



BANK OF FINLAND

MONTHLY BULLETIN

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OCTOBER

1960

RECENT DEVELOPMENTS

EMPLOYMENT

The employment situation in Finland continued satisfactory during the summer months. It was fairly easy to place the young people who had left school, or were willing to work during their summer holidays. An occasional shortage of some skilled labour as well as of forest, harbour, building and farm workers occurred but in general the supply of labour was abundant. These favourable conditions have continued into the autumn, neither unemployment nor over-employment having existed to any significant extent.

The number of unemployed has thus remained very low. The official registers, which in practice record only unskilled workers, have even been closed since the end of May. Nevertheless, according to the labour force sample survey (see article in this issue), 1.0 per cent of the total labour force were unemployed in July. This figure relates to persons who had according to their own statements been unemployed for more than one week owing to a lack of work. For the first seven months, the average unemployment was 1.9 per cent; in January—July 1959 it was 2.6 per cent.

During the second quarter of the current year, total employment was 3 per cent higher than one year earlier, and during the first quarter the difference was 2 per cent.

The corresponding advance in the net domestic product was 7 per cent in the second quarter and 11 per cent in the first. These figures imply an appreciable rise in productivity: 6—7 per cent for the first six months of the year. Apart from technical progress, the rise was caused by a change in the composition of production and employment. There was a steep rise in those industries where productivity is relatively high, and stagnation, or decline, in industries where productivity is low, and especially in agriculture.

The following figures show the increase in the average employment in some industries from the first half of 1959 to the first half of 1960.

	Increase per cent
Forestry, floating	17
Manufacturing, mining, quarrying	7
House-building	24
Commerce	7
Services etc	6

This rise in employment would not have been possible had Finland not had a considerable labour force reserve in agriculture and in unemployed workers. It seems that agricultural workers were not fully occupied in 1958 and 1959, and thus that reinforcement could be given by this source to other

On page 18, A Current Labour Force Survey in Finland

industries when these were ready to absorb new labour. During the first half of 1960, the number of agricultural workers employed was 11 per cent less than one year earlier, and 18 per cent less than two years earlier. In addition, employment in road and waterway construction has fallen off appreciably, the average for the first half of the current year being 21 per cent lower than the corresponding figure for 1959. This was mostly due to the reduction of unemployment relief work.

In spite of the high level of employment, some seasonal unemployment is expected during the winter months, although it will be considerably less than last winter. The official unemployment registers will probably not be opened until the beginning of next year. This will partly be due to a change in employment policy introduced by an act passed in June. By this act, public works will henceforth be more effectively adapted to the seasonal variations of employment, and more widely used as a preventive against unemployment. Next winter's unemployment will to a decisive degree be dependent on the extent of forest work. During the past summer, the quantities felled were less than in the summer of 1959, but by August the labour force working in the forests was already on a level with the numbers employed in August 1959. During the coming winter, fellings will in all probability exceed those of the winter of 1959/60.

TRANSPORT

The volume of transport and communications has grown slightly more rapidly than the total of economic activity. A growth of about 10 per cent over 1959 is anticipated for the whole year. The most marked rise has taken place in shipping, owing to the expansion in both imports and exports. Difficult ice conditions hampered activities during the winter months, so that the first quarter figures were not much higher than the corresponding figures for 1959. From April to August, however, the activity of Finnish tonnage exceeded by 30 per cent the corresponding figure of one year previously.

The growth in foreign trade is also seen in the figures for railway transport. During the nine first months of the current year, the transportation of export and import goods (in terms of goods trucks loaded) exceeded last year's corresponding figures by 22 and 26 per cent respectively. As for other goods transport, the increase on 1959 was only 7 per cent. The total number of goods trucks loaded during January—September was 13 per cent larger than one year earlier. Some bottlenecks have appeared occasionally, but they have been of minor significance.

The sales of petrol and diesel oil indicate a considerable rise in road transport.

October 17, 1960.

BANK OF FINLAND

Mill. mk

	1959		1960			
	Sept. 30	Dec. 31	Sept. 8	Sept. 15	Sept. 23	Sept. 30
BALANCE SHEET						
Assets						
<i>Ordinary note cover</i>	72 036	76 694	75 325	75 834	74 661	74 375
Gold	8 473	8 454	8 455	8 455	8 455	8 455
Foreign exchange	60 278	64 611	59 880	59 295	58 102	57 815
Foreign bills	454	366	425	504	524	525
Foreign bonds	2 831	3 263	6 565	7 580	7 580	7 580
<i>Supplementary note cover</i>	22 907	27 016	36 344	35 241	41 679	38 813
Inland bills discounted						
In foreign currency	11 863	11 535	10 842	10 842	10 842	10 842
In Finnish currency	3 769	3 888	6 551	6 203	6 042	5 897
Rediscounted bills	400	4 718	13 326	12 571	20 420	17 699
Treasury bond loan	6 875	6 875	5 625	5 625	4 375	4 375
<i>Other assets</i>	22 300	18 096	12 285	12 748	12 365	13 032
Finnish bonds	3 566	2 620	3 289	3 724	3 194	3 959
Cheque accounts	274	267	363	367	494	358
Finnish coin	775	654	774	789	781	776
Other claims	17 685	14 555	7 859	7 868	7 896	7 939
Total	117 243	121 806	123 954	123 823	128 705	126 220
Liabilities						
<i>Notes in circulation</i>	62 467	69 435	67 262	17 064	68 542	70 391
<i>Short-term liabilities</i>	18 893	17 814	20 618	20 452	23 488	18 999
Foreign exchange accounts	1 905	2 116	4 009	3 876	3 909	3 870
Mark accounts of holders abroad	4 645	4 780	3 767	3 872	3 883	3 876
Cheque account of the Treasury	11 028	6 418	11 538	11 172	14 579	10 254
Cheque accounts of banks	644	3 856	719	783	380	105
Other cheque accounts	613	233	288	314	401	517
Other short-term liabilities	58	411	297	435	336	377
<i>Long-term liabilities</i>	14 661	14 089	11 445	11 444	11 394	11 394
Foreign	11 214	11 060	10 375	10 375	10 375	10 375
Finnish	3 447	3 029	1 070	1 069	1 019	1 019
<i>Equalisation accounts</i>	6 507	5 482	8 562	8 744	9 140	9 261
<i>Bank's own funds</i>	14 715	14 986	16 067	16 119	16 141	16 175
Capital	10 000	10 000	10 000	10 000	10 000	10 000
Reserve fund	3 739	3 739	4 362	4 362	4 362	4 362
Profits undisposed	—	—	624	624	624	624
Earnings less expenses	976	1 247	1 081	1 133	1 155	1 189
Total	117 243	121 806	123 954	123 823	128 705	126 220
STATEMENT OF NOTE ISSUE						
Right of note issue						
Ordinary cover	72 036	76 694	75 325	75 834	74 661	74 375
Supplementary cover						
(Upper limit 50 000 mill. mk)	22 907	27 016	36 344	35 241	41 679	38 813
Total	94 943	103 710	111 669	111 075	116 340	113 188
Note issue						
Notes in circulation	62 467	69 435	67 262	67 064	68 542	70 391
Short-term liabilities	18 893	17 814	20 618	20 452	23 488	18 999
Undrawn on cheque credits	892	929	833	829	703	838
Unused right of note issue	12 691	15 532	22 956	22 730	23 607	22 960
Total	94 943	103 710	111 669	111 075	116 340	113 188

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

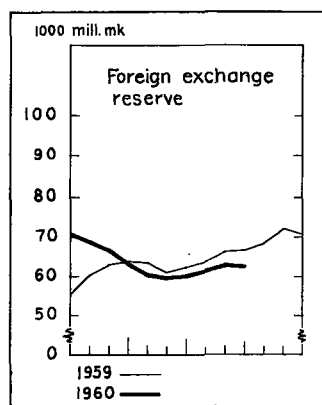
BANK OF FINLAND

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		
								Cheque accounts of banks	Account of the Mortgage Bank of Finland Oy	Net claims on the banks (7—8—9)
	1	2	3	4	5	6	7	8	9	10
1951	34 317	3 594	30 723	1 644	3 693	28 674	16	—218	—	234
1952	22 099	13 141	8 958	7 024	5 524	10 458	17 217	2 088	—	15 129
1953	27 898	8 737	19 161	8 329	9 237	18 253	8 268	2 157	—	6 111
1954	36 573	7 017	29 556	8 206	10 102	27 660	8 465	2 187	—	6 278
1955	35 938	3 855	32 083	9 427	11 617	29 893	22 628	8 383	1)	14 245
1956	29 410	4 601	24 809	11 271	15 337	20 743	33 665	1 167	280	32 218
1957	38 429	4 569	33 860	17 642	20 185	31 317	24 912	2 405	—42	22 549
1958	57 558	2 178	55 380	12 619	16 013	51 986	18 707	1 474	2 080	15 153
1959	73 065	2 116	70 949	9 249	15 840	64 358	4 718	3 856	252	610
1959										
Aug.	67 276	1 507	66 209	11 002	15 514	61 697	120	2 010	—227	—1 663
Sept.	68 751	1 905	66 846	10 761	15 859	61 748	400	644	—101	—143
Oct.	70 542	2 141	68 401	9 985	15 727	62 659	486	1 387	419	—1 320
Nov.	74 191	2 133	72 058	9 715	15 672	66 101	315	1 556	285	—1 526
Dec.	73 065	2 116	70 949	9 249	15 840	64 358	4 718	3 856	252	610
1960										
Jan.	71 164	2 228	68 936	9 035	15 796	62 175	2 428	—164	309	2 283
Feb.	69 135	2 329	66 806	8 410	15 179	60 037	3 054	85	52	2 917
March	66 821	3 658	63 163	7 982	15 153	55 992	4 620	749	179	3 692
April	64 550	3 854	60 696	9 710	14 978	55 428	13 072	56	237	12 779
May	63 921	4 085	59 836	9 495	14 487	54 844	13 811	951	71	12 789
June	63 865	3 865	60 000	9 167	14 351	54 816	18 493	691	179	17 623
July	65 468	3 904	61 564	9 659	14 330	56 893	16 046	294	83	15 669
Aug.	66 894	3 993	62 901	9 187	14 106	57 982	16 028	332	169	15 527
Sept.	66 270	3 870	62 400	10 304	14 251	58 453	17 699	105	309	17 285

1) Including cash reserve accounts 6 677

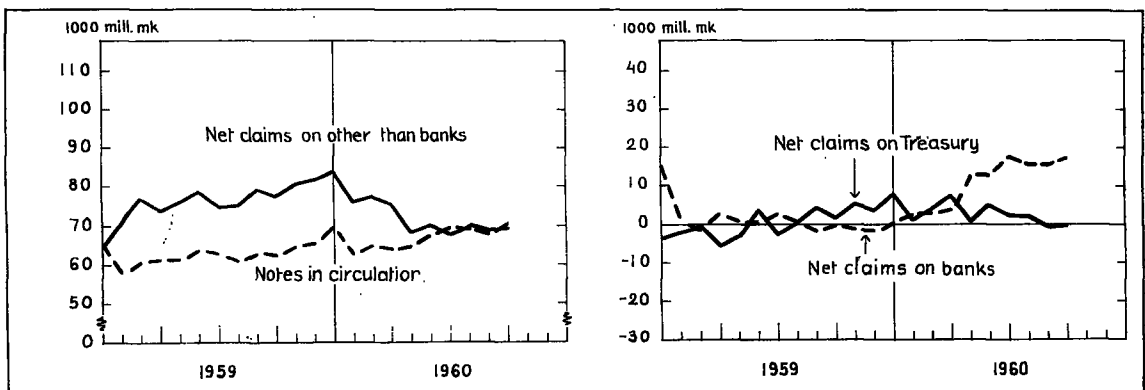
Category of currency	Foreign exchange reserve (col. 3 above) 1 000 mill. mk				
	1958	1959	1960		
	Dec. 31	Dec. 31	July 30	Aug. 31	Sept. 30
Gold	7.8	8.4	8.4	8.4	8.4
Convertible currencies ..	31.2	49.7	38.9	39.4	39.6
Non-transferable OBEC *	7.7	4.7	3.7	3.8	3.8
Eastern Block currencies..	8.2	4.4	4.4	4.9	4.0
Other currencies	0.5	3.7	6.2	6.4	6.6
Total	55.4	70.9	61.6	62.9	62.4



BANK OF FINLAND

Mill. mk

End of year and month	Treasury					Trade and industry				Notes in circulation
	Bills and bonds	Advances for stand-by stocks	Liabilities		Net claims on the Treasury 1+2-3-4	Inland bills in Finnish currency	Other advances	Liabilities	Net claims on the public (6+7-8)	
			Cheque account	Long-term						
	1	2	3	4	5	6	7	8	9	10
1951	8 685	—	—	—	8 685	11 567	4 549	301	15 815	44 774
1952	14 738	—	—	—	14 738	14 678	5 672	2 185	18 165	46 153
1953	21 662	—	7 281	—	14 381	13 812	7 405	2 314	18 903	45 019
1954	21 662	—	15 470	—	6 192	11 940	6 895	791	18 044	47 902
1955	21 660	—	9 816	1 294	10 550	14 437	9 306	7 357	16 386	55 883
1956	19 160	—	10 550	2 310	6 300	14 922	10 547	5 205	20 264	60 735
1957	16 021	—	5 145	3 965	6 911	12 909	14 425	561	26 773	60 640
1958	9 033	4 335	7 146	9 502	— 3 280	8 823	14 296	525	22 594	65 075
1959	10 326	6 786	6 418	3 029	7 665	3 888	10 500	392	13 996	69 435
1959										
Aug.	8 745	5 274	6 236	3 685	4 098	4 632	13 066	241	17 457	62 808
Sept.	10 326	5 617	11 028	3 447	1 468	3 769	13 177	671	16 275	62 467
Oct.	10 326	6 116	7 643	3 374	5 425	3 961	11 279	500	14 740	64 583
Nov.	10 326	6 664	10 201	3 308	3 481	4 250	10 662	496	14 416	65 427
Dec.	10 326	6 786	6 418	3 029	7 665	3 888	10 500	392	13 996	69 435
1960										
Jan.	10 326	5 431	11 625	2 955	1 177	4 002	10 553	605	13 950	62 949
Feb.	10 014	4 024	7 238	2 678	4 122	5 120	10 367	560	14 927	64 854
March	8 764	4 035	3 388	2 041	7 370	5 694	10 422	323	15 793	64 013
April	7 244	4 134	9 251	1 734	393	6 078	10 376	251	16 203	65 815
May	7 244	4 265	4 808	1 565	5 136	6 832	10 245	446	16 631	67 376
June	7 244	4 597	8 129	1 344	2 368	7 000	10 051	497	16 554	69 698
July	7 244	5 037	9 107	1 224	1 950	6 498	10 248	409	16 337	69 463
Aug.	7 244	5 158	11 851	1 120	— 569	6 042	9 983	541	15 484	67 967
Sept.	5 994	5 269	10 254	1 019	— 10	5 897	10 052	585	15 364	70 391



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	Commercial banks	Savings banks	Co-op. credit societies & their central bank	Post Office Savings Bank	Savings departments of co-op. stores	All credit institutions	
	Commercial 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	49 575	18 277	122 256	131 260	74 272	38 167	19 191	385 175	453 027
1959	55 749	67 809	15 667	150 548	152 546	86 033	43 120	21 913	454 189	537 665
1959										
Aug.	47 447	58 030	12 425	138 372	140 510	79 301	40 919	20 407	419 538	489 993
Sept.	49 915	62 451	20 646	138 873	141 980	80 302	41 038	20 673	422 895	505 992
Oct.	50 061	62 757	12 527	140 531	144 298	81 167	41 180	20 891	428 096	503 380
Nov.	52 776	64 676	12 319	142 703	146 558	82 608	41 442	21 172	434 512	511 507
Dec.	55 749	67 809	15 667	150 548	152 546	86 033	43 120	21 913	454 189	537 665
1960*										
Jan.	50 344	60 407	10 424	152 020	154 071	87 069	43 474	22 303	458 966	529 797
Feb.	51 520	61 375	14 471	155 066	156 103	88 975	44 261	22 710	467 137	542 983
March	51 761	62 736	14 481	158 941	159 110	91 527	44 716	23 093	477 410	554 627
April	49 694	60 447	11 985	160 943	160 117	92 599	44 681	23 219	481 583	554 015
May	53 991	65 801	13 195	163 190	161 794	93 929	44 750	23 278	486 965	565 961
June	54 253	65 426	13 784	163 976	161 612	93 361	44 773	23 205	486 956	566 166
July	53 943	65 041	12 673	165 457	162 867	93 882	45 098	23 324	490 655	568 369
Aug.	54 126	67 424	13 284	166 963	165 110	94 973	45 513	23 464	496 050	576 758
Sept.	57 022	70 090	14 341	167 902	166 663	96 568	45 628	23 951	500 741	585 172

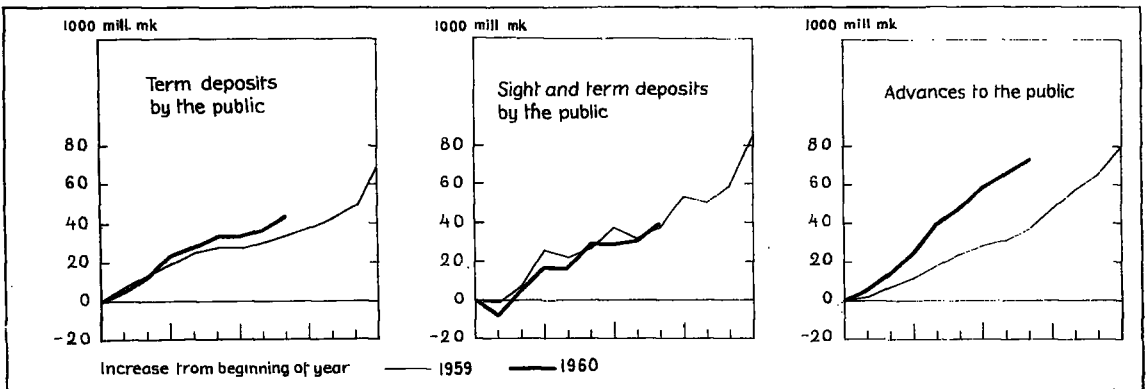
End of month	Index-tied deposits		
	1958	1959	1960
Jan.	85 733	79 991	24 350
Feb.	87 884	76 797	21 413
March	89 735	72 012	19 079
April	89 777	65 620	18 100
May	90 611	61 022	17 718
June	91 041	56 605	17 429
July	91 386	52 298	17 143
Aug.	91 543	48 628	16 979
Sept.	87 640	41 179	16 395
Oct.	85 954	34 207	
Nov.	84 711	30 560	
Dec.	83 290	28 057	

Selling rates for foreign exchange			
Sept. 30, 1960			
		mk	mk
New York ...	1 \$	321:—	Brussels 100 Fr 643:—
Montreal	1 \$	328: 50	Zurich 100 Fr 7 453:—
London	1 £	902:—	Paris 100 NF 6 553:—
Stockholm ...	100 Kr	6 220:—	Rome 100 Lit 51: 72
Oslo	100 Kr	4 509:—	Vienna 100 Sch 1 242:—
Copenhagen ..	100 Kr	4 668:—	Lisbon 100 Esc 1 126:—
Frankfurt a/M	100 DM	7 698:—	Reykjavik 100 Kr 847:—
Amsterdam ...	100 G	8 518:—	Prague, clear... 100 Kč 4 458:—
			Moscow, clear. 100 Rbl 8 025:—

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
	Commercial 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	115 481	29 027	83 511	21 931	401 155	23 337	424 492	124 527
1959	209 686	132 725	33 138	96 730	32 578	477 264	27 593	504 857	142 998
1959									
Aug.	184 965	126 191	31 600	90 550	27 689	437 066	23 929	460 995	128 511
Sept.	190 749	127 980	32 369	91 957	28 771	446 076	25 750	471 826	139 508
Oct.	196 254	129 702	32 566	93 800	29 229	455 552	25 999	481 551	134 288
Nov.	200 782	131 592	32 626	94 833	30 241	463 309	26 765	490 074	137 583
Dec.	209 686	132 725	33 138	96 730	32 578	477 264	27 593	504 857	142 998
1960*									
Jan.	211 026	134 342	33 510	97 496	33 337	480 821	28 890	509 711	129 455
Feb.	217 135	135 681	33 884	98 116	34 089	488 705	30 200	518 905	131 320
March	222 749	137 133	33 984	100 212	35 225	499 743	29 560	529 303	133 702
April	230 904	139 152	34 484	102 531	37 049	513 265	30 855	544 120	131 300
May	232 510	141 062	35 356	104 208	38 826	522 430	29 532	551 962	137 962
June	239 831	142 505	36 316	104 888	39 657	531 162	32 035	563 197	139 625
July	241 923	144 324	35 974	106 948	40 506	538 136	31 539	569 675	141 264
Aug.	243 093	146 999	37 447	108 866	41 315	546 517	31 203	577 720	141 298
Sept.	246 811	149 369	38 110	111 436	42 166	556 602	31 290	587 892	..

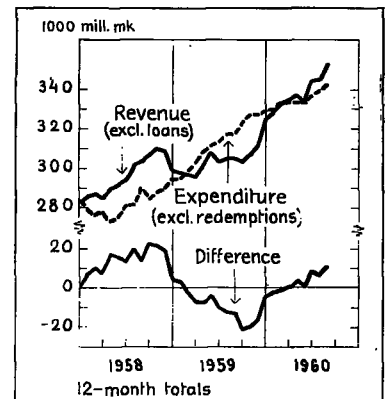


STATE FINANCES

1000 mill. mk

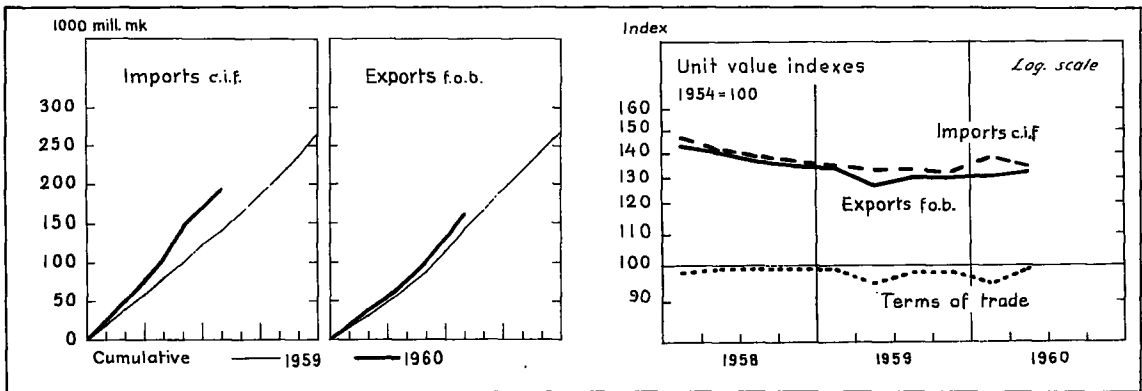
Revenue	Jan. — Aug.		Expenditure	Jan. — Aug.	
	1959	1960		1959	1960
Income and property tax (net)	44.6	49.1	Interest on State debt	4.6	4.2
Gross receipts	(84.8)	(118.6)	Child allowances	15.1	15.4
Refunds and communal income tax	(-40.2)	(-69.5)	The State's share in national pensions	5.7	5.5
Other direct taxes	0.8	0.7	Compensations to war-disabled	5.0	5.1
Purchase tax	46.1	55.9	Transfer of employers' payments for national pensions to the National Pensions Institution	4.4	3.5
Import duties	25.5	30.3	Subsidies	21.3	22.4
Revenue from Alcohol Monopoly	13.4	16.6	Net payments on price equalisation by extra-budgetary funds	0.8	2.8
Excise duty on tobacco	12.5	13.1	State aid to agriculture	3.7	3.2
Excise duty on liquid fuel	6.4	8.1	State aid to communal and private schools	15.6	17.1
Other excise duties	3.3	3.6	Net loss of State enterprises	—	—
Tax on automobiles and motor cycles	1.2	1.5	Maintenance of roads	4.8	5.7
Stamp duties	9.5	11.2	Other current expenditure	64.2	71.4
Employers' payments for child allowances and national pensions	16.9	19.1	Current expenditure	145.2	156.3
Net receipts of price equalisation by extra-budgetary funds	—	—	Real investments	43.3	45.8
Other revenue similar to taxes	3.1	3.3	Other capital expenditure	23.0	22.2
Total taxes	183.3	212.5	Capital expenditure	66.3	68.0
Interest and dividends	3.9	3.6	Total expenditure	211.5	224.3
Net profit of State enterprises	0.2	0.8	Redemption of external loans	5.3	2.1
Other current revenue	6.7	6.3	Redemption of internal loans	8.2	11.3
Current revenue	194.1	223.2	Redemption of indemnity bonds etc.	0.9	1.7
Capital revenue proper	10.0	5.4	Index premiums	0.6	0.7
Decrease in inventories	2.0	6.4	Redemptions	15.0	15.8
Capital revenue	12.0	11.8	Total	226.5	240.1
Total revenue	206.1	235.0			
External loans	—	—			
Internal loans	15.0	12.1			
Loans	15.0	12.1			
Short-term credit (increase +) ..	+1.5	-3.8			
Deficit (+) or surplus (-)	+3.9	-3.2			
Total	226.5	240.1			

Debt	1956	1957	1958	1959	1960		
	Dec.	Dec.	Dec.	Dec.	July	Aug.	Sept.*
External debt	61.5	81.8	79.0	76.6	75.2	75.2	74.5
Ordinary loans	50.7	52.9	61.5	72.2	73.8	72.8	74.5
Indemnity bonds etc. ..	7.1	7.4	7.3	6.5	5.4	4.8	4.7
Short-term credit	—	—	1.2	4.1	0.5	0.4	0.2
Cash debt (net)	8.8	9.6	-1.7	-5.8	-9.9	-8.6	..
Internal debt	66.6	69.9	68.3	77.0	69.8	69.4	..
Total debt	128.1	151.7	147.3	153.6	145.0	144.6	..
Total debt, mill. \$	554.5	472.7	459.8	479.7	451.4	450.1	..



FOREIGN TRADE

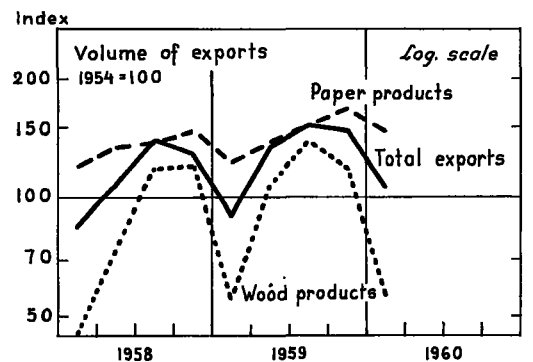
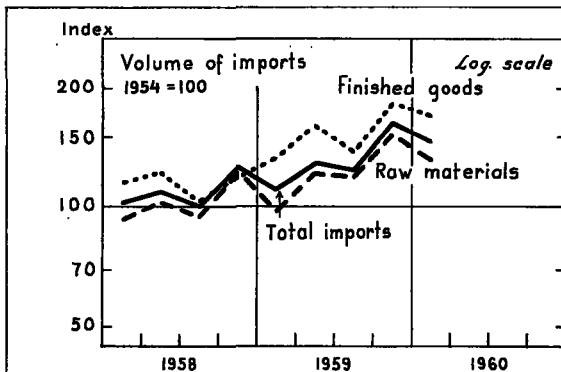
Period	Value, mill. mk			Unit value indexes 1954 = 100						
	Imports c. i. f.	Exports f. o. b.	Surplus of imports (-) or exports (+)	Articles of export f. o. b.					Articles of import c. i. f.	Terms of Trade
				Total	Round and hewn timber	Wood industry products	Paper industry products	Metal, en- gineering industry products		
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
1959*	266 789	267 241	+ 452	130	120	121	131	152	133	98
Jan. — July										
1958	131 975	131 101	- 874							
1959*	141 797	143 026	+ 1 229							
1960*	193 379	162 299	-31 080							
1959*										
Oct.	23 997	25 686	+ 1 689	130	116	123	130	151	132	98
Nov.	26 993	24 882	- 2 111							
Dec.	30 403	24 591	- 5 812							
1960*										
Jan.	24 687	18 395	- 6 292	131	114	124	130	159	138	95
Feb.	24 704	18 641	- 6 063							
March	26 504	17 552	- 8 952							
April	29 031	21 937	- 7 094	132	122	129	135	136	134	99
May	40 796	24 458	-16 338							
June	20 863	30 889	+10 026							
July	26 794	30 427	+ 3 633							



FOREIGN TRADE BY MAIN GROUPS

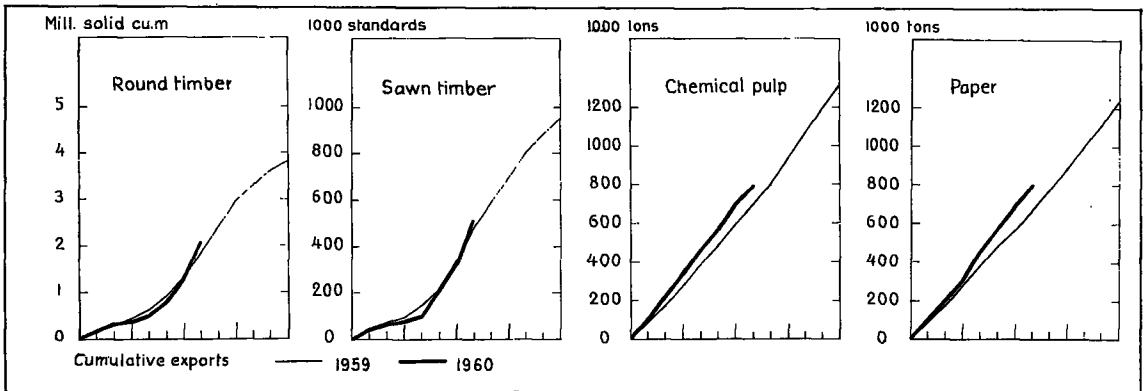
Mill. mk

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						
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	119 502	32 658	48 797	32 345	10 651	19 346	57 818	115 173	34 036	10 910
1959*	133 808	28 118	67 043	37 820	14 853	16 290	63 662	117 003	44 068	11 365
Jan. — July										
1958	67 090	16 927	28 972	18 986	6 161	9 069	28 112	64 515	17 435	5 809
1959*	70 013	13 926	37 151	20 707	8 653	7 870	32 520	62 448	25 944	5 591
1960*	92 928	16 572	56 461	27 418	9 416	9 024	39 530	73 906	22 901	7 522
1959*										
Sept.	12 569	2 285	5 336	2 915	1 083	2 267	6 754	11 281	4 260	1 183
Oct.	12 207	2 699	5 865	3 226	1 121	1 613	7 272	11 101	3 347	1 232
Nov.	14 265	2 894	6 280	3 554	922	1 210	5 570	10 846	5 194	1 140
Dec.	14 711	3 915	6 802	4 975	2 065	995	5 408	11 650	3 334	1 139
1960*										
Jan.	13 226	2 149	5 967	3 345	1 364	662	3 203	8 797	3 556	813
Feb.	12 025	2 890	6 459	3 330	1 616	615	2 876	9 703	3 161	670
March	12 569	2 089	7 903	3 943	1 093	303	2 633	10 770	1 809	944
April	13 648	1 993	8 719	4 671	1 225	607	3 451	12 950	2 756	948
May	18 965	2 939	13 875	5 017	1 447	1 383	7 209	10 161	3 064	1 194
June	9 894	1 779	5 467	3 723	1 272	2 307	9 125	11 331	5 346	1 508
July	12 601	2 733	8 071	3 389	1 399	3 147	11 033	10 194	3 209	1 445



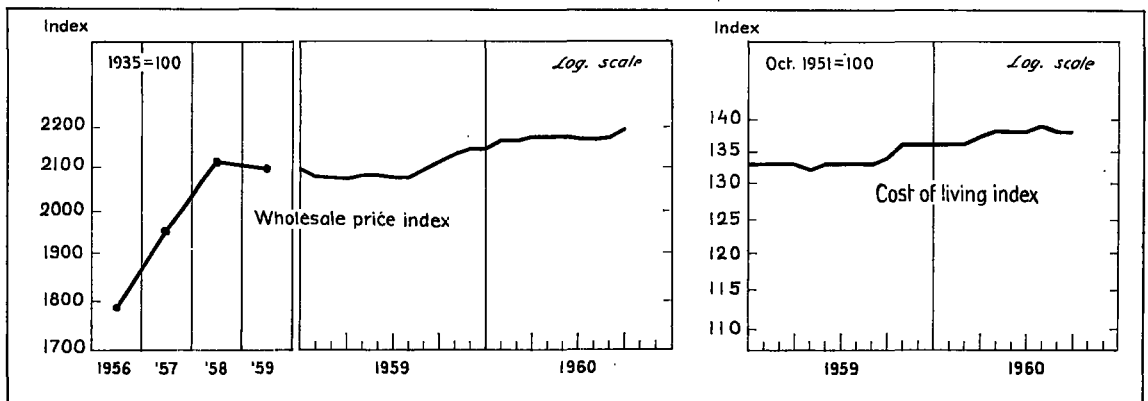
EXPORTS OF SOME IMPORTANT ARTICLES

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
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
1959*	3 812	950	296	139	770	549	142	110	576	1 244
Jan. — July										
1958	1 786	323	133	74	412	255	84	46	327	630
1959*	1 851	480	165	78	394	297	76	59	312	674
1960*	2 066	511	204	102	517	273	88	76	386	802
1959*										
Sept.	535	107	28	9	81	57	12	9	52	114
Oct.	364	110	32	13	73	51	14	12	54	118
Nov.	294	80	25	12	80	50	13	11	56	111
Dec.	208	69	31	16	82	50	14	11	61	126
1960*										
Jan.	160	36	24	10	67	35	10	9	43	95
Feb.	152	25	28	14	67	40	12	10	56	105
March	65	17	31	13	81	45	14	12	49	106
April	134	24	36	16	83	43	16	12	75	155
May	301	99	29	20	65	37	12	12	55	112
June	502	134	33	20	85	40	12	10	50	118
July	752	176	23	9	69	33	12	11	58	111



FOREIGN TRADE BY COUNTRIES

Area and country	Imports c.i.f.					Exports f.o.b.				
	Whole year		Jan. — July			Whole year		Jan. — July		
	1958	1959	1959*	1960*	1958	1959*	1959*	1960*		
	%	%	%	%	Mill. mk	%	%	%	%	Mill. mk
Sterling area	17.9	16.3	17.0	16.8	32 384	25.6	26.7	27.0	28.3	45 998
United Kingdom	17.2	15.7	16.4	16.1	31 093	22.1	23.3	23.7	24.9	40 333
Other OEEC countries ..	45.2	49.4	49.7	52.4	101 317	37.5	36.5	35.5	39.0	63 406
Austria	0.5	0.6	0.6	0.7	1 315	0.2	0.2	0.2	0.2	294
Belgium-Luxembourg	2.8	2.5	2.5	3.0	5 806	3.6	3.7	3.6	3.6	5 891
Denmark	2.4	2.3	2.5	2.5	4 821	3.0	3.3	3.1	3.5	5 721
France	4.7	5.1	5.1	6.4	12 320	6.2	4.7	4.7	4.5	7 233
Western Germany	16.5	17.9	17.7	18.7	36 186	10.8	10.9	10.2	11.4	18 502
Italy	1.5	1.8	1.8	1.8	3 397	1.8	1.8	1.8	2.1	3 378
Netherlands	4.3	4.5	4.8	4.1	7 873	4.4	5.4	5.3	5.9	9 567
Norway	1.2	1.6	1.5	1.4	2 680	0.7	0.7	0.6	1.1	1 834
Portugal	0.1	0.2	0.2	0.2	327	0.1	0.1	0.1	0.1	122
Spain	0.6	0.5	0.4	0.5	1 060	1.1	0.2	0.2	0.2	357
Sweden	8.3	9.2	9.9	10.3	20 006	3.6	3.2	3.2	4.8	7 771
Switzerland	1.7	2.3	2.2	2.4	4 562	0.7	0.4	0.6	0.4	621
Eastern Bloc	25.6	24.5	23.6	20.8	40 315	24.8	23.5	23.7	18.8	30 482
China	0.5	0.5	0.8	0.2	436	1.1	2.0	2.7	0.7	1 136
Czechoslovakia	1.2	1.4	1.7	1.4	2 755	1.2	0.7	0.6	0.8	1 304
Eastern Germany	1.7	1.6	1.5	1.4	2 785	1.7	1.3	1.1	1.4	2 192
Poland	3.1	2.4	2.4	2.0	3 870	2.6	2.1	2.2	1.9	3 031
Soviet Union	18.0	17.9	16.5	15.1	29 185	17.3	16.7	16.5	13.4	21 708
U.S. and Canada	5.5	5.4	4.7	6.4	12 373	4.7	5.9	6.0	6.0	9 696
United States	5.3	5.1	4.6	6.2	11 983	4.6	5.8	5.9	5.8	9 477
Latin America	4.4	3.5	3.8	2.5	4 924	4.5	4.9	5.4	6.0	9 687
Argentina	0.3	0.5	0.7	0.7	1 290	1.0	0.9	1.1	1.2	1 951
Brazil	3.7	2.5	2.6	1.5	2 890	2.4	2.8	3.0	3.4	5 561
Others	1.4	0.9	1.2	1.1	2 066	2.9	2.5	2.4	1.9	3 030
Grand total	100.0	100.0	100.0	100.0	193 379	100.0	100.0	100.0	100.0	162 299
of which										
EFTA countries	31.3	31.8	33.2	33.5	64 804	30.3	31.3	31.4	34.9	56 696
EEC countries	29.8	31.8	32.0	33.9	65 582	26.9	26.5	25.6	27.5	44 571



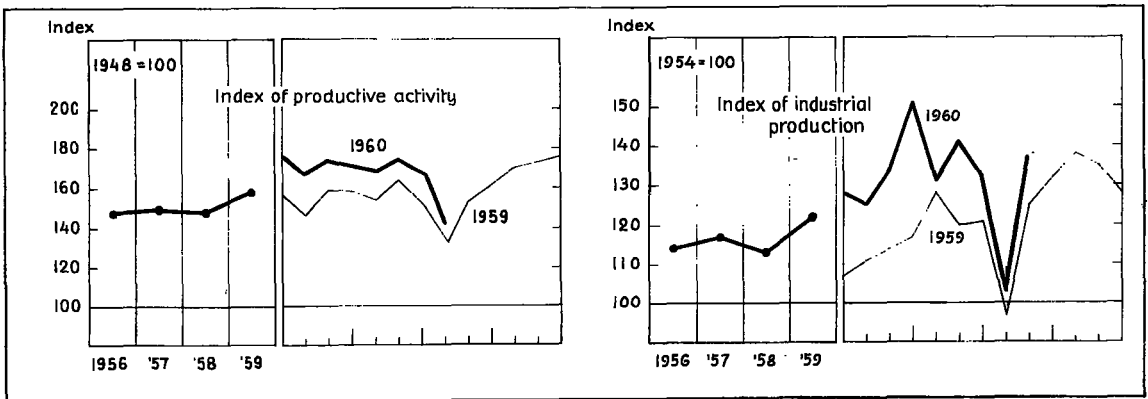
PRICE INDEXES

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				
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
1959	2 096	2 134	2 198	3 060	1 801	2 016	118	110	128
1959									
Aug.	2 092	2 132	2 240	3 005	1 803	2 005	119	111	132
Sept.	2 114	2 163	2 261	3 086	1 820	2 008	119	110	130
Oct.	2 134	2 187	2 251	3 198	1 825	2 020	119	111	130
Nov.	2 141	2 201	2 278	3 203	1 838	2 014	119	111	130
Dec.	2 144	2 203	2 284	3 202	1 840	2 017	119	112	130
1960									
Jan.	2 161	2 221	2 352	3 200	1 849	2 033	119	112	128
Feb.	2 163	2 228	2 351	3 199	1 862	2 022	120	112	130
March	2 166	2 231	2 367	3 196	1 861	2 029	120	114	129
April	2 168	2 234	2 373	3 205	1 863	2 026	120	113	129
May	2 171	2 238	2 356	3 230	1 865	2 028	121	113	132
June	2 168	2 239	2 338	3 242	1 868	2 017	122	114	134
July	2 170	2 246	2 360	3 243	1 873	2 010	123	114	136
Aug.	2 173	2 247	2 294	3 307	1 875	2 014	123	115	135
Sept.	2 191	2 275	2 285	3 452	1 875	2 011	124	114	140

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
1957	124	132	260	99	80	117						
1958	132	140	277	102	83	129	103	103	102	99	103	105
1959	134	141	280	98	85	134	105	103	104	95	105	109
1959												
Aug.	133	140	274	97	84	134	104	103	101	94	105	109
Sept.	134	143	274	96	85	135	105	105	101	93	106	110
Oct.	136	144	292	96	85	135	107	106	108	93	106	110
Nov.	136	144	292	96	85	135	107	106	108	93	106	110
Dec.	136	143	292	96	85	135	107	105	108	93	106	110
1960												
Jan.	136	144	295	98	85	135	107	106	109	95	106	110
Feb.	136	144	295	98	85	135	107	105	109	95	106	110
March	137	144	295	97	86	136	108	106	109	95	106	111
April	138	146	295	97	86	136	108	107	109	95	106	111
May	138	146	295	97	86	136	108	108	109	94	106	111
June	138	148	295	97	86	136	108	109	109	94	106	111
July	139	149	295	97	86	136	109	110	109	94	107	111
Aug.	138	148	295	97	86	136	109	109	109	94	107	111
Sept.	138	148	295	97	87	136	109	109	109	95	108	111

PRODUCTION - INTERNAL TRADE

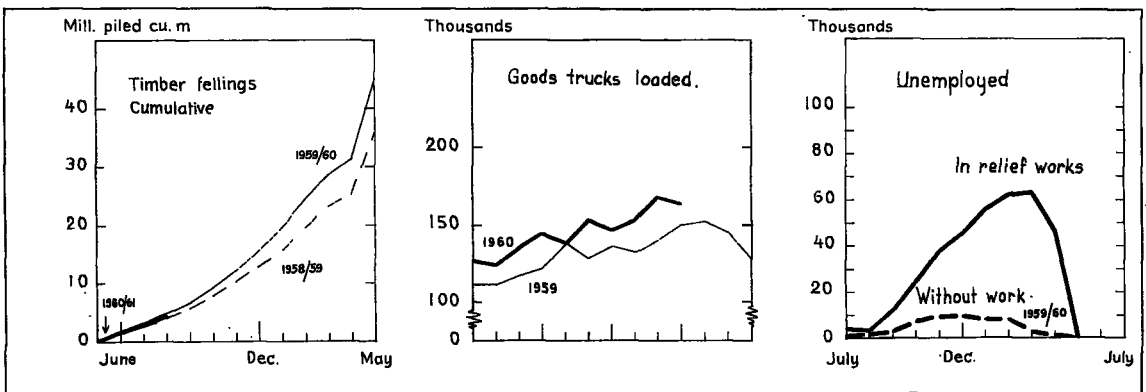
Period	Index of industrial production 1954 = 100								Commercial timber fellings 1 000 piled cu. m	Milk received by dairies 1 000 litres	Wholesale trade volume index 1954 = 100
	Total	Investment goods	Other producer goods	Consumer goods	Special indexes of manufacturing						
					Wood industry	Paper industry	Metal industry	Other			
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	119	116	118	82	134	115	117	40 919	2 085	114
1958	113	111	114	112	87	134	106	110	37 981	2 109	109
1959*	122	116	125	121	98	143	118	120	38 100	2 317	121
1959*											
May	120	106	121	123	96	139	112	121	10 121	235	123
June	121	117	118	126	111	129	117	122	1 782	252	118
July	97	75	105	94	90	135	80	95	1 323	228	117
Aug.	125	117	125	129	94	145	119	128	1 671	201	132
Sept.	132	130	134	129	99	162	132	128	1 768	182	135
Oct.	138	129	144	133	102	164	135	136	2 640	166	130
Nov.	135	129	143	125	95	169	131	132	2 809	165	127
Dec.	128	129	132	121	106	147	131	120	3 636	176	136
1960*											
Jan.	125	120	129	120	101	157	122	114	4 094	179	101
Feb.	134	133	137	130	125	162	133	125	4 680	175	119
March	151	152	153	146	145	178	152	141	4 084	196	134
April	132	125	133	134	132	148	127	129	2 597	228	139
May	142	136	145	141	139	171	139	135	13 081	251	144
June	132	127	133	133	139	144	131	127	1 646	261	132
July	103	84	116	90	115	157	86	90	997	239	124
Aug.	137	126	138	139	110	174	126	136	1 684	235	150



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
1957	20.81	9.56	3.20	4.14	2.68	20.86	100	100	100	100
1958	19.29	8.46	3.08	3.57	2.93	20.38	105	103	103	105
1959	19.85	8.36	3.42	4.50	2.39	20.46	110	106	104	111
1959										
Jan. - Mar.	3.22	1.38	0.32	0.89	0.50	18.16	108	106	99	109
Apr. - June	3.10	1.33	0.42	0.72	0.39	21.74	110	107	105	111
July - Sept.	6.23	2.50	1.25	1.12	0.92	22.93	111	106	105	111
Oct. - Dec.	7.33	3.15	1.43	1.82	0.58	20.46	111	104	105	112
1960*										
Jan. - Mar.	4.01	1.61	0.33	1.39	0.54	20.66	113	113	107	114
Apr. - June	4.10	1.53	0.52	1.24	0.59	24.77	115	111	108	117

Period	Railways		Foreign shipping				Unemployed at end of month			
	Goods trucks loaded Thousands		Vessels arrived with cargo — 1 000 net reg. tons				Without work Number		In relief works Number	
	1959	1960*	1959	1960*	1959	1960*	1959	1960*	1959	1960*
Jan.	112	124	307	431	359	345	20 520	8 567	72 956	55 603
Feb.	117	135	232	284	271	319	19 201	6 251	79 765	61 505
March	122	144	281	266	333	288	12 393	2 864	80 903	62 923
April	138	138	289	350	365	366	905	961	72 800	45 802
May	128	153	402	554	461	564	928	—	41 724	—
June	136	147	544	675	686	849	858	—	8 137	—
July	132	153	545	759	775	1 053	893	—	4 276	—
Aug.	140	168	513	736	692	1 006	1 379	—	3 629	—
Sept.	150	163	436	576	671	812	3 026	—	11 926	—
Oct.	152		462		602		6 753		24 036	
Nov.	146		465		530		9 347		37 772	
Dec.	127		463		483		9 547		45 331	



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 + Prepayments for exports. *Other foreign liabilities* = Mark accounts of holders abroad + Long-term foreign 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, Prepayments for exports and Advances for stand-by stocks. *Liabilities* = Other short-term liabilities + Other cheque accounts + Deposits against import licences (in 1955—56) — 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 public + Finnish bonds + Finnish coin — Equalisation accounts = Notes in circulation + Bank's own funds — Net claims on the banks.

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.

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. *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 37, Conservatives 29, Swedish Party 14, Social Democrat Opposition 14, 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 (1959): 4.4 million. Sweden 7.4, Switzerland 5.2, Denmark 4.5 and Norway 3.6 million.

DENSITY OF POPULATION (1959): In South Finland 24.7, in North Finland 4.0 and in the whole country an average of 14.5 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1959): 62.4 % of the population inhabit the rural areas, 37.6 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital, 454 192 inhabitants, Tampere (Tammerfors) 123 686, Turku (Åbo) 122 240.

OCCUPATIONS (1950): Agriculture and forestry 42 %, industry 29 %, commerce 7 %, transport and communications 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 (1960): Practically all persons over 15 years of age are literate. There are 5 universities (the oldest founded in 1640), 7 colleges of university standard, and 2 teachers' training colleges, besides teacher-training departments in two of the universities.

INCREASE OF POPULATION (1959): births 18.9 ‰, deaths 8.8 ‰, increase 9.4 ‰. Deaths in France 11.2 ‰ and in Great Britain 11.7 ‰.

TRADE AND COMMUNICATIONS

NATIONAL INCOME (1959, in thousand million marks): Gross domestic product at market prices 1 260 (excl. repairs and maintenance). Net domestic product at factor cost, by industrial origin: agriculture 121 (12 %), forestry and fishing 87 (9 %), manufacturing 312 (31 %), construction 103 (10 %), transport and communications 81 (8 %), commerce, banking and insurance 127 (12 %), general government 124 (12 %), other services 65 (6 %), total 1 020. Index of real domestic product 106 (1957 = 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 (1957): Gross value of industrial production 912 000 mill. marks, number of workers 309 000, administrative employees 58 000, motive power (1957) 2.6 mill. HP. Index of industrial production 117 for 1957 (1954 = 100).

RAILWAYS (Jan. 1, 1960): Length 5 369 km, of which 5 295 km are State and 74 km private railways. The gauge of State railways 1,524 m.

MERCHANT FLEET (Sept. 30, 1960): Steamers 221 (316 391 gross reg. tons), motor vessels 206 (428 264 gross reg. tons), sailing vessels with auxiliary engines 91 (9 383 gross reg. tons). Total 518 (754 038 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1959): Private cars 163 000, lorries and delivery vans 57 900, buses 5 900, others 2 100. Total 228 900.

AIR TRAFFIC: (Dec. 1, 1959) Number of aircraft in scheduled traffic 21, other aircraft 71. In 1958, 424 000 passengers were carried by the two Finnish companies; over 177 million passenger kilometres and 2.3 million ton kilometres of freight and mail were transported.

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 marka). 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 13 branch offices in other towns.

OTHER CREDIT INSTITUTIONS (Dec. 31, 1959). There are two big and three small commercial banks with in all 564 offices, 395 savings banks, 548 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 1/4 %. Other credit institutions: term deposits 4 1/2 % (12 months' deposits 5 %, index-tied deposits 3 1/4 %) and sight deposits in savings banks and cooperative credit societies 1/2 %; lending rate 7 % in general.

A CURRENT LABOUR FORCE SURVEY IN FINLAND

BY

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Since the war, economic statistics have in general progressed rapidly in Finland, although those concerned with the labour force and employment have lagged behind. Only one complete population census has been taken in Finland (in 1950), and the labour force statistics collected from employers have principally related to the manufacturing industries. A valuable computation was made recently by the Central Statistical Office regarding employment in 1938 and in 1948—1959; this was carried out by combining all the available material (O. Niitamo: The development of employment in Finland in 1938—1959. Bulletin of Statistics 1959: 12). In order to obtain continuous data of the size of the total labour force, its structure and employment, and their seasonal fluctuations, at the beginning of 1958 the Labour Research Bureau of the Ministry of Communications and Public Works initiated a labour force survey, which it is intended to continue next year.

THE METHOD EMPLOYED

The International Labour Office recommends that the best method of compiling statistics concerned with the labour force is to draw a sample of the total population of working age, as the statistics obtained from

employers in many countries, including Finland, do not in fact cover the whole of the labour force. Such sample surveys are made in the United States, Canada, Japan and some smaller countries; in Sweden the labour force survey is also in the experimental stage.

As a study of the American type, with a network of interviewers, is very costly, it was decided in Finland to try the method of mail inquiries.

For the survey, a one-stage unstratified sample of 10 000 persons was taken from the population register for 1958; this represented about 0.3 per cent of the total population aged 15 or over. For the following two years, the sample comprised 20 000 persons, and for 1961 the number will be 30 000, or about 1 per cent of the population of working age, i. e. those between 15 and 64 years.

The whole sample is divided into four sub-samples (of 5 000 persons in 1959—1960). The forms are sent to the sub-samples in turn, each one receiving a form about every other month. As the observation period consists of three weeks, and the periods overlap by one week, the results for alternate weeks are based on a sample of 10 000 persons. The inquiry covers the full 52 weeks of the year.

An estimate of the size of the working age population is obtained from the Central Statistical Office, the number of those incapable of work being estimated on the basis of the total receiving disability and old age pensions from the National Pensions Institution. By means of the labour force survey, the division of the working age population into those included in the labour force and those not included in it is then estimated. The labour force is considered to comprise all those who were at work for at least one day during the survey week — excluding those engaged in housework in their own homes — and those who were unemployed, or on holiday, or temporarily absent from work because of illness. Thus, outside the labour force there remain only housewives engaged in housework in their own homes, those attending school, students, those in national service, disabled persons and inmates of prisons, hospitals etc.

With the help of the questions in the forms, the labour force is then classified by industries according to the kind of work the persons have reported that they have done during the survey week. The unemployed are classified on the basis of their most recent activity. The industrial groups correspond fairly closely to the international classification. As opposed to the American labour force survey, an attempt is made to estimate the number of work days in different industries (labour input). The respondents indicate in the forms how many days in each week they have been at work, how many days unemployed, sick or on leave etc. By this means, the distribution of the labour force is estimated according to industries.

In addition, there is obtained a classification of the labour force into the following groups: 1) employers, self-employed workers and unpaid family workers; 2) wage earners; 3) salaried employees.

THE LABOUR FORCE BY TYPE OF INDUSTRY

An examination is made below of some of the data provided by the survey concerned with the distribution of the labour force according to industries, the seasonal fluctuations in its employment, and unemployment.

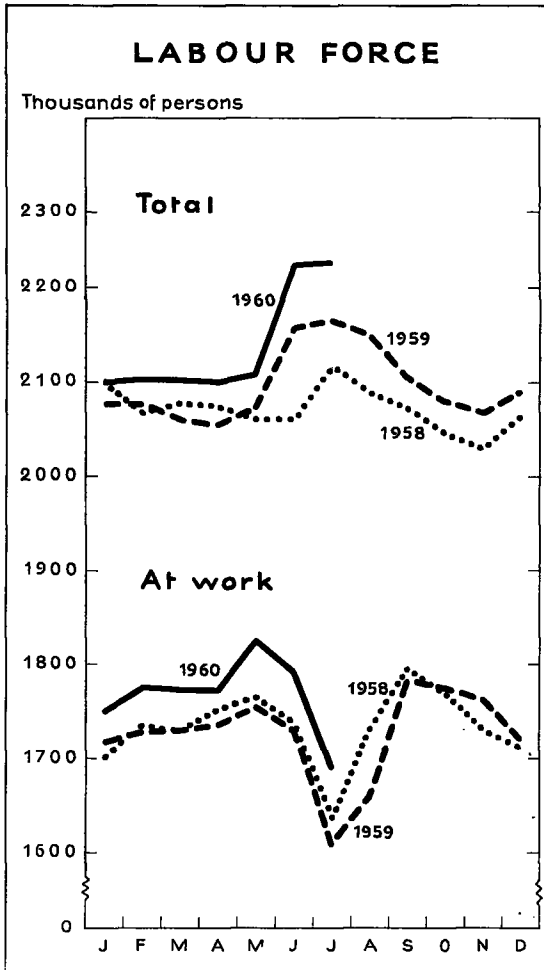
Earlier data regarding the structure of the total labour force exist only for 1950, when the first complete census was taken. The particulars thus given relate to the turn of the year 1950/51. In the following table, they are compared with the averages for January 1959 and 1960 of the labour force survey.

	1950/51	1959 per cent	1960
Agriculture	39.3	28.3	25.1
Forestry	5.9	10.0	11.6
Total	45.2	38.3	36.7
Manufacturing	21.5	21.5	22.2
House-building	4.0	4.7
Other construction	5.6	4.3
Total	6.2	9.6	9.0
Commerce	8.1	10.3	10.9
Transport and communications	5.4	5.5	6.2
Other industries	12.2	13.7	15.0
Total	25.7	29.5	32.1
Unknown	1.4	1.1	—
Grand total	100.0	100.0	100.0

Although the results of the census and of the survey are not fully comparable, owing to their difference in nature, it can nevertheless be maintained that some important structural changes have occurred.

The share of agriculture and forestry fell off during the ten years by nearly ten percentage points, or by slightly less than 1 per cent per annum. Nevertheless, these branches of primary production still bind a considerably higher proportion of the labour force in Finland than is the case in Sweden for instance.

The share of manufacturing and handicrafts has remained more or less unchanged. As Finland has not progressed far on the



road to industrialisation, this appears surprising. During this decade, however, appreciable rationalisation and growth in productivity have made possible a rise in production with no particular increase in the proportion of labour engaged in manufacturing. The Economic Programme Committee, which recently concluded its work, has estimated that manufacturing productivity rose in 1948—1959 by an average of about 3 per cent per annum. The share of building also grew, and is relatively high in comparison with that in many other countries.

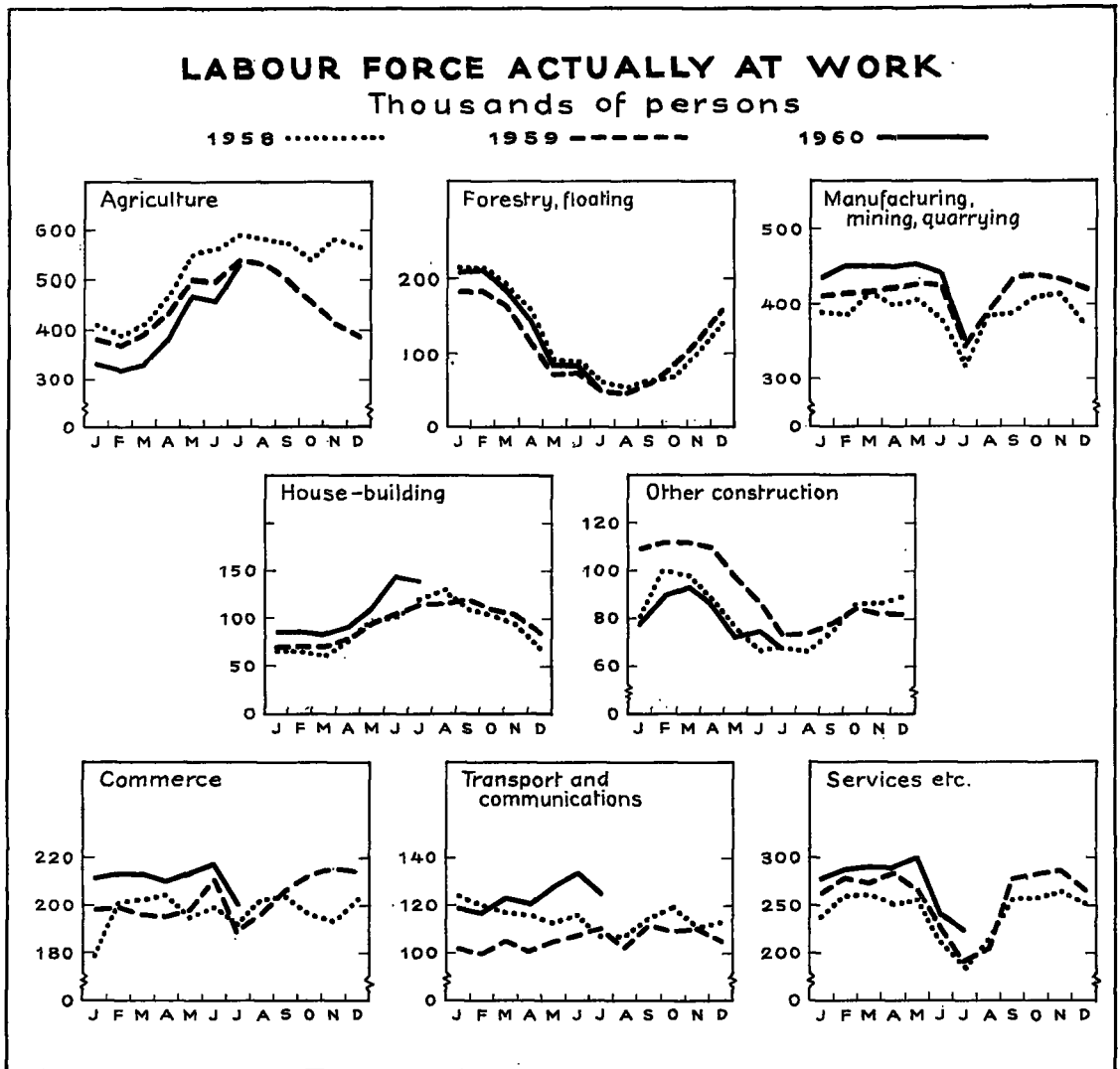
The part played by commerce, transport, communications and services increased during the last ten year period by 6—7 percentage points, or slightly less than 1 per cent per year. These branches should continue to grow considerably in Finland. In manufacturing, rationalisation and automation may entail a slowing down and cessation of the relative growth of the labour force, as has been observed in more developed countries, but the activities mentioned above do not offer the same opportunities for rationalisation. As the demand for services grows relatively most when the standard of living rises, the respective categories of labour will increase, both absolutely and proportionately. In the United States, their share in the total labour force is some 56 per cent.

SEASONAL FLUCTUATIONS

In Finland, some industries show considerable seasonal fluctuations as regards their employment figures. The same phenomenon is visible in the total labour force (diagram above). The following Table shows the size of the labour force in selected months of 1959 and 1960. The figures represent thousands.

	1959	1960
January	2 077	2 099
February	2 076	2 103
May	2 073	2 108
June	2 157	2 223
August	2 150	..
September	2 105	..
December	2 091	..

In the summer months, the total labour force increases by about 100 000, as it is joined by schoolchildren, students and possibly other classes of people. A proportion of these are required mainly for the replacement of people on holiday, but some remain permanently on the labour market. Most schools and colleges end their terms in the spring, which explains the influx of new



age-groups at this season. A similar, though much smaller, increase occurs at the turn of the year, principally owing to the Christmas holidays.

The diagram above illustrates the labour force by industry. The greatest seasonal fluctuations are shown in agriculture and forestry, and in building, as is natural in view of Finnish climatic conditions. If the numbers of workers in agriculture and forestry are added together, their combined

seasonal fluctuations are comparatively small. In July 1959, when the number of workers in these industries was at its peak, the figure was only 53 000 higher than that in November, when it was at its lowest. As it is probable that a considerable part of the temporary summer labour force is employed in agriculture, the difference in the regular labour force is rather less. In agriculture, the range of fluctuations was much larger, or 167 000 persons, while in forestry it amounted to 137 000.

The seasonal fluctuations in house-building and in other construction balanced each other very well. Their combined labour force was at its peak in September, and at its lowest in January, ignoring December with its frequent holidays. The difference between those months was only 20 000 persons, due mainly to the construction of roads and waterways carried out in recent years, principally by way of unemployment relief work, and accordingly undertaken during the winter months.

In house-building, a mitigation of the seasonal fluctuations has been visible with the development in methods of building during the winter. The seasonal fluctuations in forestry have also moderated to some extent. In land and waterway construction, work would probably be concentrated far more than at present in the period of unfrozen ground, were it not undertaken on Government initiative in the winter with a view to relieving winter unemployment.

UNEMPLOYMENT

In the labour force survey all those persons were regarded as unemployed who, according to their own statements, were willing

and able to perform paid work, but were unable to do so owing to the lack of work. This concept conforms with the view of unemployment taken in the corresponding surveys of the United States and Canada. The following Table shows the proportion of persons unemployed for a whole week, as a percentage of the labour force in 1958—1960. It should be noted that the figures for 1958 are rather uncertain by reason of the small sample and the small group of persons concerned.

	1958	1959	1960
January	3.3	3.8	2.6
February	3.0	3.4	2.5
March	3.8	3.4	2.1
April	3.3	2.1	2.1
May	2.6	1.7	1.8
June	3.0	1.7	1.1
July	2.9	1.8	1.0*
August	2.9	2.0	..
September	2.1	1.7	..
October	2.5	1.6	..
November	3.2	1.8	..
December	4.5	2.4	..

As the unavoidable frictional unemployment is generally taken to be about 2—3 per cent of the total labour force, the above figures are extremely low. During these years, unemployment in Finland has been substantially restrained by the organisation of unemployment relief work.

ITEMS

IFC investments in Finland. The International Finance Corporation has announced two investment commitments in Finland, amounting to a total of 650 million marks, equivalent to \$ 2 031 000. These are the Corporation's first investments in Finland.

In July, the Corporation agreed to invest \$ 156 000 in a well-known Finnish textile manufacturing group comprising the companies Tricol Oy and Kutomotuote Oy. The investment will help finance the construc-

tion and operation of a new plant, expansion of production and relocation of part of the group's operations.

In September, the Corporation announced its commitment to invest \$ 1 875 000 in Rauma-Repola Oy, one of Finland's largest manufacturing companies. The investment will help finance the expansion and modernisation of the company's diversified manufacturing operations.

The Budget for 1961. On September 13, the Government presented its budget proposal for next year to the Diet. The main groups of revenue and expenditure are shown below, in comparison with the corresponding figures in the finance report for 1959 and the totals of the ordinary and the supplementary budgets for 1960.

	1961 Budget proposal	1960 Ordinary & suppl. budgets	1959 Finance Report
million marks			
Revenue:			
Current	332 599	316 713	309 421
Capital	18 282	12 621	24 718
Loans	36 860	34 885	20 978
Total	387 741	364 219	355 117
Expenditure:			
Current	262 060	240 178	231 147
Capital	101 553	100 947	105 505
Redemption	24 097	22 958	18 090
Total	387 710	364 083	354 742

Personal income tax rates are to be reduced in correspondence with the rise in the price level since 1958. The corporate tax is also reduced for that part of the revenue which is distributed as dividends. The total yield of taxes is entered as 263 000 million marks, or 11 000 million more than in the combined budgets for 1960.

Current expenditure is increased by 9 per cent, many administrative services being expanded. Of these should be mentioned the increasing share of the State in National Pensions, as well as pensions to war-disabled persons. The total of subsidies remains almost unchanged; those for exports are raised by 2 600 million marks, but home price subsidies are marked down by 2 500 million marks.

Capital expenditure is about the same as in 1960. It is assumed that the need of unemployment funds for public investment will be less than in 1960. Altogether, 27 200 million marks is earmarked for unemployment purposes. Investments in military equipment and railways are considerably increased. Investments in state-owned companies, 3 635 million marks, include 300 million for a Finno-Norwegian wood-processing plant.

Some 9 per cent of expenditure will be financed by internal borrowing. The sum appropriated for redemption is two-thirds of the total of new loans.

*

Agricultural prices. By the terms of the law tying the prices of farm products to agricultural costs (see Bulletin No. 9, 1960 p. 2, No. 9, 1959 p. 2 and No. 10, 1958 p. 22), the annual calculation of farmers' receipts and costs was made in August. This showed a deficit which necessitated a 0.5 per cent increase in receipts. From September 1, the producer prices of rye, wheat, pork, eggs and milk were slightly raised. The effect on consumer prices was very small.

*

Publications of the Bank of Finland. In Series B, the following new publication has appeared: 23, Jaakko Lassila, Kansantalouden kirjanpito (National Accounting System). Issued in Finnish. Helsinki 1960, 90 p.

BANK OF FINLAND

BOARD OF MANAGEMENT

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Governor

ESKO K. LEINONEN

A. SIMONEN

AHTI KARJALAINEN

REINO ROSSI

*(Absent as a member of
Government)*

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Credits

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Administration

EERO ASP,
*Foreign affairs
(On leave of absence)*

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*Information
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