



# BANK OF FINLAND

## *Monthly Bulletin*

**The budget proposal 1971**

**Housing in Finland**

Finland increases its quota in the IMF  
to \$190 million

Finland's balance of payments January—  
September 1970

Restrictions on the use of import credits

Hire-purchase terms tightened

Finland borrows DM 75 million in the  
Federal Republic of Germany

Domestic bond issues

J. K. Paasikivi's commemorative coin

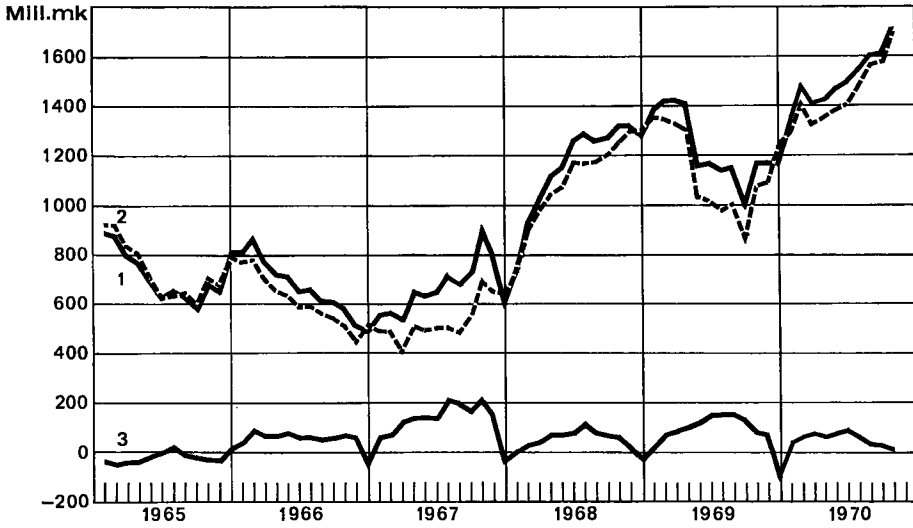
Death of Mr. Esko K. Leinonen

State revenue and expenditure 1968—1971

**DECEMBER 1970**

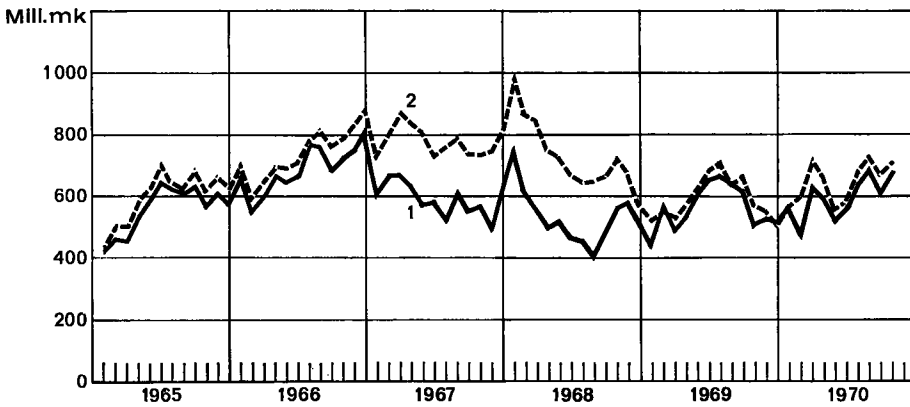
**Vol. 44 No. 12**

Bank of Finland foreign exchange reserve, 1965-1970



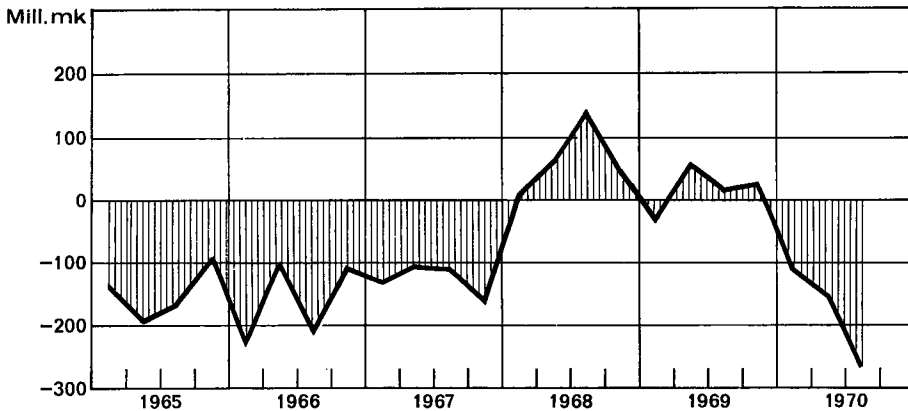
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# THE BUDGET PROPOSAL 1971

## THE GOALS OF ECONOMIC POLICY IMPLIED IN THE 1971 BUDGET PROPOSALS

At the moment the maintenance of adequate economic equilibrium in 1971 is the central problem of economic policy. The present problems relating to economic equilibrium have largely been a consequence of too rapid growth, which has caused some wage drift, shortage of labour, difficulties in obtaining raw material as well as an overrapid expansion of imports. Although the overheating of the economy is likely to diminish to some extent in 1971, the authorities have to be prepared to take corrective action.

When preparing the budget proposal it was assumed, in the light of information available at that time, that the balance of payments could be held in equilibrium through the pursuance of the counter-cyclical policy which has already been agreed, complemented by monetary policy measures and some changes in the structure of state expenditures. However, the balance of payments situation has changed quickly after the presentation of the budget proposals to the Diet. It seems at the moment that in 1971 the growing deficit of the balance of payments on current account may necessitate measures aimed at curbing demand, which have not yet been put forward in the budget proposals.

An important aim in the preparation of the budget was the promotion of regional and sectoral mobility of labour. The total of state loans and subventions earmarked for employment appropriations and real investment in the 1971 budget exceeds the corresponding 1970 figure by slightly more than 300 million marks; thus the possibilities for active manpower policy are improved. In case the growth of production should decelerate by more than expected towards the end of next year it will be possible to draw on the counter-cyclical deposits ac-

cumulated by the Government and the private sector. However, no proposals to this end are included in the budget.

## OUTLINES OF THE BUDGET PROPOSAL

The total of the proposed budget is 10 596 million marks; of this, consumption expenditure accounts for slightly less than one third, investment expenditure somewhat less than one fifth and transfers a little more than 40 per cent. Total expenditure would be increased by 659 million marks or by about 6 per cent in comparison with the 1970 budget. If the 355 million marks relating to national pension and sickness insurance schemes together with the corresponding revenue should be removed from the budget and transferred to the National Pensions Institute, as has been done in previous years, it can be concluded that in fact state expenditure will increase by 9—10 per cent. This means that the growth rate of total state expenditure would be roughly the same as the average for the last 10 years.

The table in the items section of this Bulletin on page 26 sheds light on the functional distribution of state revenue and expenditure and also allows of comparison with some previous years. The greatest increases on the expenditure side have occurred in housing and environmental planning, production excluding agriculture, and in employment expenditure. These rises have been caused by efforts to promote structural changes in production which would improve the basis of the Finnish economy. However, this target cannot have been regarded as the sole purpose of economic policy in those areas of the country where structural unemployment is substantial. In these parts production and employment have been supported by improving the availability of finance.

Agricultural expenditure is expected to expand only slightly in 1971. The proposals here are based on production and consumption forecasts for various agricultural products prepared by the Ministry of Agriculture, according to which the need for subsidies should decrease as a result of a decline in excess production. On the other hand it has been proposed that state expenditure on forestry be increased by 14 per cent. Such already large-scale activities as education and culture, social welfare and health would grow only slightly more than on average. The growth in transport and communications expenditure will be fairly small.

The budget deficit, i.e. that part of expenditure not covered by the yield from taxes and charges, amounts to approximately 910 million. To cover this it has been proposed that a total of 800

million marks be borrowed and the excise tax on petrol and diesel oil be raised by 3 pennies per litre. As regards revenue from outside the budget it has been proposed that the employer's social security fee be increased by 0.5 percentage units to finance the expansion of social welfare to be provided from the funds of the National Pension Institute. Moreover, the Government has decided to raise the railway tariffs by 12 per cent from the beginning of 1971.

As shown above, the proposed growth of expenditure roughly equals the corresponding long term average. The impact on demand and on the financial market of this budget is estimated to be neutral.

November 30, 1970.

## BANK OF FINLAND

Mill. mk

	1969		1970			
	Nov. 28	Dec. 31	Nov. 6	Nov. 13	Nov. 23	Nov. 30
<b>Assets</b>						
Gold and other foreign assets	1 416.7	1 433.1	1 857.3	1 879.9	1 868.3	1 847.3
Gold	189.3	189.4	189.5	189.5	189.5	189.5
Special drawing rights	—	—	98.0	98.0	98.0	98.0
IMF gold tranche	173.3	173.3	199.5	199.5	199.5	199.5
Foreign exchange	894.7	905.0	1 263.3	1 284.6	1 272.5	1 250.0
Foreign bills	99.5	106.3	76.5	78.6	78.6	80.1
Foreign bonds	59.9	59.1	30.5	29.7	30.2	30.2
Claims on domestic banks	697.7	637.1	840.0	708.4	826.0	871.6
Discounted bills	—	—	824.6	685.7	802.6	817.5
Rediscounted bills	601.0	550.3	9.4	14.9	11.0	7.7
Cheque accounts	96.7	86.8	6.0	7.8	12.4	46.4
Other lending	315.9	317.6	286.4	282.7	272.8	262.8
Inland bills discounted						
In foreign currency	15.9	7.3	—	—	—	—
In Finnish marks	181.4	191.6	148.2	144.1	135.1	134.4
Loans	118.6	118.7	138.2	138.6	137.7	128.4
Other assets	157.2	627.0	707.9	763.9	798.6	787.4
Finnish bonds	83.5	126.5	329.9	386.9	425.8	415.4
Finnish coin	10.9	5.5	15.5	14.5	13.9	13.5
Currency subscription to Finland's quota in the IMF	—	351.7	325.5	325.5	325.5	325.5
Other claims	62.8	143.3	37.0	37.0	33.4	33.0
Total	2 587.5	3 014.8	3 691.6	3 634.9	3 765.7	3 769.1
<b>Liabilities</b>						
Notes in circulation	1 191.4	1 298.4	1 238.8	1 237.5	1 230.3	1 279.0
Liabilities payable on demand	110.1	123.5	168.5	111.6	249.3	204.7
Foreign exchange accounts	73.8	81.0	64.8	68.0	71.2	73.2
Mark accounts of holders abroad	15.7	12.2	11.7	11.9	12.4	11.4
Cheque accounts						
Treasury	2.8	3.7	70.2	19.2	149.5	61.5
Post Office Bank	5.4	3.6	7.5	0.2	3.2	45.0
Private banks	0.0	10.1	1.1	—	—	—
Other	1.4	1.0	2.1	1.9	1.8	2.3
Other sight liabilities	11.0	11.9	11.1	10.4	11.2	11.3
Term liabilities	341.7	307.6	789.8	789.9	789.7	798.1
Foreign	12.2	7.7	—	—	—	—
Domestic	329.5	299.9	789.8	789.9	789.7	798.1
IMF mark accounts	—	351.7	325.5	325.5	325.5	325.5
Allocations of special drawing rights	—	—	88.2	88.2	88.2	88.2
Equalization accounts	424.1	405.6	527.3	526.2	524.2	513.4
Bank's own funds	520.2	528.0	553.5	556.0	558.5	560.2
Capital	300.0	300.0	300.0	300.0	300.0	300.0
Reserve fund	172.7	172.7	200.3	200.3	200.3	200.3
Profits undisposed	—	—	—	—	—	—
Earnings less expenses (Dec. 31, Net profit)	47.5	55.3	53.2	55.7	58.2	59.9
Total	2 587.5	3 014.8	3 691.6	3 634.9	3 765.7	3 769.1

End of year and month	Gold and foreign accounts						Treasury		
	Gold and foreign exchange	Liabilities on foreign exchange and mark accounts	Foreign exchange reserve (1—2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4—5)	Claims on Treasury	Liabilities, Cheque account	Net claims on the Treasury (7—8)
	1	2	3	4	5	6	7	8	9
1963	752.2	18.2	734.0	65.6	100.5	699.1	18.9	0.2	18.7
1964	973.4	84.7	888.7	76.3	82.8	882.2	8.9	5.4	3.5
1965	860.9	44.8	816.1	83.8	56.5	843.4	— 1.1	1.1	— 2.2
1966	555.9	61.2	494.7	81.3	100.8	475.2	10.4	39.8	— 29.4
1967	701.1	74.7	626.4	97.7	353.6	370.5	— 6.5	4.4	— 10.9
1968	1 352.5	62.1	1 290.4	124.9	33.8	1 381.5	—354.3	3.0	—357.3
1969	1 267.7	92.4	1 175.3	517.1	360.2	1 332.2	—196.1	3.7	—199.8
1969									
Sept.	1 105.5	83.5	1 022.0	151.6	20.9	1 152.7	—263.0	1.1	—264.1
Oct.	1 246.7	75.9	1 170.8	154.3	18.1	1 307.0	—238.4	2.9	—241.3
Nov.	1 257.3	83.6	1 173.7	159.4	18.1	1 315.0	—224.7	2.8	—227.5
Dec.	1 267.7	92.4	1 175.3	517.1	360.2	1 332.2	—196.1	3.7	—199.8
1970									
Jan.	1 393.7	56.6	1 337.1	514.8	359.4	1 492.5	—187.2	1.1	—188.3
Feb.	1 541.8	54.0	1 487.8	515.7	359.4	1 644.1	—184.5	18.2	—202.7
March	1 468.8	53.7	1 415.1	524.1	359.4	1 579.8	—175.2	12.1	—187.3
April	1 484.5	57.4	1 427.1	545.6	356.4	1 616.3	—169.6	6.8	—176.4
May	1 536.6	59.5	1 477.1	538.7	356.4	1 659.4	—166.5	1.2	—167.7
June	1 586.0	85.2	1 500.8	515.2	351.7	1 664.3	—163.2	0.6	—163.8
July	1 642.0	83.3	1 558.7	450.9	330.7	1 678.9	—159.5	1.6	—161.1
Aug.	1 684.8	77.9	1 606.9	439.7	330.7	1 715.9	—149.4	1.0	—150.4
Sept.	1 696.0	78.4	1 617.6	448.3	335.5	1 730.4	—146.7	2.8	—149.5
Oct.	1 787.5	74.2	1 713.3	431.4	325.5	1 819.2	—141.3	70.3	—211.6
Nov.	1 737.0	84.6	1 652.4	435.8	325.5	1 762.7	—137.3	61.5	—198.8

## FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1969			Net holdings, Oct. 31, 1970			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Oct.	Jan.-Oct.
	Gold	189	—	189	189	—	189	—
Special drawing rights	—	—	—	98	—	98	—	+ 98
IMF gold tranche	173	—	173	199	—	199	+10	+ 26
Convertible currencies	893	—98	795	1 212	—518	694	+24	—101
Other currencies	—80	5	—75	15	— 7	8	—16	+ 83
Total	1 175	—93	1 082	1 713	—525	1 188	+18	+106



## BANK OF FINLAND

Mill. mk

End of year and month	Domestic banks						Other					Notes in circulation
	Dis-counted bills	Redis-counted bills	Cheque accounts <sup>1</sup>	Liabilities, Cheque accounts		Net claims on the banks (1+2+3-4-5)	Inland bills in Finnish marks	Other advances	Liabilities	Net claims on the rest of economy (7+8-9)		
				Private banks <sup>2</sup>	Post Office Bank <sup>2</sup>							
1	2	3	4	5	6	7	8	9	10	11		
1963	—	325.3	—	1.3	3.0	321.0	57.4	94.2	2.9	148.7	943.7	
1964	—	448.4	—	16.4	49.6	382.4	78.5	91.6	2.2	167.9	1 002.7	
1965	—	640.6	—	11.9	8.3	620.4	76.2	71.7	31.8	116.1	1 028.5	
1966	—	915.2	—	13.8	17.3	884.1	180.3	84.8	71.9	193.2	1 106.2	
1967	—	867.5	—	154.7	34.5	678.3	197.3	382.5	56.0	523.8	1 052.1	
1968	—	617.7	107.4	163.3	16.3	545.5	186.3	195.3	43.4	338.2	1 159.6	
1969	—	550.3	86.8	92.8	12.2	532.1	191.6	269.3	25.4	435.5	1 298.4	
1969												
Sept.	—	684.6	112.2	82.7	9.7	704.4	180.9	187.9	30.8	338.0	1 143.3	
Oct.	—	597.2	102.1	121.3	11.7	566.3	184.2	200.3	26.4	358.1	1 144.0	
Nov.	—	601.0	96.7	82.7	14.0	601.0	181.4	197.3	25.9	352.8	1 191.4	
Dec.	—	550.3	86.8	92.8	12.2	532.1	191.6	269.3	25.4	435.5	1 298.4	
1970												
Jan.	462.4	36.1	74.6	82.7	12.8	477.6	183.3	189.2	157.4	215.1	1 177.5	
Feb.	467.9	8.7	62.7	63.6	82.6	393.1	178.9	196.6	165.0	210.5	1 208.9	
March	584.8	4.2	98.1	41.4	50.2	595.5	167.4	191.6	449.6	— 90.6	1 189.6	
April	552.8	7.3	58.3	41.4	15.2	561.8	157.2	178.8	437.1	—101.1	1 205.1	
May	531.4	8.3	43.8	41.4	7.8	534.3	151.3	176.0	466.5	—139.2	1 258.3	
June	589.7	6.5	40.4	41.4	5.2	590.0	150.7	167.6	549.0	—230.7	1 264.8	
July	683.2	3.7	17.3	47.0	5.9	651.3	163.3	169.0	579.0	—246.7	1 226.1	
Aug.	664.1	12.4	27.5	—	1.1	702.9	162.2	160.8	552.8	—229.8	1 237.6	
Sept.	686.6	7.8	22.6	—	2.5	714.5	146.7	162.0	550.5	—241.8	1 225.7	
Oct.	736.7	8.5	12.6	—	3.2	754.6	150.1	155.6	662.8	—357.1	1 262.8	
Nov.	817.5	7.7	46.4	—	45.0	826.6	134.4	161.4	674.4	—378.6	1 279.0	

<sup>1</sup> Including special index accounts.<sup>2</sup> Including cash reserve accounts.

## SELLING RATES FOR FOREIGN EXCHANGE

Mk

Nov. 30, 1970

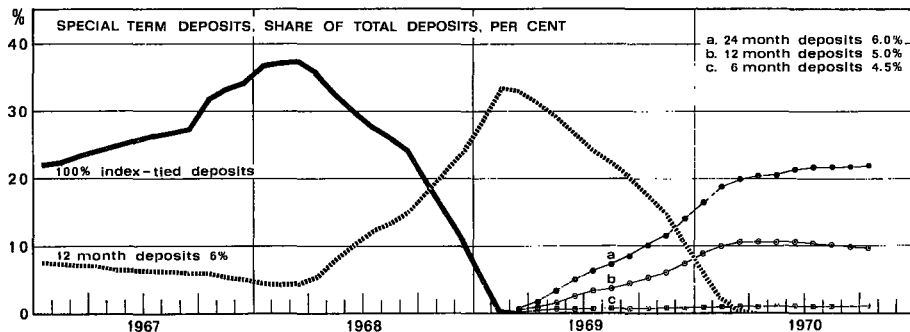
New York	1 \$	4.178	Frankfurt o. M.	100 DM	115.08	Vienna	100 S	16.17
Montreal	1 \$	4.101	Amsterdam	100 Fl	116.10	Lisbon	100 Esc	14.62
London	1 £	9.980	Brussels	100 Fr	8.420	Reykjavik	100 Kr	4.76
Stockholm	100 Kr	80.80	Zurich	100 Fr	96.90	Madrid	100 Pta	6.03
Oslo	100 Kr	58.51	Paris	100 FF	75.70	Moscow <sup>1</sup>	1 Rbl	4.6799
Copenhagen	100 Kr	55.78	Rome	100 Lit	0.6710	Clearing dollars <sup>2</sup>	1 CI \$	4.212

<sup>1</sup> Clearing account; also Bucharest.<sup>2</sup> Berlin, Budapest, Sofia.

# DEPOSITS BY THE PUBLIC

Mill. mk

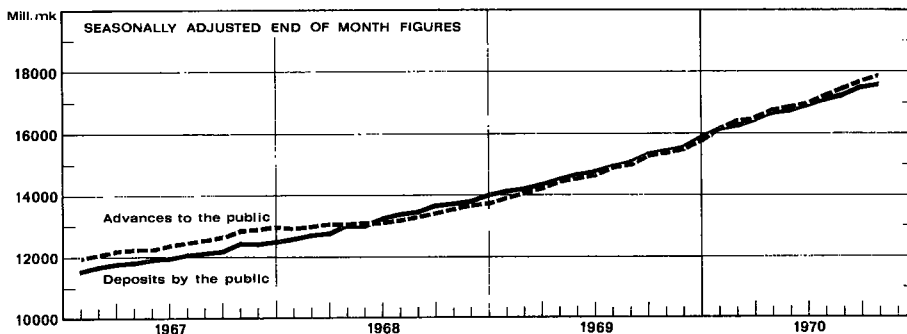
End of year and month	Sight deposits			Term deposits						Total (2+3+9)
	Cheque accounts		Postal giro accounts	Commercial banks	Savings banks	Co-op. banks	Post Office Bank	Co-op. stores	All credit institutions	
	Commercial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
1962	656.6	800.8	168.5	2 281.2	2 210.8	1 314.7	606.6	293.2	6 706.7	7 676.0
1963	729.1	876.0	250.3	2 451.6	2 336.6	1 437.5	648.5	310.7	7 185.0	8 311.3
1964	697.2	855.4	296.5	2 834.0	2 614.7	1 664.1	713.8	331.4	8 158.2	9 310.1
1965	676.9	843.7	309.4	3 182.6	2 954.4	1 931.0	773.2	357.2	9 198.6	10 351.7
1966	639.8	849.4	318.0	3 660.9	3 329.9	2 202.1	863.6	380.7	10 437.3	11 604.7
1967	661.5	834.0	340.9	4 103.1	3 644.6	2 417.3	941.2	431.3	11 537.9	12 712.8
1968	856.2	1 087.6	428.4	4 597.8	3 966.4	2 683.1	1 027.2	465.0	12 739.8	14 255.8
1969	1 057.4	1 373.9	520.8	5 236.3	4 333.1	3 021.6	1 116.0	521.6	14 228.7	16 123.4
1969										
Sept.	957.6	1 213.4	463.2	4 869.2	4 149.2	2 881.6	1 062.7	490.8	13 453.8	15 130.4
Oct.	985.6	1 238.5	425.6	4 922.5	4 184.0	2 906.1	1 073.2	497.8	13 583.9	15 248.0
Nov.	946.1	1 190.5	445.8	4 954.8	4 218.9	2 946.0	1 080.5	507.0	13 707.4	15 343.7
Dec.	1 057.4	1 373.9	520.8	5 236.3	4 333.1	3 021.6	1 116.0	521.6	14 228.7	16 123.4
1970										
Jan.	1 060.3	1 324.0	568.1	5 299.1	4 389.7	3 068.9	1 139.0	528.6	14 425.3	16 317.4
Feb.	1 060.9	1 315.7	575.2	5 381.2	4 450.4	3 131.5	1 164.4	535.9	14 663.4	16 554.3
March	1 098.3	1 371.4	542.4	5 416.5	4 475.8	3 159.0	1 172.9	541.6	14 765.8	16 679.6
April	1 133.1	1 390.8	572.7	5 489.3	4 502.0	3 193.2	1 188.0	544.0	14 916.5	16 880.0
May	1 074.0	1 344.3	563.8	5 562.7	4 540.9	3 219.0	1 188.3	545.3	15 056.2	16 964.3
June	1 110.4	1 376.7	555.2	5 591.5	4 522.5	3 186.6	1 186.6	540.5	15 027.6	16 959.5
July	1 067.9	1 345.3	529.3	5 605.5	4 540.7	3 202.4	1 192.7	540.0	15 081.3	16 955.9
Aug.	1 001.4	1 291.1	554.9	5 641.9	4 584.3	3 240.4	1 198.4	539.2	15 204.2	17 050.2
Sept.	1 094.7	1 409.7	522.6	5 691.9	4 632.3	3 288.6	1 210.9	553.1	15 376.8	17 309.1
Oct.	1 047.8	1 351.0	499.2	5 714.9	4 656.9	3 319.3	1 221.3	557.6	15 470.0	17 320.2



# ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

End of year and month	Advances granted by					Types of advances		Total (1 to 5) (6 and 7)	Money Supply
	Commer- cial banks	Savings banks	Post Office Bank	Co-op. banks	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1962	3 425.7	2 018.5	508.7	1 474.8	614.7	7 680.8	361.6	8 042.4	1 722.5
1963	3 621.3	2 134.5	544.0	1 608.9	664.3	8 226.2	346.8	8 573.0	1 986.5
1964	4 153.2	2 318.0	607.7	1 820.7	829.4	9 320.5	408.5	9 729.0	2 042.5
1965	4 597.4	2 609.2	716.5	2 030.6	899.4	10 439.6	413.5	10 853.1	2 085.0
1966	5 205.4	2 951.4	783.9	2 261.0	908.8	11 630.7	479.8	12 110.5	2 221.7
1967	5 558.9	3 247.7	869.0	2 424.3	1 026.9	12 598.9	527.9	13 126.8	2 183.1
1968	5 865.5	3 448.4	940.3	2 600.5	1 053.0	13 419.5	488.2	13 907.7	2 668.7
1969	6 892.2	3 802.8	1 049.1	2 922.1	1 290.4	15 375.0	581.6	15 956.6	3 138.1
1969									
Sept.	6 551.2	3 688.9	1 027.5	2 819.4	1 201.4	14 678.8	609.6	15 288.4	2 737.3
Oct.	6 640.0	3 746.8	1 037.3	2 870.5	1 228.3	14 911.9	611.0	15 522.9	2 760.7
Nov	6 739.5	3 794.8	1 044.8	2 911.3	1 243.9	15 093.5	640.8	15 734.3	2 792.0
Dec	6 892.2	3 802.8	1 049.1	2 922.1	1 290.4	15 375.0	581.6	15 956.6	3 138.1
1970									
Jan.	6 944.4	3 834.9	1 070.5	2 948.1	1 317.7	15 516.9	598.7	16 115.6	3 164.3
Feb.	7 060.6	3 853.6	1 089.5	2 978.1	1 318.6	15 667.0	633.4	16 300.4	3 216.5
March	7 100.3	3 883.0	1 098.1	2 994.2	1 333.5	15 770.7	638.4	16 409.1	3 455.7
April	7 300.5	3 947.2	1 119.0	3 029.7	1 317.8	16 005.4	708.8	16 714.2	3 534.3
May	7 336.5	3 991.9	1 119.3	3 068.4	1 337.2	16 185.9	667.4	16 853.3	3 555.5
June	7 433.1	4 022.0	1 130.3	3 095.3	1 355.8	16 348.0	688.5	17 036.5	3 627.5
July	7 464.0	4 064.8	1 154.5	3 137.1	1 379.3	16 503.9	695.8	17 199.7	3 595.0
Aug.	7 522.5	4 115.0	1 166.5	3 177.7	1 380.9	16 661.2	701.4	17 362.6	3 556.5
Sept.	7 683.2	4 185.1	1 184.4	3 237.1	1 378.1	16 964.0	703.9	17 667.9	..
Oct.	7 867.8	4 263.9	1 199.6	3 307.6	1 380.8	17 286.0	733.7	18 019.7	..



STATE FINANCES

Mill. mk

Revenue	Jan.—Sept.		Expenditure	Jan.—Sept.	
	1969	1970		1969	1970
Income and property tax (net)	1 885	2 280	Wages, salaries, pensions etc.	1 223	1 336
Gross receipts	(4 412)	(5 235)	Repair and maintenance	185	205
Refunds & local authorities	(—2 527)	(—2 955)	Other consumption expenditure	466	544
Other taxes on income and property	41	44	Total consumption expenditure	1 874	2 085
Employers' child allowance payments	440	486	State aid to local authorities	1 032	1 142
Sales tax	1 694	1 974	State aid to industries	767	1 025
Revenue from Alcohol Monopoly	376	478	of which: agric. price subsidies	(583)	(757)
Customs duties & import charges	287	337	Child allowances	237	232
Export levy	129	—	Share in national pensions and health insurance	306	308
Excise duty on tobacco	326	315	Other transfer expenditure	706	779
»  »  on liquid fuel	417	464	Total transfer expenditure	3 048	3 486
Other excise duties	174	207	Machinery and equipment	191	232
Tax on autom. and motor cycles	226	246	House construction	211	194
Stamp duties	147	166	Land and waterway construction	550	477
Special diesel etc. vehicles tax	33	36	Total real investment	952	903
Other taxes and similar revenue	43	108	Interest on State debt	185	178
Total taxes	6 218	7 141	Index compensations	33	24
Miscellaneous revenue	361	366	Net deficit of State enterprises	86	42
Interest, dividends etc.	123	140	Other expenditure	4	5
Sales and depreciation of property	53	59	Total other expenditure	308	249
Redemptions of loans granted	126	126	Increase in inventories	—11	+15
<b>Total revenue</b>	<b>6 881</b>	<b>7 832</b>	Lending	483	485
Foreign borrowing	126	1	Other financial investment	112	201
Domestic borrowing	505	366	<b>Total expenditure</b>	<b>6 766</b>	<b>7 424</b>
<b>Total borrowing</b>	<b>631</b>	<b>367</b>	Redemption of foreign loans	103	101
<b>Deficit (+) or surplus (—)</b>	<b>—110</b>	<b>—289</b>	Redemption of domestic loans	533	385
			<b>Total redemptions</b>	<b>636</b>	<b>486</b>
	<b>Total</b>	<b>7 402</b>	<b>Total</b>	<b>7 402</b>	<b>7 910</b>

State debt	1967	1968	1969	1970			
	Dec.	Dec.	Dec.	July	Aug.	Sept.	Oct.
<b>Foreign debt</b>	1 844	2 074	1 656	1 534	1 532	1 505	1 497
Loans	2 013	2 160	2 316	2 344	2 301	2 289	2 309
Compensatory obligations	5	5	4	3	3	3	3
Short-term credit	167	320	158	47	53	54	53
Cash debt (net)	— 12	— 256	— 217	—445	—317	—435	..
<b>Domestic debt</b>	<b>2 173</b>	<b>2 229</b>	<b>2 261</b>	<b>1 949</b>	<b>2 040</b>	<b>1 911</b>	<b>..</b>
<b>Total State debt</b>	<b>4 017</b>	<b>4 303</b>	<b>3 917</b>	<b>3 483</b>	<b>3 572</b>	<b>3 416</b>	<b>..</b>
Total debt, mill. \$	955	1 028	933	834	855	818	..

# FOREIGN TRADE

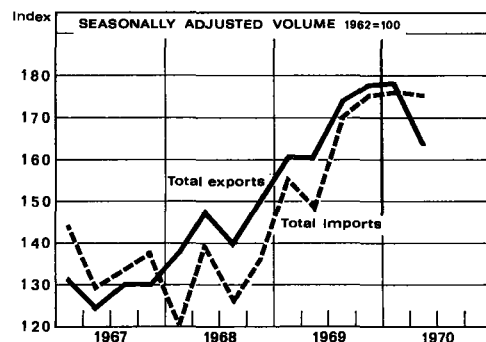
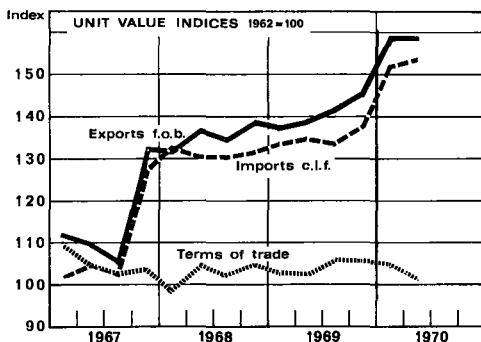
Mill. mk

Value mill. mk

Period	Value mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1965	4 566.0	5 265.1	-699.1
1966	4 816.9	5 524.4	-707.5
1967	5 231.2	5 794.4	-563.2
1968	6 874.2	6 710.9	+163.3
1969	8 344.8	8 495.0	-150.2
1969			
Aug.	703.7	588.8	+114.9
Sept.	733.0	782.1	- 49.1
Oct.	884.9	865.0	+ 19.9
Nov.	714.4	747.3	- 32.9
Dec.	845.9	922.4	- 76.5
1970*			
Jan.	758.0	768.1	- 10.1
Feb.	597.1	741.8	-144.7
March	731.2	792.9	- 61.7
April	813.7	982.5	-168.8
May	822.0	908.7	- 86.7
June	806.0	825.3	- 19.3
July	782.3	866.1	- 83.8
Aug.	824.5	798.1	+ 26.4
Sept.	876.0	1 019.6	-143.6
Jan.-Sept.			
1969*	5 899.5	5 960.5	- 61.0
1970*	7 010.8	7 703.1	-692.3

Indices of exports and  
imports 1962 = 100

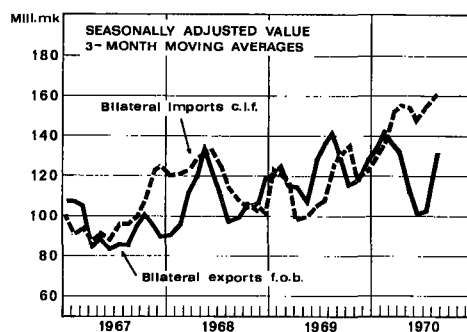
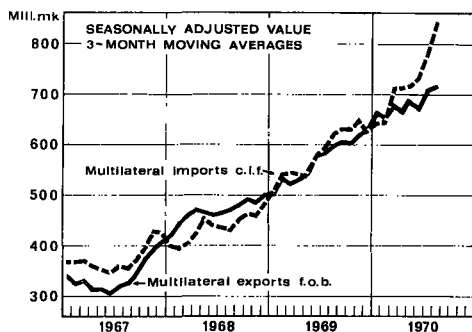
Period	Indices of exports and imports 1962 = 100				Terms of trade
	Volume		Unit value		
	Exports	Imports	Exports	Imports	
1965	114	129	113	104	109
1966	122	135	112	104	108
1967	129	135	115	110	105
1968	143	129	136	132	103
1969	167	160	141	135	104
1967					
July-Sept.	134	124	106	103	103
Oct.-Dec.	139	144	133	128	104
1968					
Jan.-Mar.	120	116	132	133	99
Apr.-June	150	141	137	131	105
July-Sept.	142	116	135	131	103
Oct.-Dec.	161	145	139	132	105
1969					
Jan.-Mar.	140	147	138	134	103
Apr.-June	164	151	139	135	103
July-Sept.	174	153	142	134	106
Oct.-Dec.	190	187	146	138	106
1970*					
Jan.-Mar.	148	154	159	152	105
Apr.-June	173	180	159	154	103
July-Sept.	178	176	158	155	102



# FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.						Imports, c.i.f.			
	Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and producer goods	Fuels and lubricants	Finished goods	
									Investment goods	Consumer goods
1965	251.8	60.3	919.8	2 165.6	800.3	368.2	2 362.4	514.7	1 511.4	876.6
1966	264.0	59.0	863.5	2 297.0	877.2	456.2	2 450.5	589.8	1 448.5	1 035.6
1967	261.4	54.3	865.7	2 384.5	1 080.6	584.7	2 545.9	668.2	1 462.8	1 117.5
1968	327.1	55.5	1 157.7	2 994.0	1 566.4	773.5	3 023.1	874.0	1 524.2	1 289.6
1969	360.2	71.9	1 400.4	3 373.9	2 011.8	1 126.6	3 683.4	948.3	2 229.4	1 633.9
<b>1969*</b>										
Aug.	21.9	9.3	153.0	289.5	129.8	100.2	285.2	55.0	139.4	109.2
Sept.	24.7	9.8	150.4	287.0	147.1	114.0	344.6	119.3	173.4	144.8
Oct.	24.9	7.9	158.6	337.2	235.1	121.2	366.9	96.9	243.8	157.4
Nov.	26.2	8.5	130.6	291.7	144.2	113.2	337.1	99.4	146.0	164.8
Dec.	58.8	5.3	121.4	301.8	256.8	101.8	434.0	71.9	234.9	181.6
<b>1970*</b>										
Jan.	53.4	1.4	112.0	295.4	199.4	96.4	330.8	133.5	166.2	137.6
Feb.	26.5	1.7	64.3	253.2	147.0	104.4	314.5	69.9	203.0	154.4
March	47.0	0.7	62.7	308.3	191.0	121.5	332.8	54.8	245.5	159.8
April	29.0	3.1	94.9	333.4	219.6	133.7	443.7	73.4	250.8	214.6
May	37.3	9.4	131.4	325.6	212.2	106.1	409.4	110.0	222.8	166.5
June	27.1	10.7	150.6	316.7	192.6	108.3	395.9	89.9	200.1	139.4
July	25.1	10.9	163.1	311.6	182.1	89.5	416.8	72.4	221.9	155.0
Aug.	30.8	12.4	154.2	343.2	163.3	120.6	336.1	142.4	181.7	137.9
Sept.	43.6	12.9	150.0	323.1	202.6	143.8	479.8	109.1	243.7	187.0
<b>Jan.-Sept.</b>										
1969*	250.3	50.2	989.8	2 443.2	1 375.7	790.3	2 545.5	680.1	1 604.8	1 130.1
1970*	319.8	63.2	1 083.2	2 810.5	1 709.8	1 024.3	3 459.8	855.4	1 935.7	1 452.2



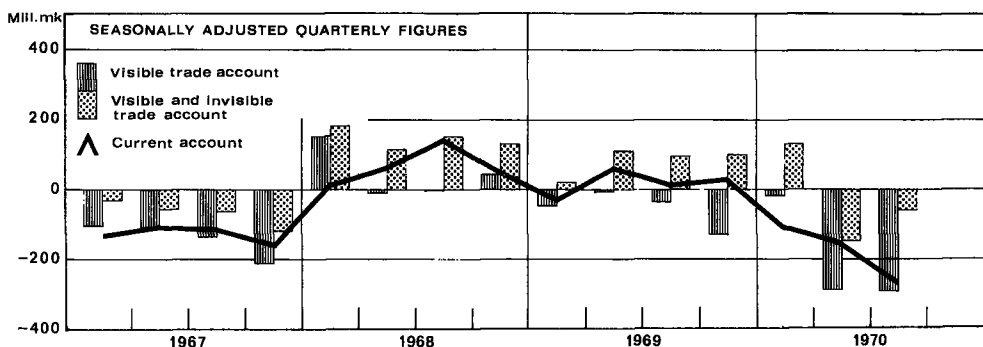
## FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January—September				January—September			
	1969		1970		1969		1970	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
<b>OECD countries in Europe</b>	67.8	3 997.1	70.9	4 972.4	72.1	4 294.5	73.6	5 670.2
Austria	0.6	34.1	0.8	58.1	1.1	66.8	1.4	104.8
Belgium-Luxembourg	2.5	146.1	2.0	141.9	1.9	114.2	2.1	160.2
Denmark	4.0	236.3	4.1	288.4	3.5	204.7	3.2	249.3
France	4.2	250.8	3.9	269.1	3.7	221.1	3.6	275.3
Federal Republic of Germany	10.0	590.7	10.9	766.2	15.8	938.2	17.2	1 321.9
Italy	2.7	162.8	2.4	168.4	2.2	133.0	2.0	154.5
Netherlands	4.5	264.2	4.7	325.8	3.7	220.4	3.6	276.5
Norway	2.2	128.6	3.1	218.0	2.7	161.3	2.4	182.7
Portugal	0.3	16.0	0.4	26.0	0.6	36.2	0.7	59.2
Spain	1.0	56.4	1.0	73.0	0.3	16.7	0.3	22.7
Sweden	13.0	765.3	16.3	1 141.2	16.2	963.8	17.6	1 361.0
Switzerland	2.0	116.3	1.8	126.5	3.3	196.2	3.4	265.0
United Kingdom	18.7	1 103.1	17.7	1 241.2	16.9	1 008.7	15.8	1 215.7
Other	2.1	126.4	1.8	128.6	0.2	13.2	0.3	21.4
<b>OECD countries outside Europe</b>	7.0	414.0	6.0	421.3	6.5	387.4	5.7	441.1
Canada	0.4	26.7	0.9	64.2	0.2	13.8	0.3	25.4
Japan	0.3	15.3	0.3	20.4	1.9	109.7	2.0	151.5
United States	6.3	372.0	4.8	336.7	4.4	263.9	3.4	264.2
<b>Eastern Bloc</b>	17.8	1 051.6	15.1	1 060.6	16.6	990.9	16.5	1 267.9
Czechoslovakia	0.5	27.2	0.5	36.2	0.6	36.1	0.5	37.6
Democratic Republic of Germany	0.6	33.4	0.7	45.6	0.7	40.3	0.6	46.4
People's Republic of China	0.1	9.4	0.5	38.0	0.3	20.3	0.2	16.0
Poland	1.7	98.3	1.2	86.9	1.3	75.7	1.5	116.5
Soviet Union	14.2	841.8	11.4	794.7	13.1	784.5	12.9	989.9
Other	0.7	41.5	0.8	59.2	0.6	34.0	0.8	61.5
<b>Latin America</b>	3.2	187.7	2.7	187.3	2.6	154.8	2.4	186.9
Argentina	0.7	42.4	0.7	49.0	0.2	13.8	0.2	11.5
Brazil	0.4	25.5	0.5	33.8	0.9	50.7	0.6	48.3
Colombia	0.3	15.6	0.2	13.9	0.7	44.3	0.8	63.5
Other	1.8	104.2	1.3	90.6	0.8	46.0	0.8	63.6
<b>Other</b>	4.2	249.1	5.3	369.2	2.2	132.9	1.8	137.0
<b>GRAND TOTAL</b>	100.0	5 899.5	100.0	7 010.8	100.0	5 960.5	100.0	7 703.1
of which								
<b>EFTA countries</b>	40.7	2 399.8	44.3	3 107.8	44.3	2 637.8	44.7	3 443.7
<b>EEC countries</b>	24.0	1 414.6	23.8	1 671.4	27.3	1 626.8	28.4	2 188.4
<b>OECD countries</b>	74.8	4 411.1	76.9	5 393.7	78.5	4 681.9	79.3	6 111.3

# BALANCE OF PAYMENTS

Period	Visible exports f.o.b.	Visible imports c.i.f.	Visible trade account	Transport, net	Travel, net	Other services, net	Visible and invisible trade account	Investment income, net	Transfer payments, net	Current account
1967	5 194	5 816	-622	+416	- 88	+17	-277	-209	- 3	-489
1968	6 832	6 730	+102	+481	- 8	-25	+550	-276	- 5	+269
1969	8 296	8 528	-232	+579	+ 4	-13	+338	-323	+72	+ 87
Jan.-Mar										
1967	1 088	1 347	-259	+ 98	- 24	- 2	-187	- 57	- 1	-245
1968	1 385	1 515	-130	+103	- 16	+ 7	- 36	- 58	+ 1	- 93
1969	1 696	1 944	-248	+128	- 20	-11	-151	- 57	+80	-128
1970	2 074	2 309	-235	+167	- 9	- 3	- 80	- 86	-11	-177
Apr.-June										
1967	1 242	1 398	-156	+ 97	- 34	+ 6	- 87	- 39	+ 1	-125
1968	1 808	1 829	- 21	+133	- 12	+ 2	+102	- 67	- 1	+ 34
1969	2 002	2 008	- 6	+140	- 17	- 6	+111	- 84	- 7	+ 20
1970	2 429	2 721	-292	+140	+ 10	+ 0	-142	- 96	+ 1	-237
July-Sept.										
1967	1 241	1 256	- 15	+114	- 18	- 3	+ 78	- 63	+ 3	+ 18
1968	1 680	1 500	+180	+147	+ 32	+ 0	+359	- 67	- 1	+291
1969	2 168	2 022	+146	+116	+ 38	-14	+286	- 80	+ 1	+207
1970	2 471	2 690	-219	+196	+109	- 4	+82	-110	- 1	- 29
Oct.-Dec.										
1967	1 623	1 815	-192	+107	- 12	+16	- 81	- 50	- 6	-137
1968	1 959	1 886	+ 73	+ 98	- 12	-34	+125	- 84	- 4	+ 37
1969	2 430	2 554	-124	+195	+ 3	+18	+ 92	-102	- 2	- 12



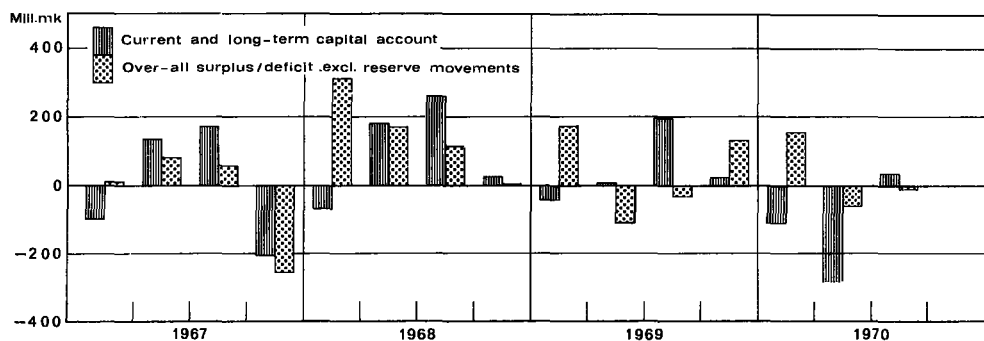


Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net <sup>1</sup>	Long-term capital account	Current and long-term capital account	Short-term import credits and pre-payments, net	Short-term export credits and pre-payments, net	Miscellaneous short-term capital items incl. errors and omissions	Over-all surplus/deficit excl. reserve movements	Reserve movements	
										Bank of Finland	Other foreign exchange holders
+ 910	-406	- 33	+13	+484	- 5	-112	- 56	+ 65	-108	+ 84	+ 24
+1 245	-868	-167	-81	+129	+398	+235	- 64	+ 28	+597	-664	+ 67
+1 055	-723	-180	-51	+101	+188	+284	-311	- 6	+155	+115	-270
+ 192	- 66	+ 12	+ 5	+143	-102	- 48	+ 85	+ 74	+ 9	- 50	+ 41
+ 214	-140	- 54	+ 4	+ 24	- 69	+168	+191	+ 24	+314	-401	+ 87
+ 311	-201	- 8	-15	+ 87	- 41	+112	+147	- 46	+172	-135	- 37
+ 278	-158	- 51	+ 1	+ 70	-107	- 9	+225	+ 48 <sup>2</sup>	+157	-240	+ 83
+ 315	- 62	+ 2	+ 4	+259	+134	+ 44	+ 71	-169	+ 80	-105	+ 25
+ 396	-214	- 18	-18	+146	+180	+190	-144	- 56	+170	-233	+ 63
+ 279	-155	- 98	-39	- 13	+ 7	- 23	- 92	- 6	-114	+252	-138
+ 220	-191	- 69	- 4	- 44	-281	+144	+ 52	+ 24	- 61	- 86	+147
+ 251	- 92	- 13	+ 4	+150	+168	- 95	- 53	+ 38	+ 58	- 77	+ 19
+ 226	-212	- 14	-29	- 29	+262	- 98	- 27	- 25	+112	- 18	- 94
+ 146	-146	- 17	+ 6	- 11	+196	+ 34	-284	+ 19	- 35	+151	-116
+ 359	-175	- 60	-58	+ 66	+ 37	+ 86	- 2	-129	- 8	-116	+124
+ 152	-186	- 34	+ 0	- 68	-205	- 13	-159	+122	-255	+316	- 61
+ 409	-302	- 81	-38	- 12	+ 25	- 25	- 84	+ 85	+ 1	- 12	+ 11
+ 319	-221	- 57	- 3	+ 38	+ 26	+161	- 82	+ 27	+132	-153	+ 21

Assets: increase —, decrease +. Liabilities: increase +, decrease —.

<sup>1</sup> Including Direct investment net.

<sup>2</sup> Including Allocations of special drawing rights 88 million.



# PRICE INDICES

Period	Wholesale prices 1949 = 100									Building costs 1964 = 100		
	Total	Origin		Purpose			Stage of processing			Total	Wages in building trade	Building materials
		Domes- tic goods	Im- ported goods	Pro- ducer goods	Machin- ery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply pro- cessed goods	More elab- orately processed goods			
1967	248	254	225	246	241	253	276	236	240	114	121	107
1968	275	280	259	271	276	281	301	264	268	126	133	115
1969	285	288	271	283	291	285	313	276	273	131	139	119
1970												
Jan.	294	297	284	297	307	288	323	290	280	137	146	123
Feb.	295	298	285	297	308	289	327	289	280	138	146	126
March	296	299	285	297	308	291	329	290	280	138	146	126
April	297	300	286	300	310	291	330	293	281	138	146	126
May	297	299	287	299	313	289	326	293	281	138	146	126
June	296	298	286	297	313	289	324	291	281	138	146	127
July	298	301	285	300	313	292	333	290	282	138	146	127
Aug.	298	302	285	300	314	292	332	291	283	138	146	127
Sept.	298	302	285	300	316	292	332	289	284	138	146	127
Oct.	299	301	290	300	331	289	331	287	287	138	146	127

Period	Consumer prices 1967 = 100											
	Cost of living Oct. 1961 = 100	Con- sumer prices Oct.-Dec. 1957 = 100	Total	Food	Bever- ages and tobacco	Clothing and foot- wear	Rent	Heating and lighting	Furniture, household equip. and operation	Traffic	Education and recreation	Other goods and services
1967	195	153	100	100	100	100	100	100	100	100	100	100
1968	212	166	109	111	110	106	107	108	109	110	108	109
1969	217	170	112	115	111	108	111	109	110	110	110	112
1970												
Jan.	220	173	113	115	116	109	115	115	111	111	112	114
Feb.	221	173	114	115	116	109	115	116	112	112	112	114
March	221	174	114	115	116	109	115	118	113	112	113	114
April	222	174	114	116	114	109	116	119	113	112	113	114
May	222	174	114	116	114	109	116	118	113	113	113	114
June	222	174	114	116	114	109	116	119	113	113	113	115
July	223	175	115	117	114	109	116	118	113	113	113	115
Aug.	223	175	115	118	114	109	116	118	114	113	113	116
Sept.	224	176	115	118	114	110	115	121	114	112	113	116
Oct.	224	176	115	117	114	110	115	125	114	113	114	116

# WAGES

Index of salary and wage earnings 1964 = 100

Period	By industries			By institutional sectors			All salary earners	All wage earners	All employees	
	Wage earners in			State employees	Municipal employees	Employees in private sector				
	Agriculture	Manufacturing	Construction							Employees in services
1967	139	128	125	131	126	134	126	127	127	127
1968	151	142	136	147	141	149	139	142	140	141
1969*	162	154	149	155	151	157	150	149	153	151
1968										
Oct.-Dec.	157	145	141	149	144	152	142	144	144	144
1969*										
Jan.-Mar.	162	151	143	155	149	157	147	149	149	149
Apr.-June	160	153	148	155	151	167	151	150	155	152
July-Sept.	161	154	151	155	152	167	152	149	156	153
Oct.-Dec.	172	157	155	155	152	167	152	149	156	153
1970*										
Jan.-Mar.	184	165	164	162	159	165	160	156	164	160
Apr.-June	186	167	168	162	159	165	160	156	169	163

# PRODUCTION

Volume indices of production 1964=100

Period	Gross domestic product	Industrial production	Agriculture	Forestry	House construction	Land and waterway construction	Transport and communications	Commerce, banking and insurance	Ownership of dwellings	Public admin. and defence	Services
1967	110	115	95	89	117	106	109	113	114	114	114
1968	113	121	97	93	109	108	114	111	118	119	119
1969	122	136	97	101	124	105	123	123	123	123	126
1969											
Jan.-Mar.	119	138	61	146	85	111	115	114	122	122	124
Apr.-June	121	139	87	113	105	107	122	122	123	122	126
July-Sept.	124	127	177	46	157	103	128	121	124	123	126
Oct.-Dec.	126	147	62	100	150	99	129	134	125	125	128
1970*											
Jan.-Mar.	127	151	60	154	95	98	125	122	127	127	130
Apr.-June	129	150	83	123	125	98	131	131	127	128	132

# PRODUCTION

Index of industrial production 1959 = 100

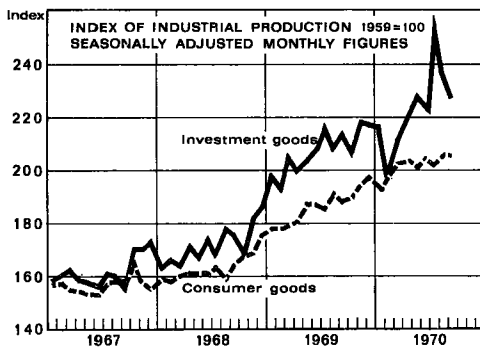
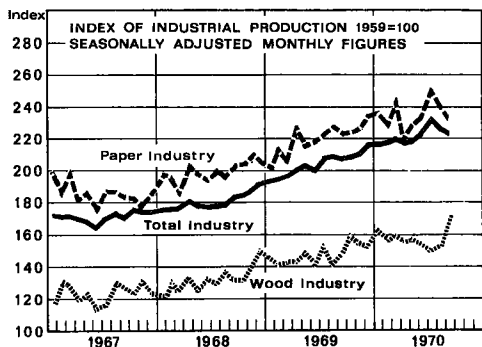
Period	Total	Investment goods	Other producer goods	Consumer goods	Special indices of manufacturing						Total, adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industry	Non-metallic mineral industry	Metal industry	
1966	167	160	175	151	151	153	191	214	219	163	166
1967	172	163	180	158	160	125	187	233	224	168	172
1968	182	175	191	164	163	132	202	253	240	177	181
1969*	205	210	212	187	175	148	222	278	274	199	205

## 1969\*

April	202	207	207	188	165	160	213	277	261	198	201
May	209	212	213	198	179	169	213	280	288	205	204
June	189	198	190	185	176	129	193	240	271	188	202
July	156	112	170	135	184	134	220	229	256	106	209
Aug.	203	187	209	195	183	118	238	263	281	182	209
Sept.	216	230	221	199	181	142	235	283	294	216	208
Oct.	232	242	239	211	211	165	245	288	305	229	201
Nov.	220	232	230	194	203	146	235	304	284	218	212
Dec.	214	222	293	190	162	145	216	317	291	215	217

## 1970\*

Jan.	227	234	239	197	163	168	242	328	270	221	217
Feb.	217	219	228	194	155	161	226	336	269	212	218
March	222	228	230	201	162	166	238	305	287	219	220
April	239	256	240	231	195	193	238	327	310	243	217
May	220	225	226	204	178	168	225	306	296	216	220
June	215	223	215	210	195	145	209	306	306	211	223
July	174	133	192	147	189	131	247	270	288	127	234
Aug.	220	212	226	209	189	128	248	300	309	199	228
Sept.	232	245	238	216	186	162	243	309	318	232	225



## LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

Period	Total labour force, 1 000 persons	Employed 1 000 persons	Labour input 1 000 man-years/months	Unemployment, % of total labour force	Commerca timber fellings 1 000 piled cu. m	Retailers' sales volume index 1968 = 100	Wholesale-ers' volume index 1968 = 100	Indicator of traffic activity 1964 = 100
1966	2 215	2 180	1 904	1.6	46 507	..	..	104
1967	2 209	2 146	1 845	2.9	44 963	..	..	103
1968	2 188	2 100	1 754	4.0	47 733	100	100	106
1969	2 189	2 127	1 752	2.8	52 725	108	117	117
1969								
Aug.	2 286	2 239	1 691	2.1	1 886	103	119	121
Sept.	2 186	2 147	1 767	1.8	2 778	108	132	124
Oct.	2 171	2 131	1 805	1.8	3 906	117	134	130
Nov.	2 164	2 120	1 773	2.0	4 171	108	121	117
Dec.	2 164	2 113	1 771	2.4	5 724	149	138	121
1970*								
Jan.	2 133	2 074	1 730	2.8	5 012	94	103	116
Feb.	2 130	2 073	1 689	2.7	6 210	93	113	111
March	2 129	2 075	1 713	2.5	5 531	100	122	118
April	2 130	2 078	1 760	2.4	4 718	111	134	129
May	2 175	2 137	1 840	1.7	11 972	117	130	127
June	2 323	2 284	..	1.7	2 567	118	130	127
July	2 347	2 315	..	1.4	1 351	115	124	130
Aug.	2 300	2 265	..	1.5	2 523	109	..	..
Sept.	2 180	2 152	..	1.3	3 600	..	..	..

## HOUSE CONSTRUCTION

Period	Building permits granted					Buildings completed					Building works under construction
	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	
Million cubic metres											
1967	28.82	11.51	3.08	8.90	3.02	31.34	12.42	2.93	10.83	3.49	31.40
1968	31.58	14.00	2.95	9.56	3.06	26.44	11.72	2.58	9.15	1.35	34.09
1969*	38.95	15.38	3.88	15.29	2.12	31.46	12.62	3.05	12.67	1.41	36.49
1969*											
Jan.-Mar.	5.43	2.12	0.59	2.10	0.32	4.85	1.97	0.28	1.92	0.50	32.29
Apr.-June	11.98	4.95	1.88	4.13	0.25	6.26	2.73	0.45	1.84	0.88	37.06
July-Sept.	11.78	4.94	0.86	4.62	0.75	8.52	3.31	0.83	2.56	1.20	38.85
Oct.—Dec.	9.76	3.37	0.55	4.44	0.80	10.66	4.25	1.36	4.27	0.32	36.49
1970*											
Jan.-Mar.	6.58	2.57	0.61	2.81	0.36	5.34	2.50	0.37	1.92	0.39	36.29
Apr.-June	14.25	6.04	1.81	5.26	0.50	7.29	3.37	0.53	2.37	0.66	40.85

# EXPLANATIONS RELATING TO THE STATISTICAL SECTION

## BANK OF FINLAND

Page 4. Since Dec. 31, 1969. *Gold and foreign exchange* = Gold (valued on basis of the par value of the mark) + Special drawing rights + IMF gold tranche + Foreign exchange. *Liabilities on foreign exchange and mark accounts* = Foreign exchange accounts + Mark account of holders abroad. *Other foreign assets* = Foreign bills + Foreign bonds + Currency subscription to Finland's quota in the IMF. *Other foreign liabilities* = Foreign term liabilities + IMF mark accounts. *Claims on Treasury* = Treasury bills covering certain IMF and IBRD accounts + Advances for stand-by stocks — Export levies (net). *Foreign exchange situation*: Gold holdings are valued on basis of the par value of the mark. Gold tranche position measures that part of Finland's quota which may be drawn essentially automatically in convertible exchange against payment in marks.

Page 5. *Other advances* = Inland bills discounted in foreign currency + Loans + Other claims (excl. Treasury's IMF and IBRD bills and Advances for stand-by stocks). *Liabilities* = Other cheque accounts + Other sight liabilities + Domestic term liabilities — Cash reserve accounts — Export levies (net).

## DEPOSITS BY THE PUBLIC — ADVANCES TO THE PUBLIC — MONEY SUPPLY

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

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

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

## STATE FINANCES

Page 8. Official figures computed by the Economic Department of the Ministry of Finance. First date of publication: Bulletin No. 8, 1968. Revenue and expenditure: Extra-budgetary funds and the aggregated net current deficit of State enterprises are included. Figures are reported on a cash payment basis. Debt: Foreign debt includes promissory notes given to international organizations. Index-tied bond loans are taken at nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to the Post Office Bank less cash holdings (net) of State departments and funds.

## FOREIGN TRADE

Pages 9—11. Figures supplied by the Board of Customs. *Indices* (p. 9): The indices are calculated according to the Laspeyres formula. At the end of the year the arithmetic mean of the Laspeyres indices corresponds to the annual level of the Fisher index formula. *Terms of trade*: the ratio of export indices to import indices. *Foreign trade by countries* (p. 11): Imports by countries of purchase, exports by countries of sale.

## BALANCE OF PAYMENTS

Pages 12—13. Figures are calculated by the Bank of Finland Institute for Economic Research. In addition to the Board of Customs figures, exports include grants in kind but exclude stevedoring expenses and imports include seamen's duty-free imports, non-monetary gold, grants in kind and adjusted allowance for smuggling.

## PRICE INDICES

Page 14. All indices calculated by the Central Statistical Office.

## WAGES — PRODUCTION

Pages 15—16. Figures supplied by the Central Statistical Office. Page 16. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The seasonally adjusted series is calculated by the Bank of Finland Institute for Economic Research on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: investment goods weight 14.3, other producer goods weight 57.0 and consumer goods weight 28.7. Special manufacturing indices: food industry ISIC no. 20, weight 11.2, wood industry no. 26, weight 6.6, paper industry no. 27, weight 13.1, chemical industry no. 31, weight 5.2, non-metallic mineral industry no. 33, weight 3.6 and metal industry nos. 34—38, weight 23.5

## LABOUR — TIMBER FELLINGS — INTERNAL TRADE — TRAFFIC — HOUSE CONSTRUCTION

Page 17. *Labour* figures supplied by the Central Statistical Office. *Commercial timber fellings* compiled by the Ministry of Labour. Since July 1965 figures have been adjusted by the Bank of Finland Institute for Economic Research. *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Indicator of traffic activity* calculated by the Bank of Finland Institute for Economic Research. Figures are weighted averages of the sea, air, railway and road traffic. *House construction* figures calculated by the Central Statistical Office.

## SYMBOLS USED

\* Preliminary   0 Less than half the final digit shown   . Logically impossible   .. Not available   — Nil

# SOME PARTICULARS ABOUT FINLAND

## FORM OF GOVERNMENT

From 1155 to 1809 Finland formed a part of the kingdom of Sweden and was raised in 1556 to the dignity of a Grand Duchy. Connected from 1809 with Russia, Finland was an autonomous country with the Emperor as Grand Duke until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in Parliament and the President. The highest executive power is held by the President, elected for a period of 6 years. The President for the current period, March 1, 1968, to March 1, 1974, is Urho Kekkonen.

Parliament, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1970 were as follows: Social Democrats 52, Conservatives 37, Centre Party 36, People's Democrats 36, Finnish Farmers' Party 18, Swedish Party 12, Liberal Party 8 and Christian League 1.

## INTERNATIONAL ORGANIZATIONS

Finland became a member of BIS 1930, IMF 1948, IBRD 1948, GATT 1950, UN 1955, IFC 1956, IDA 1960, EFTA 1961, ADB 1966 and OECD 1969.

## LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4%. On an average 15.8% of the land in the South of Finland is cultivated (1960), 2.3% in the North and 9.2% of the land as a whole. Of the land area 21.8 mill. ha (53.9 mill. acres), or 71.3%, are covered by forests.

OWNERSHIP OF LAND (1960): The total land area was distributed among different classes of owners approximately as follows: private 60.9%, State 31.8%, joint stock companies etc. 5.6%, municipalities and parishes 1.7%.

## POPULATION

NUMBER OF INHABITANTS (1969): 4.7 million, Sweden 8.0, Switzerland 6.2, Denmark 4.9 and Norway 3.9 million.

DENSITY OF POPULATION (1969): In South Finland 26.3, in North Finland 4.2 and in the whole country an average of 15.4 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1969): 50% of the population inhabit the rural areas, 50% towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 534 000 inhabitants, Tampere (Tammerfors) 155 500, Turku (Åbo) 154 700.

EMPLOYMENT (1969): Agriculture and forestry 24%, industry and construction 34%, commerce 15%, transport and communications 7%, services 20%.

LANGUAGE (1960): Finnish speaking 92.4%, Swedish speaking 7.4%, others 0.2%.

EDUCATION (1969): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640), 7 colleges of university standard, and 2 teacher training colleges, besides teacher training departments in two of the universities.

CHANGE OF POPULATION (1969): births 14.5 ‰, deaths 9.8 ‰, increase 1.8 ‰, net emigration 3.0 ‰. Deaths in France 11.7 ‰ and Great Britain 11.9 ‰.

## TRADE AND TRANSPORT

NATIONAL INCOME (1969, in million marks). Gross domestic product at factor cost by industrial origin: agriculture 2 773 (8%), forestry and fishing 2 255 (7%), manufacturing 11 026 (32%), construction 3 147 (9%), transport and communication 2 471 (7%), commerce, banking and insurance 4 228 (12%), public administration 1 550 (5%), ownership of dwellings 2 081 (6%), services 4 781 (14%), total 34 312. Index of real domestic product 129 (1964 = 100).

FOREST RESOURCES (1960—1969): The growing stock comprised 1 450 million of solid cu. m incl. bark (51 210 million cu. ft), of which pine 43% and spruce 38%, the rest 19% being broad-leaf-trees, chiefly birch. Of the growing stock 17 411 million cu. ft, 48% of them pine, was up to the standard required for logs. The annual growth is 47 million solid cu. m green wood excl. bark (1 660 mill. cu. ft). The total removal in 1970 calculated according to the use of wood was 51 million cu. m excl. bark (1 758 million cu. ft).

AGRICULTURE (1969): Cultivated land 2.6 million hectares. Number of holdings 297 000, of which 188 000 are of more than 5 ha. Index of agricultural production 100 for 1969 (1964 = 100). Measure of self-sufficiency in bread cereals 100% in the crop year 1968/69.

INDUSTRY (1967): Gross value of industrial production 22 200 mill. marks, number of workers 355 200, salaried employees 89 600, motive power (1967) 4.3 mill. kW. Index of industrial production 182 for 1968 (1959 = 100).

STATE RAILWAYS (Jan. 1, 1970): Length 5 801 km.

MERCHANT FLEET (Oct. 31, 1970): Steamers 54 (65 214 gross reg. tons), motor vessels 386 (586 119 gross reg. tons), tankers 54 (679 677 gross reg. tons), sailing vessels with auxiliary engines 9 (1 274 gross reg. tons). Total 503 (1 332 284 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1969): Passenger cars 643 100, lorries and vans 96 900, buses 7 900, others 4 700. Total 752 600.

FINNISH AIRCRAFT (April, 1970): Finnish airlines. Finnair and Kar-Air have in use 2 DC-8-62s, 3 DC-6s, 8 Super Caravelles and 9 Convair Metropolitans. Companies have scheduled traffic outside of Finland to 23 airports and to 16 domestic airports.

## FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish markka). Since Oct. 12, 1967, the par value of the mark is 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per U.S. dollar).

THE CENTRAL BANK. The Bank of Finland (estab. 1811) functions under the guarantee and supervision of Parliament. Its Board of Management is appointed by the President of the Republic; the Bank Supervisors, nine in number, are elected by Parliament. The Bank has a head office in Helsinki and 12 branches in other towns.

OTHER CREDIT INSTITUTIONS (Dec. 31, 1969). There are two big and four small commercial banks with in all 824 offices. 330 savings banks, 464 co-operative banks with their central bank, six mortgage banks, and Post Office Bank. The co-operative stores accept deposits from their members. The National Pension Institute and sixtytwo private insurance companies also grant credits.

RATES OF INTEREST (Jan 1, 1970). Bank of Finland discount rates 6—9%, the rate for discounts or rediscounts for banks 7%. Other credit institutions: term deposits 4%, 6 month deposits 4 ½%, 12 month deposits 5%, 24 month deposits 6%; highest lending rate 10%.

# HOUSING IN FINLAND

by Heikki Väliälö, Mag. Pol.,

Chief of Bureau, National Housing Board

## BACKGROUND INFORMATION

The stock of dwellings in Finland totals approximately 1.4 million at the moment; of these, 850 000 dwellings are owner-occupied and the rest are rented. The latter can be divided to two roughly equal parts, private ones and those financed and controlled by the public sector. The residential density is close to the international recommendation and is now 1.1 persons per room.

The construction of dwellings, which varied around 37 000 dwellings on average in the latter half of the 1960's, slightly exceeded 40 000 in 1969. The corresponding figure is expected to be 45 000 in 1970 about half of which were built with the support of the State. The average size of Finnish dwellings built now is 70 sq.m., usually divided between three rooms and a kitchen. The share of owner-occupied one-family houses is about one fourth of total production, that of row houses around 7 per cent while the rest, or 68 per cent, are apartment houses. Approximately 10 000 dwellings to rent will be built this year, almost all of which have been financed by state loans comprising 60 per cent of the total cost of building.

Finnish houses are characterized by a very high quality of building and level of finishing. Therefore the maintenance and rent costs are also high if the level of earnings is taken as the basis of comparison. The average construction cost of a dwelling is approximately 55 000 marks, on top of which the price of the site has to be added. This averages 3 000—7 000 marks.

Construction of rental houses forms an increasingly pressing problem in Finland. In order to keep the share of rental dwellings of the

total stock of dwellings unchanged their annual output should be increased from the present 10 000 to 18 000 dwellings. The current reduction in the relative share of rental dwellings is mainly a result of changes in institutional factors. The construction of privately owned rental houses has almost completely stopped because of changes in taxation, difficulties emerging in the estate agents' business, the legally controlled maximum rents, better protection for tenants provided by law and some moral disapproval attached to the ownership of property to rent. The difficulties in finding rental dwellings have decreased the mobility of labour and the availability of manpower especially in Southern towns now being industrialized.

The value and total cost of residential building in the Finnish economy over the years 1970—73 have been forecast as follows <sup>1</sup>:

Year	Value of housing output at 1968 prices, million marks	Total cost of house maintenance and rent at 1968 prices (incl. production and maintenance costs)
1970	2 090	4 067
1971	2 205	4 207
1972	2 299	4 294
1973	2 356	4 466

The number of dwellings and the amount of accommodation that can be obtained with these funds is very difficult to estimate. It may, however, be said that productivity in house building increases considerably less quickly than that in total production and no marked rise in productivity in this sector can be expected in the near future. Therefore we do not expect any substantial improvement in the housing situation within the next few years.

<sup>1</sup> Ilkka Puro: Total cost of house maintenance and rent in the Finnish economy, a forecast for the next five years. Research and planning department of the National Housing Board 1969, Series B: 2.



## PRINCIPAL TARGETS OF THE PRESENT HOUSING POLICY

Because of the insufficient number of dwellings resulting from migration within the country and high building costs the present goal of Finnish housing policy is to increase the amount of accommodation while reducing building costs. Efforts are made to keep the share of rental dwellings of the total stock of dwellings at least the same as it is now. In addition, special measures are needed to decrease overcrowding. In order to increase the rate of construction efforts will first be made to reduce the rate at which building costs are now rising; the number of dwellings to be built with unchanged resources will thus increase. For the same reason the National Housing Board has discouraged the rapid increase in the average size and in the standard of equipment of houses. As a result, the increase in productivity in this sector, although it is rather slow, will reduce the real costs.

In order to boost the production of houses to rent state loans have been increasingly concentrated on the financing of such houses. A new solution that has been considered is to build one-family and row houses in groups that would form rental units. Up to now this type of house has mainly been built for the owner-occupier, i.e. for separate families. The re-introduction of tax reliefs for residential building has also been under continuous discussion, because this would probably make private investors interested again in the ownership of houses to rent. However, this alternative has been decisively rejected by the National Housing Board, because it would hamper technical development which has been progressing fairly well recently. In addition, special taxation treatment for housing cannot be recommended because this sector plays such a large role in the economy.

## HOUSING AS AN INSTRUMENT OF COUNTER-CYCLICAL POLICY

Recently there has been tentative discussion on the use of residential construction as a means of counter-cyclical policy. As regards building

materials, machinery, labour and technological development residential building is closely connected with construction for other purposes. Social considerations also enter the picture when hospitals, schools, kindergartens and office buildings are in question. In addition, the public sector plays an important role in financing this sort of building as well, which is a significant fact from the point of view of counter-cyclical policy. Consequently, what applies to residential building as a counter-cyclical policy instrument can be applied to the entire house building sector.

The importance of residential building for counter-cyclical policy is to be found mainly in the following:

- the high share of residential building investment in total investment
- the low degree of mechanization in residential building, which consequently is labour intensive
- the low share of imports in the total value of production
- the central role of the public sector in the decision-making as regards production.

Residential building is a sector producing solely for the domestic market because exports despite the apparent opportunities have remained insignificant. This reduces its importance for counter-cyclical policy. In addition, »political realities» hamper the regulation of the volume of residential building. The role of housing in an active counter-cyclical policy is an important problem which, however, has not been given enough expert attention.

## EXPORT PROSPECTS OF BUILDING INDUSTRY PRODUCTS

In future discussions attention should be given to Finland's opportunities to become a considerable exporter of building industry products. The export prospects are most promising in those countries with which Finland has an import surplus, e.g. West Germany and Sweden.

Finland's exports are competitive as far as the quality and production costs are concerned.

Competent planning is a requirement for successful exporting in this field. Finnish architects are internationally renowned and her other planners are also highly qualified. Of great significance is the BES («Concrete-element system») study, and its continuation the PLS-80 («Pillar-plate system») study, the purpose of which is to establish a system of building elements in Finland. This system is intended to foster efficiency in both planning and marketing. This would enable the full utilization of productive capacity through rationalization and mass-production.

There exists a considerable export potential for the production techniques of residential building as well. Relatively small investments in Finnish carpentry could increase the present capacity by 10 000 dwellings.<sup>1</sup>

If exports increase sufficiently, the industry's value as a counter-cyclical policy instrument will improve. During an economic upswing ex-

ports should be promoted, even at the expense of domestic trade in dwellings, whereas in a recession domestic demand should be accelerated, perhaps with the help of funds accumulated from export income during the previous boom. Thus residential building could be maintained on a high and gradually expanding level. Balance of payments problems would under these circumstances be likely to develop more slowly than before because the export of dwellings would have a favourable effect on the current transactions account.

The housing situation in Finland is a continuous worry, although it is fairly satisfactory by international standards. Technological and economic research and development work has been progressing, although all of the results have not yet been applied in practice. In the 1970's considerable changes can be expected in the problems of building technology; the housing situation will evidently improve unless the level of requirements is raised too quickly.

<sup>1</sup> Raimo Salokangas: The resources and targets of the building industry in the 1970's, «Rakennustaito» 7/70.

## ITEMS

**Finland increases its quota in the IMF to \$ 190 million.** Pursuant to a decision of Parliament taken on October 30, 1970, and its subsequent confirmation by the Council of State on November 26, the Government of Finland has given its formal consent to an increase in Finland's quota in the International Monetary Fund from \$ 125 million to \$ 190 million. The increase represents the maximum amount authorized under the resolution of the Board of Governors of the Fund adopted on February 9, 1970, according to which Finland would participate in an increase in the Fund's quotas from about \$ 21 400 million to an approximate total of \$ 28 900 million.

Payment of the quota increase was effected on December 1, so that the Bank of Finland paid to the Fund from its own gold reserves 25 per cent of the increase, or \$ 16.25 million and credited the Fund's markka account with the remaining 75 per cent, equivalent to Fmks. 204.75 million. The effect of these transactions on the Bank of Finland balance sheet is a decrease in the Bank's gold holdings by Fmks. 68.25 million, an increase in the IMF gold tranche by the same amount and an increase in the currency subscription to Finland's quota by Fmks. 204.75 million. On the liabilities' side there is a corresponding increase in the Fund's holdings of markkas from 325.53 million markkas to 530.28 million markkas. The quota increase does not result in any change in the Bank's foreign exchange reserve, but only changes its composition.

**Finland's balance of payments January—September 1970.** According to the preliminary figures of the Bank of Finland Institute for Economic Research total revenue on current account was 8 708 million marks and total expenditure 9 151 million marks during the first

three quarters of 1970. Thus the deficit on the balance of payments on current account was 443 million marks. Over the same period last year there was a current account surplus of 99 million.

The value of commodity exports increased by 18.9 per cent and that of commodity imports by 29.2 per cent on January—September 1969. The growth rate of exports has continued to decline and has been considerably less than that of imports. The increase in the exports of metal industry products and the so-called »new export» products has been greater than the increase in total exports. As far as imports are concerned the highest rate of growth has continued to be in the importing of raw materials and consumer goods. The trade deficit, including the foreign trade adjustment items, totalled 746 million marks in January—September, which is 638 million marks more than in the corresponding period in 1969.

The deficit in the current transactions account including services was 140 million marks as against a surplus of 246 million in the corresponding period on year earlier. A sharp increase in income from travel coupled with a slow increase in tourist expenditure resulted in a surplus of 110 million marks on the travel account. Net receipts from transport amounted to 503 million marks, which partly compensated for the deficit on the trade account. On the other hand, the net deficit on the investment account, which together with income transfers amounted to 303 million marks, resulted in an overall deficit on current account of 443 million marks.

The amount raised by means of long term loans was 857 million marks and the corresponding amortizations totalled 524 million marks. The net long term capital inflow was 92 million

marks or 29 million marks more than in the corresponding period in 1969. However, the major part of the current account deficit was financed by short term foreign capital. The net inflow of commercial credits grew to 496 million marks. Miscellaneous short term capital outflows including errors and omissions amounted to 145 million; thus the net inflow of short term capital was 351 million marks.

Taking into account the 88 million marks Special Drawing Rights allotted to Finland by the International Monetary Fund, an overall surplus of 88 million marks on current account is obtained, which equals the increase in the country's gold and foreign exchange reserves in January—September.

The gold and foreign exchange reserves of the Bank of Finland grew by 442 million marks but at the same time there was an increase of 354 million marks in the authorized banks' net foreign liabilities. Convertible currencies accounted for 215 million marks and other currencies for 113 million marks of the gold and foreign reserves of the Bank of Finland. In addition, the gold tranche at the International Monetary Fund and the holdings of Special Drawing Rights increased by 114 million marks from the beginning of the year.

### **Restrictions on the use of import credits.**

The devaluation and the subsequent stabilization policy together with the favourable international economic conditions have generated the present boom. Indications of overheating of the economy have appeared in its wake. There is a shortage of labour and other bottlenecks have occurred while at the same time the trade account deficit has been increasing rapidly. The monetary and fiscal policy measures taken to moderate the expansion have proved to be inadequate.

The efficacy of the demand management policy pursued has been considerably mitigated by the inflow of short-term foreign capital. In order that the influence of the steps taken to prevent the overheating shall not be transferred to the future when the growth rate is expected to be

lower than at present, the Bank of Finland has considered it necessary to introduce restrictions on the use of import credits for certain categories of goods. The intention is to reduce the reliance on credit financing for the marketing of imported consumer goods, and at the same time, to postpone purchases of the other goods included until the period of overheating of the economy has passed.

The new regulations require that the payment for the goods concerned has to be made to an authorized bank or deposited at the Bank of Finland before they are cleared by the customs or before they are placed in a bonded warehouse, a free warehouse or a free port. The new rules will come into force on November 13, 1970. The most important commodities affected are: confectionery and certain food-stuffs, cosmetics, soaps and detergents, clothing, yarns and threads, household machinery, office machinery, boats, outboard motors, wireless and TV sets, furniture and motor vehicles.

**Hire-purchase terms tightened.** Since 1968 the rate of growth of private consumption has been exceptionally high. The growth of demand has been particularly concentrated on consumer durables, a fact which is reflected in the increasing imports of these goods. Notwithstanding the counter-cyclical measures taken, the balance of payments position has been worsening. As the purchase of consumer durables has been largely financed through hire-purchase credit, the Government, on the suggestion of the Bank of Finland, considered it necessary to tighten hire-purchase terms. The new restrictions came into force on November 23, 1970.

Accordingly the minimum down-payment on lorries, vans, motor-cycles, television sets, radios, record players, loudspeakers, tape-recorders, refrigerators, deepfreezers, washing machines, dishwashers, sewing machines and vacuum cleaners is 40 per cent and the maximum repayment period is 24 months for lorries, 18 months for vans and 12 months for the other goods mentioned above.

**Finland borrows DM 75 million in the Federal Republic of Germany.** On November 25, 1970, the Republic of Finland signed an agreement for a bond issue of DM 75 million, to be offered for public subscription in the Federal Republic of Germany. The offer has been underwritten by a consortium headed by Dresdner Bank AG.

The loan is current for a period of 15 years, with interest at a rate of 8 ½ per cent. The bonds will be redeemed with effect from December 1, 1976, by ten equal annual instalments. The price at issue is 97 ¼ per cent. The bonds are quoted on the Hamburg, Düsseldorf and Frankfurt on Main Stock Exchanges.

**Domestic bond issues.** Yhtyneet Paperitehtaat Osakeyhtiö (United Paper Mills Ltd) has been authorized to make an issue of 10 million marks. The bonds are dated November 15, 1970 and will run for a period of 10 years. The rate of interest is 8 ¾ per cent and the price of issue 100 per cent.

The Government has announced the issue of the 1970 Forest Improvement Bonds of 20 million marks. The bonds are dated December 1, 1970 and will mature in 10 years. The rate of interest is 8 ¼ per cent and the loan is issued at par. The proceeds of the loan will be used for increasing wood production as recommended in the MERA programme.

**J. K. Paasikivi's commemorative coin.** In memory of the 100th anniversary of J. K. Paasikivi's birth the Republic of Finland has issued a silver coin.

J. K. Paasikivi was the President of Finland between 1946 and 1956. His main achievement was to establish Finnish post-war neutrality.

The coin, which is legal tender, is worth 10 marks and was minted in 1970 in 600 000 pieces by the Mint of Finland.

The obverse shows a relief portrait of President J. K. Paasikivi. On the left, in a vertical position is his signature and, on the right, also vertically, are the dates of his birth and death: 27. 11. 1870 — 14. 12. 1956.

The reverse shows a foundation built of flagstones symbolizing J. K. Paasikivi's life-work for the welfare of Finnish society. The legend runs in four lines: 1970 — 10 MARKKAA — SUOMI — FINLAND.

The coin is round and its edge is blank. Its diameter is 35 mm and weight 22.75 grammes. The metal alloy contains silver 500/1 000 and copper 500/1 000.

The coin was designed by Heikki Häivöja.

**Death of Mr. Esko K. Leinonen.** Mr Esko K. Leinonen, LL. B., Member of the Board of Management of the Bank of Finland, died on November 6, 1970. He had entered the service of the Bank in 1931. In 1941 he had been appointed Head of Department, in 1944 Secretary of the Bank, in 1948 Head of the Secretariat and in 1956 Member of the Board of Management.

**State revenue and expenditure 1968—1971, million marks**

	Balancing of the accounts 1968	1969	Budget 1970	Budget 1971	Change Million marks %	
Income and property taxes	2 081	2 322	2 430	2 706	+276	+11
Turnover taxes <sup>1</sup>	2 073	2 387	2 467	2 812	+345	+14
Taxes and revenue similar to taxes	3 553	3 811	3 576	3 570	— 6	—
Of this: Customs duties and import charges	391	415	390	425	+ 35	+ 9
Excise duties <sup>2</sup>	1 061	1 272	1 327	1 413	+ 86	+ 6
Revenue from the Alcohol Monopoly <sup>3</sup>	638	826	635	750	+115	+18
Tax on automobiles and motorcycles	143	295	249	300	+ 51	+20
Social security payments	549	580	645	355 <sup>4</sup>	—290	—45
Other taxes and revenue similar to taxes <sup>5</sup>	771	423	330	327	— 3	— 1
Miscellaneous revenue	460	506	479	508	+ 29	+ 6
Interest, dividends	145	160	174	183	+ 9	+ 5
Public corporations etc.	98	123	145	165	+ 20	+14
Redemptions of loans	137	157	142	182	+ 40	+28
Long term borrowing	918	891	850	800	— 50	— 6
Certain balancing items	48	427	34	30	— 4	—12
<b>Total Revenue</b>	<b>9 513</b>	<b>10 786</b>	<b>10 298</b>	<b>10 957</b>	<b>+659</b>	<b>+ 6</b>
General Government	349	372	407	484	+ 77	+19
Public order and security	326	345	356	384	+ 28	+ 8
Defence	589	549	586	668	+ 82	+14
Education and culture	1 507	1 668	1 771	1 971	+200	+11
Of this: Primary and secondary education	864	938	922	989	+ 67	+ 7
Professional and vocational education	326	346	410	473	+ 63	+15
Universities	190	236	272	318	+ 46	+17
Social welfare	1 227	1 264	1 348	1 146	—202	—15
Of this: Old age and disability pensions	396	433	434	161 <sup>6</sup>	—273	—63
Family and child allowances	391	401	498	529	+ 31	+ 6
Health	660	731	732	831	+100	+14
Housing and environmental planning	340	396	533	689	+156	+29
Transport and communications	1 533	1 370	1 435	1 498	+ 64	+ 4
Of this: Road traffic	799	774	753	791	+ 37	+ 5
Forestry and agriculture	1 116	1 182	1 291	1 329	+ 38	+ 3
Other services	735	391	369	470	+101	+27
Of this: Direction of labour and unspecified employment expenditure	77	136	77	100	+ 23	+30
Other expenditure	1 402	1 941	1 472	1 488	+ 16	+ 1
<b>Total Expenditure</b>	<b>9 785</b>	<b>10 210</b>	<b>10 297</b>	<b>10 956</b>	<b>+659</b>	<b>+ 6</b>

<sup>1</sup> Excluding the turnover tax on the sales of alcohol.

<sup>2</sup> Excluding the tax on alcoholic beverages.

<sup>3</sup> Turnover tax on alcohol, tax on alcoholic beverages and surplus of the State Alcohol Monopoly.

<sup>4</sup> If child allowance payments were to be charged on the same basis as in the 1970 budget the yield in 1971 would have amounted to 710 million marks.

<sup>5</sup> Stamp duty, tax on films, tax on automobiles and motorcycles, arrears of taxes, subsidies paid for the reduction of the price of butter and marketing fees of milk and wheat.

<sup>6</sup> It has been proposed that the share of the State in financing of the variable portion of national pensions be reduced from 62 per cent to 15 per cent.



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# BANK OF FINLAND

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## Board of management

Mauno Koivisto

*Governor*

A. Simonen

Ahti Karjalainen

*Absent as Prime Minister*

Heikki Valvanne

Jaakko Lassila

Timo Heelä

*ad int.*

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## Directors

Jouko J. Voutilainen

Timo Heelä

Jorma Aranko

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## Senior officials

Pertti Tammivuori

*Administration*

P.-E. Österlund

*Invisible transactions and  
capital transfers*

A. Kajantie

*Organization*

Helge Lindström

*Credits*

A. Nenonen

*Foreign correspondence*

K. Eirola

*Automatic Data Processing*

K. Ignatius

*Personnel*

Eino Suomela

*Internal Audit*

Stig Törnroth

*Cash*

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## Institute for economic research

Pertti Kukkonen

*Director*

Markku Puntila

*Head of department*

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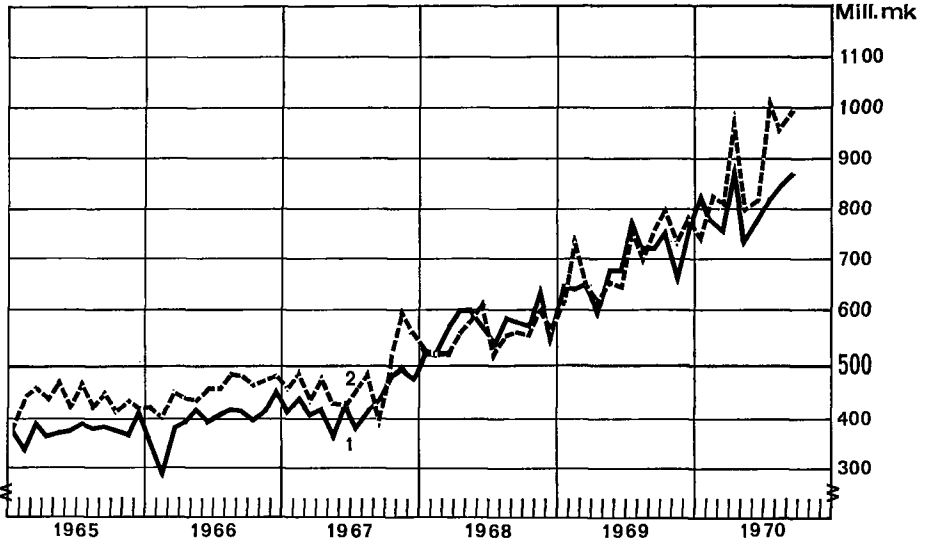


### Foreign trade, 1965-1970

1. Exports f.o.b.

2. Imports c.i.f.

Seasonally adjusted monthly figures

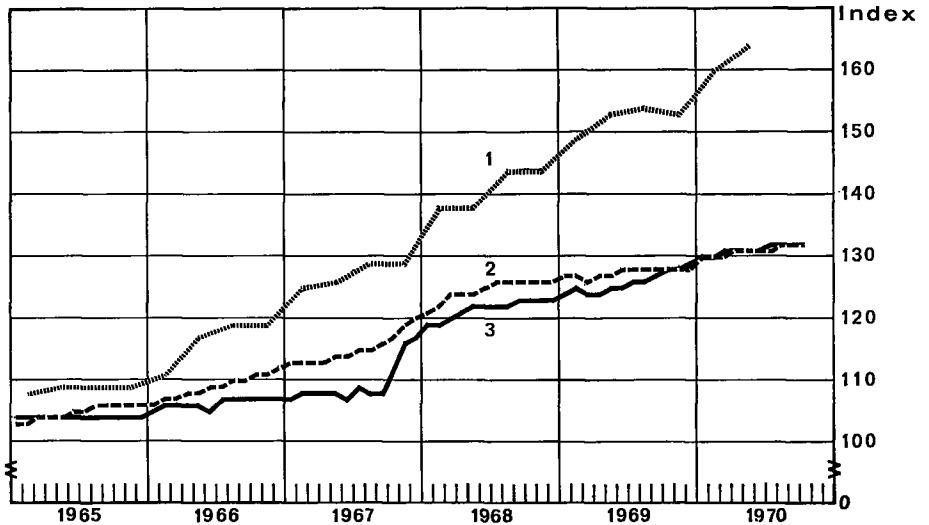


### Prices and wages, 1965-1970

1. Index of salary and wage earnings 1964 = 100, quarterly

2. Cost of living index 1964 = 100, monthly

3. Wholesale price index 1964 = 100, monthly



### Production, 1965-1970

1. Total index of industrial production 1964 = 100, seasonally adjusted monthly figures

2. Volume index of gross domestic product 1964 = 100, seasonally adjusted quarterly figures

