March	0.2	1.0	2.6*	126.6	4 653.2	5 237.2*	—	455.9	231.2*	March
April	3.0	2.4	5.2*	1 342.7	5 084.2	4 017.7*	—	593.4	396.2*	April
May	73.8	32.6	60.3*	255.2	2 855.7	4 376.5*	—	473.8	285.5*	May
June	137.0	124.3		1 169.7	3 764.7		1.0	351.4		June
July	161.8	228.7		844.0	3 024.0		—	318.3		July
August	144.7	157.8		229.0	3 707.5		—	405.3		August
September	139.7	150.0		1 648.0	4 961.1		4.5	412.4		September
October	121.6	187.8		1 204.2	3 628.9		—	377.4		October
November	79.7	151.1		995.4	4 688.8		2.6	443.5		November
December	38.7	82.2		1 575.7	7 723.4		0.0	306.9		December
Total	903.0	1 126.1		10 210.8	50 497.7		8.6	4 898.6		Total
Jan. - May	79.8	44.2	75.2*	2 544.8	18 999.3	22 135.2*	0.5	2 283.4	1 692.6*	Jan.-May

<sup>1)</sup> standard sawn timber = 4.672 m<sup>3</sup>.

<sup>2)</sup> Figures for 1913 not available. Exports were negligible.

Month	Bobbins Tons			Mechanical Pulp <sup>1)</sup> Tons			Chemical Pulp <sup>1)</sup> Tons			Month
	1913	1926	1927	1913	1926	1927	1913	1926	1927	
January	847.8	478.0	298.9*	1 227.4	2 153.0	6 473.6*	2 867.5	16 739.6	34 891.3*	January
February	989.2	593.1	478.3*	1 262.7	1 343.2	5 632.9*	4 534.1	19 892.2	23 817.6*	February
March	1 030.4	607.0	407.7*	1 987.3	2 221.0	4 391.4*	2 071.5	21 407.6	23 216.6*	March
April	885.2	706.1	491.3*	1 888.4	2 742.0	5 282.7*	4 250.1	40 963.4	34 636.3*	April
May	1 130.2	552.3	505.7*	10 418.4	3 312.9	10 522.7*	11 017.5	20 897.5	25 577.7*	May
June	916.0	553.7		3 555.8	13 513.0		4 276.5	31 255.6		June
July	944.8	335.9		6 485.6	9 452.7		4 694.7	29 090.8		July
August	796.7	381.1		2 868.9	6 528.5		7 695.0	26 146.6		August
September	979.8	678.3		3 965.4	8 812.0		7 594.4	25 702.8		September
October	723.1	446.2		2 872.8	9 115.6		4 890.8	32 217.3		October
November	1 143.1	436.1		2 725.6	6 543.2		8 126.1	29 963.6		November
December	935.7	264.8		5 657.1	7 174.7		13 460.8	38 322.3		December
Total	11 322.0	6 032.6		44 915.4	72 911.8		75 479.0	332 599.8		Total
Jan. - May	4 882.8	2 936.5	2 181.9*	16 784.2	11 772.1	32 303.3*	24 740.7	119 900.3	142 139.5*	Jan.-May

\* Preliminary figures subject to minor alterations. — <sup>1)</sup> Dry weight.

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

Month	Cardboard Tons			Paper All Kinds Tons			Newsprint (Included in previous column) Tons			Month
	1913	1926	1927	1913	1926	1927	1913	1926	1927	
January	2 480.7	3 066.2	2 717.7*	10 793.7	17 094.2	16 538.9*	5 301.7	12 772.6	10 976.8*	January
February	4 128.8	3 046.5	2 862.0*	10 878.1	13 278.2	17 941.9*	5 143.4	9 695.1	12 059.2*	February
March	4 371.3	3 606.5	2 875.1*	10 906.9	19 997.5	18 592.3*	5 159.1	14 035.8	12 021.6*	March
April	3 832.1	4 381.4	2 093.2*	11 408.4	19 697.9	18 127.0*	5 520.8	14 050.0	12 994.1*	April
May	5 572.7	2 678.0	3 587.9*	11 998.3	15 083.1	17 522.6*	5 773.4	10 670.8	12 631.0*	May
June	4 540.3	4 042.0		12 196.6	15 600.5		5 805.2	9 961.6		June
July	4 812.5	3 268.3		13 094.0	16 711.2		5 736.8	11 132.1		July
August	4 824.8	3 178.9		12 551.9	17 099.8		5 399.0	11 618.6		August
September	5 206.0	2 901.1		12 676.5	18 843.5		6 155.0	12 590.5		September
October	4 718.1	3 619.6		12 719.9	20 069.9		6 585.0	13 592.5		October
November	4 809.7	4 463.1		13 515.0	18 763.2		6 977.7	12 683.5		November
December	4 454.3	3 967.9		12 895.3	17 852.5		6 509.0	11 099.6		December
Total	53 751.3	42 219.5		145 634.6	210 091.5		70 066.1	143 902.7		Total
Jan.-May	20 385.6	16 778.6	14 135.9*	55 985.4	85 150.9	88 723.2*	26 898.4	61 224.3	60 682.7*	Jan.-May

25. — FOREIGN TRADE WITH VARIOUS COUNTRIES.

Country	Imports (C. I. F. Value)					Exports (F. O. B. Value)				
	January—May		Whole Year			January—May		Whole Year		
	1927	1926	1926	1925	1927	1926	1926	1925	1925	
	Mill. Fmk	%	%	%	%	Mill. Fmk	%	%	%	%
Europe:										
Belgium .....	70.4	3.1	2.8	3.1	2.7	36.6	2.6	3.5	5.3	6.6
Denmark .....	122.3	5.4	6.5	5.5	6.3	33.4	2.4	2.5	2.5	3.2
Estonia .....	12.1	0.5	0.5	0.7	0.7	7.4	0.5	0.7	0.6	0.5
France .....	76.5	3.3	4.5	3.5	3.0	48.4	3.4	5.1	7.2	5.0
Germany .....	719.1	31.5	35.2	34.8	32.0	240.9	17.1	16.2	12.7	13.4
Great Britain .....	346.3	15.2	14.8	12.8	16.8	541.5	38.5	39.5	38.4	37.0
Holland .....	84.0	3.7	5.8	5.8	5.6	83.3	5.9	4.1	10.3	9.2
Latvia .....	8.8	0.4	0.2	0.3	0.3	4.1	0.3	0.5	0.3	0.6
Lithuania .....	0.1	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Norway .....	16.3	0.7	0.7	1.0	0.8	4.1	0.3	0.3	0.5	0.4
Poland .....	16.0	0.7	1.0	1.5	0.9	2.4	0.2	0.0	0.0	0.1
Russia .....	89.4	3.9	1.3	1.9	1.4	137.0	9.7	6.4	3.9	7.7
Sweden .....	172.5	7.6	7.4	7.4	6.5	42.9	3.1	3.5	3.9	4.3
Spain .....	12.5	0.5	0.8	0.6	0.3	8.4	0.6	0.5	1.2	0.2
Other European countries..	78.9	3.5	3.0	3.2	3.1	11.7	0.8	0.7	0.6	0.6
Total Europe	1 825.2	80.0	84.5	82.1	80.4	1 202.3	85.4	83.5	87.4	88.8
Asia .....	3.2	0.1	0.3	0.2	0.5	24.4	1.7	1.4	1.1	0.9
Africa .....	1.1	0.1	0.0	0.1	0.1	3.6	0.3	0.3	3.1	2.9
United States .....	365.8	16.0	12.8	14.2	14.7	144.7	10.3	11.7	6.5	5.3
Other States of North America .....	9.2	0.4	0.4	0.7	0.7	4.2	0.3	0.1	0.1	0.1
South America .....	76.0	3.3	1.8	2.6	3.5	25.6	1.8	2.7	1.6	1.9
Australia .....	2.3	0.1	0.2	0.1	0.1	2.7	0.2	0.3	0.2	0.1
Grand Total	2 282.8	100.0	100.0	100.0	100.0	1 407.5	100.0	100.0	100.0	100.0

According to figures supplied by the Statistical Department of the Board of Customs.

The country of import indicates (from January 1, 1918) the land in which goods were purchased, and country of export the land to which goods were sold.

\* Preliminary figures subject to minor alterations.

## 26. — IMPORT-PRICE INDEX.

Year and Month	Total All Kinds	Details				The Three Last Groups divided according to their Purpose			Year and Month
		Foodstuffs	Clothing	Agricultural Requirements	Other Goods	Raw Materials	Machinery	Industrial products	
1913	100	100	100	100	100	100	100	100	1913
1916	227	236	186	149	311	219	263	207	1916
1917	519	647	405	370	526	451	360	465	1917
1918	741	881	600	420	661	647	459	642	1918
1919	755	896	608	600	659	681	487	593	1919
1920	1 387	1 751	1 108	934	1 268	1 364	931	827	1920
1921	1 329	1 556	1 080	1 087	1 109	1 129	1 005	1 048	1921
1922	1 072	1 150	1 067	1 066	913	1 041	820	987	1922
1923	915	963	925	897	823	926	723	826	1923
1924	958	998	1 060	932	818	955	763	901	1924
1925	1 052	1 110	1 133	1 066	835	1 037	867	928	1925
1926	984	1 058	1 005	999	853	974	871	881	1926
1927									1927
January	997	1 035	1 021	924	949	1 026	891	856	January
Jan.-Febr.	1 001	1 044	1 016	966	910	1 020	908	880	Jan.-Febr.
Jan.-March	994	1 049	1 005	945	887	1 002	902	889	Jan.-March
Jan.-April	985	1 047	996	945	868	988	862	893	Jan.-April
Jan.-May	973	1 047	985	953	851	966	846	886	Jan.-May
Jan.-June									Jan.-June
Jan.-July									Jan.-July
Jan.-Aug.									Jan.-Aug.
Jan.-Sept.									Jan.-Sept.
Jan.-Oct.									Jan.-Oct.
Jan.-Nov.									Jan.-Nov.
Jan.-Dec.									Jan.-Dec.

The import- and export-indices have been calculated by the Statistical Dept. of the Board of Customs in the following manner: the quantities of imports and, respectively, exports for the current year have been multiplied by the average price for the class of goods in question in 1913, after which the import (or export) value for the current year has been calculated in percentage of the sum thus obtained for purposes of comparison.

The goods chosen for the setting-up of a total-index have been divided, according to their use, into the groups: foodstuffs, clothing, agricultural requirements and other goods. The three last-named have been further divided, according to their purpose, into raw materials, machinery and industrial products.

This import-price index is lower than the wholesale price index because the import-price index is not influenced by the customs duties.

## 27. — EXPORT-PRICE INDEX.

Year and Month	Total All Kinds	Details							Year and Month	
		Fresh Meat	Butter	Cheese	Timber	Bobbin	Mechanical Pulp	Chemical Pulp		Paper
1913	100	100	100	100	100	100	100	100	100	1913
1916	254	238	185	290	186	146	278	290	352	1916
1917	375	560	349	600	317	218	389	342	452	1917
1918	415	276	620	501	222	705	508	399	483	1918
1919	441	790	725	1 079	375	1 258	571	500	611	1919
1920	1 053	805	916	1 250	886	1 755	1 710	1 742	1 185	1920
1921	1 213	1 008	1 636	1 489	996	2 186	2 202	1 502	1 438	1921
1922	1 180	1 075	1 351	1 066	1 081	1 911	2 002	1 355	1 198	1922
1923	1 145	1 083	1 121	985	1 143	1 865	1 708	1 264	958	1923
1924	1 090	1 045	1 250	1 088	1 089	1 936	1 365	1 103	924	1924
1925	1 111	1 026	1 303	1 013	1 091	1 950	1 334	1 181	935	1925
1926	1 092	951	1 166	884	1 077	1 834	1 489	1 209	940	1926
1927										1927
January	1 099	1 023	1 101	819	1 255	1 898	1 538	1 230	906	January
Jan.-Febr.	1 104	1 070	1 137	820	1 240	1 901	1 525	1 211	894	Jan.-Febr.
Jan.-March	1 098	1 096	1 118	828	1 228	1 911	1 506	1 206	917	Jan.-March
Jan.-April	1 090	1 083	1 104	824	1 184	1 897	1 504	1 202	917	Jan.-April
Jan.-May	1 090	1 084	1 090	836	1 155	1 889	1 475	1 199	915	Jan.-May
Jan.-June										Jan.-June
Jan.-July										Jan.-July
Jan.-Aug.										Jan.-Aug.
Jan.-Sept.										Jan.-Sept.
Jan.-Oct.										Jan.-Oct.
Jan.-Nov.										Jan.-Nov.
Jan.-Dec.										Jan.-Dec.

Besides the total index the table contains indices for only a few of the most important exports. See in addition remarks under Table No. 26.









## 36. — NUMBER OF UNEMPLOYED.

End of Month	1925			1926			1927			Monthly Movement	End of Month
	Male	Female	Total	Male	Female	Total	Male	Female	Total		
January	3 481	1 415	4 896	2 803	1 029	3 832	2 545	1 088	3 633	+ 1 461	January
February	3 034	1 386	4 420	2 468	994	3 462	2 054	975	3 029	— 604	February
March	2 497	1 005	3 502	1 536	682	2 222	1 368	736	2 104	— 925	March
April	1 143	739	1 882	1 177	784	1 961	993	709	1 702	— 402	April
May	740	658	1 398	653	620	1 273	670	569	1 239	— 463	May
June	591	564	1 155	440	484	924					June
July	533	451	984	391	558	949					July
August	811	752	1 563	474	738	1 212					August
September	1 109	902	2 011	539	786	1 325					September
October	1 561	1 215	2 776	835	978	1 813					October
November	2 484	1 120	3 604	1 336	994	2 330					November
December	1 654	522	2 176	1 528	644	2 172					December

This table, prepared from the weekly reports of the Labour Exchange Department of the Ministry of Social Affairs, shows the number of unemployed registered in the books of the communal labour exchanges in the majority of towns and a very small part of the rural centres of population at the close of the week nearest to the month's end. As agricultural labourers and skilled artisans proper register, up to the present, only in a minority of cases at the communal labour exchanges, the table does not give a complete review of the number of unemployed, but is to be regarded more as symptomatic.

<sup>1)</sup> Owing to the new-year holidays a number of unemployed did not register at the communal labor exchanges.

## 37. — CESSATION OF WORK.

Month	Initiated cessation of work			Cessation of work continued from preceding month			Total			Month
	number	affecting		number	affecting		number	affecting		
		employers	hands		employers	hands		employers	hands	
1925										1925
May	9	90	1 201	1	1	120	10	91	1 321	May
June	4	32	345	4	4	745	8	36	1 090	June
July	3	6	58	3	13	713	6	19	771	July
August	3	3	218	3	6	638	6	9	856	August
September	2	5	62	3	3	660	5	8	722	September
October	1	1	19	3	6	182	4	7	201	October
November	4	4	187	1	1	120	5	5	307	November
December	1	1	3	4	4	296	5	5	299	December
<sup>1)</sup> 1926										<sup>1)</sup> 1926
January	1	1	5	3	3	233	4	4	238	January
February	1	1	35	2	2	230	3	3	265	February
March	3	74	671	3	3	265	6	77	936	March
April	7	23	440	5	76	929	12	99	1 369	April
May	10	30	1 007	8	93	738	18	123	1 745	May
June	16	70	3 017	9	110	1 108	25	180	4 125	June
July	13	54	2 580	15	106	3 122	28	160	5 702	July
August	9	17	1 131	18	118	4 889	27	135	6 020	August
September	6	25	566	13	110	1 942	19	135	2 508	September
October	4	13	552	13	49	1 259	17	62	1 811	October
November	—	—	—	8	30	558	8	30	558	November
December	2	2	226	5	16	435	7	18	661	December
1927										1927
January	3	2	205	3	7	347	6	9	552	January
February	3	6	164	1	1	180	4	7	344	February
March	10	25	1 087	2	2	240	12	27	1 327	March
April	4	12	101	6	6	764	10	18	865	April
May	16	93	11 283	7	7	778	23	100	12 061	May

The above particulars which are of a preliminary nature, have been compiled by the Social-Statistical Department of the Central Statistical Office. The majority of cases of cessation of work were described as strikes.

<sup>1)</sup> The figures for 1926 have been adjusted.

## CERTAIN PARTICULARS ABOUT FINLAND.

### 1. FORM OF GOVERNMENT.

Finland formed a part of the kingdom of Sweden from 1154 to 1809; since 1809 it was an autonomous Grand Duchy connected with Russia up to December 6th, 1917, when Finland declared its independence, which was acknowledged by all the Powers including Soviet Russia. It became a republic in 1919. The Diet together with the President possess the legislative power of the country. The highest executive power is held by the President chosen for a period of 6 years. The present President *L. Kr. Relander* is elected for the term 1 March, 1925 to 1 March, 1931.

The Diet, composed of 200 members, is elected by universal suffrage. The proportions of the different parties in the Diet elected in 1924 are as follows:

		Number	Per cent
Right	Swedish party .....	23	11.5
	Unionist party .....	38 61	19.0 30.5
Centre	Agrarian party .....	44	22.0
	Progressive party .....	17 61	8.5 30.5
Left	Social-Democrats .....	60	30.0
	Communists .....	18 78	9.0 39.0

### 2. LAND.

THE AREA is 388,488 square kilometres = 150,005 square miles, (Great Britain's area is 89,047 sq. m. and Italy's area 117,982 sq. m). Of the total area 11.5 % are lakes. On an average 10.3 % of the land in the south of Finland is cultivated, 0.9 % in the North, 6.3 % of the whole land. Of the land area 25.3 mill. ha (62.5 mill. acres) or 73.4 % are covered by forests.

THE AVERAGE TEMPERATURE in the coldest month is in S. W. Finland — 5° to — 6° C., in Lapland — 15° C. and during the warmest month + 15° and + 13° to + 14° C. resp. The average temperature in Helsinki is + 4.6° (in Oslo + 5.4°, in Montreal + 5.4°, in Moscow + 3.6°). The ground is covered by snow in the South during about 100 days, in Central Finland during 150 to 180 days, in Lapland about 210 days.

### 3. POPULATION.

NUMBER OF INHABITANTS (1925): 3.5 millions, of which 0.2 million emigrants, (in Sweden (1925) 6.1, in Switzerland (1924) 3.9, in Denmark (1925) 3.4 and in Norway (1925) 2.8 millions).

DENSITY OF POPULATION (1925): In South-Finland 17.9, in North-Finland 2.4 and in the whole country an average of 10.3 inhabitants to the square kilometre.

LANGUAGE (1920): Finnish speaking 88.7 %, Swedish speaking 11.0 %, others 0.3 %.

RELIGION (1925): Lutheran 97.1 %, Greek-Orthodox 1.7 %, others 1.2 %.

DISTRIBUTION (1925): 80.4 % of the population inhabit the country, 19.6 % the towns and urban districts. The largest towns are (1925): Helsinki (Helsingfors), the capital, 211,691 inhabitants, Turku (Åbo) 61,081, Tampere (Tammerfors) 51,717, Viipuri (Viborg) 48,367.

EDUCATION (1920): Amongst persons over 15 years of age only 1.0 % are illiterate. Three universities founded 1640, 1917 and 1920.

INCREASE OF POPULATION (1925): Births 22.3 ‰, deaths 13.5 ‰ (in France in 1925 17.6 ‰, and in England in 1925 12.2 ‰), natural increase 8.8 ‰.

### 4. INDUSTRY.

PROPORTIONS OF OCCUPATIONS OF THE POPULATION (1920): agriculture 65.1 %, industry and manual labour 14.8 %, commerce 3.5 %, other occupations 17.7 %.

OWNERSHIP OF LAND. The land area is distributed among different classes of owners approximately as follows: private 52.1 %, State 39.7 %, Joint Stock companies 6.5 %, communities 1.8 %.

FOREST RESOURCES. The growing stock of the forest is 1,620 million m<sup>3</sup> (57,213 million cubic feet). The marketable timber (measuring 20 cm at breast height = 6 in. at a height of 18 ft.) amounts to 1,557 million trees. Of this number pine is represented by 61 %, spruce by 28 %, the conifers thus constituting 89 % or 1,384 million trees, leaf-trees, mostly birch, 11 % or 173 million trees. The annual increment is 44.5 million m<sup>3</sup> (1,568 million cub. ft.). The annual working up according to earlier calculations is 40 million m<sup>3</sup> (1,413 million cub. ft.). In North Finland the increment is much larger than the working up, but in South Finland excess working up occurs locally.

AGRICULTURE. Cultivated land 2.1 million hectares, divided as follows: area under cultivation 0.4—10 hectares 33.7 %, 10—50 ha 48.9 %, 50—100 ha 9.3 %, over 100 ha 8.1 %. Cultivated land was divided between the different kinds of crops as follows: 46.8 % hay, 20.4 % oats, 11.1 % rye, 5.3 % barley, 3.2 % potatoes, 13.1 % other. The number of dairies in 1925 amounted to 565.

INDUSTRY (1925): Number of industrial concerns 3,317, hands 141,005, gross value of products of industry 10,126 million marks.

LENGTH OF RAILWAYS (1926): 4,778 km, of which 4,512 km State railways and 266 km private. The gauge is 1,524 m.

COMMERCIAL FLEET (1927): Sailing ships 611 (79,351 reg. tons net.), steam ships 548 (109,863 r. t.), motor vessels 92 (11,095 r. t.), lighters 3,779 (277,020 r. t.). Total 4,930 (477,829 r. t.).

### 5. FINANCE AND BANKING.

CURRENCY. Since 1860 Finland has its own monetary system. From 1877 up to the Great War the currency maintained its stable gold value and after the disturbances caused by the war Finland has again from January 1st, 1926 a gold standard. The unit of currency is the mark (Finnish 'markka') = 100 pennies. The gold value of 100 marks is equal to \$ 2.5185 = £. 10/4 1/2 d.

STATE FINANCES. According to the balance sheet for 1926 the State revenue was 3,434.5 million marks of which 3,423.9 million marks were ordinary revenue, and State expenditure 4,076.7 million marks, of which 2,999.5 million marks were ordinary expenditure. The principal sources of revenue were as follows: State property and undertakings 1,291.9, direct taxes 428.1, indirect taxes 1,205.8, miscellaneous taxes 193.8, charges 178.0, miscellaneous revenue 126.8. The value of State property in 1922 is estimated at 11,150.8 million marks. For National Debt see table 18 in this issue.

MUNICIPAL FINANCES. According to the Budget for 1926 expenditure amounted to 901.7 million marks. Income from taxation was 337.3 million marks, taxed income 4,473.5 million marks. The communal income tax (not progressive) averaged 7.5 % 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, Sortavala, Viipuri (Viborg), Mikkelä (St Michel), Tampere (Tammerfors), Hämeenlinna (Tavastehus), Jyväskylä and Kotka.

THE JOINT STOCK BANKS (1926): Number 19, possess 494 branch offices, where all kinds of banking business is transacted. Including all banks, there is one banking establishment per 6,800 inhabitants.

The largest banks are: Ab. Nordiska Föreningsbanken, Kansallisaosake-Pankki, Helsingfors Aktiebank and Ab. Unionbanken, all with head offices in the capital.

OTHER BANKS (1926): Mortgage banks 6, Savings banks 470 Co-operative Credit Societies 1,344 and a Central Bank for the latter.

## FINNISH STATE FINANCES IN 1926.

BY

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### REVIEW OF THE YEARS 1921—1926.

The progress of Finnish State finances during the last few years is seen in broad lines in the table below. Among the facts that appear from it, we would emphasize the following.

As is the case generally in all countries, State expenditure in Finland also shows a tendency to grow regularly. Thus, the expenditure for 1926, too, exceeded the corresponding figures for 1925, in spite of the Government and the Diet having, in principle, endeavoured to ex-

ercise economy in the management of the public money. If we examine the ordinary expenditure, which indicates progress better than the total expenditure, we find, however, that the rise was rather less last year. Whereas the ordinary expenditure was increased by 12.1 % in 1924 and 11.8 % in 1925, the increase last year was only 6.0 %. During the whole period since 1921 the ordinary State expenditure has increased by 56.8 % while the total figures of expenditure have risen rather less or 51.1 %.

Table I. FINNISH STATE REVENUE, EXPENDITURE AND CASH BALANCE ACCORDING TO BALANCE SHEETS FOR 1921—1926.

REVENUE.	1921 Mill. mks.	1922 Mill. mks.	1923 Mill. mks.	1924 Mill. mks.	1925 Mill. mks.	1926 Mill. mks.
Ordinary revenue .....	2,283.1	2,669.1	3,062.5	3,158.2	3,316.2	3,424.0
Extraordinary revenue .....	99.4	40.1	10.1	1.7	1.6	2.2
Revenue outside of Budget .....	267.2	78.9	64.0	57.1	12.6	8.4
Total	2,649.7	2,788.1	3,136.6	3,217.0	3,330.4	3,434.6
Loans .....	237.5	138.0	776.9	—	352.6	535.4
Cash balance utilised .....	—	—	—	—	269.6	106.7
Total	2,887.2	2,926.1	3,913.5	3,217.0	3,952.6	4,076.7
<b>EXPENDITURE.</b>						
Ordinary expenditure .....	1,911.5	2,076.2	2,256.5	2,530.3	2,829.4	2,999.5
Extraordinary expenditure .....	734.4	436.6	1,201.1	605.2	1,122.5	1,076.7
Transfer to funds .....	40.1	5.0	27.0	—	—	—
Expenditure outside of Budget .....	12.1	33.4	12.8	13.9	0.7	0.5
Total	2,698.1	2,551.2	3,497.4	3,149.4	3,952.6	4,076.7
<i>Surplus</i> .....	189.1	374.9	416.1	67.6	—	—
Total	2,887.2	2,926.1	3,913.5	3,217.0	3,952.6	4,076.7
Cash Balance .....	308.4	683.3	1,099.3	1,166.9	897.3	790.6

Revenue, too, has increased year by year. It will be seen, however, that the increase of the ordinary revenue, which was considerably larger during the first few years of this period than the growth of expenditure, gradually slowed down, so that the rise did not amount to more than 3.3 % in 1926 as compared with 16.9 % and 14.7 % in 1922 and 1923. During the whole period the increase in the ordinary revenue amounted to 50.0 %. The increase of all actual revenue was, however, less or only 29.6 %.

In all these years the ordinary revenue exceeded the ordinary expenditure considerably. The surplus was largest in 1923, when it amounted to 806.0 million marks, and subsequently fell off by degrees to 486.8 millions in 1925 and 424.5 millions in 1926. On the other hand the total amount of actual revenue — that is, exclusive of loans taken up and cash balance utilised — only exceeded the total expenditure of the State in two years. The difference between the amounts referred to will be seen in the following figures which show to what extent the actual revenue exceeded (+) or fell short of (—) the expenditure.

	Mill. mks.
1921 .....	— 48.4
1922 .....	+ 236.9
1923 .....	— 360.8
1924 .....	+ 67.6
1925 .....	— 622.2
1926 .....	— 642.1

If these figures are compared with the table on the previous page, it will be seen that in 1921, 1922 and 1923 loans were raised for considerably larger sums than were actually utilised in those years, which was mainly due to the fact that the actual revenue exceeded the amounts estimated for in the Budget in a very high degree. By this means the cash balance of the State grew. As the latter was increased, too, in 1924, it represented 1,099.3 million marks at the end of that year. At the same time the expenditure has so greatly exceeded the actual revenue during the last two years that the loans taken up could not by themselves make up the difference,

but it was necessary to utilise part of the cash balance accumulated during previous years in order to balance accounts.

During the whole of the six years' period which is dealt with, the State derived a booked revenue by means of new loans taken up of about 2,040 million marks. Of this, 1,269 millions were spent on defraying State expenditure, while the cash balance was increased by 671 million marks. It is of the greatest importance that the borrowed funds were in no way employed for covering current expenditure, but only for such purposes as, according to the modern theory of finance, should be covered by borrowed funds. For all such purposes as increase the revenue of the State in the future, about 2,834 million marks were disposed of during these six years or 796 millions more than was borrowed during that time, and 1,565 millions more than the amount of borrowed funds that was actually disposed of for defraying expenditure.

#### EXPENDITURE IN 1926.

The closing of the books for 1926 differs considerably from the Budget passed for that year. This is not due to the fact that revenue and expenditure were generally calculated badly. Smaller grants, indeed, were required for certain purposes and a smaller surplus arose in other cases, but the greatest difference is a result of the circumstance that grants were made for fresh objects. When a foreign loan was raised in the autumn, it was appropriated at once in its entirety mostly for such purposes as would otherwise have had to stand over till the following years.

The expenditure was estimated in the Budget at 3,413.1 million marks of which sum 2,843.6 million marks were ordinary expenditure. Actually the ordinary expenditure amounted to 2,999.5 millions, so that the increase amounted to 155.9 million marks or 5.5 %. The extraordinary expenditure rose to a considerably higher degree, from 569.5 millions to 1,076.7 million marks, or by 507.2 million marks, representing 89.1 %. It should, however, be pointed out.

at once that a large portion of those funds that were obtained by means of the Government loan, were not able to be utilised in 1926, but stood over until this year, although they were included in the accounts for 1926.

The distribution of the expenditure is shown in broad lines in the table below in which the expenditure, divided into ordinary and extraordinary expenditure, have been divided into main groups. For the sake of comparison the corresponding figures for 1925 are also given.

It should be pointed out, first of all, that a formal change has taken place in including the expenditure of the ministries for 1926 in the appropriate main groups, instead of in the third group, as was still the case in 1925. If the expenditure for 1926 is compared, item by item, with the corresponding figures for 1925, it will be seen that the expenditure increased in some cases and fell off in others. The reductions are pretty general, witnessing to the fact that a policy of economy is not without some result. Importance, however, attaches only to the reduction in the case of departments subject to the Ministry of Finance and the Ministry of Agriculture. It is further to be noticed that expenditure on Defence has sunk slightly since 1925.

Among the main groups which show higher expenditure, notice is attracted principally by the tenth and seventeenth group. Expenditure on the National Debt has risen from 386.9 million marks to 653.0 millions or no less than 266.1 million marks. This item alone has, therefore, risen more than the total expenditure. This increase was due in an overwhelming degree to the fact that the Government, at the same time as it took up its new loan, employed considerably larger sums than in the previous year for redeeming older and less favourable loans. Noticeable increases in expenditure are also to be seen under the headings of Education, Pensions and for the representatives of Finland abroad.

As the foregoing table indicates, the increase in the ordinary expenditure is largely a result of the fact that expenditure on communications had risen by about 95 million marks. This is partly due to greater traffic and, as the Government accountancy is based in Finland on the gross principle, the revenue side also shows a rise owing to this cause. Partly, too, the increase is due to the fact that in the present instance a grant of 56.9 million marks is included for the first time in closing the books for

Table II. FINNISH STATE EXPENDITURE DURING 1925—1926.

Main Groups	1925				1926			
	Ordinary Expenditure	Extraordinary Expenditure	Total		Ordinary Expenditure	Extraordinary Expenditure	Total	
	Mill. mks.	Mill. mks.	Mill. mks.	%	Mill. mks.	Mill. mks.	Mill. mks.	%
1. President of the Republic.....	2.0	—	2.0	[0.05]	2.0	—	2.0	[0.05]
2. Diet .....	9.1	—	9.1	0.2	9.8	—	9.8	0.3
3. Government .....	22.5	—	22.5	0.6	6.6	—	6.6	0.2
4. Chancellery of Government....	11.2	0.1	11.3	0.3	10.7	—	10.7	0.3
5. Ministry for Foreign Affairs....	25.6	0.5	26.1	0.7	29.5	3.2	32.7	0.8
6. Ministry of Justice .....	94.5	4.1	98.6	2.5	94.5	3.4	97.9	2.4
7. Ministry of the Interior.....	182.5	78.2	260.7	6.6	226.6	26.5	253.1	6.2
8. Ministry of Finance.....	53.5	222.6	276.1	7.0	56.3	108.3	164.6	4.0
9. Ministry of Defence .....	399.3	143.1	542.4	13.7	380.9	158.4	539.3	13.2
10. Ministry of Education .....	350.2	12.5	362.7	9.2	361.3	31.0	392.3	9.6
11. Ministry of Agriculture .....	345.3	51.1	396.4	10.0	334.4	34.4	368.8	9.0
12. Ministry of Communications ..	773.0	416.9	1 189.9	30.1	867.8	325.3	1 193.1	29.3
13. Ministry of Trade and Industry	51.6	37.5	89.1	2.2	60.3	25.0	85.3	2.1
14. Ministry for Social Affairs ....	89.5	39.9	129.4	3.3	105.2	9.2	114.4	2.8
15. Miscellaneous expenditure.....	70.3	12.1	82.4	2.1	59.2	13.3	72.5	1.8
16. Pensions and relief payments ..	66.3	—	66.3	1.7	80.1	—	80.1	2.0
17. National debt.....	283.0	103.9	386.9	9.8	314.3	338.7	653.0	16.0
Expenditure outside of Budget..	—	0.7	0.7	[0.02]	—	0.5	0.5	[0.01]
<b>Total</b>	<b>2 829.4</b>	<b>1 123.2</b>	<b>3 952.6</b>	<b>100.0</b>	<b>2 999.5</b>	<b>1 077.2</b>	<b>4 076.7</b>	<b>100.0</b>



depreciation of the rolling stock and buildings of the State Railways.

Among the extraordinary expenditure there are, as in the year before, considerable appropriations for such purposes as are conducive to increase the revenue of the State. The most important are the following:

New railways .....	100.0	mill. mks.
New construction on completed railway lines .....	51.6	" "
Additions to railway rolling stock .....	35.0	" "
Installation of a power station at Imatra .....	80.0	" "
Public undertakings .....	21.0	" "
Post and telegraphs .....	15.4	" "
Harbour construction .....	7.1	" "
Loans .....	212.6	" "

Of the loans the greater part was granted for settlement purposes and for improving agricultural credit conditions.

#### REVENUE IN 1926.

According to the Budget the State revenue for 1926 was estimated at 3,338.0 million marks of which only 1.0 million referred to extraordinary revenue. The actual result differed to some extent from the estimates, as some items of revenue — especially the profit on the property of the State and business undertakings, the

direct taxes and miscellaneous taxes — were larger, others again, i. e. the Customs dues, less than had been estimated. The total revenue, excluding loans and cash balance utilised, amounted according to the closing of the books to 3,434.6 million marks. The divergence from the Budget thus did not amount to one hundred million marks. A greater divergence between the Budget and the closing of the books is found in the circumstance that, as expenditure increased to a considerable degree, as is shown above, a State loan was raised, which was not included in the estimates. This brought in 535.4 million marks.

The distribution of the revenue among the most important groups is shown in table III below.

The actual revenue shows an appreciable increase throughout with the exception only of the indirect taxes. This circumstance is to be explained by the fact that, when the Diet approved certain increases in rates of Customs duty at the end of 1925, that were to come into force from Januari 1st following, importers lost no time in supplying themselves with large stocks of such goods — principally sugar, wheaten flour and coffee. The consequence was that the Customs revenue for 1925 exceeded the estimates, while in 1926, on the contrary, it showed a considerable shortage.

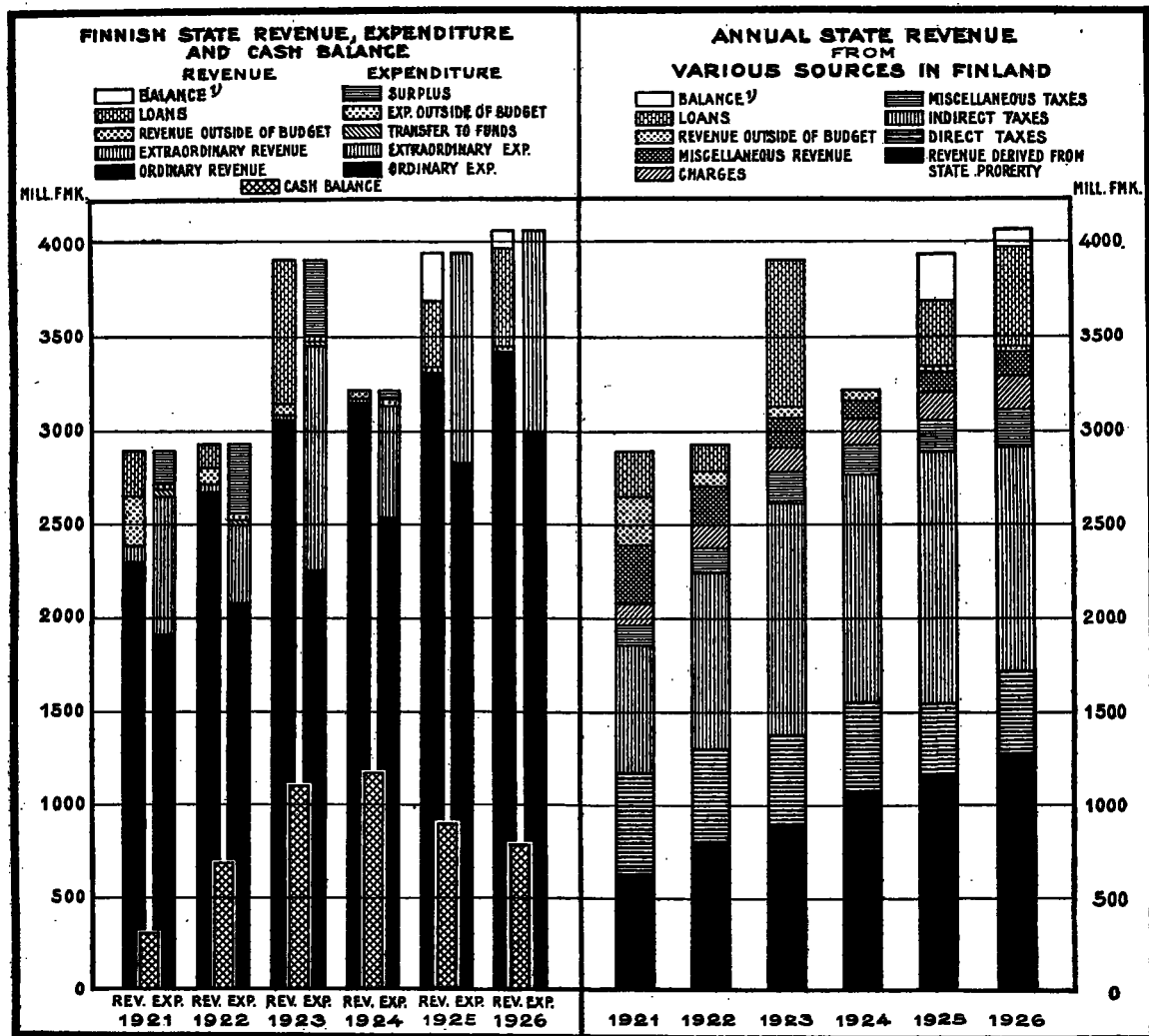
Table III. FINNISH STATE REVENUE ACCORDING TO THE BALANCE SHEETS FOR 1925—1926.

	1925 Mill. mks.	1924 Mill. mks.	1925 Mill. mks.	1926 Mill. mks.
1. Revenue from State property and undertakings (estates, forests, railways, etc.)....	897.2	1,071.9	1,170.2	1,291.9
2. Direct taxes .....	483.1	486.8	370.1	428.1
3. Indirect taxes .....	1,239.0	1,212.2	1,353.7	1,205.9
4. Miscellaneous taxes .....	161.7	161.5	164.9	193.3
5. Charges .....	129.8	135.9	143.6	178.0
6. Miscellaneous revenue .....	161.8	91.6	115.4	129.0
7. Loans .....	776.9	—	352.6	535.4
8. Revenue outside of Budget .....	64.0	57.1	12.6	8.4
9. Cash balance utilised .....	—	—	269.6	106.7
Total	3,913.5	3,217.0	3,952.6	4,076.7

The most important items in the first group of revenue will be found in the following table which also shows the changes from 1925.

	1925 Mill. mks.	1926 Mill. mks.
State forests .....	227.6	248.3
State railways .....	726.2	786.5
State industrial under- takings .....	108.6	135.4
Sale of spirits .....	78.5	99.9
Interest .....	65.1	74.3

The increase in revenue which is shown in these figures is, of course, partly a result of investments in the previous years. As already pointed out, these figures represent gross revenue which is balanced by larger or smaller amounts on the expenditure side. On the basis of the above figures alone it is, therefore, impossible to obtain any idea of the remunerativeness of the business undertakings of the State. The great rise in revenue from the State railways is a consequence of a great increase in goods traffic.



<sup>1)</sup> Taken from the cash balance for the previous year.

The direct and indirect taxes which produced most were the following:

	1925 Mill. mks.	1926 Mill. mks.
Customs duty .....	1,175.2	1,021.5
Income and property tax	365.4	423.1
Excise on tobacco .....	160.4	156.9
Stamp dues .....	151.0	179.8

#### THE DIFFERENCE BETWEEN REVENUE AND EXPENDITURE IN 1926.

According to the Budget it was estimated that it would be necessary to draw an amount of 75.1 million marks from the cash balance. As already pointed out, this amount proved, according to the closing of the books, rather more, or 106.7 million marks. As stated above, the difference between the total amount of expenditure and the actual revenue was considerably greater or 642.1 million marks, of which the balance was covered by borrowed funds.

On the other hand it should be noted that, as already mentioned, among the expenditure there are large appropriations for various purposes of investment. The sum of these has been calculated at about 525 million marks, not including in

this such sums as were set aside for building schools, official buildings, hospitals and similar purposes, which, indeed, represent an increase in the property of the State, though not in its revenue. To such sums the funds may be added that were utilised for redeeming the National Debt. For this purpose about 99 million marks were included in the ordinary expenditure and 339 million marks in the extraordinary expenditure, or in all 376.6 millions. Thus, last year over 960 million marks were utilised, or over 22.0 % of the total expenditure of the State, for purposes which in one form or another contribute directly to strengthening the economic position of the State. This amount exceeds by about 320 million marks the difference between the expenditure and the actual revenue.

If it is taken into consideration further that the National Debt of Finland per inhabitant is considerably smaller than in most other countries, it will be seen that the financial position of the State is a strong one, even though in the immediate future it is burdened by appreciable redemption of some disadvantageous State loans and by the fact that so many useful and important objects await Government assistance for their accomplishment.

## STATE BUSINESS ACTIVITY IN FINLAND.

BY

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### INTRODUCTION.

The modern State appears in all countries to be engaged, more or less, in business enterprise. To the land and forest ownership attached of old to the State there is now added, particularly in northern countries, the sale of forests and even the industrial working up of timber. The oldest business monopoly held by Governments — the postal service — is supplemented in all

European States by the telegraph service and in many also by the telephone service. The railways in many thinly populated countries with a lack of capital have called for State intervention and in such countries the system of State-owned railways has developed almost of its own accord as the most natural solution of the problem of transport. This happens in particular when State activity has proved

essential in other branches of the transport service. But even besides such a policy of land-ownership and communications, States have been drawn into business enterprise in many other fields. And the period after the Great War has obviously been specially adapted to extend this form of Government activity in many countries.

These general lines of development are apparent, too, in the economy of the Finnish State. Reference has frequently been made in previous issues of the Bulletin in various connections to matters coming within the scope of this article: nevertheless, a comprehensive review of different aspects of the question may be able to provide a clearer view of State business activity in Finland.

#### LAND AND FOREST ECONOMY.

As regards the oldest-established business sphere of the State, the exploitation of its lands and forests, *landed estates* are scarcely anywhere a regular source of State revenue. According to the Finnish Budget for 1927 revenue from landed estates is estimated to furnish a surplus of about 5.6 million marks. In addition, the State receives from its *fishing rights* almost 1 mill. mks more than the care and administration of the State fisheries cost. The extensive *forests* owned by the State, which in Finland comprise 14.1 million hectares, against 9.4 million hectares of State-owned forest in Sweden and less than 1 million hectares in Norway, are of much greater importance in the State economy. Revenue from the sale of standing forest and other forestry sources is estimated to furnish the Finnish Government with 105 million marks in 1927, while the State business enterprises based on forest products provide a further 161.5 mill. mks. The most important of the latter is the Veitsiluoto Sawmill, one of the biggest industrial enterprises for export purposes in North Finland. As the entire cost of the administration of the State forests and forest undertakings is estimated at 142.1 mill. mks, the State forest economy shows a surplus in 1927 of 124.4 mill. mks.

#### STATE ACTIVITY IN THE SPHERE OF COMMUNICATIONS.

In the sphere of communications, the State derives from its *postal* and *telegraph service* monopoly, to which are attached the ever-increasing number of *State telephone lines* now competing with private companies, according to the 1927 Budget a surplus of 38.7 mill. mks. The *State Railways*, which represent over 90 % of the Finnish railway network, are estimated in the 1927 Budget to furnish the State with a surplus of 158.1 mill. mks, in spite of the fact that many of the railways built by the State serve sparsely populated districts, where it will be long before traffic can become profitable. The *canals*, which are of great importance in the extensive inland water traffic of Finland, provide revenue exceeding the cost of their maintenance by about 3.3 mill. mks. The numerous *harbours* of Finland have usually been built and are maintained by the various municipalities. However, those at Hanko (Hangö) and Koivisto (Björkö), and Sortanlahti on Lake Ladoga, are State harbours and were built and are maintained as such by the State. They provide the State with revenue in the form of harbour dues approximately equal to the current expenditure on them.

#### STATE UNDERTAKINGS OF A BUSINESS NATURE.

The small business enterprises represented by the Government's official Gazettes, the Government Printing Works and Stationery Office, and the official inspection stations for agricultural products, etc., need not be taken into account as regards Government revenue. The same applies to the works connected with the Ministry of Defence, which include up to the present a State shipyard and engine works, the aeroplane factory of the Air Force and the State ammunition factory and gunpowder factory. The latter establishment, however, which was only completed at the end of last year and which works on Finnish raw materials, might easily develop into

an export business and thus attain fresh importance from the point of view of State economy.

### POWER STATIONS.

In the future it is certain that power stations will play a more important part in the economy of the State. They possess a natural foundation in the great wealth of water power in the country. In the other northern countries, too, power stations have been built on behalf of the State. The power stations owned by the Swedish State are especially famous: Trollhättan, Motala, Westerås, Porjus, etc., which at the end of 1924 represented a capital value of about 214 million Swedish crowns or 2,270 million Finnish marks and yielded, according to the Budget for 1926—27, a surplus of 11.7 million crowns in revenue. The *Imatra* power station in Finland is still in course of erection and together with its system of power-lines for the whole of South Finland is expected to be completed in 1928 at a total cost of about 350 mill. mks.

### THE MINING INDUSTRY.

The *Outokumpu Copper Mines*, in which the Finnish State, like so many others, is trying its hand at mining, are also still dependent on the future for profits. Of the many finds of metal ore on Finnish territory, of which the iron-ore finds at Kuolajärvi and the nickel-ore discovery in the Petsamo area may be mentioned as the most recent, only the Outokumpu copper-ore area discovered in 1910 in the parish of Kuusjoki in the Kuopio Province has led, up to the present, to actual mining operations in Finland. The position between the Government, as holder of the claim, and the firm of Hackman & Co. as the landowners, was defined in an agreement drawn up on January 15th, 1914. The mines have been worked on a small scale with varying and for the most part unsatisfactory results partly on behalf of these two shareholders, partly, since 1917, on behalf of a tenant company. In December, 1924, the Government purchased the

share held by Hackman & Co., in accordance with a decision made by the Diet on the 17th of that month, for 19.2 mill. marks. For 1925, in which year the mines were transferred to the Government, the results were estimated at about 1.5 mill. mks revenue. In 1925 a special committee in conjunction with the temporary Board of Directors appointed for the enterprise, drew up schemes for extending the mines. These were intended to increase production to 100,000 tons of ore annually. As the deposits of ore in the area are calculated at 7 to 8 million tons, there would thus be sufficient ore to keep the refineries going, at the rate provided for by the scheme, for 70 to 80 years. To obtain the best possible results both from a national-economic and a business point of view, it is intended to work the ore not only for the copper, which has proved excellent in quality and is present in the raw ore to the extent of 4—4½ %, but also for the rich amount of sulphur (28 %) and iron (38 %) contained in it.

In deciding on April 6th, 1926, to give its approval to the Government proposal for a refinery to be attached to the mines, the Diet at the same time approved the extension schemes, which involve an addition of 39.6 mill. mks to the 30 mill. mks capital already invested in the Outokumpu mines. For the extensions the Diet granted a sum of 18 mill. mks in 1926 and by a decision of March 31 st, 1927, a further 8.6 mill. mks. This last decision also includes a grant of 5 mill. mks for use as working capital during 1927. Thus up to the present a little over 60 mill. mks has either been invested or is earmarked for investment in this enterprise. But according to the committee responsible for the extension scheme, the mines should provide, after the completion of the refinery, an annual profit of 13.2 mill. mks.

### SULPHURIC ACID AND SUPERPHOSPHATE FACTORIES.

The sulphur obtainable from the Outokumpu mines and the cheap water power available from

the Imatra power station were the original motives for founding the Government sulphuric acid and superphosphate factories, the former at Lappeenranta (Willmanstrand) and the latter at Kotka. They were completed and began working in the autumn of 1922, having cost 43.4 million marks. In the autumn of 1922 the factories were granted a sum of 14 mill. mks as working capital, and in the supplementary Budget for 1925 a further 14 millions for extensions. The balance sheet of the factories on December 31 st, 1925, includes a capital value of close upon 68 mill. mks. The first full year of work, 1923, showed the considerable loss of 3.8 mill. mks for the factories, due on the one hand to preliminary experiments, on the other, and mainly, to the enormous fall in the price of superphosphate abroad. The loss was subsequently covered out of profits for subsequent years, so that now the 1927 Budget includes a profit from these factories of close upon 4 mill. mks.

#### MARGARINE FACTORY.

Compared with the above, the State margarine factory is a comparatively small business enterprise. It originated in the Prisons Board buying a small margarine factory for its own purposes in 1922, which was then rebuilt and enlarged in 1924 until it was able to satisfy the demands of other State institutions. At the end of 1925 the factory's accounts balanced at 3.7 mill. mks, and it has been able to provide the State with an annual revenue of about 1 mill. mks.

#### THE STATE ALCOHOL BUSINESS.

State business in alcohol has developed in connection with the Ministry for Social Affairs after the Law of Prohibition had come into force in Finland on June 1st, 1919, and the manufacture, import and sale of alcoholic preparations had become a State monopoly. A couple of yeast and alcohol factories together with the necessary plant were purchased from private owners by the State for a total sum of a little over 10 mill. mks. A sulphite alcohol factory

situated in Ruokolahti and owned by the Tor-nator company was further purchased by the State for approximately 3.4 millions. The property and stock of State alcohol business amounted at the end of 1924 to 54.4 mill. mks. The profits to be gained in a prohibitionist country cannot naturally be compared with the large revenue derived by other countries from taxation on spirits. The average surplus during the period 1921—1926 has thus been approximately 24.6 mill. mks per annum. In the 1927 Budget the surplus from this source is estimated at 28.2 mill. mks.

#### THE STATE BANK.

Finally, amongst the business undertakings of the State must be mentioned the bank of issue. The *Bank of Finland* is in so far a State bank as it is under the supreme control and supervision of the Diet and in that the President nominates its directors. Formerly, too, the State was able to include in its extraordinary revenue a share of the Bank's profits. Now, in accordance with the currency reform introduced at the beginning of 1926, the Bank is obliged to accumulate out of its annual profits a reserve fund equal to its capital of 500 million marks. As this reserve fund is still only 240.5 mill. mks, another two or three years must elapse before the profits earned by the Bank of Finland, amounting, for instance in 1926, to 107 mill. mks, will be available for the State economy as a whole. Even then the regulations of the Bank of Finland provide for one-third of the profits being devoted to strengthening the Bank's position, whereafter two-thirds may be used, subject to the decision of the Diet, for the general purposes of the State.

#### SEMI-OFFICIAL COMPANIES.

In addition to its own business enterprises the modern State usually owns shares in one or more Joint Stock companies. Semi-official undertakings of this nature exist in the majority of the European countries. Thus the Swedish State includes amongst its business revenue

dividends from the Luossavaara—Kiirunavaara mines; the States of Norway and Denmark similarly receive dividends from banks of issue established as Joint Stock companies, etc. In Finland the State owns considerable blocks of shares in four Joint Stock companies.

Of these, however, the *Central Bank for the Co-operative Credit Societies, Ltd.*, in which the State owns shares to a nominal value of 32.5 mill. mks, is not an actual business undertaking of the State, as the chief interest of this company lies in its general economic policy of improving credit conditions in the sphere of agriculture. Dividends from this source are estimated in the 1927 Budget as low as 330,000 mks.

The shares held by the State in *A/B Ferraria* were acquired in an accidental manner in connection with the purchase of the Jokioinen Estate. When the State purchased the extensive lands of the Jokioinen Estate on August 1st, 1918, for a sum of 33.2 mill. mks, included amongst the assets of the estate were 2,390 shares in the Ferraria Company, the value of which was assessed at about 3 mill. mks. As the company has distributed gratis shares in 1920 and 1924, the State now owns 7,170 of these 500 mark shares and the present nominal value of its holding is thus 3,585,000 marks. The company has paid moderate dividends, averaging about 8 %, and in the 1927 Budget revenue from these shares is estimated at 300,000 marks.

Of much greater importance than this fairly small iron company are two woodworking companies, owning large areas of land and water-rights in the Vuoksi falls, in which the State acquired a majority of shares in the autumn of 1918 to prevent these big industrial undertakings from falling into the hands of foreigners.

The *A/B Tornator O/Y*, for instance, produced in 1925 10,812 tons of paper, 11,810 tons of cellulose, 12,660 tons of white and brown pulp, 10,642 standards of timber and 1,285,500 gross of bobbins. Of the total shares the State owns 52 %, the nominal value of its holding being 7,894,000 marks. The price paid at the

time of their purchase on November 4th, 1918, was very high, altogether 63,152,000 marks, of which 10 millions was paid in cash and the rest in 5½ % bonds. The fairly high dividends paid on the nominal value of these shares, latterly 20 %, are comparatively low in view of the actual price paid, nor does the State's revenue in dividends correspond to what it has to pay in interest on the bonds. Nevertheless, the transaction need not be regarded as essentially disadvantageous to the State, seeing that the value of the Finnish currency with which the purchase was effected has appreciably declined, whereas the real estate of the company has retained its value and even risen in this respect. Dividends from the Tornator Company are calculated in the 1927 Budget at 1.5 million marks.

*A/B W. Gutzeit & Co.* is in reality a combine comprising the Enso and Pankakoski companies as well as the Gutzeit company. The combine is one of the very largest in the industrial export line in Finland. In 1925, for instance, its production was 84,400 standards of sawn timber, 64,500 tons of cellulose and 39,500 tons of woodpulp, pasteboard, cardboard and paper. The capital of the combine is 162 million marks, of which the State holds shares to 140,692,000 marks' nominal value. As the greatest part of this block was paid for on the occasion of its purchase on October 24th, 1918, out of the proceeds of a crown loan raised in Norway, which was definitely redeemed on February 28th, 1927, the shares have proved extremely expensive and have cost the State altogether about 673 mill. mks. At 8 %, the State receives on its holding for 1927 a sum in dividends amounting to 11,255,000 marks.

#### THE IMPORTANCE OF BUSINESS REVENUE IN THE STATE ECONOMY OF FINLAND.

According to the Budget for 1927, the State receives from all its business undertakings an estimated net revenue of 376 million marks. As the ordinary revenue of the State derived

from taxation and various fees is estimated in the Budget at 2,078 millions, revenue from business undertakings thus accounts for 18.1 % of this kind of ordinary revenue. In Sweden the corresponding ratio in the 1926—27 Budget was 20 %, and that of the Norwegian Budget for 1925—26 only 8.2 %. In the case of Denmark, State business undertakings will result, according to the 1926—27 Budget, in a loss of about 19 million Danish

crowns. As the business revenue of the Finnish State will be appreciably increased after the completion, in 1928, of the Imatra power station and the refinery attached to the Outokumpu mines, and the Bank of Finland, too, will begin in two or three years' time to release a share of its profits, the comparative importance of State business activity will soon be greater in Finland than in any other of the northern countries.

## ITEMS.

**The Diet.** On June 20th the Diet assembled again, but only to dissolve on the following day. This ended the sessions of the present Diet, as the period of three years for which it was elected in 1924 is drawing to a close. Elections to the new Diet will be held throughout the Republic on July 1st and 2nd.

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**The Board of Management of the Bank of Finland.** The former Prime Minister Kyösti Kallio, a member of the Diet, was appointed by the Government on May 28th a member of the Board of Management of the Bank of Finland.

\*

**Foreign bond loan.** The Dwelling-House Mortgage Bank, whose establishment was referred to in the last issue of this Bulletin (see the article on Finnish Mortgage Institutions), concluded an agreement in the middle of June with reference to taking up a 30 years 6½ % bond loan for 2 million pounds sterling, nominally equivalent to about 386.5 million marks. The loan is undertaken by a consortium, represented by the Skandinaviska Kreditaktiebolaget in Stockholm, and consisting besides of Hambros Bank Ltd. and Messrs Higginson & Co. in London and Messrs Mendelsson & Co. in Amsterdam. The issue should take place in the course of June in the markets in London, Amsterdam and Stockholm. — This

loan is deserving of notice for the reason that it is the first negotiated abroad without a State guarantee since Finland became independent. The loan is of the greatest importance for the economic life of Finland, as real estate credit is thereby placed on a proper footing.

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**New extra-European steamship lines.** The ship-owner R. Mattsson has purchased the English steamer „Woron” which has been incorporated in the Finnish merchant service under the name „Kasteholm”. The „Kasteholm” was constructed of steel in 1907 and its dimensions are: length 420.8 feet, beam 54.5 feet and depth 27.7 feet. The steamer is 8,500 tons gross reg. and its net tonnage is 3,300. Mr Mattsson has in view the purchase of another steamer of about the same size. It is his object to start regular traffic with four steamers on the line Finland—Egypt—South Africa—India—Australia.

\*

**Increase of capital.** *Aktiebolaget Tornator* passed a resolution at a recent meeting of shareholders to write up the value of the forests, agricultural land and industrial enterprises owned by the company, and to raise the capital from 15 to 30 million marks by an issue of bonus shares. At the same time the reserve fund was augmented by 33 million marks.

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**Weather conditions and crop prospects.** Last autumn was particularly favourable for making the autumn sowings and for the first growth. During the winter the depth of snow was in general less than usual and the temperature was 2—3.5° above the normal. The spring, on the contrary, was cold, for instance in May about 2° below the normal, and the rainfall was unusually heavy for the season of the year which, combined with spring floods that occurred in some places, considerably delayed spring sowings. During the second week in June the weather conditions proved more favourable and the condition of the plants seems to afford good prospects of an average crop of the spring sowings of corn, potatoes and vegetables, and a crop above the average of autumn sowings of

corn and hay. This is shown in the following table compiled by the Statistical Office of the Board of Agriculture up to the middle of June this year in comparison with the results for 1926 and 1925. Of these 8 signifies very good, 7 good, 6 above medium, 5 medium, 4 below medium, 3 poor crop, 2 almost failure of crop, 1 failure of crop.

	Middle of June.		
	1927.	1926.	1925.
Wheat .....	6.1	4.7	6.3
Rye .....	6.2	4.3	6.6
Barley .....	5.5	5.8	5.6
Oats .....	5.4	5.8	5.4
Potatoes .....	5.2	5.6	5.2
Hay .....	6.3	6.4	5.5

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is sent free of charge to anyone wishing to receive it. Finnish booksellers are, however, allowed to sell it at a price of 2 marks per copy. Back numbers and reprints of some articles are also willingly supplied. Correspondence with regard to the Bulletin should be addressed to the Bank of Finland Statistical Department, Helsinki (Helsingfors), Finland.

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