

Finland's achievement of an ideal neutrality has been decisive in the country's economic performance. President Urho Kekkonen has developed very profitable relations with the Soviet Union. The respect that Kekkonen has won internationally for his policy is something that Finnish industry is prepared to capitalize on in its new export drive.

Trade with the U.S.S.R.

It is the stable and expanding trade with the Soviets that has served as the engine for Finnish growth, especially in shipbuilding and metalworking. The Soviet Union is Finland's biggest trading partner, with about 20 percent of its shipments going East.

Ironically, it was the Finnish reparations deliveries after the war which gave birth to the modern Finnish iron and steel industry. By the time these deliveries were ended, relations with the Soviets were firmly established, and normal trade began to satisfy many of the Soviet economy's requirements.

One outcome of this relationship is the Finnish-Soviet agreements to exchange Soviet oil and natural gas for Finnish technology, something of an Eastern mirror of proposed EMS-OPEC trade arrangements. Finland is highly dependent on foreign oil, importing some 60 percent of its needs. Two-thirds of that oil—and a full 100 percent of its natural gas—comes from the Soviet Union. Under the provisions of Finland's contract with the Soviets, these oil imports are to be paid for, not with foreign exchange, but with technology: more ships, paper machines, and electrical equipment.

For Finnish industry, therefore, every increase in the country's oil bill means guaranteed additional orders for its industry. The result is a climate for stable investments.

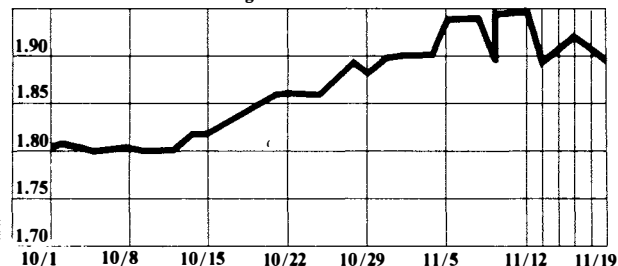
Cultural climate

Finally, there is one feature of the Finnish scene which, although difficult to measure, deserves to be mentioned among the reasons for Finland's successes: the country has preserved a moral sense of purpose. Problems that afflict other Western nations—drug abuse, pornography, youth counterculture, environmentalism—are relatively absent in Finland. It has not been easy for Finland to avoid these afflictions—understandable with liberal Sweden next door. But, as the president of a large private Finnish corporation explained, the Finns have learned to “sort out” the mixed flow coming from Western Europe and the United States. “We take the good—your technology and so on,” he said. “And throw away all this ‘new age’ nonsense. There is only one big mistake we made. We imported the Swedish ‘comprehensive school’ system. But now we're in the process of getting rid of that.”

Currency Rates

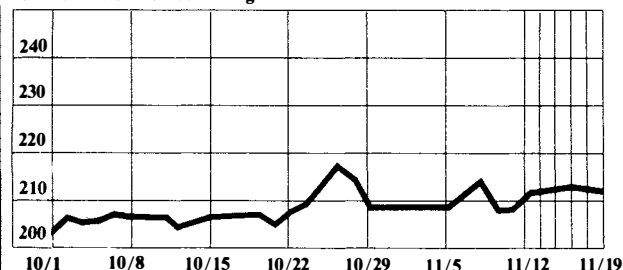
The dollar in deutschemarks

New York late afternoon fixing



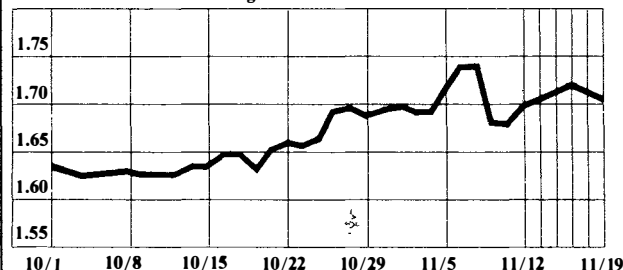
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing

