



BANK OF FINLAND

MONTHLY BULLETIN

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OCTOBER

1965

RECENT DEVELOPMENTS

FOREIGN TRADE

During the first half of 1965 Finland's balance of trade showed a deficit of 580 million marks, as against the deficit of 486 million marks recorded in the corresponding period last year. The value of total exports rose 11 per cent between January and June 1965, while the value of total imports rose by as much as 13 per cent. Since the rate of economic growth in Finland's major export markets, particularly Great Britain, has tended to slacken somewhat this year, the deficit in 1965 as a whole is likely to be fairly substantial.

The visible trade deficit was reflected in a loss of foreign exchange reserves of the Bank of Finland during the first six months of 1965. The situation was improved only slightly by borrowing abroad. At the end of June the net drawings of long-term foreign loans amounted to 78 million marks, whereas between January and June last year the net inflow of long-term foreign capital was 287 million marks.

The total value of Finnish exports in January—June 1965 was 2 064 million marks, the increase in the volume of total exports being 4 per cent. The share of paper products in the total value of exports was approximately one half. The shares of both wood and metal products, the next two im-

portant groups, were a little less than a fifth each.

A breakdown of the exports of paper products shows that exports of newsprint accelerated sharply in January—June 1965, while exports of cellulose rose at a slower rate. However, taking the group of paper products as a whole, in the first half of 1965 the increase in the volume of exports was 7 per cent above the figure for the corresponding period last year. The prices of paper products remained fairly stable throughout January—June 1965, the rise in prices being only 2 per cent. The volume of exports of wood products decreased slightly relative to that in the first six months of 1964. The sales of sawn timber at the end of August 1965, amounted to 803 000 standards, approximately 100 000 standards less than last year. Exports of plywood were more than double those in the corresponding period in 1964. The total value of exports of wood products increased by 5 per cent above the corresponding period last year, mainly as a result of a rise in prices. On the other hand, the exports of raw timber decreased by a third from the exports in the first half of 1964. At present, Finland's imports exceeded her exports of raw timber.

On page 18, The National Income of Finland 1960—1965

The most significant increases in the volume of exports occurred in the groups of agricultural products and "new exports".

The change in the value of metal products was 24 per cent above the level in the previous period. However, the increase in the value of the exports of metal products was partly due to a rise in prices. In comparing the export performance of the metal industry in the two periods, it should be kept in mind that the exports of metal products were unusually slack in the first half of 1964 as a result of the timing of deliveries to the Eastern bloc.

On the imports side, the total value of imports during January—June 1965 was 2 644 million marks. The volume of total imports was 9 per cent higher than in the corresponding period last year. Imports of raw materials and producers' goods, which comprise almost one half of total imports, increased by as much as 13 per cent in volume, thus contributing to a substantial growth in total imports.

The value of imports of machinery and equipment rose from 520 to 585 million marks as a result of increased investment activity.

Imports of consumer goods (including passenger cars), which comprise one-fourth of

total imports, increased substantially during the first six months of 1965. This increase was mainly a consequence of the sustained demand for imported passenger cars. The increase in volume was one-third of the corresponding total of the previous period. (Cf. Bulletin 9/1965 pp. 1—2).

The import of fuels and lubricants, which in the past few years has risen sharply, is now tending to level off. Taking both the volume and the value of these imports into consideration, we find that they remained the same in both periods.

As regards the geographical distribution of foreign trade, there appears to have been an increase in the share of both EFTA and EEC countries in total imports, while the share of the Eastern bloc has declined to some extent. The proportion of total imports from EFTA and EEC countries forms more than two-thirds of Finland's total imports. On the exports side, however, the share of the Eastern bloc has increased, mainly due to the growth in the export of metal products. At the same time, there has been a slight decline in the share of EFTA and EEC countries in total exports as compared with the share in the preceding period.

September 30, 1965

BANK OF FINLAND

Mill. mk

	1964		1965			
	Dec. 31	Aug. 31	Aug. 31	Sept. 8	Sept. 15	Sept. 23
BALANCE SHEET						
Assets						
<i>Ordinary note cover</i>	I 049.7	965.3	792.4	783.8	770.1	768.2
Gold	189.6	144.9	187.9	187.9	187.9	187.9
Foreign exchange	783.8	756.1	522.3	513.7	500.3	501.4
Foreign bills	29.7	24.3	48.2	48.2	47.9	48.9
Foreign bonds	46.6	40.0	34.0	34.0	34.0	30.0
<i>Supplementary note cover</i>	570.7	468.0	701.6	702.2	688.8	740.4
Inland bills discounted						
In foreign currency	55.2	60.4	49.9	49.9	49.9	49.9
In Finnish currency	67.1	17.9	7.0	7.0	8.0	11.1
Rediscounted bills	448.4	389.7	644.7	645.3	630.9	679.4
<i>Other assets</i>	97.4	106.7	140.7	124.1	142.9	147.0
Finnish bonds	35.8	34.1	37.5	20.2	37.1	43.5
Cheque accounts	2.5	3.0	2.1	2.2	2.0	2.0
Finnish coin	3.8	8.3	5.8	5.8	6.1	6.0
Other claims	55.3	61.3	95.3	95.9	97.7	95.5
Total	I 717.8	I 540.0	I 634.7	I 610.1	I 601.8	I 655.6
Liabilities						
<i>Notes in circulation</i>	I 002.7	928.2	957.5	930.6	927.8	938.6
<i>Liabilities payable on demand</i>	186.8	87.4	122.9	111.1	130.8	136.8
Foreign exchange accounts	84.7	19.0	70.9	69.0	80.6	72.9
Mark accounts of holders abroad	28.5	27.7	14.0	13.8	13.6	13.5
Cheque accounts						
Treasury	5.4	3.3	6.1	1.9	2.7	5.5
Post Office Savings Bank	49.6	30.8	7.0	0.6	6.1	20.5
Private banks	16.4	3.7	1.2	4.9	4.8	1.2
Other	0.7	0.8	1.0	1.0	1.1	1.3
Other sight liabilities	1.5	2.1	22.7	19.9	21.9	21.9
<i>Term liabilities</i>	55.4	59.7	61.6	61.6	61.6	61.6
Foreign	54.3	58.6	50.0	50.0	50.0	50.0
Finnish	1.1	1.1	11.6	11.6	11.6	11.6
<i>Equalization accounts</i>	261.8	263.4	274.9	288.3	262.3	298.6
<i>Bank's own funds</i>	211.1	201.3	217.8	218.5	219.3	220.0
Capital	100.0	100.0	100.0	100.0	100.0	100.0
Reserve fund	84.8	84.8	97.9	97.9	97.9	97.9
Profits undisposed	—	—	—	—	—	—
Earnings less expenses	26.3	16.5	19.9	20.6	21.4	22.1
Total	I 717.8	I 540.0	I 634.7	I 610.1	I 601.8	I 655.6
STATEMENT OF NOTE ISSUE						
Right of note issue						
<i>Ordinary cover</i>	I 049.7	965.3	792.4	783.8	770.1	768.2
<i>Supplementary cover</i>						
(Upper limit 500 mill. mk)	500.0	468.0	500.0	500.0	500.0	500.0
Total	I 549.7	I 433.3	I 292.4	I 283.8	I 270.1	I 268.2
Note issue						
<i>Notes in circulation</i>	I 002.7	928.2	957.5	930.6	927.8	938.6
<i>Liabilities payable on demand</i>	186.8	87.4	122.9	111.1	130.8	136.8
<i>Undrawn on cheque credits</i>	5.0	4.5	5.0	4.8	5.0	5.0
<i>Unused right of note issue</i>	355.2	413.2	207.0	237.3	206.5	187.8
Total	I 549.7	I 433.3	I 292.4	I 283.8	I 270.1	I 268.2

Rediscount rate since April 28, 1962, 7 per cent

BANK OF FINLAND

Mill. mk

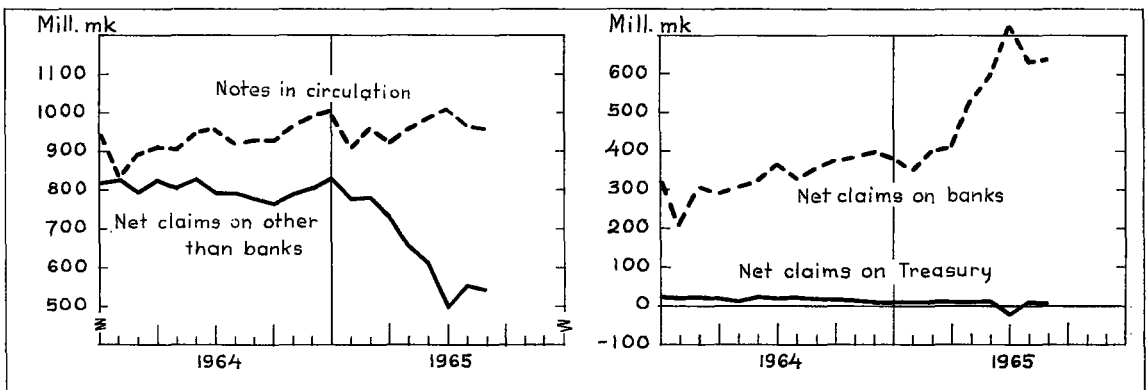
End of year and month	Gold and foreign accounts						Treasury			
	Gold and foreign exchange	Liabilities on foreign exchange accounts	Foreign exchange reserve (1-2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4-5)	Bills and bonds	Other claims, net	Liabilities, Cheque account	Net claims on the Treasury (7+8-9)
	1	2	3	4	5	6	7	8	9	10
1957	384.3	45.7	338.6	176.5	201.9	313.2	160.2	— 39.7	51.4	69.1
1958	575.6	21.8	553.8	126.2	160.1	519.9	90.3	— 51.6	71.5	— 32.8
1959	730.7	21.2	709.5	92.5	158.4	643.6	103.3	37.6	64.2	76.7
1960	686.0	40.6	645.4	67.0	142.7	569.7	37.5	32.4	61.9	8.0
1961	691.5	13.4	678.1	87.5	128.4	637.2	27.7	5.9	1.1	32.5
1962	637.7	17.1	620.6	67.7	114.9	573.4	—	28.9	5.5	23.4
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
1964										
July	889.9	18.9	871.0	64.2	89.1	846.1	—	18.9	1.0	17.9
Aug.	901.0	19.0	882.0	64.3	86.3	860.0	—	18.9	3.3	15.6
Sept.	879.1	19.2	859.9	66.9	85.5	841.3	—	18.9	4.3	14.6
Oct.	894.4	20.8	873.6	71.8	82.8	862.6	—	18.9	7.7	11.2
Nov.	913.0	40.1	872.9	77.6	85.7	864.8	—	8.9	4.7	4.2
Dec.	973.4	84.7	888.7	76.3	82.8	882.2	—	8.9	5.4	3.5
1965										
Jan.	991.6	94.7	896.9	75.1	70.8	901.2	—	8.9	2.5	6.4
Feb.	982.2	104.3	877.9	74.3	70.6	881.6	—	8.9	1.4	7.5
March	904.8	102.0	802.8	69.0	70.0	801.8	—	8.9	—	8.9
April	866.8	94.6	772.2	70.6	67.9	774.9	—	8.9	1.6	7.3
May	776.5	74.4	702.1	67.5	65.9	703.7	—	8.9	—	8.9
June	688.9	55.8	633.1	86.9	64.3	655.7	—	8.9	28.9	— 20.0
July	697.3	39.1	658.2	83.4	64.7	676.9	—	8.9	1.4	7.5
Aug.	710.2	70.9	639.3	82.2	64.0	657.5	—	8.9	6.1	2.8

	Foreign exchange situation, mill. mk							
	Net holdings, Dec. 31, 1964			Net holdings, Aug. 31, 1965			Change in	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	August	Jan.-Aug.
Gold	273	—	273	271	—	271	—	—2
Convertible currencies	708	—74	634	459	—66	393	25	—241
Other currencies	—9	1	—8	—8	1	—7	—32	1
Gold and foreign exchange	972	—73	899	722	—65	657	—7	—242
Gold tranche position in IMF ..			46			46	—	—
Total			945			703	—7	—242

BANK OF FINLAND

Mill. mk

End of year and month	Finnish credit institutions					Other				Notes in circulation
	Redis-counted bills	Liabilities, Cheque accounts			Net claims on the banks (1-2-3-4)	Inland bills in Finnish currency	Other advances	Liabilities	Net claims on the rest of economy (6+7-8)	
		Private banks	Post Office Savings Bank	Mortgage Bank of Finland Oy						
	1	2	3	4	5	6	7	8	9	10
1957	249.1	24.1	—	-0.4	225.4	129.1	144.2	5.6	267.7	606.4
1958	187.1	14.7	—	20.8	151.6	88.2	143.0	5.3	225.9	650.8
1959	47.2	38.6	—	2.5	6.1	38.9	105.0	3.9	140.0	694.4
1960	205.1	16.8	—	1.6	186.7	72.3	109.5	3.5	178.3	727.4
1961	294.6	44.7 ¹⁾	4.4 ¹⁾	12.5	233.0	70.8	107.3	2.9	175.2	837.1
1962	401.2	-4.0	53.3	0.8	351.1	33.5	99.6	4.1	129.0	774.4
1963	325.3	1.3	3.0	1.2	319.8	57.2	94.4	1.7	149.9	943.7
1964	448.4	16.4	49.6	0.6	381.8	67.1	103.0	1.6	168.5	1 002.7
1964										
July	357.8	4.1	23.0	3.7	327.0	19.0	110.1	1.8	127.3	918.1
Aug.	389.7	3.7	30.8	1.6	353.6	17.9	104.7	1.3	121.3	928.2
Sept.	388.2	-1.6	14.2	1.3	374.3	24.3	103.9	3.4	124.8	927.3
Oct.	407.7	-7.1	33.5	0.9	380.4	41.6	105.8	0.9	146.5	964.0
Nov.	394.2	-6.8	5.4	1.0	394.6	55.6	111.2	3.1	163.7	989.9
Dec.	448.4	16.4	49.6	0.6	381.8	67.1	103.0	1.6	168.5	1 002.7
1965										
Jan.	357.3	5.9	2.5	1.2	347.7	48.3	118.8	32.9	134.2	910.2
Feb.	416.6	18.1	1.6	1.1	395.8	48.4	114.1	34.2	128.3	959.2
March	431.7	19.5	0.6	2.0	409.6	40.0	134.2	32.3	141.9	921.3
April	548.5	0.8	19.3	1.4	527.0	23.6	125.0	31.9	116.7	958.1
May	596.8	-0.8	0.8	1.1	595.7	11.8	141.6	32.2	121.2	983.7
June	776.8	10.0	41.6	2.1	723.1	7.6	134.6	32.6	109.6	1 010.3
July	646.1	4.4	10.7	2.2	628.8	9.5	138.5	32.6	115.4	965.5
Aug.	644.7	1.2	7.0	2.7	633.8	7.0	137.3	31.5	112.8	957.5

¹⁾ Including cash reserve accounts.

DEPOSITS BY THE PUBLIC - FOREIGN EXCHANGE RATES

Mill. mk

End of year and month	Sight deposits			Term deposits						Total (2+3+9)
	Cheque accounts		Postal giro accounts	Commer- cial banks	Savings banks	Co-op. credit societies & their cen- tral bank	Post Office Savings Bank	Savings depart- ments of co-op. stores	All credit institutions	
	Commer- cial banks	All credit institutions								
1	2	3	4	5	6	7	8	9	10	
1954	349.1	421.1	132.2	834.4	921.7	520.5	300.8	134.2	2 712.0	3 265.3
1955	365.9	442.8	118.5	977.9	1 085.4	611.4	330.7	152.6	3 158.4	3 719.7
1956	386.1	459.6	138.4	968.1	1 124.0	635.3	341.6	160.1	3 229.5	3 827.5
1957	377.1	461.4	139.3	1 032.2	1 178.6	671.1	339.6	168.2	3 390.1	3 990.8
1958	395.7	495.8	167.7	1 222.6	1 312.6	742.7	381.7	191.9	3 851.8	4 515.3
1959	557.5	678.1	140.9	1 505.5	1 525.5	860.3	431.2	219.1	4 541.9	5 360.9
1960	550.8	680.7	135.9	1 813.6	1 798.6	1 052.5	485.2	254.3	5 404.5	6 221.1
1961	577.9	720.8	143.8	2 105.9	2 079.6	1 241.0	558.2	285.3	6 270.3	7 134.9
1962	649.0	800.8	168.5	2 270.4	2 210.8	1 325.5	606.6	293.2	6 706.7	7 676.0
1963	715.3	876.0	250.3	2 441.0	2 336.6	1 448.0	648.5	310.7	7 185.0	8 311.3
1964	683.3	855.4	296.5	2 816.7	2 614.7	1 681.4	713.8	331.4	8 158.2	9 310.1
1964										
Aug.	665.6	837.3	229.0	2 592.6	2 447.7	1 569.0	663.9	312.2	7 585.4	8 651.7
Sept.	667.5	826.8	281.0	2 610.9	2 469.8	1 583.8	667.8	316.1	7 648.5	8 756.3
Oct.	643.6	791.4	256.2	2 630.2	2 483.0	1 591.5	673.1	320.5	7 698.5	8 746.1
Nov.	668.8	833.3	284.8	2 662.7	2 515.4	1 621.2	676.7	323.4	7 800.0	8 918.1
Dec.	683.3	855.4	296.5	2 816.7	2 614.7	1 681.4	713.8	331.4	8 158.2	9 310.1
1965*										
Jan.	669.9	822.1	285.0	2 849.8	2 666.0	1 711.1	723.5	334.6	8 285.2	9 392.3
Feb.	632.2	775.8	367.3	2 885.6	2 715.3	1 760.2	734.6	339.9	8 435.8	9 578.9
March	680.4	837.5	320.1	2 917.3	2 756.0	1 800.1	744.5	344.9	8 562.9	9 720.5
April	629.5	783.0	294.8	2 936.0	2 760.1	1 815.0	739.6	343.5	8 594.4	9 672.2
May	678.6	853.8	296.0	2 959.6	2 765.6	1 831.7	732.2	341.9	8 631.2	9 781.0
June	661.7	823.9	279.2	2 954.1	2 733.2	1 811.8	726.4	339.1	8 564.8	9 667.9
July	646.7	803.4	247.5	2 979.8	2 750.6	1 803.2	731.1	338.5	8 620.9	9 671.8
Aug.	695.1	866.7	239.6	2 980.9	2 767.5	1 832.6	728.5	337.9	8 647.4	9 753.7

End of month	Index-tied deposits		High-interest deposits
	100 % clause	50 % clause	
1964			
Nov.	1 072.9	119.6	593.9
Dec.	1 167.9	118.9	591.7
1965*			
Jan.	1 312.9	113.3	592.5
Feb.	1 386.5	99.1	591.0
March	1 462.8	82.4	603.3
April	1 506.3	75.3	611.6
May	1 484.1	73.5	628.8
June	1 454.9	73.8	654.4
July	1 473.8	72.3	664.8
Aug.	1 492.4	70.1	674.5

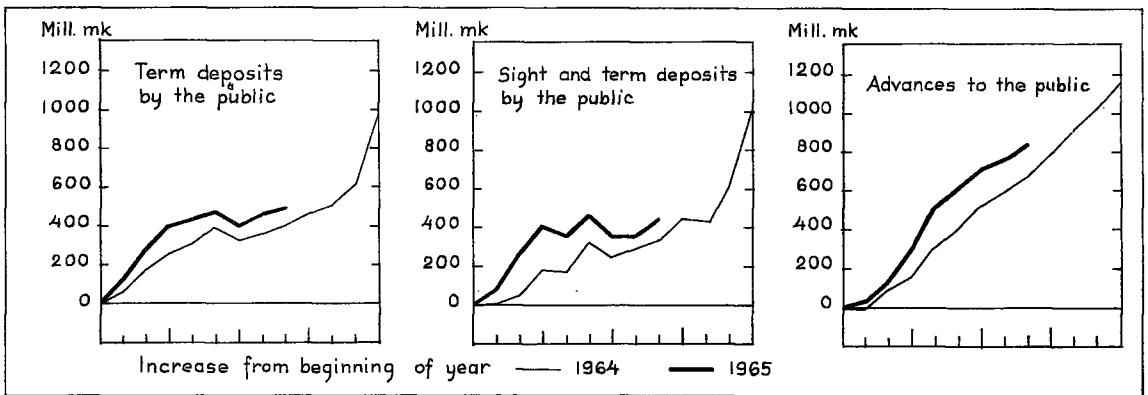
Selling rates for foreign exchange				
Sept. 30, 1965				
		mk	mk	
New York ...	1 \$	3.224	Zurich 100 Fr	74.70
Montreal	1 \$	2.996	Paris 100 FF	65.80
London	1 £	9.035	Rome 100 Lit	0.5163
Stockholm ...	100 Kr	62.49	Vienna 100 S	12.50
Oslo	100 Kr	45.14	Lisbon 100 Esc	11.25
Copenhagen ..	100 Kr	46.74	Reykjavik 100 Kr	7.50
Frankfurt o.M.	100DM	80.42	Madrid 100 Pta	5.42
Amsterdam ...	100 Fl	89.63	Moscow, clear. ¹⁾ 1 Rbl	3.5667
Brussels	100 Fr	6.492	Clearing dollars ²⁾ 1 Cl \$	3.21

¹⁾ Bucharest, Peking.²⁾ Ankara, Athens, Berlin, Bogota, Budapest, Prague, Sofia, Warsaw.

ADVANCES TO THE PUBLIC - MONEY SUPPLY

Mill. mk

End of year and month	Granted by					Types of advances		Total (1 to 5) (6 and 7)	Money Supply
	Commer- cial banks	Savings banks	Post Office Savings Bank	Co-op. credit societies & their cen- tral bank	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1954	1 289.6	824.5	221.2	647.0	127.7	2 915.1	194.9	3 110.0	995.6
1955	1 554.4	964.5	248.7	728.7	136.0	3 398.0	234.3	3 632.3	1 043.0
1956	1 626.6	1 028.3	262.3	767.6	146.9	3 578.0	253.7	3 831.7	1 160.0
1957	1 603.8	1 066.4	260.5	780.6	157.2	3 630.0	238.5	3 868.5	1 170.7
1958	1 745.4	1 154.8	290.3	835.1	219.3	4 011.5	233.4	4 244.9	1 302.3
1959	2 096.9	1 327.2	331.4	967.3	325.8	4 772.7	275.9	5 048.6	1 448.4
1960	2 604.6	1 549.3	395.0	1 176.0	452.2	5 861.9	315.2	6 177.1	1 494.6
1961	3 048.0	1 817.6	436.8	1 462.7	515.2	6 928.2	352.1	7 280.3	1 646.1
1962	3 299.9	2 018.5	508.7	1 600.6	614.7	7 680.8	361.6	8 042.4	1 722.5
1963	3 472.5	2 134.5	544.0	1 757.7	664.3	8 226.2	346.8	8 573.0	1 986.5
1964	3 916.4	2 318.0	607.7	2 057.5	829.4	9 320.5	408.5	9 729.0	2 042.5
1964									
Aug.	3 720.7	2 239.4	592.4	1 903.8	782.4	8 845.8	392.9	9 238.7	1 903.2
Sept.	3 761.2	2 268.8	601.3	1 949.4	787.2	8 967.3	400.6	9 367.9	1 946.3
Oct.	3 791.0	2 296.0	611.6	1 983.7	810.2	9 067.4	425.1	9 492.5	1 933.0
Nov.	3 819.3	2 322.2	607.8	2 028.0	824.7	9 203.3	398.7	9 602.0	2 012.2
Dec.	3 916.4	2 318.0	607.7	2 057.5	829.4	9 320.5	408.5	9 729.0	2 042.5
1965*									
Jan.	3 900.7	2 337.6	614.6	2 078.1	827.5	9 342.4	416.1	9 758.5	1 939.8
Feb.	3 944.4	2 357.1	623.6	2 100.4	830.1	9 437.5	418.1	9 855.6	2 009.2
March	4 049.1	2 379.6	633.0	2 128.6	838.0	9 594.4	433.9	10 028.3	1 996.6
April	4 187.6	2 396.9	637.0	2 170.2	843.0	9 786.3	448.4	10 234.7	1 947.9
May	4 196.4	2 433.6	647.6	2 208.7	850.4	9 917.8	418.9	10 336.7	2 039.1
June	4 234.0	2 448.2	655.5	2 240.9	862.8	9 994.7	446.7	10 441.4	2 023.9
July	4 202.3	2 473.6	681.0	2 270.7	868.0	10 066.1	429.5	10 495.6	1 946.9
Aug.	4 210.8	2 492.5	689.2	2 302.2	871.7	10 120.3	446.1	10 566.4	1 990.0

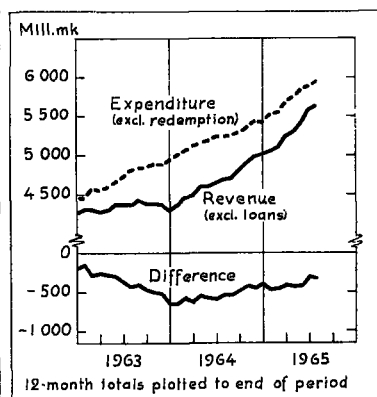


STATE FINANCES

Mill. mk

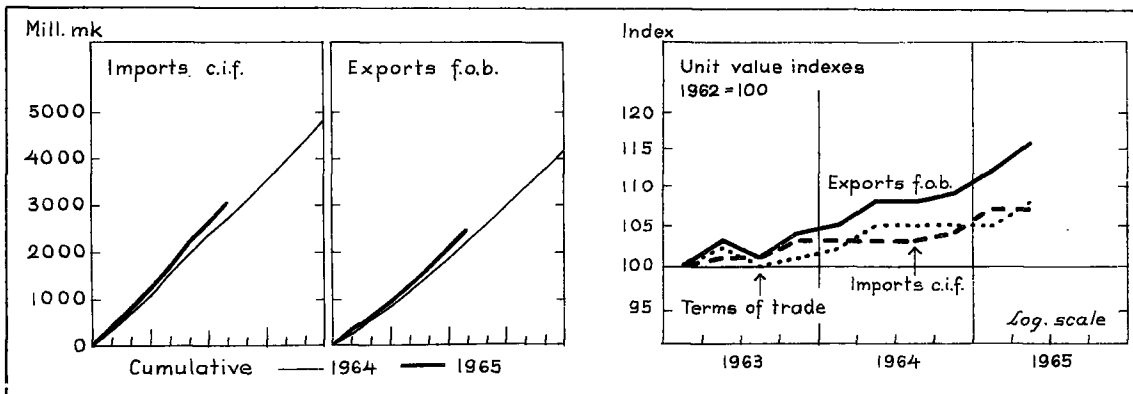
Revenue	Jan. - July		Expenditure	Jan. - July	
	1964	1965		1964	1965
Income and property tax (net)	841	957	Interest on State debt	86	114
Gross receipts	(1 797)	(2 094)	Child allowances	153	153
Refunds and communal income tax	(-956)	(-1137)	The State's share in national pensions	133	145
Other direct taxes	10	10	Compensations to war-disabled	78	84
Sales tax	517	787	Subsidies	309	324
Import duties	277	307	Net payments on price equalization by extra-budgetary funds	—	2
Revenue from Alcohol Monopoly	220	250	State aid to agriculture	32	33
Excise duty on tobacco	163	171	State aid to communal and private schools	239	277
Excise duty on liquid fuel	109	180	Net loss of State enterprises	46	56
Other excise duties	54	49	Maintenance of roads	72	86
Tax on automobiles and motor cycles	100	128	Other current expenditure	1 037	1 253
Purchase tax on motor vehicles	—	30	Current expenditure	2 185	2 527
Stamp duties	154	98	Real investments	649	708
Employers' payments for child allowances	200	236	Other capital expenditure	259	373
Net receipts of price equalization by extra-budgetary funds	2	—	Capital expenditure	908	1 081
Other revenue similar to taxes	46	56	Total expenditure	3 093	3 608
Total taxes	2 693	3 259	Redemption of external loans	26	59
Interest and dividends	49	57	Redemption of internal loans	137	234
Other current revenue	92	123	Redemption of indemnity bonds etc.	3	3
Current revenue	2 834	3 439	Index premiums	11	20
Capital revenue proper	71	102	Redemptions	177	316
Decrease in inventories	62	36	Total	3 270	3 924
Capital revenue	133	138			
Total revenue	2 967	3 577			
External loans	180	13			
Internal loans	206	255			
Loans	386	268			
Short-term credit (increase +) ..	+24	+37			
Deficit (+) or surplus (—)	—107	+42			
Total	3 270	3 924			

Debt	1962	1963	1964	1965			
	Dec.	Dec.	Dec.	May	June	July	Aug.*
External debt ...	803	963	1 184	1 180	1 154	1 140	1 130
Ordinary loans	936	1 109	1 205	1 206	1 238	1 226	1 261
Indemnity bonds etc.	18	11	7	204	204	204	203
Short-term credit ..	61	160	325	377	381	362	359
Cash debt (net) ..	—125	78	23	195	35	74	..
Internal debt	890	1 358	1 560	1 982	1 858	1 866	..
Total debt	1 693	2 321	2 744	3 162	3 012	3 006	..
Total debt, mill. \$	525.4	720.8	852.8	980.7	934.2	932.4	..



FOREIGN TRADE

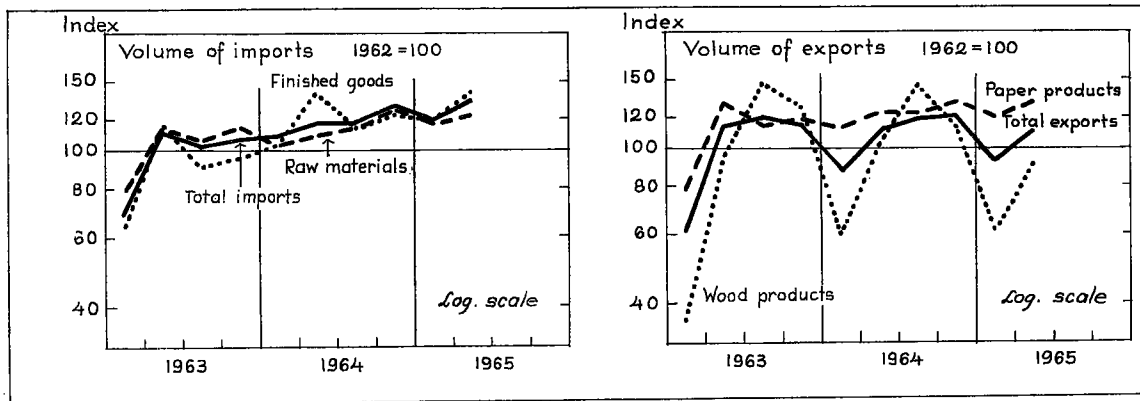
Period	Value mill. mk			Unit value indexes 1962 = 100						
	Imports c. i. f.	Exports f. o. b.	Surplus of imports (-) or exports (+)	Articles of export f. o. b.					Articles of import c. i. f.	Terms of Trade
				Total	Round and hewn timber	Wood industry products	Paper industry products	Metal, en- gineering industry products		
1961	3 690.2	3 374.0	-316.2	102	99	103	104	100	99	103
1962	3 928.7	3 533.1	-395.6	100	100	100	100	100	100	100
1963	3 866.9	3 678.0	-188.9	102	96	104	100	105	101	101
1964	4 816.1	4 132.0	-684.1	108	109	111	104	113	103	105
Jan.-July										
1963	2 175.0	1 926.3	-248.7							
1964	2 703.2	2 222.3	-480.9							
1965*	3 072.3	2 462.1	-610.2							
1964										
April	448.8	339.5	-109.3	108	109	110	104	115	103	105
May	398.7	335.3	-63.4							
June	412.4	366.4	-46.0							
July	362.9	368.6	+ 5.7	108	111	112	105	113	103	105
Aug.	390.2	349.3	-40.9							
Sept.	422.3	408.4	-13.9							
Oct.	418.8	400.8	-18.0	109	116	115	105	112	104	105
Nov.	432.8	367.2	-65.6							
Dec.	448.8	383.9	-64.9							
1965*										
Jan.	383.9	317.3	-66.6	112	114	118	105	119	107	105
Feb.	405.2	267.8	-137.4							
March	455.1	337.5	-117.6							
April	434.8	341.3	-93.5	116	119	123	106	136	107	108
May	530.0	395.2	-134.8							
June	435.0	404.8	-30.2							
July	428.3	398.2	-30.1							



FOREIGN TRADE BY MAIN GROUPS

Mill. mk

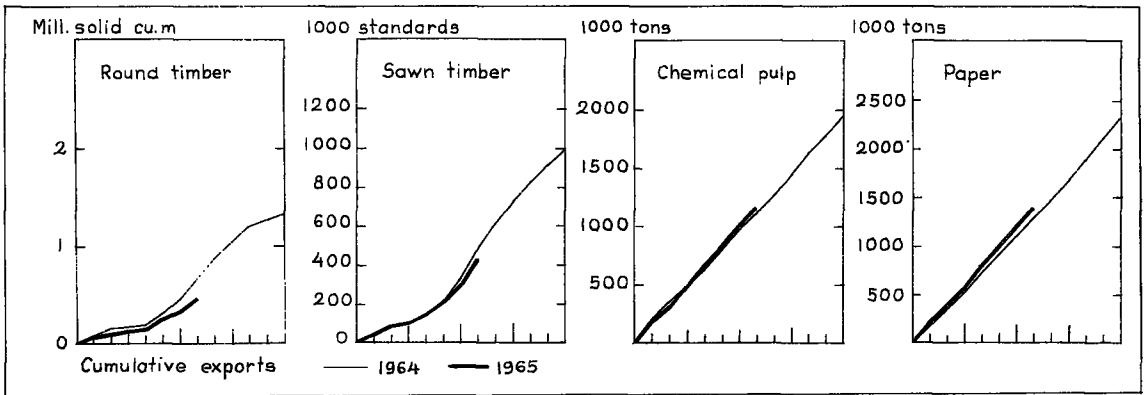
Period	Imports, c. i. f.				Exports, f. o. b.					
	Raw materials and producer goods	Fuels and lubricants	Finished goods		Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal engineering industry products	Other goods
			Investment goods	Consumer goods						
1961	1 711.2	329.9	1 034.4	614.7	153.5	295.8	840.8	1 539.1	386.3	158.5
1962	1 762.6	371.2	1 144.9	650.0	144.5	189.5	770.3	1 588.8	662.6	177.4
1963	1 827.5	373.3	1 004.3	661.8	164.8	112.8	811.8	1 752.2	613.8	222.6
1964	2 110.7	508.4	1 395.8	801.2	230.4	89.8	895.8	2 019.5	610.5	286.0
Jan.-July										
1963	1 008.5	195.5	589.3	381.7	87.9	52.7	364.0	965.7	347.7	108.3
1964	1 154.8	273.5	803.8	471.1	136.5	42.7	452.3	1 121.1	323.5	146.2
1965*	1 342.2	276.7	944.1	509.3	144.4	32.6	469.1	1 226.4	408.4	181.2
1964										
March	149.6	47.7	107.9	62.8	12.1	1.8	26.4	145.3	28.9	16.9
April	162.3	34.1	148.5	103.9	27.9	2.3	49.5	165.1	75.6	19.1
May	167.7	50.6	114.9	65.5	23.1	7.1	67.5	173.7	37.2	26.7
June	182.9	31.0	126.7	71.8	17.5	8.4	97.1	163.0	55.0	25.4
July	164.7	31.4	114.7	52.1	18.1	13.3	116.9	156.6	40.9	22.8
Aug.	182.4	48.0	109.6	50.2	19.9	14.9	95.7	166.8	28.1	23.9
Sept.	187.8	44.4	123.4	66.7	17.2	11.6	97.4	186.1	68.2	27.9
Oct.	179.1	36.4	131.7	71.6	16.7	9.0	89.0	192.1	67.5	26.5
Nov.	202.8	54.7	105.9	69.4	11.7	6.7	86.2	173.3	56.9	32.4
Dec.	203.9	51.5	121.3	72.1	28.4	4.9	75.2	180.1	66.2	29.1
1965*										
Jan.	184.9	33.2	110.4	55.4	24.3	3.7	60.3	169.0	39.9	20.1
Feb.	172.2	31.4	128.1	73.5	13.7	2.6	40.4	143.9	45.2	22.0
March	199.2	46.0	126.7	83.2	25.6	2.2	37.6	188.7	60.7	22.7
April	177.6	47.8	138.2	71.2	17.2	2.4	55.2	195.8	46.4	24.3
May	209.1	34.4	188.1	98.4	29.2	6.2	69.9	173.4	84.5	32.0
June	195.4	48.7	124.6	66.3	18.4	6.1	89.2	185.0	73.1	33.0
July	203.8	35.2	128.0	61.3	16.0	9.4	116.5	170.6	58.6	27.1



March 1963 figures are affected by strikes.

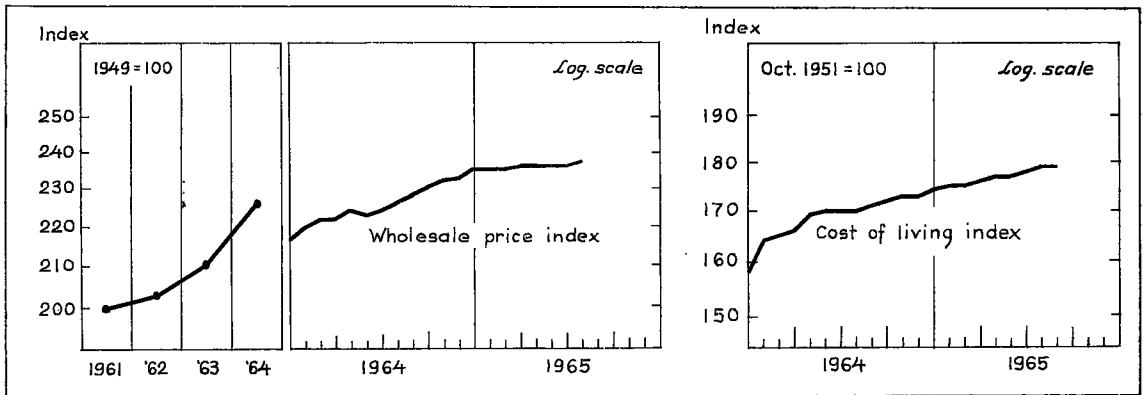
EXPORTS OF SOME IMPORTANT ARTICLES

Period	Round timber 1 000 solid cu. m	Sawn timber 1 000 stds	Veneers and plywood 1 000 cu. m	Mechanical pulp 1 000 tons	Sulphite pulp 1 000 tons	Sulphate pulp 1 000 tons	Board 1 000 tons	Fibre building board 1 000 tons	Newsprint 1 000 tons	Paper, all kinds 1 000 tons
1961	5 955	1 106	329	160	872	569	154	146	846	1 806
1962	3 681	1 010	357	150	828	731	153	152	870	1 980
1963	2 108	977	384	173	861	893	171	161	882	2 126
1964	1 319	990	440	175	971	979	194	165	989	2 309
Jan.-July										
1963	1 032	415	215	101	495	504	94	90	467	1 160
1964	668	486	248	102	557	550	99	67	527	1 290
1965*	473	431	262	93	538	597	106	87	592	1 393
1964*										
March	15	15	27	11	66	68	14	13	65	168
April	26	42	38	15	81	64	16	16	79	197
May	122	69	43	13	82	97	14	15	81	195
June	143	122	31	20	87	84	15	12	83	182
July	218	156	31	11	69	67	13	10	76	195
Aug.	202	125	27	12	90	75	15	10	76	188
Sept.	169	116	39	14	82	91	15	13	96	201
Oct.	140	97	41	17	86	97	17	15	100	219
Nov.	76	93	41	13	77	73	20	15	97	219
Dec.	58	73	44	17	79	93	28	15	93	192
1965*										
Jan.	62	52	44	13	91	95	13	14	83	189
Feb.	35	25	37	15	60	54	14	14	75	180
March	26	22	37	15	92	82	15	10	81	209
April	31	41	41	16	78	91	16	16	101	225
May	109	63	40	11	68	100	15	12	80	194
June	79	91	39	14	74	94	19	13	93	203
July	131	137	24	9	75	81	14	8	79	193



FOREIGN TRADE BY COUNTRIES

Area and country	Imports, c. i. f.					Exports, f. o. b.				
	Whole year		Jan. - July			Whole year		Jan. - July		
	1963	1964	1964	1965*		1963	1964	1964	1965*	
	%	%	%	%	Mill. mk	%	%	%	%	Mill. mk
Sterling area	15.8	15.3	15.3	15.5	474.3	23.6	25.3	25.8	23.8	586.6
United Kingdom	15.3	14.8	14.9	15.0	459.3	21.5	23.0	23.4	21.6	531.6
Other OECD countries										
in Europe	53.0	52.7	52.0	55.9	1 718.6	43.9	45.9	44.4	44.3	1 089.9
Austria	0.7	0.7	0.7	0.8	23.1	0.3	0.4	0.3	0.2	5.9
Belgium-Luxembourg	2.2	2.0	1.9	2.4	73.3	3.3	3.5	3.3	3.1	75.6
Denmark	3.3	3.0	3.1	3.0	92.0	3.5	3.7	3.5	3.9	96.2
France	4.3	5.5	4.5	4.5	138.6	5.0	5.8	5.3	4.5	109.7
Western Germany	18.0	17.3	17.6	19.7	604.4	12.0	11.6	11.3	11.4	282.4
Italy	2.0	1.8	1.8	1.9	58.4	3.2	3.0	3.0	3.2	78.2
Netherlands	4.7	4.0	3.7	4.2	129.3	6.3	6.8	6.5	5.9	144.1
Norway	1.6	1.5	1.6	1.7	53.3	0.8	0.9	0.8	1.0	24.6
Portugal	0.2	0.2	0.2	0.2	7.0	0.1	0.1	0.1	0.2	6.0
Spain	0.4	0.5	0.6	0.6	17.4	0.9	0.9	0.8	0.9	23.3
Sweden	11.9	12.7	12.8	13.6	419.5	5.7	6.4	6.7	6.9	169.2
Switzerland	2.9	2.8	2.9	2.6	81.3	0.7	0.8	0.8	0.7	16.8
Eastern Bloc	21.7	22.4	22.3	18.5	569.3	20.8	17.5	17.8	20.1	494.8
China	0.2	0.4	0.5	0.3	10.4	0.5	0.5	0.4	0.5	12.6
Czechoslovakia	0.7	0.6	0.7	0.7	22.4	0.9	0.4	0.5	0.6	13.8
Eastern Germany	1.1	1.0	1.1	0.9	27.0	1.0	1.0	1.1	0.8	19.8
Poland	2.0	2.0	1.7	1.5	46.5	1.7	2.0	2.0	2.8	68.8
Soviet Union	16.9	17.6	17.5	14.6	446.5	16.0	12.1	12.0	14.4	354.5
U.S. and Canada	5.3	5.0	5.4	5.4	165.8	5.4	5.9	6.4	6.5	159.8
United States	4.9	4.8	5.2	5.3	161.7	5.2	5.7	6.2	6.2	153.6
Latin America	2.9	3.0	3.2	2.3	69.4	2.9	2.7	2.8	2.8	69.7
Argentina	0.5	0.3	0.5	0.5	13.8	0.6	0.8	0.7	0.9	22.6
Brazil	1.6	1.6	1.6	1.0	31.6	0.7	0.5	0.5	0.3	8.4
Other	1.3	1.6	1.8	2.4	74.9	3.4	2.7	2.8	2.5	61.3
Grand total	100.0	100.0	100.0	100.0	3 072.3	100.0	100.0	100.0	100.0	2 462.1
of which										
EFTA countries	36.0	35.8	36.1	37.0	1 135.7	32.6	35.4	35.6	34.5	850.3
EEC countries	31.2	30.5	29.6	32.7	1 004.2	29.8	30.6	29.4	28.0	690.0



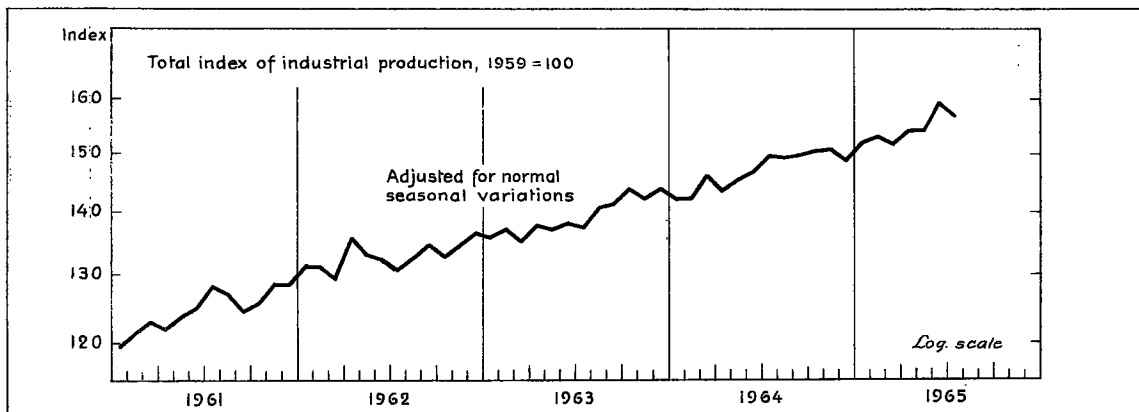
PRICE INDEXES

Period	Wholesale prices 1949 = 100									Building costs 1951 = 100		
	Total index	Origin		Purpose			Stage of processing			Total	Building material	Workers' average hourly earnings
		Domes- tic goods	Im- ported goods	Pro- ducer goods	Machin- ery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply processed goods	More elab- orately processed goods			
1962	203	205	196	209	203	197	217	200	198	132	114	156
1963	210	212	201	214	211	205	226	203	205	140	118	171
1964	226	231	210	228	214	227	250	218	218	150	120	192
1964												
Aug.	228	232	211	229	216	228	255	217	218	152	121	197
Sept.	230	235	212	233	217	230	256	222	220	152	121	198
Oct.	232	237	212	236	217	230	260	223	220	153	122	200
Nov.	233	238	213	238	220	230	260	225	222	153	123	198
Dec.	235	240	213	238	222	233	263	225	224	154	123	199
1965												
Jan.	235	240	216	240	222	231	264	228	222	156	123	202
Feb.	235	240	216	240	222	232	264	228	222	156	123	204
March	236	242	216	240	222	235	266	229	223	157	125	207
April	236	242	213	240	222	234	268	222	222	158	125	210
May	236	242	213	242	223	231	268	229	222	159	125	212
June	236	242	213	242	223	231	266	229	222	159	125	212
July	237	243	213	242	224	233	269	228	223	159	125	209
Aug.	236	242	214	242	224	232	267	228	223	159	125	212

Period	Cost of living Oct. 1951 = 100						Consumer prices Oct.—Dec. 1957 = 100					
	Total	Food- stuffs	Rent	Heating and lighting	Clothing	Other	Total	Food- stuffs	Rent	Heating and lighting	Clothing	Other
1962	147	156	327	103	90	143	115	115	121	100	112	117
1963	154	164	346	108	93	151	121	120	128	105	115	123
1964	170	184	364	114	107	164	133	135	135	110	132	134
1964												
Aug.	171	185	361	114	107	166	134	136	134	110	133	135
Sept.	172	188	361	114	108	167	135	138	134	111	134	136
Oct.	173	187	372	114	108	167	135	137	138	111	134	136
Nov.	173	188	372	114	108	167	136	138	138	111	134	136
Dec.	174	189	372	114	109	168	136	139	138	111	135	137
1965												
Jan.	175	189	372	114	109	170	137	139	138	111	135	139
Feb.	175	190	372	114	109	170	137	140	138	111	136	139
March	176	194	372	114	108	171	138	142	138	111	135	139
April	177	194	373	115	108	171	139	142	138	111	135	140
May	177	195	373	114	108	172	139	143	138	111	135	140
June	178	197	373	114	109	172	140	145	138	111	135	140
July	179	199	375	115	109	173	141	146	139	111	135	141
Aug.	179	199	375	115	109	173	141	146	139	111	135	141

PRODUCTION - INTERNAL TRADE

Period	Index of industrial production 1959 = 100									Commer- cial timber fellings 1 000 piled cu. m	Wholesale trade volume index 1954 = 100
	Total	Invest- ment goods	Other producer goods	Consumer goods	Special indexes of manufacturing				Total, adjusted for normal seasonal variations		
					Wood industry	Paper industry	Metal industry	Other			
1962	133	151	133	127	114	141	144	126	133	47 499	160
1963	138	144	141	131	121	155	140	133	139	47 780	169
1964*	148	149	154	135	128	170	148	142	147	53 200	156
1963											
Nov.	150	153	155	137	113	171	150	145	142	3 915	173
Dec.	132	134	138	119	121	149	131	124	144	4 534	201
1964*											
Jan.	147	155	152	132	121	164	153	136	142	5 552	114
Feb.	146	153	150	133	132	164	151	135	142	6 031	143
March	144	147	150	131	125	163	147	136	146	6 500	142
April	156	159	159	147	155	171	158	151	144	5 469	161
May	142	141	147	133	131	165	139	136	146	11 353	154
June	142	149	144	135	141	144	145	140	147	1 863	150
July	115	81	127	100	122	169	85	108	150	1 327	145
Aug.	149	142	152	144	103	175	140	152	149	1 846	170
Sept.	161	167	166	147	125	183	167	154	150	2 335	173
Oct.	165	163	173	147	129	192	165	158	150	2 926	169
Nov.	161	166	170	142	125	184	164	155	151	3 462	164
Dec.	149	162	157	129	127	162	160	138	149	4 536	183
1965*											
Jan.	150	155	159	129	127	176	154	136	152	4 822	120
Feb.	152	163	158	134	136	174	161	139	153	6 095	147
March	168	177	176	149	157	197	174	156	152	6 342	168
April	152	155	157	140	144	168	154	145	154	5 674	188
May	158	156	166	143	147	186	158	148	154	11 698	181
June	147	159	149	140	133	150	158	144	159	2 162	164
July	120	97	131	103	118	174	96	110	157	1 470	155

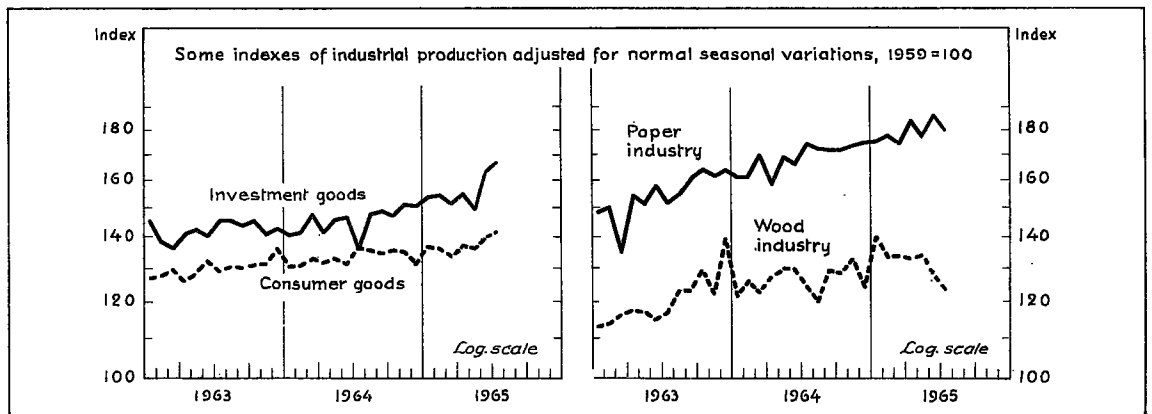


March 1963 figures are affected by strikes. Seasonally adjusted series are corrected for estimated strike effects.

BUILDING - WAGES - TRANSPORT - EMPLOYMENT

Period	Buildings completed, mill. cu. m					Buildings under construction at end of period mill. cu. m	Index of salary and wage earners' earnings 1957 = 100			
	Total	Dwelling houses	Farm buildings	Commercial and industrial premises	Official buildings		All salary and wage earners	Wage earners in		
								Agriculture	Forestry	Manufacturing
1962	23.18	10.61	2.15	7.11	2.31	25.53	132	120	128	134
1963	25.16	12.81	2.29	6.62	2.44	26.28	145	136	144	143
1964	24.59	10.57	2.43	7.61	2.80	28.55	164	156	172	162
1964										
Apr.-June	4.93	1.83	0.31	1.91	0.66	29.45	164	154	177	162
July-Sept.	6.57	2.47	0.85	1.74	1.05	30.77	165	149	180	163
Oct.-Dec.	8.68	3.97	1.04	2.60	0.69	28.55	169	165	164	167
1965*										
Jan.-Mar.	4.56	1.93	0.23	1.77	0.50	28.08	176	176	180	174
Apr.-June	5.57	2.03	0.40	1.72	1.18	32.67	178	173	181	177

Period	Railways		Foreign shipping				Labour input		Unemployment	
	Goods trucks loaded Thousands		Vessels arrived with cargo —		Vessels departed 1 000 net reg. tons		1 000 man-months		% of total labour force	
	1964	1965	1964	1965*	1964	1965*	1964	1965*	1964	1965*
Jan.	125	118	576	690	526	549	1 854	1 877	2.7	2.0
Feb.	124	124	544	549	457	451	1 851	1 860	2.3	1.6
March	122	144	533	679	388	493	1 839	1 839	1.8	1.7
April	138	138	588	721	488	601	1 882	1 884	1.5	1.7
May	125	132	755	969	707	772	1 920	1 940	1.1	1.1
June	128	129	994	1 188	963	1 109	1 906	1 955	1.2	1.0
July	128	134	1 156	1 387	1 252	1 313	1 772	1 797	1.1	1.2
Aug.	132	138	1 072	1 357	1 109	1 255	1 862		1.0	
Sept.	138		861		873		1 924		1.0	
Oct.	140		843		760		1 928		1.3	
Nov.	135		909		682		1 905		1.5	
Dec.	116		822		683		1 866		1.7	



EXPLANATIONS RELATING TO THE STATISTICAL SECTION

PRE-1963 VALUES ARE GIVEN IN THE NEW MONETARY UNIT, ONE NEW MARK BEING EQUIVALENT TO ONE HUNDRED OF THE OLD MARKS.

BANK OF FINLAND

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

Page 4. *Other foreign assets* = Foreign bills + Foreign bonds + Prepayments for exports. *Other foreign liabilities* = Mark accounts of holders abroad + Foreign term liabilities. *Treasury bills and bonds*: Including Treasury bond loan + Treasury bill covering certain IMF and IBRD accounts (included in Other claims). *Other claims, net* = Advances for stand-by stocks — Finnish term liabilities (Treasury). *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 in foreign currency + Cheque accounts (assets) + Other claims excl. Treasury's IMF and IBRD bill, Prepayments for exports and Advances for stand-by stocks. *Liabilities* = Other cheque accounts + Other sight liabilities + Other Finnish term liabilities — Account of the Mortgage Bank of Finland Oy. — *Diagrams*. Left: *Net claims on other than banks* = Net foreign assets + Net claims on the Treasury + Net claims on the rest of economy + Finnish bonds + Finnish coin — Equalization accounts = Notes in circulation + Bank's own funds — Net claims on the banks.

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 credit societies, and mortgage banks. *Term deposits in all credit institutions* includes a small amount of deposits in mortgage banks. *Indexed deposits and high-interest deposits* are included in term deposits.

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

STATE FINANCES

Page 8. Official monthly figures adjusted by the Bank of Finland Institute for Economic Research. *Revenue and expenditure*: All extra-budgetary funds are included, and figures are reported on a payment basis. — Annual figures will be published in separate articles. *Debt*: Index-tied bond loans are given at their nominal values. Cash debt (net) = net debt to the Bank of Finland plus short-term debt to the Post Office Savings Bank minus cash holdings (net) of State departments. In principle, the change in this item = surplus (deficit) in the table on revenue and expenditure. The small divergence is due to the fact that the adjustment of the monthly figures is not as accurate as that of the annual (December) figures.

FOREIGN TRADE

Pages 9—12. Figures supplied by the Board of Customs. *The unit value indexes* (p. 9): The indexes are calculated according to the Laspeyres formula. At the end of the year the arithmetic mean of the Laspeyres indexes corresponds to the annual level of the Fisher index formula. Seasonal variations are not eliminated. Terms of trade: the ratio of export indexes to import indexes. *Foreign trade by countries* (p. 12): imports by countries of purchase, exports by countries of sale.

PRICE INDEXES

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

PRODUCTION — INTERNAL TRADE

Page 14. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the international nomenclature (ISIC). The weight of each group represents the ratio of its value added to the total value added of industrial production in the base year. 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; for the method of calculation of series adjusted for normal and specific seasonal variations see Bulletin No. 8, 1961, p. 18. Other seasonally adjusted series are calculated 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 indexes: wood industry ISIC no. 25, weight 6.6, paper industry no. 27, weight 13.1, metal industry nos. 34—38, weight 23.5, and other manufactures nos. 20—24, 26, 28—33, 39, weight 44.0. *Commercial timber fellings* calculated by the Ministry of Communications and Public Works. *Wholesale trade volume index*, calculated by the Ministry of Finance. Based on sales statistics compiled by the daily Uusi Suomi, covering about 50% of all internal wholesale trade. Price fluctuations have been eliminated by means of the revised wholesale price index.

BUILDING — WAGES — EMPLOYMENT — TRANSPORT

Page 15. *Building* figures supplied by the Central Statistical Office. *Index of salary and wage earners' earnings* calculated by the Central Statistical Office. Beginning 1957, the weights employed are determined according to the structure of total earnings in 1957; for 1954—1956, the weights are in accordance with earnings in 1951. *Railway* figures supplied by the Board of Railways. *Shipping* figures supplied by the Shipping Board. *Labour input and unemployment* figures supplied by the Labour Research Bureau of the Ministry of Communications and Public Works, both based on the labour force sample survey. Labour input represents the estimated average number of days worked. (See article in No. 10, 1960 of this Bulletin).

SYMBOLS USED

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

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

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

From 1154 to 1809 Finland formed a part of the kingdom of Sweden. It then became an autonomous Grand Duchy connected with Russia until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in 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, 1962, to March 1, 1968, 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 1962 are as follows: Agrarians 53, People's Democrats 47, Social Democrats 38, Conservatives 32, Swedish Party 14, Finnish People's Party 13, Social Democratic League 2 and Liberal League 1.

LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total inland waters form 9.4 %. On an average 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 %, communes and parishes 1.7 %.

POPULATION

NUMBER OF INHABITANTS (1963): 4.6 million. Sweden 7.6, Switzerland 5.8, Denmark 4.7 and Norway 3.7 million.

DENSITY OF POPULATION (1963): In South Finland 25.4, in North Finland 4.2 and in the whole country an average of 14.9 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1963): 58 % of the population inhabit the rural areas, 42 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 488 300 inhabitants, Tampere (Tammerfors) 136 200, Turku (Åbo) 135 000.

OCCUPATIONS (1960): Agriculture and forestry 32 %, industry and construction 31 %, commerce 9 %, transport and communications 7 %, services 11 %, economically inactive independent persons 11 %.

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

EDUCATION (1963): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640), 6 colleges of university standard, and 2 teachers' training colleges, besides teacher-training departments in two of the universities.

INCREASE OF POPULATION (1963): births 18.1 ‰, deaths 9.2 ‰, increase 8.6 ‰. Deaths in France 11.7 ‰ and Great Britain 12.2 ‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1963, in million marks) Gross domestic product at market prices 18 667 (excl. repairs and maintenance). Net domestic product at factor cost, by industrial origin: agriculture 1 592 (10 %), forestry and fishing 1 462 (10 %), manufacturing 4 683 (31 %), construction 1 540 (10 %), transport and communications 1 178 (8 %), commerce, banking and insurance 2 017 (13 %), general government 1 900 (12 %), other services 907 (6 %), total 15 279. Index of real domestic product 133 (1957 = 100).

FOREST RESOURCES (1960—1963): The growing stock comprised 1 410 million of solid cu. m incl. bark (49 797 million

cu. ft), of which pine 43 % and spruce 38 %, the rest 19 % being leaf-trees, chiefly birch. Of the growing stock 13 300 million cu. ft, 56 % of them pine, was up to the standard required for logs. The annual growth is 43 million solid cu. m green wood excl. bark (1 519 mill. cu. ft). The total removal in 1963 calculated according to the use of wood was 51 million cu. m excl. bark (1 815 million cu. ft.)

AGRICULTURE (1960): Cultivated land 2.6 million hectares of which holdings of less than 5 ha. amount to 17 %, 5 to 15 ha. 48 %, 15 to 50 ha. 30 % and more than 50 ha. 5 %. Number of holdings 388 000, of which 184 000 are of more than 5 ha. Index of agricultural production 130 for 1964 (1954 = 100). Measure of self-sufficiency in bread cereals 69 % in the crop year 1963/64.

INDUSTRY (1963): Gross value of industrial production 15 500 mill. marks, number of workers 347 000, salaried employees 73 200, motive power (1963) 4.4 mill. HP. Index of industrial production 138 for 1963 (1959 = 100).

RAILWAYS (Jan. 1, 1965): Length 5 463 km, of which 5 389 km are State and 74 km private railways. The gauge of State railways 1 524 m.

MERCHANT FLEET (Aug. 31, 1965): Steamers 149 (253 186 gross reg. tons), motor vessels 383 (717 807 gross reg. tons), sailing vessels with auxiliary engines 33 (4 258 gross reg. tons). Total 565 (975 251 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1964): Cars 376 200, lorries and vans 83 000, buses 7 100, others 3 100. Total 469 400.

SCHEDULED AIR TRAFFIC OF FINNISH COMPANIES (1964): Kilometres flown 12.0 million, passengers carried 639 700, passenger kilometres 311.2 million, and ton kilometres of freight and mail 5.4 million.

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). On Jan. 1, 1963, the value of the mark was raised to one hundred times its former value. The official par value of the new unit is 3.20 marks to the U.S. dollar. Finland has been a member of the International Monetary Fund since 1948.

MUNICIPAL FINANCES. In the finance accounts for 1963 expenditure amounted to 2 776 mill. marks. Total revenue was 2 775 million, of which income from taxation 1 393 million. The municipal income tax (non-progressive) averaged 11.91 % of the ratepayers' taxable income.

THE CENTRAL BANK. The Bank of Finland 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, 1964) There are two big and four small commercial banks with in all 721 offices, 378 savings banks, 493 cooperative credit societies and their central bank, six mortgage societies, and POSB. The savings departments of the cooperative stores accept deposits from the public. The National Pension Institute and sixty-five private insurance companies also grant credits.

RATES OF INTEREST (May 1, 1964). Bank of Finland discount rates 6—7 1/8 %. Other credit institutions: term deposits 4 1/8 %, 12 months' deposits 6 %, 100 per cent index-tied deposits 2 1/2 %, 50 per cent index-tied deposits 4 %; highest lending rate 8 %.

THE NATIONAL INCOME OF FINLAND 1960—1965

BY

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This article gives a summary of the development of national income and its various components, and of factors which have affected it in the first half of the 1960's. The period surveyed in this article is longer than in corresponding articles published previously in this Bulletin¹, as national income calculations have been completely revised. This means that figures presented in the past are not comparable with those in this article. While the figures for 1964 are preliminary, those for the current year are forecasts, which should be considered only as projections based on prevailing conditions.

The rate of growth, which during 1962 and 1963 slowed down to an average level of 3 per cent, began to rise in 1964, in which year the volume of gross domestic product rose 6 per cent above the level of 1963. Since an increase of only 5 per cent during the current year is anticipated, it appears that the rate of growth will not attain as high a level as in the preceding upswing of 1959—1961. Moreover, it is also becoming apparent that the whole 5-year cycle 1962—1966 will probably be somewhat less favourable than the previous cycle 1957—1961, during which the average rate of growth was 5 per cent. However, the rate of development in the current cycle has been steadier.

A more detailed picture of the cyclical phases is provided by the following figures which indicate the percentage changes in the volume of gross domestic product from the corresponding period of the previous year.

	1960	1961	1962	1963	1964p	1965f
1st qr	+13	+8	+5	-2	+7	+6
2nd qr	+10	+7	+2	+5	+6	+5
3rd qr	+7	+5	+4	+3	+5	..
4th qr	+7	+7	+3	+4	+5	..
Whole year	+10	+7	+3	+3	+6	+5

The following figures show the changes that have taken place in the structure of aggregate supply and demand during the different cyclical phases in 1959—1965. The corresponding annual figures are given in table 1, and table 3 illustrates changes in the volume of production by industry.

	Changes in volume, per cent		
	Average for 1959—61	Average for 1962—63	Average for 1964—65
Gross domestic product	+8	+3	+5—6
Imports of goods and services ..	+17	+2	+15
Total supply	+10	+3	+7
Exports of goods and services ..	+10	+5	+6
Consumption ...	+7	+4	+5
Private	+7	+4	+5
Public	+5	+7	+4
Gross fixed capital formation.	+12	-1	+10
Private	+15	-4	+10
Public	-1	+12	+6
Total demand ..	+10	+3	+7

1. See No. 11, 1957; No. 9, 1958 and 1960; and No. 10, 1959 and 1961—64.

The figures presented in the tables show that the changes have varied considerably. The fact that the levelling off during 1962 and 1963 was rather moderate in comparison with recessions after the war, is a consequence of the favourable development of exports. As late as 1962, the volume of exports continued to expand at a rate of 8 per cent. The moderate rate of recovery in 1964—65 can be explained by the slow growth of exports after 1963. It must also be kept in mind that overall economic development in 1962 and 1963 was partly a result of the serious crop failure experienced in 1962. The volume of agricultural production decreased by 2 per cent in 1962 and by 1 per cent in 1963.

During the period under review, there has been a steady expansion in aggregate consumption, the second major component of demand. In the years 1964 and 1965 demand has in particular been directed towards passenger cars (see table 4), thus causing a considerable rise in the volume of imports.

As regards investment activity, the third major component of demand, the highest rate of expansion was recorded in 1960 when the volume of private investment attained a level which was about 20 per cent above the already high level of the preceding year. During the course of 1962 the volume of gross private fixed capital formation began to display a decided downward trend and the level of investment activity in 1963 was still somewhat lower than in the year 1961. In the current year it is expected that the volume of investment activity will rise by almost 8 per cent.

The changes that have occurred in the structure of fixed capital formation are presented in table 5. Lack of basic statistics has made it impossible to calculate the changes in stocks. Estimates indicate that the increase

in stocks was considerably higher in 1964 as compared with previous years.

As can be seen from table 1, the volume of labour input increased about 8 per cent in 1960—1964. There were considerable changes in the internal structure of labour input during this period. The most important change was the decrease in the total of private entrepreneurs by 9 per cent at the same time that the employment of wage- and salary-earners increased by 16 per cent. The increase in wage-earners employment was 13 per cent and in salary-earners employment 24 per cent.

The annual percentage changes in prices can be seen from the following table.

	1960	1961	1962	1963	1964	1965
Consumption						
goods ...	+3	+2	+4	+5	+9	+5
Investment						
goods ...	+4	+3	+4	+4	+5	+5
Total	+3	+3	+4	+5	+8	+5
Imports ...	+2	+1	+2	+1	+2	+1
Exports ...	+2	+4	-1	+3	+5	+4
Wages	+6	+8	+6	+9	+13	+8

The level of earnings (wages) rose by 13 per cent in 1964 and is expected to rise by about 8 per cent this year. As the prices of consumer goods increased by 9 per cent in 1964, the rise in real earnings was about 3 per cent in that year. In 1965, the prices of consumer goods are likely to increase by 5 per cent, so that the rise in real earnings will be about the same as in 1964, i.e. 3 per cent.

As indicated in table 1, in 1964 the rate of increase in real earnings was much lower than the rate of increase in productivity,

whereas this year the two rates are expected to be equal.¹

The results emerging from the above review and tables 1—5 are explained further by table 6, which shows the national income as distributed between factors of production. During the years under consideration, labour income was 57—60 per cent of the national income. In "good" years, this share has, as a general rule, been somewhat below the average. However, in the period 1962—1965 there has been a considerable increase in employers' contributions to social security. To a certain extent this has affected the income distribution.

Table 7 indicates the significance of the general government as a redistributor of income. For instance in 1964 the public sector received about 6825 million marks, or 36 per cent of the national income, in the form of taxes and other transfers. However, about one third of this was transferred back to the private sector, so that the amount remaining at the disposal of the general gov-

ernment was 24 per cent of the total disposable income in 1964.

The figures in table 8 show the disposable income of the main sectors — households, corporations and the government — and the distribution of this income between consumption and saving. The saving of the national economy amounted, on an average, to 20 per cent of the total of disposable income. At one time the general government's saving represented about one half of total saving, but recently the situation has changed; in 1963—1965 the general government's share has varied between 32 and 43 per cent. However the public sector only uses a part of its saving for its own administrative investments. A part returns to the private sector, mainly in the form of loans, which are used for investment purposes.

Table 9 contains figures pertaining to the most important items of expenditure on gross national product in current prices. The corresponding changes in volume are presented in table 1 and have been reviewed earlier in the text.

1. The effect of the changes in the structure of the labour force has been eliminated as far as possible in estimating the level of wages. Total productivity is, however, affected by structural changes in the economy. For this reason productivity should be compared with real wages per head of wage- and salary-earners as follows:

	1960	1961	1962	1963	1964	1965
Changes in National wage bill	+12	+12	+9	+11	+16	+11
National wage bill, const.p	+ 9	+10	+5	+ 6	+ 6	+ 6
Real wages per head	+ 3	+ 7	+2	+ 5	+ 3	+ 3
Productivity	+ 7	+ 3	+5	+ 1	+ 6	+ 3

STATISTICAL ANNEX

p = preliminary f = forecast

1. ANNUAL CHANGES, PER CENT

	1960	1961	1962	1963	1964p	1965f
Real domestic product	+10	+ 7	+3	+ 3	+ 6	+ 5—6
Volume of labour input	+ 3	+ 4	—2	+ 2	+ 0	+ 2
Real domestic product per capita	+ 9	+ 6	+3	+ 2	+ 5	+ 5
Real domestic product per unit of labour input	+ 7	+ 3	+5	+ 1	+ 6	+ 3—4
Volume of consumption expenditure	+ 7	+ 7	+6	+ 3	+ 5	+ 6
— private consumption expenditure	+ 7	+ 8	+6	+ 3	+ 5	+ 6
— general government consumption expenditure	+ 4	+ 4	+9	+ 6	+ 3	+ 5
Volume of gross domestic fixed capital formation	+16	+11	0	— 1	+11	+ 8
— private capital formation	+22	+13	—2	— 5	+11	+10
— administrative capital formation	— 6	— 1	+8	+15	+ 9	+ 4
Volume of imports of goods and services	+23	+ 8	+6	— 2	+19	+ 7
Volume of exports of goods and services	+15	+ 3	+8	+ 2	+ 6	+ 6

2. GROSS DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRIAL ORIGIN, MILL. MK

	1960	1961	1962	1963	1964p	1965f
Agriculture	1 506.8	1 632.3	1 655.0	1 788.4	2 051.4	2 300.0
Hunting and fishing	61.9	82.7	74.5	86.7	90.0	90.0
Forestry	1 222.8	1 442.5	1 388.7	1 522.6	1 863.2	2 010.0
Manufacturing	4 281.1	4 797.9	5 068.1	5 472.6	6 160.4	6 820.0
Construction	1 328.6	1 460.2	1 582.5	1 754.6	1 969.2	2 270.0
House construction	796.6	948.0	1 030.7	1 142.6	1 273.0	1 500.0
Other construction	532.0	512.2	551.8	612.0	696.2	770.0
Transportation and communication	1 026.2	1 114.3	1 229.1	1 319.3	1 492.2	1 640.0
Wholesale and retail trade	1 405.2	1 569.0	1 752.7	1 965.0	2 234.8	2 530.0
Banking and insurance	280.3	315.0	357.7	428.1	504.3	600.0
Public administration	1 382.9	1 544.7	1 707.7	1 981.4	2 335.5	2 620.0
Other services	1 591.0	1 752.1	1 966.7	2 222.0	2 452.4	2 700.0
Gross domestic product at factor cost ..	14 086.8	15 710.7	16 782.7	18 540.7	21 153.4	23 570.0
Indirect taxes less subsidies	1 730.4	1 905.5	2 074.7	1 999.0	2 314.5	2 610.0
Gross domestic product at market prices	15 817.2	17 616.2	18 857.4	20 539.7	23 467.9	26 180.0

3. ANNUAL CHANGES IN THE VOLUME OF PRODUCTION, PER CENT

	1960	1961	1962	1963	1964p	1965f
Agriculture	+ 4	+ 4	- 2	-1	+9	+ 1
Hunting and fishing	- 3	+28	-14	+2	0	0
Forestry	+18	+ 5	- 6	-1	+7	+ 3
Manufacturing	+13	+10	+ 6	+4	+7	+ 6
Construction	+ 5	+ 4	+ 1	+3	+2	+ 9
House construction	+18	+11	+ 1	+2	+1	+12
Other construction	- 9	- 6	+ 3	+6	+3	+ 2
Transportation and communication	+11	+ 4	+ 5	+4	+5	+ 6
Wholesale and retail trade	+11	+ 9	+ 8	+3	+6	+ 7
Banking and insurance	+ 9	+ 6	+ 9	+5	+6	+ 7
Public administration	+ 3	+ 5	+ 4	+4	+5	+ 4
Other services	+ 4	+ 6	+ 5	+6	+4	+ 5
Domestic product	+10	+ 7	+ 3	+4	+6	+ 5

4. COMPOSITION OF PRIVATE CONSUMPTION EXPENDITURE, MILL. MK

	1960	1961	1962	1963	1964p
Food	3 348.0	3 538.9	3 747.3	4 065.6	4 572.2
Beverages	435.9	500.4	554.5	611.9	675.3
Tobacco	305.8	320.3	356.9	431.9	472.7
Clothing and other personal effects	1 113.8	1 254.3	1 322.8	1 289.6	1 417.5
Rent, rates and water charges	1 087.4	1 180.5	1 328.5	1 483.9	1 646.0
Fuel and light	479.6	483.1	524.0	589.0	658.4
Furniture, furnishing and household equipment	548.1	662.6	759.8	746.7	825.8
Household operation	230.8	259.1	272.8	298.8	316.9
Personal care and health expenses	354.0	400.6	439.9	465.0	520.0
Transport and communication	998.7	1 128.4	1 399.2	1 510.2	1 963.6
Recreation and entertainment	586.6	656.3	722.0	770.4	932.3
Miscellaneous services	316.8	358.5	394.7	477.9	533.1
Expenditure of residents abroad	126.0	156.0	190.0	190.0	222.0
Less expenditure on non-residents in the country	53.0	61.0	78.0	90.0	107.0
Less value of gifts (net) sent abroad	-3.7	-2.8	-2.4	-2.6	-2.3
Private consumption expenditure	9 882.2	10 840.8	11 936.8	12 843.5	14 651.1

5. ANNUAL CHANGES IN THE VOLUME OF FIXED CAPITAL FORMATION, PER CENT

	1960	1961	1962	1963	1964p	1965f
House construction	+19	+12	— 0	+3	+ 2	+13
Dwelling	+19	+18	+12	+3	— 9	+13
Other	+19	+ 6	—14	+3	+17	+13
Other construction	— 7	+ 5	+ 5	+3	+ 3	+ 2
Machinery and equipment	+31	+12	— 3	—8	+26	+ 8
Volume of fixed capital formation	+16	+11	— 0	—1	+11	+ 8

6. DISTRIBUTION OF THE NATIONAL INCOME, MILL. MK

	1960	1961	1962	1963	1964p	1965f
Compensation of employees	7 076.0	7 908.2	8 388.0	9 797.1	11 385.5	12 620.0
Income from unincorporated enterprises	2 518.2	2 837.6	2 796.5	3 050.9	3 513.1	3 980.0
Income from property to households ..	1 173.4	1 388.8	1 883.8	1 694.0	1 850.2	2 110.0
Income from property and entrepreneur- ship to general government	524.5	554.8	587.0	604.8	680.5	740.0
Saving of corporations	558.3	494.4	423.0	465.2	475.9	570.0
Direct taxes on corporations	479.8	541.2	608.4	625.1	662.5	720.0
Less interest on the public debt	104.1	107.3	113.8	139.6	189.9	220.0
Less interest on consumers debt	17.4	22.0	25.4	31.3	40.3	50.0
National income	12 451.7	13 854.3	14 825.9	16 408.0	18 797.9	21 020.0
Net factor income abroad	17.4	21.8	44.7	68.1	97.0	120.0
Net domestic product at factor cost ..	12 469.1	13 876.1	14 870.6	16 476.1	18 894.9	21 140.0

7. DISPOSABLE INCOME OF THE GENERAL GOVERNMENT, MILL. MK

	1960	1961	1962	1963	1964p	1965f
Income from property and entrepreneurship	524.5	554.8	587.0	604.8	680.5	740.0
Direct taxes	1 822.0	2 113.7	2 113.7	2 248.2	2 901.6	3 130.0
Indirect taxes	2 168.8	2 342.0	2 537.2	2 656.4	3 078.3	3 460.0
Other transfers from private sector	472.4	509.4	603.1	640.5	845.3	930.0
Current revenue	4 987.7	5 519.9	5 841.0	6 149.9	7 505.7	8 260.0
Less interest on the public debt	104.1	107.3	113.8	139.6	189.9	220.0
Less current transfers to private sector	1 360.3	1 521.4	1 698.4	2 058.3	2 281.0	2 660.0
Disposable income	3 523.3	3 891.2	4 028.8	3 952.0	5 034.8	5 380.0

8. DISPOSABLE INCOME, CONSUMPTION AND SAVING, MILL. MK

	1960	1961	1962	1963	1964p	1965f
Households:						
Disposable income	10 108.5	11 380.6	12 452.8	13 994.8	15 606.6	17 680.0
Consumption	9 254.2	10 151.9	11 178.2	12 027.3	13 755.8	15 260.0
Saving	854.3	1 228.7	1 274.6	1 967.5	1 850.8	2 420.0
Corporations:						
Disposable income (= saving)	558.3	494.4	423.0	465.2	475.9	570.0
General government:						
Disposable income	3 523.3	3 891.2	4 028.8	3 952.0	5 034.8	5 380.0
Consumption	1 949.6	2 144.8	2 450.5	2 832.0	3 232.5	3 620.0
Saving	1 573.7	1 746.4	1 578.3	1 120.0	1 802.3	1 760.0
Total						
Disposable income	14 190.1	15 766.2	16 904.6	18 412.0	21 117.3	23 630.0
Consumption	11 203.8	12 296.7	13 628.7	14 859.3	16 988.3	18 880.0
Saving	2 986.3	3 469.5	3 275.9	3 552.7	4 129.0	4 750.0

9. EXPENDITURE ON GROSS NATIONAL PRODUCT, MILL. MK

	1960	1961	1962	1963	1964p	1965f
Private consumption expenditure	9 254.2	10 151.9	11 178.2	12 027.3	13 755.8	15 260.0
General government consumption expenditure	1 949.6	2 144.8	2 450.5	2 832.0	3 232.5	3 620.0
Gross private capital formation	3 549.4	4 109.7	4 186.4	4 140.6	4 830.1	5 600.0
Gross administrative capital formation	782.3	807.0	904.5	1 085.8	1 253.9	1 380.0
Increase in stocks and statistical error	+406.1	+597.6	+388.4	+456.3	+862.5	+760.0
Exports of goods and services	3 711.9	3 995.3	4 258.0	4 463.7	4 984.4	5 540.0
Less Imports of goods and services ..	3 836.3	4 190.1	4 508.6	4 466.0	5 451.3	5 980.0
Expenditure on gross domestic product ..	15 817.2	17 616.2	18 857.4	20 539.7	23 467.9	26 180.0
Net factor income from abroad	-17.4	-21.8	-44.7	-68.1	-97.0	-120.0
Expenditure on gross national product ..	15 799.8	17 594.4	18 812.7	20 471.6	23 370.9	26 060.0

ITEMS

Investment inquiry. In May 1965, the Bank of Finland Institute for Economic Research conducted its semi-annual investigation into fixed investment in Finnish industry. Questionnaires were sent to nearly 700 undertakings, chosen by sample. These inquiries were initiated in autumn 1962 and since then have been conducted in May and October each year. In all the investigations, including the latest one, over 90 per cent of the questionnaires have been returned.

The following table gives figures relating to fixed investment in manufacturing and total industry, computed on the basis of the latest sample. Total industry includes, besides manufacturing, mining, electricity production, and gas-works and waterworks, etc.

	Fixed investment		Percentage change 1964/63
	Mill. mk		
	1963	1964	
<i>Manufacturing</i>			
Building	237	322	+13
Machinery, equipment ¹ .	650	736	+13
Other construction	81	101	+25
Other	22	24	+10
Total	1 040	1 183	+14

<i>Total industry</i>			
Building	313	363	+16
Machinery, equipment ¹ .	780	837	+ 7
Other construction	159	197	+24
Other	22	24	+10
Total	1 274	1 421	+12

¹ Including motor cars and other means of transportation.

The results of the inquiry reveal that there has been an acceleration in investment activity during 1964, following the down-

ward trend of investment in the past few years. The percentage increase in investment in manufacturing was slightly more substantial relative to the increase in total industry. This is due to the fact that fixed investment in the combined group of electricity, gas-works and waterworks remained the same in 1964 as in the previous year. As regards the different categories within manufacturing, in the wood and paper industry and in the metal industry the increase in investment was below average. On the other hand, in other manufacturing branches, the growth of fixed investment was nearly one third of the 1963 figure. In mining, which is excluded from manufacturing, the increase in fixed investment was also very marked.

In spite of the lack of accurate information on changes in the prices of capital goods acquired by industry, it can be assumed, on the basis of general price developments, that real growth in industrial investment in 1964 was slightly less than 10 per cent.

*

Trade agreement. On September 30, 1965, an agreement was concluded between Finland and *Bulgaria* regulating the exchange of goods between the two countries for 1966. The Finnish export list includes paper and cardboard industry products, newsprint, sack-paper, various cardboards and wallboards, rayon staple fibre, paper machines and wood-working machinery and equipment, cables, electrical appliances and chemicals. Finland's imports from Bulgaria will consist mainly of maize, tomatoes, grapes, wines,

tobacco, zinc, lead, chemicals and medicines. — The total value of exports and imports is estimated to be 8.7 million dollars.

*

Domestic bond issue. The Government has authorized Rauma-Repola Oy, the wood manufacturing industry, engineering works and shipbuilders, to make a domestic bond issue of 30 million marks. The bonds are dated October 15 and will run for 15 years at a rate of 7 $\frac{3}{4}$ per cent. They are issued at par.

*

New bridge. The Lapinlahti bridge, which opens the western motorway from Helsinki, was formally inaugurated on October 1. It is the largest bridge ever built in Finland: the length is 582 metres, the width 19.5 metres and the subpassage, at its highest point, is 8 metres. The Lapinlahti bridge has been

constructed with steel girders and approximately 4 100 tons of steel have been used. The total cost has been estimated to be about 11 million marks.

*

Publications of the Bank of Finland. The Bank of Finland Year Book for 1964 has been published in Finnish, Swedish and English. The first section is a review of Finnish economic conditions in 1964. The next three sections deal with credit and capital markets, foreign exchange policy and the balance of payments, and the Bank of Finland statements. In the fifth section, there is an account of Finland's relations with international financial institutions. At the end of book there is a statistical annex. The Year Book has been compiled by the Bank of Finland Institute for Economic Research.
