



BANK OF FINLAND

MONTHLY BULLETIN

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APRIL

1959

RECENT DEVELOPMENTS

FOREST WORKS AND EMPLOYMENT

Commercial fellings declined during the first nine months of the present felling season (June 1, 1958—February 28, 1959) to a more considerable extent than had been anticipated. The relatively good result of the previous season seems at present to be weighing heavily on forest works. The development is accounted for by accumulated stocks, together with no material improvement in export prospects. The decrease in the total amount of commercial fellings now amounts to 18.2 per cent as compared with the same period during the previous season, and the difference seems to increase as the season matures. The following table contains a comparison of the quantities of different kinds of timber cut during the two periods under review.

	1957/58 1 000 piled	1958/59 cu. m	Change per cent
Softwood logs	6 566	5 199	— 21
Hardwood logs ...	1 183	976	— 18
Spruce pulpwood ..	6 970	6 212	— 11
Pine pulpwood	3 887	3 559	— 8
Pitprops	981	593	— 40
Firewood	3 915	2 571	— 34
Other timber	663	650	— 2
Total	24 165	19 760	— 18

The most important single factor influencing the employment situation during the winter season is the work carried out in the forests. During December, January and February there were about 20 000 men less

employed in forest works than in the previous year, on a daily average. The continuing rapid mechanisation of forest works additionally impairs the employment situation, as evidenced by the fact that on an average there were about 20 000 more employed in forest works in 1955 than in 1958, whereas the total amount of fellings was approximately the same in each year.

The decline in forest work, together with the reduced activity in other sectors of economic life which has prevailed until recently, has contributed to an unfavourable employment situation in the country. This year, unemployment has reached larger proportions than in any other year during the post-war period. The number of officially registered unemployed reached its peak of 99 700 during the second week of March, this being somewhat earlier than in 1958, when 78 100 were registered at the end of the month. Owing to various measures adopted for alleviation of the situation, the number of unemployed did not exceed 100 000 as had been predicted at the commencement of the period, and employment seems now to improve seasonally. In addition to registered unemployment, various industries have been forced to apply short-

*On page 18, Wages in Finland in
1938—1958*

ened work-weeks and compulsory lay-offs, but increased activity during recent months seems, however, to have eased the situation.

Nevertheless it should be borne in mind that the number of people entirely without work has been considerably less, since works organised by the State and local governments have absorbed the bulk of the unemployed. Thus the unemployed engaged on relief works has on an average recently been about 80 per cent of the total of unemployed. The latest information, on April 10, indicates a total figure of unemployed amounting to 89 600, of whom only 9 800 were entirely without work.

During the spring months, unemployment seasonally declines, normally to reach negligible proportions during the summer. Various measures taken recently to boost investment activity will also contribute to the employment situation.

FOREIGN PAYMENTS POSITION

Finland's foreign exchange position continued to improve during the first quarter of 1959. The net addition to the foreign exchange reserve amounted to 8 400 million marks, and was even slightly larger than the increase in reserves during the corresponding period of 1958. The seasonal decline in reserves, which normally occurs during the second quarter, but frequently also affects the first, appears so far to have been weaker this year.

It is significant that nearly all of this accumulation of foreign exchange represented

gold and fully convertible currencies; holdings of these rose by 7 000 million marks to 46 000 million, whereas in the same period of 1958 they had declined by 500 million marks. Much of this was due to improved export earnings. While total export earnings declined slightly from last year, receipts of convertible currencies from merchandise exports increased by some 15 per cent. No firm conclusions should, however, be drawn from figures covering such a short period, particularly since in the first quarter of 1958 ice conditions were especially severe. On the contrary, the weakness of western markets for Finland's main export products continues, and the recent adverse price developments will be reflected in the export earnings later in the year.

Finland's holdings of inconvertible currencies increased by 1 400 million marks in the first quarter, which is in sharp contrast with the same period a year ago, when these holdings rose by 8 600 million marks. The shift towards better balance in the bilateral sector reflects to some extent the slowing down of exports in the period before new trade agreements for the current year had been concluded. In the case of some countries, where agreed swing credit limits had been reached, there were also either delays in exports or export payments, or settlements of excess balances in third currencies. Thus holdings of bilateral agreement currencies at the end of March were 17 800 million marks, compared with a peak of 22 600 million reached in August 1958.

April 15, 1959.

BANK OF FINLAND

Mill. mk

	1958		1959			
	March 31	Dec. 31	March 7	March 14	March 23	March 31
BALANCE SHEET						
Assets						
<i>Ordinary note cover</i>	48 739	60 642	68 067	68 171	68 405	68 890
Gold	7 850	7 850	8 473	8 473	8 473	8 473
Foreign exchange	36 952	49 708	56 244	56 348	56 583	57 145
Foreign bills	1 162	871	754	754	753	676
Foreign bonds	2 775	2 213	2 596	2 596	2 596	2 596
<i>Supplementary note cover</i>	49 878	47 049	29 497	29 061	28 951	31 081
Inland bills discounted						
In foreign currency	13 223	12 644	12 485	12 485	12 475	12 405
In Finnish currency	16 122	8 823	9 332	9 179	9 168	8 898
Rediscounted bills	13 033	18 707	805	522	433	2 903
Treasury bond loan	7 500	6 875	6 875	6 875	6 875	6 875
<i>Other assets</i>	18 711	19 027	18 883	19 029	18 848	20 312
Finnish bonds	1 236	909	1 236	1 534	1 534	2 384
Cheque accounts	802	440	400	216	243	1 168
Finnish coin	546	438	715	736	736	728
Other claims	16 127	17 240	16 532	16 543	16 335	16 032
Total	117 328	126 718	116 447	116 261	116 204	120 283
Liabilities						
<i>Notes in circulation</i>	55 877	65 075	59 155	60 139	59 840	61 387
<i>Short-term liabilities</i>	19 116	18 046	15 983	14 850	15 043	17 845
Foreign exchange accounts	2 773	2 178	1 806	1 864	1 976	1 836
Mark accounts of holders abroad	2 729	4 643	4 848	4 512	4 451	4 444
Cheque account of the Treasury	9 889	7 146	3 311	2 433	4 873	10 356
Cheque accounts of banks	100	1 474	3 736	4 813	2 596	—
Other cheque accounts	203	293	218	163	200	283
Other short-term liabilities	3 422	2 312	2 064	1 065	947	926
<i>Long-term liabilities</i>	16 966	20 872	20 107	20 063	20 029	19 817
Foreign	12 240	11 370	11 367	11 363	11 361	11 362
Finnish	4 726	9 502	8 740	8 700	8 668	8 455
<i>Equalisation accounts</i>	10 872	8 170	6 396	6 386	6 425	6 338
<i>Bank's own funds</i>	14 497	14 555	14 806	14 823	14 867	14 896
Capital	10 000	10 000	10 000	10 000	10 000	10 000
Reserve fund	2 924	2 924	3 739	3 739	3 739	3 739
Profits undisposed	1 085	—	815	815	815	815
Earnings less expenses	488	1 631	252	269	313	342
Total	117 328	126 718	116 447	116 261	116 204	120 283
STATEMENT OF NOTE ISSUE						
Right of note issue						
Ordinary cover	48 739	60 642	68 067	68 171	68 405	68 890
Supplementary cover						
(Upper limit 58 000 mill. mk)	49 878	47 049	29 497	29 061	28 951	31 081
Total	98 617	107 691	97 564	97 232	97 356	99 971
Note issue						
Notes in circulation	55 877	65 075	59 155	60 139	59 840	61 387
Short-term liabilities	19 116	18 046	15 983	14 850	15 043	17 845
Undrawn on cheque credits	451	814	854	1 037	1 011	857
Unused right of note issue	23 173	23 756	21 572	21 206	21 462	19 882
Total	98 617	107 691	97 564	97 232	97 356	99 971

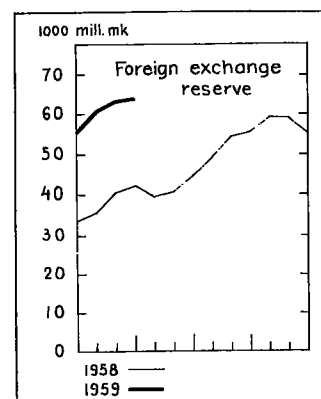
Lowest Bank rate since March 1, 1959, 6 per cent

BANK OF FINLAND

Mill. mk

End of year and month	Gold and foreign accounts						Finnish credit institutions			
	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)	Redis-counted bills	Liabilities		Net claims on the banks (7—8—9)
								Cash reserve accounts	Cheque accounts of banks	
	1	2	3	4	5	6	7	8	9	10
1950	10 959	8 170	2 789	—	4 807	—2 018	6 913	—	— 552	7 465
1951	34 317	3 594	30 723	—	3 693	27 030	16	—	— 218	234
1952	22 099	13 141	8 958	—	5 524	3 434	17 217	—	2 088	15 129
1953	27 898	8 737	19 161	209	9 237	10 133	8 268	—	2 157	6 111
1954	36 573	7 017	29 556	972	10 102	20 426	8 465	—	2 187	6 278
1955	35 938	3 855	32 083	2 376	11 617	22 842	22 628	6 677	1 706	14 245
1956	29 410	4 601	24 809	2 890	15 337	12 362	33 665	—	1 167	32 498
1957	38 429	4 569	33 860	2 911	20 185	16 586	24 912	—	2 405	22 507
1958	57 558	2 178	55 380	3 084	16 013	42 451	18 707	—	1 474	17 233
1958										
March	44 802	2 773	42 029	3 937	14 969	30 997	13 033	—	100	12 933
April	42 315	2 703	39 612	3 937	14 945	28 604	14 987	—	314	14 673
May	43 553	2 831	40 722	3 937	15 556	29 103	12 970	—	271	12 699
June	47 333	2 802	44 531	3 674	15 913	32 292	16 668	—	—145	16 813
July	52 157	3 096	49 061	3 674	16 164	36 571	11 556	—	367	11 189
Aug.	57 759	3 315	54 444	3 685	16 456	41 673	8 688	—	570	8 118
Sept.	58 966	3 224	55 742	3 709	16 694	42 757	11 038	—	— 4	11 042
Oct.	61 533	2 407	59 126	3 712	15 940	46 898	8 627	—	1 554	7 073
Nov.	61 294	2 268	59 026	3 711	15 925	46 812	8 714	—	1 079	7 635
Dec.	57 558	2 178	55 380	3 084	16 013	42 451	18 707	—	1 474	17 233
1959										
Jan.	62 264	1 996	60 268	3 351	16 214	47 405	5 302	—	1 665	3 637
Feb.	64 665	1 701	62 964	3 342	16 209	50 097	755	—	627	128
March	65 618	1 836	63 782	3 272	15 806	51 248	2 903	—	—772	3 675

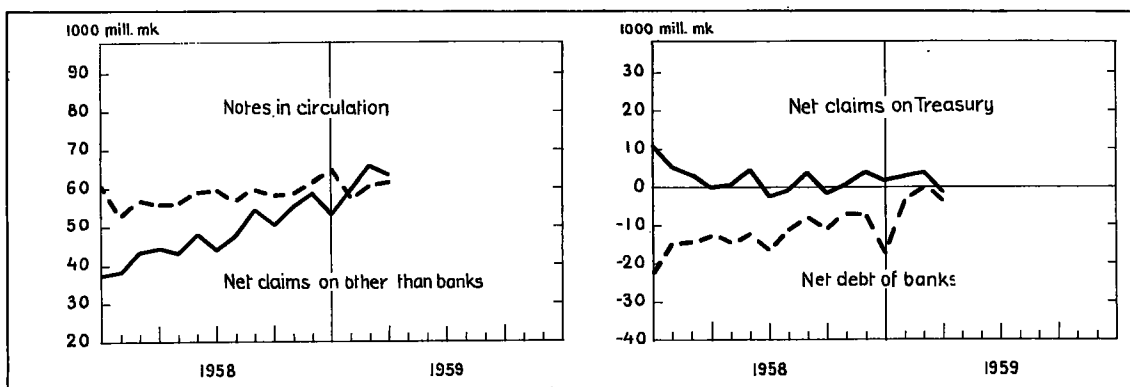
Category of currency	Foreign exchange reserve (col. 3 above) 1 000 mill. mk				
	1957	1958	1959		
	Dec. 31	Dec. 31	Jan. 31	Feb. 28	March 31
Gold	7.8	7.8	7.8	8.5	8.5
Convertible currencies	17.8	31.2	36.0	37.4	37.5
Transferable OEEC	3.9				
Non-transferable OEEC	4.4	7.7	5.7	5.5	4.6
Eastern Bloc currencies ..	2.0	8.2	10.3	10.5	10.5
Other currencies	—2.0	0.5	0.5	1.1	2.7
Total	33.9	55.4	60.3	63.0	63.8



BANK OF FINLAND

Mill. mk

End of year and month	Treasury			Trade and industry						Notes in circulation
	Bills and bonds	Cheque account	Net claims on the Treasury (1—2)	Inland bills in Finnish currency	Other advances	Total advances (4+5)	Deposits against import licences	Other liabilities	Net claims on the public (6—7—8)	
	1	2	3	4	5	6	7	8	9	10
1950	19 730	34	19 696	13 516	5 106	18 622	—	263	18 359	34 383
1951	8 685	—	8 685	11 567	4 549	16 116	—	301	15 815	44 774
1952	14 738	—	14 738	14 678	5 672	20 350	—	2 185	18 165	46 153
1953	21 662	7 281	14 381	13 812	7 405	21 217	—	2 314	18 903	45 019
1954	21 662	15 470	6 192	11 940	6 895	18 835	—	791	18 044	47 902
1955	21 660	9 816	11 844	14 437	9 306	23 743	6 578	779	16 386	55 883
1956	19 160	10 550	8 610	14 922	10 547	25 469	4 125	1 360	19 984	60 735
1957	16 021	5 145	10 876	12 909	14 467	27 376	—	561	26 815	60 640
1958	9 033	7 146	1 887	8 823	18 631	27 454	—	2 605	24 849	65 075
1958										
March	9 771	9 889	— 118	16 122	14 592	30 714	—	3 625	27 089	55 877
April	10 396	9 982	414	17 252	14 252	31 504	—	3 248	28 256	56 174
May	10 396	6 155	4 241	17 710	14 860	32 570	—	2 884	29 686	59 038
June	10 396	12 932	— 2 536	18 368	14 893	33 261	—	2 825	30 436	59 332
July	10 396	11 464	— 1 068	16 663	14 784	31 447	—	2 640	28 807	56 824
Aug.	10 396	6 941	3 455	14 748	14 856	29 604	—	4 269	25 335	59 511
Sept.	9 146	10 953	— 1 807	13 493	15 986	29 479	—	3 222	26 257	58 191
Oct.	9 146	8 620	526	11 448	16 151	27 599	—	3 073	24 526	58 681
Nov.	9 146	5 371	3 775	10 141	17 250	27 391	—	2 969	24 422	61 755
Dec.	9 033	7 146	1 887	8 823	18 631	27 454	—	2 605	24 849	65 075
1959										
Jan.	9 033	6 318	2 715	8 704	18 303	27 007	—	2 595	24 412	57 777
Feb.	9 033	5 271	3 762	9 115	18 096	27 211	—	2 094	25 117	60 585
March	8 745	10 356	— 1 611	8 898	17 998	26 896	—	1 209	25 687	61 387



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
1950	24 460	28 248	10 537	36 579	39 366	20 175	13 892	5 356	115 373	154 158
1951	42 768	48 063	11 203	46 678	51 790	29 710	18 243	8 443	154 870	214 136
1952	28 020	33 410	10 765	59 742	65 344	37 223	23 562	10 798	196 706	240 881
1953	32 112	37 907	11 048	70 455	76 709	42 537	27 074	11 951	228 762	277 717
1954	34 913	42 108	13 451	83 444	92 174	52 050	30 079	13 415	271 195	326 754
1955	36 588	44 281	11 795	97 794	108 541	61 139	33 073	15 255	315 842	371 918
1956	38 614	45 963	15 265	96 807	112 402	63 531	34 162	16 013	322 953	384 181
1957	37 708	46 138	14 912	103 223	117 859	67 111	33 960	16 823	339 009	400 059
1958*	39 568	49 558	18 277	122 256	131 426	74 407	38 167	19 191	385 476	453 311
1958*										
Feb.	35 698	44 226	9 115	106 795	120 412	68 744	35 307	17 530	348 819	402 160
March	37 090	45 954	16 165	108 414	121 740	69 893	35 616	17 907	353 601	415 720
April	36 827	45 649	10 005	108 946	122 789	70 596	35 666	18 165	356 193	411 847
May	37 567	45 824	10 082	110 103	123 336	71 008	35 706	18 129	358 314	414 220
June	36 748	45 596	17 747	110 016	122 055	70 314	35 588	18 018	356 023	419 366
July	39 130	48 802	10 626	111 135	122 675	70 570	35 860	18 079	358 350	417 778
Aug.	38 509	47 961	10 836	111 848	123 175	70 714	36 322	18 107	360 199	418 996
Sept.	36 777	46 681	16 021	113 081	123 868	70 865	36 418	18 189	362 453	425 155
Oct.	38 352	48 337	10 656	115 048	125 455	71 155	36 539	18 356	366 583	425 576
Nov.	37 271	46 811	9 750	116 434	126 869	71 890	36 933	18 611	370 767	427 328
Dec.	39 568	49 558	18 277	122 256	131 426	74 407	38 167	19 191	385 476	453 311
1959*										
Jan.	41 784	50 194	10 166	125 007	133 044	75 187	38 902	19 530	391 699	452 059
Feb.	40 160	49 757	10 819	127 993	135 125	76 615	39 797	19 928	399 487	460 063
March	42 237	53 530	20 240	130 338	136 579	77 764	40 069	20 154	404 933	478 703

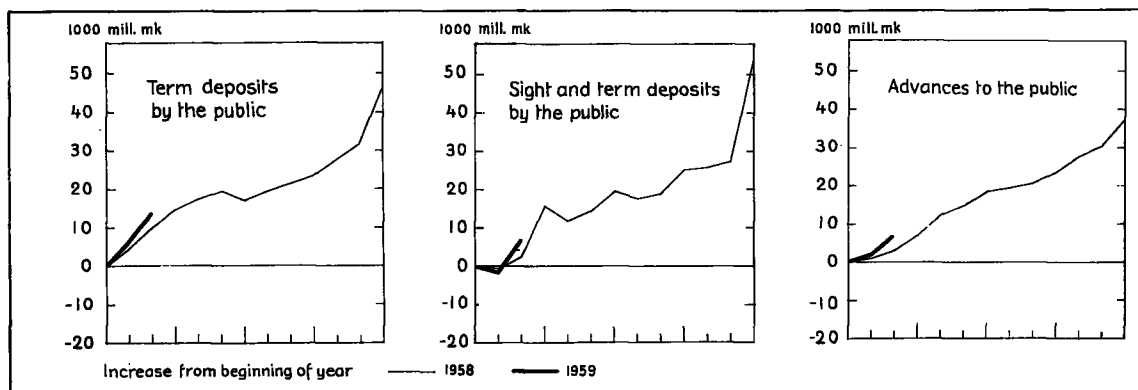
End of month	Index-tied deposits		
	1957	1958	1959
Jan.	30 151	85 733	79 991
Feb.	35 301	87 884	76 797
March	42 689	89 735	72 012
April	47 185	89 777	
May	50 034	90 611	
June	53 325	91 041	
July	55 500	91 386	
Aug.	58 398	91 543	
Sept.	73 815	87 640	
Oct.	77 571	85 954	
Nov.	80 155	84 711	
Dec.	82 444	83 312	

Selling rates for foreign exchange			
March 31, 1959			
	mk		mk
New York ... 1 \$	320: 20	Zurich 100 Fr	7 414: —
London 1 £	901: 50	Frankfurt a/M 100 DM	7 660: —
Stockholm ... 100 Kr	6 192: —	Prague 100 Kz	4 463: —
Copenhagen .. 100 Kr	4 656: —	Vienna 100 Sch	1 237: —
Oslo 100 Kr	4 496: —	Lisbon 100 Es	1 118: 50
Paris 100 Fr	64: 98	Rome 100 Lit	51: 64
Brussels 100 Fr	640: 40	Montreal 1 \$	331: —
Amsterdam ... 100 G	8 485: —	Moscow, clear. 100 Rbl	8 035: —

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 central bank	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1950	67 438	35 511	4 507	35 048	3 830	135 309	11 025	146 334	67 640
1951	85 578	45 554	8 508	41 849	4 425	172 003	13 911	185 914	95 038
1952	104 881	59 824	13 402	50 694	5 379	217 141	17 039	234 180	84 113
1953	105 659	70 511	18 782	56 765	9 847	245 275	16 289	261 564	87 294
1954	128 955	82 447	22 123	64 697	12 773	291 506	19 489	310 995	95 935
1955	155 436	96 454	24 866	72 868	13 599	339 797	23 426	363 223	102 032
1956	162 663	102 830	26 232	76 761	14 690	357 802	25 374	383 176	109 559
1957	160 379	106 639	26 047	78 064	15 717	363 000	23 846	386 846	112 398
1958*	174 542	115 386	29 027	83 503	21 931	401 114	23 275	424 389	124 603
1958*									
Feb.	162 273	107 815	26 565	77 345	15 854	364 580	25 272	389 852	106 309
March	164 761	108 099	26 514	78 212	16 147	368 048	25 685	393 733	112 220
April	167 825	108 981	26 778	79 165	16 308	373 526	25 531	399 057	107 476
May	167 137	110 001	26 832	80 002	17 976	377 489	24 459	401 948	111 310
June	168 620	110 302	26 859	80 739	18 596	379 435	25 681	405 116	117 431
July	168 101	111 012	26 983	81 362	18 910	382 789	23 579	406 368	108 551
Aug.	167 422	111 831	27 819	81 521	18 993	384 843	22 743	407 586	115 649
Sept.	167 472	113 003	28 074	82 153	19 580	385 662	24 620	410 282	115 057
Oct.	168 537	114 134	28 833	82 240	19 822	390 366	23 200	413 566	112 748
Nov.	170 157	115 230	28 840	82 823	20 141	393 321	23 870	417 191	113 356
Dec.	174 542	115 386	29 027	83 503	21 931	401 114	23 275	424 389	124 603
1959*									
Jan.	174 433	116 500	29 148	83 956	22 231	402 582	23 686	426 268	113 357
Feb.	176 447	117 723	29 820	84 261	23 014	406 559	24 706	431 265	117 650
March	177 519	118 748	30 025	85 659	23 481	410 216	25 216	435 432	..

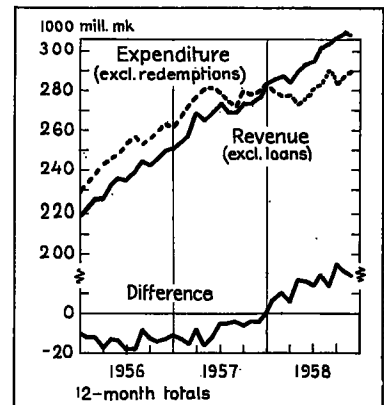


STATE FINANCES

1000 mill. mk

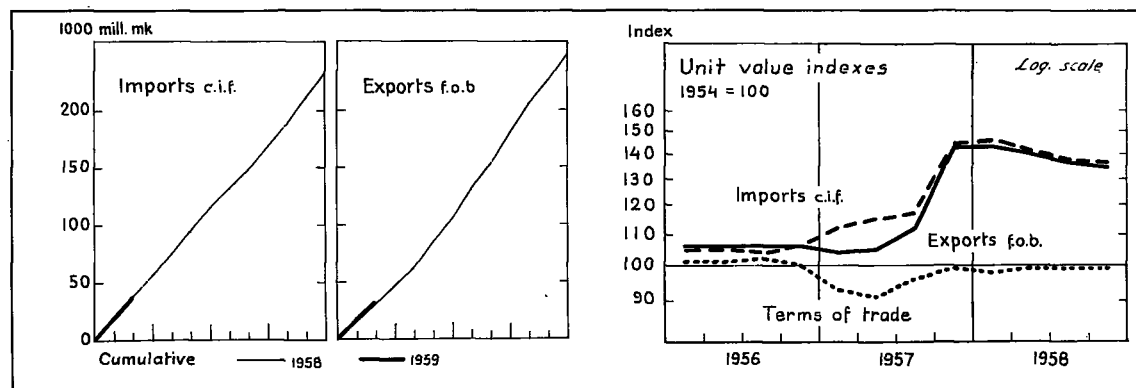
Revenue	January		Expenditure	January	
	1958	1959		1958	1959
Income and property tax (net)	3.1	4.2	Interest on State debt	1.2	0.9
Gross receipts	(7.4)	(8.1)	Child allowances	0.1	0.0
Refunds and communal income tax	(-4.3)	(-3.9)	The State's share in national pensions	0.5	0.7
Other direct taxes	0.1	0.1	Compensations to war-disabled	0.9	0.9
Purchase tax	4.5	4.7	Transfer of employers' payments for national pensions to the National Pensions Institution	0.0	0.0
Import duties	3.4	2.9	Subsidies	1.6	2.4
Revenue from Alcohol Monopoly ...	1.6	1.6	State aid to agriculture	0.1	0.2
Excise duty on tobacco	1.0	1.5	State aid to communal and private schools	2.2	1.5
Excise duty on liquid fuel	0.2	0.7	Net loss of State enterprises	0.4	—
Other excise duties	0.4	0.4	Maintenance of roads	0.2	0.3
Tax on automobiles and motor cycles	0.1	0.1	Other current expenditure	5.5	7.2
Stamp duties	1.1	1.3	Current expenditure	12.7	14.1
Levy on export proceeds	2.5	0.0	Real investments	4.1	3.5
Employers' payments for child allowances and national pensions	1.6	2.0	Other capital expenditure	2.6	2.1
Net receipts of price equalisation by extra-budgetary funds	0.4	0.4	Capital expenditure	6.7	5.6
Other revenue similar to taxes	0.2	0.1	Total expenditure	19.4	19.7
Total taxes	20.2	20.0	Redemption of external loans	0.4	0.4
Interest and dividends	0.3	0.2	Redemption of internal loans	2.2	2.2
Net profit of State enterprises	—	0.2	Redemption of indemnity bonds etc.	0.0	0.0
Other current revenue	0.4	0.6	Index premiums	0.1	0.2
Current revenue	20.9	21.0	Redemptions	2.7	2.8
Capital revenue proper	0.5	0.5	Total	22.1	22.5
Decrease in inventories	2.1	0.7			
Capital revenue	2.6	1.2			
Total revenue	23.5	22.2			
External loans	—	—			
Internal loans	0.1	2.0			
Loans	0.1	2.0			
Short-term credit (increase +)	+3.8	—			
Deficit (+) or surplus (—)	-5.3	-1.7			
Total	22.1	22.5			

Debt	1956	1957	1958		1959		
	Dec.	Dec.	Nov.	Dec.*	Jan.	Feb.*	March*
External debt	61.5	81.8	79.5	79.4	79.0	79.0	78.3
Ordinary loans	50.7	52.9	53.7	61.4	61.2	63.2	62.1
Indemnity bonds etc. ..	7.1	7.4	7.3	7.3	7.3	7.3	7.2
Short-term credit	—	—	4.3	1.2	1.2	1.2	4.7
Cash debt (net)	8.8	9.6	-8.6	..	-3.0
Internal debt	66.6	69.9	56.7	..	66.7
Total debt	128.1	151.7	136.2	..	145.7
Total debt, mill. \$	554.5	472.7	424.3	..	453.9



FOREIGN TRADE

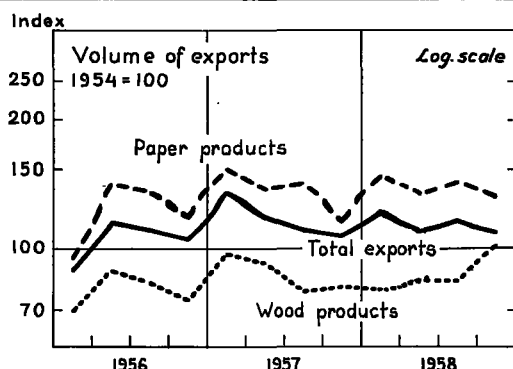
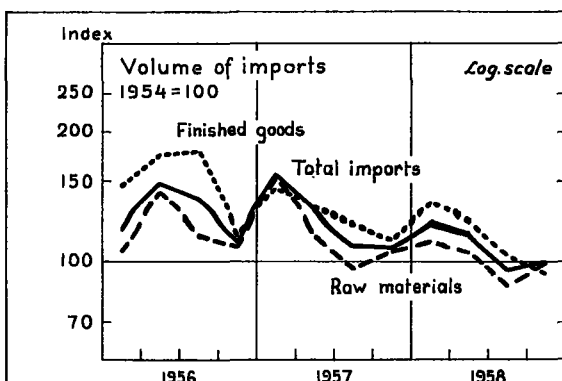
Period	Value, mill. mk			Unit value indexes 1954 = 100						
	Imports c. i. f.	Exports f. o. b.	Surplus of imports (-) or exports (+)	Articles of export f. o. b.					Articles of import c. i. f.	Terms of Trade
				Total	Round and hewn timber	Wood industry products	Paper industry products	Metal, en- gineering industry products		
1950	89 148	81 479	- 7 669	75	61	70	72	103	92	82
1951	155 464	186 883	+ 31 419	137	100	98	179	106	123	111
1952	182 186	156 829	- 25 357	130	165	99	147	118	121	107
1953	121 860	131 555	+ 9 695	98	111	95	91	109	106	92
1954	152 137	156 618	+ 4 481	100	100	100	100	100	100	100
1955	176 960	181 259	+ 4 299	106	110	105	105	115	100	106
1956	203 558	177 987	- 25 571	106	110	104	109	106	105	101
1957	227 927	212 385	- 15 542	116	118	113	119	120	122	95
1958*	233 302	247 934	+ 14 632	138	139	133	139	153	140	99
1958*										
Jan.	20 506	15 510	- 4 996	143	145	140	142	157	146	98
Feb.	18 288	14 728	- 3 560							
March	17 967	16 815	- 1 152							
April	18 661	15 050	- 3 611	140	138	139	140	153	141	99
May	19 544	21 905	+ 2 361							
June	20 250	21 793	+ 1 543							
July	16 759	25 301	+ 8 542	136	138	132	139	139	138	99
Aug.	16 337	22 292	+ 5 955							
Sept.	19 500	26 689	+ 7 189							
Oct.	21 031	24 933	+ 3 902	134	135	120	135	163	136	99
Nov.	22 029	21 250	- 779							
Dec.	22 430	21 668	- 762							
1959*										
Jan.	19 445	16 190	- 3 255							
Feb.	19 316	14 985	- 4 331							



FOREIGN TRADE BY MAIN GROUPS

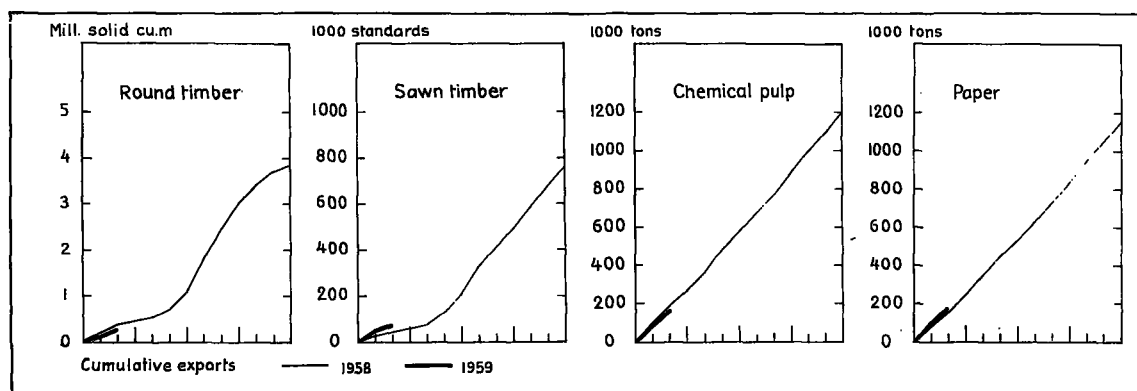
Mill. mk

Period	Imports, c. i. f.				Exports, f. o. b.					
	Raw materials and accessories	Fuels and lubricants	Finished goods		Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods
			Producer goods	Consumer goods						
1950	50 638	10 242	12 619	15 649	3 347	8 152	28 543	33 919	4 009	3 509
1951	91 790	19 760	22 004	21 910	3 152	19 028	56 229	97 244	7 151	4 079
1952	97 500	21 952	35 664	27 072	5 185	28 441	42 891	65 350	11 094	3 868
1953	65 148	15 879	24 029	16 804	4 719	10 251	43 671	47 926	20 936	4 052
1954	86 420	17 337	28 797	19 581	5 152	13 582	49 730	61 662	20 988	5 504
1955	94 919	21 540	34 225	26 276	3 880	19 905	51 321	75 793	24 803	5 557
1956	104 284	27 464	43 357	28 453	6 206	17 243	40 485	81 780	25 125	7 148
1957	117 424	40 238	41 353	28 912	10 169	17 095	48 287	97 638	30 433	8 763
1958*	119 501	32 658	48 797	32 346	10 651	19 346	57 818	115 173	34 036	10 910
Jan.-Feb.										
1957	18 626	6 403	6 017	4 448	1 213	1 342	4 802	14 026	2 794	800
1958*	19 057	5 852	8 992	4 893	2 108	1 872	5 281	16 918	2 980	1 079
1959*	18 323	5 299	9 728	5 411	2 390	1 273	5 868	15 220	5 475	949
1958*										
Feb.	8 479	2 908	4 688	2 213	1 267	795	2 509	8 336	1 280	541
March	9 620	1 885	3 820	2 642	770	325	2 505	9 262	3 082	871
April	9 652	2 147	3 800	3 062	726	374	2 576	9 303	1 411	660
May	9 801	2 475	4 156	3 112	996	1 062	4 463	10 740	3 820	824
June	10 256	2 604	4 512	2 878	711	1 793	5 711	8 657	3 748	1 173
July	8 704	1 964	3 692	2 399	850	3 643	7 577	9 635	2 393	1 203
Aug.	8 129	2 520	3 407	2 281	967	3 365	5 909	9 478	1 706	867
Sept.	10 129	2 801	4 141	2 429	723	2 663	5 876	10 546	5 878	1 003
Oct.	9 633	4 231	4 196	2 971	818	2 105	6 319	11 507	2 788	1 396
Nov.	12 481	2 840	3 874	2 834	671	1 378	6 103	9 423	2 669	1 006
Dec.	12 039	3 339	4 207	2 845	1 311	766	5 498	9 704	3 561	828
1959*										
Jan.	9 326	3 101	4 519	2 499	895	736	3 498	7 888	2 659	514
Feb.	8 997	1 198	5 209	2 912	1 495	537	2 370	7 332	2 816	435



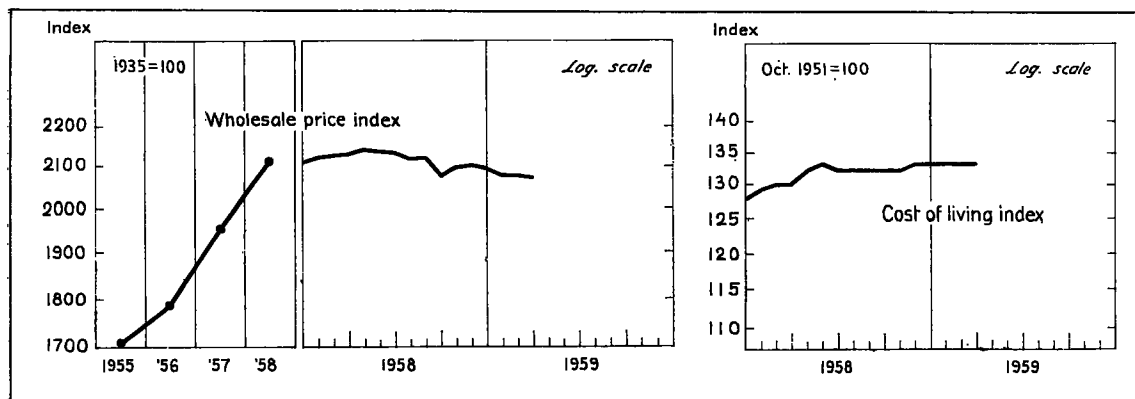
EXPORTS OF SOME IMPORTANT ARTICLES

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
1950	3 266	683	195	177	513	365	89	50	379	506
1951	5 305	875	279	210	594	388	97	68	382	605
1952	5 112	611	222	143	477	245	65	44	392	569
1953	2 388	688	216	204	464	323	76	45	402	677
1954	3 620	733	298	193	580	375	101	59	392	751
1955	4 977	786	321	183	682	447	110	61	470	905
1956	4 424	648	230	186	679	452	106	49	537	997
1957	4 063	719	260	165	697	474	134	60	551	1 108
1958*	3 861	762	239	143	725	476	145	83	585	1 147
Jan.-Feb.										
1957	329	74	42	23	104	67	21	11	97	185
1958*	396	45	42	19	113	73	22	15	82	155
1959*	281	72	44	22	100	68	18	17	82	168
1958*										
Feb.	174	18	23	6	55	35	11	7	41	78
March	63	12	23	9	51	32	13	8	49	98
April	76	18	22	11	61	34	11	7	53	95
May	188	58	16	15	74	43	13	6	53	100
June	361	74	16	10	60	31	12	6	38	82
July	702	115	13	10	53	42	12	4	52	100
Aug.	680	85	16	14	57	36	12	6	48	97
Sept.	559	84	19	11	63	42	12	8	57	110
Oct.	401	93	24	17	71	52	13	7	57	115
Nov.	277	93	23	13	57	41	12	8	45	100
Dec.	158	85	25	14	65	50	13	8	51	95
1959*										
Jan.	156	49	20	13	53	36	7	8	45	88
Feb.	125	23	24	9	47	32	11	9	37	80



FOREIGN TRADE BY COUNTRIES

Area and country	Imports c. i. f.					Exports f. o. b.				
	Whole year		Jan.—Feb.			Whole year		Jan.—Feb.		
	1957	1958*	1958*	1959*		1957	1958*	1958*	1959*	
	%	%	%	%	Mill. mk	%	%	%	%	Mill. mk
Sterling area	18.4	17.9	21.2	15.9	6 171	24.8	25.6	26.0	30.5	9 508
United Kingdom	17.6	17.2	20.7	15.4	5 973	21.7	22.1	23.2	26.5	8 263
Other OEEC countries ..	37.6	44.7	42.8	48.3	18 710	32.0	36.6	36.4	38.8	12 089
Belgium-Luxembourg	3.0	2.8	2.8	2.1	839	3.9	3.6	3.0	3.0	938
Denmark	2.1	2.3	2.4	2.4	916	2.5	3.0	2.6	3.0	923
France	5.1	4.7	4.8	5.2	2 007	5.6	6.2	7.3	3.7	1 149
Western Germany	11.4	16.6	16.1	16.3	6 315	8.9	10.9	9.6	11.2	3 504
Italy	1.5	1.5	1.7	1.8	691	1.3	1.7	3.1	2.7	836
Netherlands	4.1	4.3	4.0	6.8	2 633	4.1	4.4	3.6	5.7	1 775
Norway	1.3	1.1	1.2	1.5	569	0.4	0.7	0.9	0.8	259
Sweden	5.9	8.3	7.0	9.1	3 522	3.1	3.6	2.6	3.4	1 074
Switzerland	1.6	1.7	1.5	1.9	739	0.6	0.7	1.0	0.4	115
Turkey	0.3	0.2	0.1	0.2	92	0.4	0.2	0.7	0.2	49
Eastern Bloc	30.6	25.7	22.6	26.1	10 109	29.4	24.9	25.3	13.8	4 314
China	0.7	0.5	0.3	1.5	586	0.7	1.1	0.8	0.0	2
Czechoslovakia	2.9	1.2	1.4	1.4	550	1.6	1.2	1.9	0.1	19
Eastern Germany	2.5	1.7	1.7	1.6	607	1.9	1.8	2.4	0.5	173
Poland	5.2	3.1	1.6	2.7	1 049	3.4	2.6	4.2	1.8	571
Soviet Union	17.7	18.0	15.5	18.5	7 182	20.0	17.3	14.0	10.6	3 306
U.S. and Canada	5.7	5.5	7.8	4.9	1 891	5.1	4.7	5.2	6.9	2 138
United States	5.6	5.3	7.7	4.7	1 830	5.0	4.6	5.2	6.8	2 118
Latin America	5.1	4.4	3.5	3.3	1 301	4.8	4.5	3.6	6.7	2 103
Argentina	1.4	0.3	0.0	0.2	82	1.1	1.0	0.5	1.6	503
Brazil	3.3	3.7	3.2	2.7	1 037	2.7	2.4	2.0	3.6	1 113
Others	2.6	1.8	2.1	1.5	579	3.9	3.7	3.5	3.3	1 023
Grand total	100.0	100.0	100.0	100.0	38 761	100.0	100.0	100.0	100.0	31 175



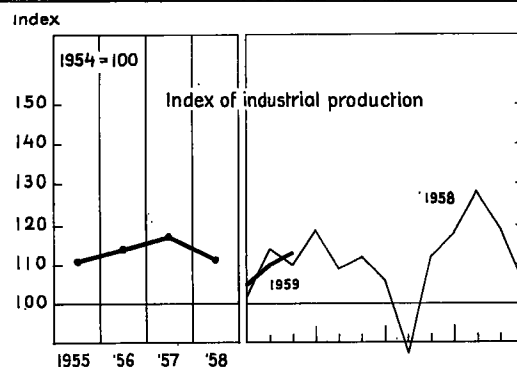
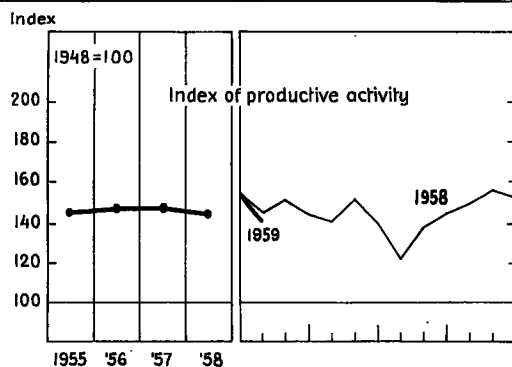
PRICE INDEXES

Period	Wholesale prices 1935=100						Building costs 1951=100		
	Total index	Finnish goods				Imported goods	Total	Building material	Workers' average hourly earnings
		Total	Products of agriculture	Products of forestry	Products of industry				
1953	1 727	1 840	1 730	2 857	1 532	1 486	101	101	99
1954	1 724	1 841	1 728	2 941	1 506	1 475	101	98	105
1955	1 707	1 822	1 773	3 040	1 426	1 462	103	96	113
1956	1 785	1 869	1 926	2 975	1 478	1 605	109	101	123
1957	1 954	1 980	2 103	2 947	1 615	1 897	113	105	127
1958	2 113	2 125	2 193	3 106	1 773	2 085	117	112	124
1958									
July	2 117	2 137	2 219	3 147	1 769	2 075	119	113	131
Aug.	2 116	2 137	2 253	3 127	1 766	2 070	118	112	126
Sept.	2 076	2 082	2 124	2 990	1 761	2 066	117	111	125
Oct.	2 092	2 097	2 115	3 034	1 775	2 081	117	110	125
Nov.	2 099	2 106	2 144	3 031	1 782	2 085	116	110	124
Dec.	2 092	2 101	2 159	2 997	1 781	2 072	116	110	125
1959									
Jan.	2 077	2 101	2 161	2 998	1 779	2 024	116	110	122
Feb.	2 073	2 097	2 154	2 998	1 775	2 020	115	110	122
March	2 071	2 095	2 149	3 005	1 771	2 020	116	110	123

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
1953	103	109	137	89	85	103						
1954	103	106	169	82	83	102						
1955	100	102	183	83	73	101						
1956	111	117	218	95	76	108						
1957	124	132	260	99	80	117						
1958	132	140	277	102	83	129	103	103	102	99	103	105
1958												
July	132	140	276	100	84	130	103	103	102	97	104	106
Aug.	132	140	276	100	84	130	104	103	102	97	104	106
Sept.	132	140	276	99	84	131	104	103	102	96	104	106
Oct.	132	139	277	99	84	131	104	102	103	96	104	107
Nov.	133	141	277	99	84	131	104	104	103	96	105	107
Dec.	133	141	277	99	84	132	104	103	103	96	105	108
1959												
Jan.	133	140	279	99	84	133	104	103	103	96	105	108
Feb.	133	139	279	99	84	133	104	102	103	96	105	108
March	133	140	279	99	84	133	104	103	103	96	104	108

PRODUCTION - INTERNAL TRADE

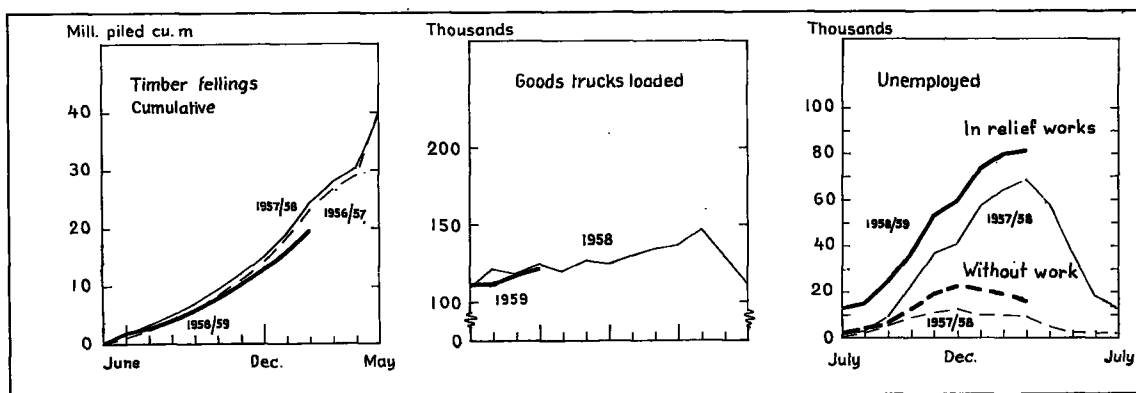
Period	Index of industrial production 1954 = 100								Commercial timber fellings 1 000 piled cu. m	Milk received by dairies 1 000 litres	Whole- sale trade volume index 1954 = 100
	Total	Invest- ment goods	Other producer goods	Consumer goods	Special indexes of manufacturing						
					Wood industry	Paper industry	Metal industry	Other			
1950									25 770	1 209	81
1951									36 070	1 405	85
1952									35 079	1 515	92
1953									29 170	1 609	93
1954	100	100	100	100	100	100	100	100	35 370	1 653	100
1955	111	116	109	113	99	115	111	111	38 600	1 659	116
1956	114	117	110	120	76	122	113	118	36 623	1 977	121
1957*	117	118	118	117	81	134	117	116	40 919	2 085	114
1958*	111	110	113	109	89	133	107	107	37 981	2 109	109
1957* Dec.	102	108	104	96	74	109	106	95	3 119	142	108
1958* Jan.	114	122	115	108	85	129	116	106	4 120	147	89
Feb.	110	119	111	104	95	127	115	101	4 882	136	93
March	119	118	121	115	105	144	115	111	3 857	158	104
April	109	112	107	110	100	115	107	105	2 201	181	108
May	112	106	113	111	107	129	104	108	10 118	206	111
June	106	107	105	107	81	119	104	103	1 646	218	105
July	87	67	95	82	87	127	66	80	982	216	109
Aug.	112	104	114	112	87	133	103	111	1 337	193	116
Sept.	118	118	118	119	80	148	113	117	1 674	179	121
Oct.	127	124	129	126	90	155	121	126	2 140	161	131
Nov.	119	114	124	112	80	145	112	118	2 456	149	106
Dec.	105	104	106	104	75	119	103	102	2 568	165	116
1959* Jan.	110	109	109	111	79	130	106	105	3 117	170	93
Feb.	113	111	112	115	93	128	107	110	3 840	158	103



BUILDING - WAGES - EMPLOYMENT - TRANSPORT

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
1955	20.25	9.47	4.29	3.12	2.29	..	84	82	90	85
1956	19.92	8.82	2.83	4.59	2.42	22.98	95	94	99	96
1957	20.81	9.56	3.20	4.14	2.68	20.86	100	100	100	100
1958	18.92	8.32	2.96	3.52	2.90	20.38	105	103	103	105
1957 Oct.-Dec.	7.84	3.81	1.67	1.27	0.59	20.86	101	100	98	101
1958*										
Jan.-Mar.	3.20	1.46	0.26	0.87	0.44	19.85	101	101	101	101
Apr.-June	3.28	1.33	0.34	0.75	0.64	23.04	106	101	105	106
July-Sept.	5.32	2.28	0.98	0.59	1.03	22.94	106	104	105	106
Oct.-Dec.	7.12	3.25	1.38	1.31	0.79	20.38	107	104	104	107

Period	Railways		Foreign shipping				Unemployed at end of month			
	Goods trucks loaded Thousands		Vessels arrived with cargo — 1 000 net reg. tons		Vessels departed		Without work Number		In relief works Number	
	1958	1959	1958	1959	1958	1959	1958	1959	1958	1959
Jan.	122	112	254	307	320	359	9 988	20 520	56 871	72 956
Feb.	118	117	196	232	259	271	9 982	19 201	64 227	79 765
March	124	122	243	281	236	333	9 475	14 103	68 649	81 255
April	120		280		270		5 160		57 627	
May	127		314		380		2 169		36 876	
June	125		415		544		2 016		18 147	
July	130		470		715		1 979		12 955	
Aug.	134		463		664		4 353		14 756	
Sept.	137		418		580		6 108		23 786	
Oct.	147		418		561		11 998		35 827	
Nov.	129		421		485		19 387		52 330	
Dec.	112		400		404		22 171		59 805	



EXPLANATIONS RELATING TO THE STATISTICAL SECTION

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. *Other foreign liabilities* = Mark accounts of holders abroad + Long-term foreign liabilities. *Cash reserve accounts* consist of deposits made by the banks and tied by special conditions. Included in Long-term Finnish liabilities.

Page 5. *Treasury bills and bonds*: up to August 1953, bills, and thereafter Treasury bond loan + Treasury bill covering certain IMF and IBRD accounts (included in Other claims). *Trade and industry, other advances* = Inland bills in foreign currency + Cheque accounts (assets) + Other claims excl. Treasury's IMF and IBRD bill and Prepayments for exports. *Deposits against import licences* = importers' obligatory prior deposits of 10 % of the value of the goods concerned. Included in Long-term Finnish liabilities until the procedure was discontinued on April 30, 1957. At that date the balance of deposits was transferred to the Cheque account of the Treasury. The balance was refunded in full by the end of August 1957. *Other liabilities* = Other short-term liabilities + Other cheque accounts. — *Diagrams*. Left: *Net claims on other than banks* = Net foreign assets + Net claims on the Treasury + Net claims on the public + Finnish bonds + Finnish coin — (Long-term Finnish liabilities — Cash reserve accounts — Deposits against import licences) — Equalisation accounts. Right: *Net debt of banks* = net claims on banks, plotted as negative figures in order that their dependence on Net claims on other than banks might be more clearly evident.

DEPOSITS BY THE PUBLIC — ADVANCES TO THE PUBLIC

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* 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 — Cash holdings of the State.

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 of State departments. The change in this item = surplus (deficit) in the table on revenue and expenditure. *Diagram*. The 12-month totals are plotted to the last month of the respective periods.

FOREIGN TRADE

Pages 9—12. Figures supplied by the Board of Customs. *The unit value indexes* (p. 9): The indexes are calculated first according to the Laspeyres formula but at the end of each year adjustments are made according to the Fisher formula, and the level of the quarterly indexes is corrected so that their arithmetic mean equals the annual index. 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 — WORK CESSATIONS

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 1954. Monthly figures are unadjusted for seasonal variations. Commodities according to use: investment goods weight 12.7, other producer goods weight 54.6 and consumer goods weight 32.7. Special manufacturing indexes: wood industry ISIC no. 25, weight 8.6, paper industry no. 27, weight 8.6, metal industry nos. 34—38, weight 25.4, and other manufactures nos. 20—24, 26, 28—33, 39, weight 44.9. *Commercial timber fellings* calculated by the Ministry of Communications and Public Works. *Milk received by dairies* calculated by the Board of Agriculture. Figures cover about 50—60 % of the total milk production. The share of the dairies having grown over the last few years, this series does not correctly reflect the development of total milk production during a prolonged period. *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. *Diagram*. Left: *Index of productive activity* calculated by the periodical Mercator. It comprises all sectors of the economy. Annual averages are revised according to national income figures.

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. *Unemployment* figures supplied by the Ministry of Communications and Public Works. The first column shows the number of persons actually without work, while the second one comprises unemployed persons engaged in relief works or other works financed from relief funds. The figures relate to the Friday nearest to the end of the month.

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 the Diet 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, 1956, to March 1, 1962, is Urho Kekkonen.

The Diet, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in the Diet elected in 1958 are as follows: People's Democrats 50, Agrarians 47, Social Democrats 38, Conservatives 29, Swedish Party 14, Social Democrat Opposition 13, Finnish People's Party (liberal) 8 and Finnish Small Farmers' Party 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 13.9 % of the land in the South of Finland is cultivated (1950), 1.9 % in the North and 8.0 % of the land as a whole. Of the land area 21.8 mill. ha (53.9 mill. acres), or 71.6 %, are covered by forests.

OWNERSHIP OF LAND (1950): The total land area was distributed among different classes of owners approximately as follows: private 56.9 %, State 35.0 %, joint stock companies etc. 6.4 %, communes 1.7 %.

POPULATION

NUMBER OF INHABITANTS (1957): 4.4 million. Sweden 7.4, Switzerland 5.1, Denmark 4.5 and Norway 3.5 million.

DENSITY OF POPULATION (1957): In South Finland 24.3, in North Finland 3.9 and in the whole country an average of 14.3 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1957): 63.4 % of the population inhabit the rural areas, 36.6 % the towns and market towns. The largest towns are: Helsinki (Helsingfors), the capital, 436 852 inhabitants, Tampere (Tammerfors) 119 250, Turku (Åbo) 117 464.

OCCUPATION (1950): Agriculture and forestry 42 %, industry 29 %, commerce 7 %, transport and communication 6 %, services 9 %, other economic activities 1 %, economically inactive persons 6 %.

LANGUAGE (1950): Finnish speaking 91.1 %, Swedish speaking 8.6 %, others 0.3 %.

EDUCATION (1957): Practically all persons over 15 years of age are literate. There are three universities (the oldest founded in 1640) and 12 colleges of university standard.

INCREASE OF POPULATION (1957): births 20.1 ‰, deaths 9.4 ‰, increase 9.7 ‰. Deaths in France 12.0 ‰ and in Great Britain 11.5 ‰.

TRADE AND COMMUNICATIONS

NATIONAL INCOME (1957, in thousand million marks): Gross domestic product at market prices 1 704 (excl. repairs and maintenance). Net domestic product at factor cost, by industrial origin: agriculture 99 (11 %), forestry and fishing 86 (10 %), manufacturing 284 (31 %), construction 88 (10 %), transport and communications 74 (8 %), commerce, banking and insurance 111 (12 %), general government 99 (11 %), other services 60 (7 %), total 901. Index of real domestic product 146 (1948 = 100).

FOREST RESOURCES (1951—1953): The growing stock comprised 1 493 million of solid cu. m incl. bark (52 660 million cu. ft), of which pine 43.7 % and spruce 35.7 %, the rest 20.6 % being leaf-trees, chiefly birch. Of the growing stock, 10 900 million cu. ft, 58.0 % of them pine, was up to the standard required for logs. The annual growth is 46 million solid cu. m green wood excl. bark (1 620 mill. cu. ft). The total removal in 1954 calculated according to the use of wood was 45 million cu. m (1 589 million cu. ft).

AGRICULTURE (1950): Cultivated land 2.4 million hectares of which holdings of less than 5 ha amount to 17 %, 5 to 15 ha 46 %, 15 to 50 ha 32 % and more than 50 ha 5 %. Number of holdings 357 000, of which 162 000 are of more than 5 ha. Index of agricultural production 91 for 1957 (1954 = 100). Measure of self-sufficiency in the crop year 1957/58: bread cereals 42 %, animal products 121 %.

INDUSTRY (1956): Gross value of industrial production 835 000 mill. marks, number of workers 319 000, administrative employees 57 000, motive power (1956) 2.5 mill. HP. Index of industrial production 114 for 1956 (1954 = 100).

RAILWAYS (Jan. 1, 1959): Length 5 183 km, of which 5 109 km are State and 74 km private railways. The gauge of State railways 1 524 m.

MERCHANT FLEET (Jan. 1, 1959): Steamers 252 (361 765 gross reg. tons), motor vessels 183 (382 819 gross reg. tons), sailing vessels with auxiliary engines 103 (10 255 gross reg. tons). Total 538 (754 839 gross reg. tons).

MOTOR VEHICLES (Feb. 28, 1959): Private cars 141 600, lorries and delivery vans 54 600, buses 5 300, others 2 400. Total 203 900.

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. Since 1931, the redemption of bank notes in gold has been suspended. The currency unit is the mark (Finnish markka). Its official par value is 320 marks per one U.S. dollar. Finland has been a member of the International Monetary Fund since 1948.

MUNICIPAL FINANCES. In the finance accounts for 1957 expenditure amounted to 159 411 mill. marks. Total revenue was 159 591 million, of which income from taxation 84 383 million. The municipal income tax (non-progressive) averaged 11.22 % of the ratepayers' taxable income.

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

OTHER CREDIT INSTITUTIONS (Dec. 31, 1958). There are three big and two small commercial banks with in all 538 offices, 406 savings banks, 555 cooperative credit societies and their central bank, six mortgage societies, and the Post Office Savings Bank. The savings departments of the cooperative stores accept deposits from the public.

RATES OF INTEREST (April 1, 1959). Bank of Finland discount rates 6—7 ½ %. Other credit institutions: term deposits 4 ½ % (12 months' deposits 5 %, index-tied deposits 3 ½ %) and sight deposits in savings banks and cooperative credit societies ½ %; lending rate 7 % in general.

WAGES IN FINLAND IN 1938—1958

BY

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CHANGES IN THE LEVEL OF EARNINGS

Since the second world war, the rise in nominal earnings has been comparatively rapid in Finland. In 1948, the index for the level of earnings was almost 11 times as high, and in 1958 about 27 times as high as in 1938. The annual rate of change fluctuated, as shown by the following table, and thus different periods can be distinguished in the development.

Year	Index for level of earnings	Annual change per cent
1938	100	..
1948	1 070	..
1949	1 140	7
1950	1 410	24
1951	1 870	33
1952	1 970	5
1953	1 980	1
1954	2 030	3
1955	2 180	7
1956	2 470	13
1957	2 590	5
1958	2 720	5

During the war, it was possible to retard the rise in wages by means of price and wage control, so that by the last quarter of 1944, for example, the hourly earnings of male industrial workers had approximately doubled since 1939. It was not until 1945—1947, the years of adjustment, that an actual wage rush occurred. Following that, the rise slowed down, but during the Korean boom of 1950—1951 earnings again rose rapidly. A stabilisation plan was adopted in the autumn of 1951, and despite temporary difficulties the development of earnings was comparatively even up to the end of 1955. However, during the boom years of 1954—

1955, a rising tendency was already discernible, and the last abrupt rise in earnings during the period under review occurred in connection with the settlement of the general strike in March 1956.

Since the spring of 1957, economic activity has declined, and the number of unemployed has increased. This has been reflected in the labour market, and especially in the development of the level of earnings. Thus, despite the rise in prices due to the 39 per cent devaluation in the autumn of 1957, the level of earnings rose by only 5 per cent in 1958, and in the new collective agreements concluded for 1959, wages were raised by 3 per cent. It may thus be said that a considerable change has occurred in the labour market, and that the level of wages has been stabilised.

What was the cause of the great post-war rise in nominal earnings? It may be assumed that the crucial factors which have determined the development described above have been: excessive demand for labour, the linking of wages to the cost of living index, and spontaneous changes in wages.

Excess demand, which prevailed in the labour market during the post-war period of high employment, made it possible to increase wages within the framework of wage regulation and in connection with the renewal of collective agreements. However, the excess demand has also provoked so-termed „wage drift”; earnings have risen more than seems to have been agreed upon by the central labour market organisations, and/or more

than stipulated by the wage regulation authorities. It should also be stressed that the remarkably swift economic growth and the rapid increase in productivity after the second world war, with the exception of the years 1952—1953 and 1957—1958, made it possible to raise earnings without an increase in prices. The real domestic product per capita, which was in 1945 only 85 per cent of the corresponding figure for 1938, had already risen to the pre-war level in 1948, and by 31 per cent from 1948 to 1955.

During the prolonged period of inflation, the linking of wages to the index was widely practised in the Finnish labour market. This index mechanism in itself formed a potential risk for further inflation, and insofar as index compensation had to be paid, it actually raised the level of earnings. During the war, wages had on an average to be raised by two thirds of the rise in the cost of living index. At the beginning of 1945, compensation was officially increased to 100 per cent and the decision on wage regulation in force from October 1947 to the beginning of 1950 provided for a 5.5 per cent rise in wages against every 5 per cent rise in the cost of living index. On this latter basis, however, wages were raised twice only, for the prices of black market goods included in the special cost of living index calculated for wage control purposes fell off when supplies increased.

In 1950, automatic full compensation was again adopted, and in July 1950 and January 1951 wages were raised in all by the equivalent of three 5 per cent rises in the index. After that, no index compensation was effected before the automatic linking to the index ceased to be in force on the abolition of wage control in the beginning of 1956. According to a joint recommendation issued in November 1955 by the central authorities of employers' and workers' organisations, future index compensation was to depend on negotiations between the labour market

organisations concerned. However, agreement on the rises had not been reached before the general strike broke out. Nor did the demands for full compensation for the rise in prices which had been occasioned by the strike lead to the payment of index compensation. The index clause reappeared in the collective agreements concluded as a result of prolonged negotiations in the summer of 1957, although now on a two-thirds compensation basis. In March/April 1958, there was effected a 4 per cent rise in wages based on the index. The present collective agreements, signed at the turn of the year 1958/59, include no index clause.

Although the increase in earnings due to excess demand for labour and to the development of the index played an important part, these factors alone do not explain the particularly substantial wage increases during 1945—1947, 1950—1951 and 1956. It should be noted that the spontaneous wage increase also often occurred in circumstances characterised by excess demand for labour.

In the economically and institutionally changed conditions after the second world war, the trade unions with their increased membership had gained greatly in bargaining power. In the politically altered circumstances, the trade unions had on many occasions, often by threatening a general strike, been able to effect changes in the wage control system, which was in force almost uninterruptedly from 1942 to 1956. It should be mentioned that the system of collective agreements was not generally adopted in Finland until after the war, so that the relations between the labour market organisations do not possess those traditions and stabilised forms that have for instance characterised the Scandinavian labour market. Moreover, owing to internal factors within the trade unions, it was difficult to secure a common line in wage policy, at any rate before 1951.

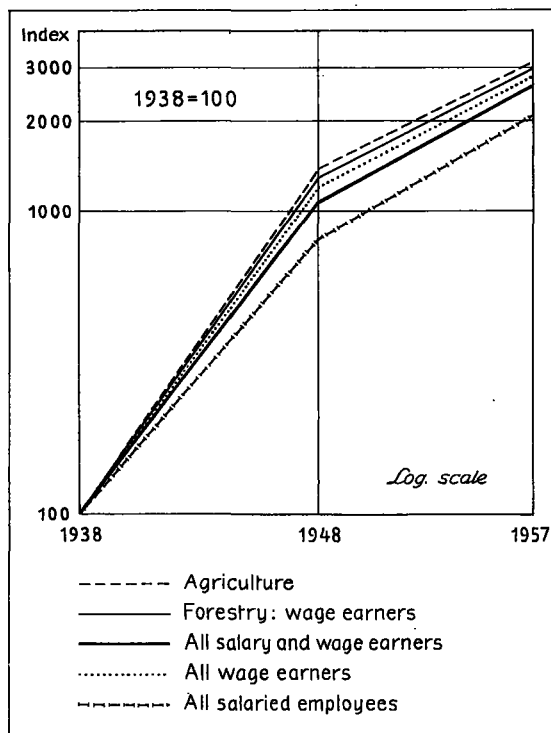


Diagram 1.

The spontaneous rise in the level of earnings was also furthered by demands for „lag compensation”, inspired by comparisons of wages made by various categories of workers. The wartime wage control and the so-termed „solidaristic policy” pursued by the trade union movement aimed at a levelling of wages and a more „equitable” wage structure. Thus in 1948, manual labourers’ earnings were 12 times as high, but office workers’ earnings only 8 times as high as in 1938. A similar tendency was visible between different trades, in that wages increased more rapidly in agriculture and forestry than in industry. Although from 1951 to the last quarter of 1957, office workers’ earnings increased by 45 per cent, and those of manual labourers by 37 per cent, striking changes had occurred in the relative wages

of different categories of workers between 1938 and 1957, as shown in diagram 1.

REAL EARNINGS

After the second world war, the workers endeavoured to raise real wages to the pre-war level by an increase in nominal wages. Owing to the rapid economic growth, and to the redistribution of incomes, they attained this object comparatively quickly. By 1948, real earnings were on an average 17 per cent higher than in 1938, yet all wage-earners did not participate in this increase. In 1948, the real earnings of manual labourers were about 30 per cent higher, but those of office workers slightly more than 10 per cent lower than they had been in 1938.

As will be seen from diagram 2, nominal earnings rose more rapidly during 1948—1958 than did productivity as gauged by the estimated real domestic product per person employed. This was reflected in prices, and accounts for real earnings rising less (32 %) than nominal earnings (131 %) from 1948 to 1956. It can be noted from the diagram that real earnings increased between 1948 and 1951 by about 16 per cent, and by about 14 per cent between 1953 and 1956, whereas in 1952—1953 they remained stationary. When economic activity decreased in 1957—1958, real earnings also declined.

THE SHARE OF WAGES IN THE NATIONAL INCOME

The great rise in wage-earners’ nominal and real earnings from 1938 to 1948 occurred partly through changes in the functional distribution of incomes. Thus the share of labour income in the national income grew from 50 to about 60 per cent. As shown in the table on page 21, in 1948—1958 this share

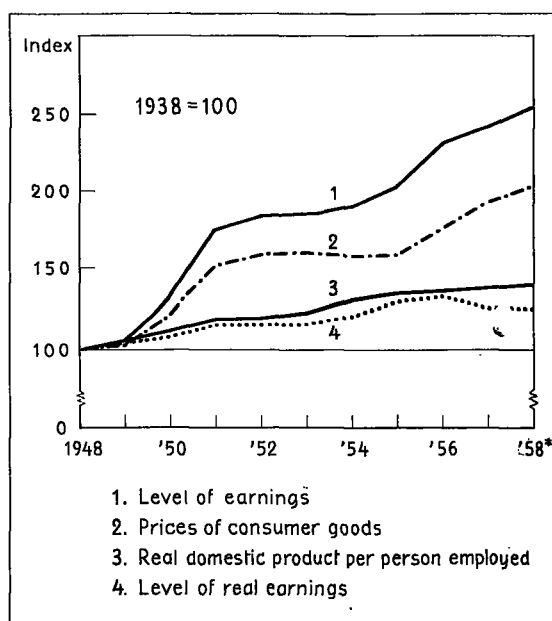


Diagram 2.

averaged 61.5 per cent. The annual changes were very slight, yet they clearly reflected the business fluctuations; in prosperous years, the share of labour income was slightly less than during the years of weaker economic activity.

In micro-analysis, it may be assumed that the share of wages in the net product remains unchanged if real wages follow the development of productivity. In macro-analysis, however, one is brought up against difficult problems of aggregation. The quantitative results are often influenced by structural changes in the economy. Thus

	Index of national income	Index of labour income ¹⁾	Ratio of labour income to national income ¹⁾ per cent
1948	100	100	59.1
1949	105	110	61.8
1950	135	141	61.7
1951	201	199	58.7
1952	200	210	62.3
1953	201	211	62.2
1954	222	232	61.7
1955	251	261	61.3
1956	283	299	62.3
1957	294	315	63.3
1958	307	325	62.6

¹⁾ Labour income includes wages and salaries plus „other labour income“, i. e., family allowances, national pensions premiums and other social expenditure by the employer.

according to diagram 2, productivity, measured by real domestic product per person employed, advanced more rapidly than did real earnings, yet according to the above table, the share of labour income increased from 1948 to 1958.

It should be noted, however, that since 1948 the Finnish economy has undergone changes in structure that have also affected the development of the share of labour income. Production has expanded more rapidly in the trades where the proportion of wages is high in relation to the net product. Thus, if the effects of structural shifts between trades are eliminated, it will be found that both the ratio of labour income to national income and the ratio of real earnings to productivity, have developed in the same direction, in other words, that both proportions have somewhat decreased in comparison with 1948.

ITEMS

Travellers' exchange. By the decision of the Bank of Finland, the allocations of foreign exchange for travel were doubled on March 24. A Finnish resident is now entitled to purchase, without special application, up to the equivalent of 40 000 marks in the currencies of countries concerned for each journey to the Scandinavian countries, and up to the equivalent of 80 000 marks for travel to other countries. The maximum amount of 20 000 marks in Finnish currency which each traveller is permitted to take abroad and bring back into Finland remains unchanged.

*

IBRD: Finland's 18 per cent subscription. Since July 1954, the 18 per cent share of Finland's capital subscription in the World Bank has been available for the financing of purchases of capital goods in Finland within the lending activities of the World Bank.

On February 26, 1959, the Finnish Government decided that, in addition to this, the World Bank would be entitled to convert from this portion of Finland's subscription an amount not exceeding one million dollars annually into any foreign currency it required. The same provisions should apply to repayments of loans granted by the World Bank from these funds.

The 18 per cent share of Finland's capital subscription to the World Bank amounts to \$ 6.84 million, paid to the Bank in Finnish currency.

*

Trade agreements. Finland has recently concluded trade agreements with the following countries.

Bulgaria, on March 9. Period: 1959. Finland's export quota includes mechanical pulp, paper, cardboard, paper and cardboard products, and machinery. Her import quota comprises tobacco, sugar, fruit and farm produce. — In 1958, trade with Bulgaria totalled 319 million marks. The estimate for 1959 is somewhat higher.

Rumania, on April 13. Period: 1959. The quotas are the same as for 1958. Finnish imports will include oil products, chemicals, machinery and accessories, and hardwood, etc., while exports will include viscose staple fibres, paper bags, paper, and products of the metal industry. — In 1958, imports from Rumania amounted to 1 264 million marks and exports to Rumania 679 million.

*

Unemployment relief. On March 20, the President of the Republic signed an Act relating to relief payments to unemployed persons. By the terms of the Act, allowances will be paid to persons registered as unemployed, for whom the authorities have not been able to provide work, and who are considered to be in particular need of aid. The allowances will range from 410 to 600 marks per day, and they may be paid for a maximum of 90 days. They will be paid out by the local governments, which will be reimbursed by the State to the extent of three fourths on an average of the expenditure.

This Act will be in force from April 1 to the end of the year.

*

Motor vehicles in use. The numbers of cars registered at the ends of 1957 and 1958 were as follows.

	1957	1958
Private cars	126 864	139 222
Lorries	42 328	42 717
Buses	4 965	5 219
Delivery vans	8 517	10 525
Other	2 162	2 340
Total	184 836	200 023

At the end of 1958, there were about 46 units to every 1 000 of the population. From 1946 to 1958, the stock of cars increased about 6 times, or by an average of 14 000 units per annum. The number of private cars increased 16-fold, and the number of lorries etc. about 3-fold. In spite of this considerable growth, 36 per cent of private cars are still 7 years of age or more, the corresponding proportions being 42 per cent for lorries and 38 per cent for delivery vans.

During 1958, 82 per cent of all new private cars were imported from Western

Europe or the USA. In comparison with 1957, the share of these countries increased by about 2 per cent.

The number of motor cycles registered at the end of 1958 was 89 060 as against 86 252 one year previously.

In February 1959, there were 203 851 cars and 89 811 motor cycles on the register.

*

Publications of the Bank of Finland. In Series B, the following new publication has appeared: 20. J. J. Paunio, Tutkimus avoimen inflaation teoriasta (A study in the theory of open inflation). Issued in Finnish with a summary in English. Helsinki 1959, 154 p.

BANK OF FINLAND

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Governor

ESKO K. LEINONEN

A. SIMONEN

AHTI KARJALAINEN
*(Absent as a member of
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REINO ROSSI

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Credits

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Administration

BERO ASP,
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