



BANK OF FINLAND

Monthly Bulletin

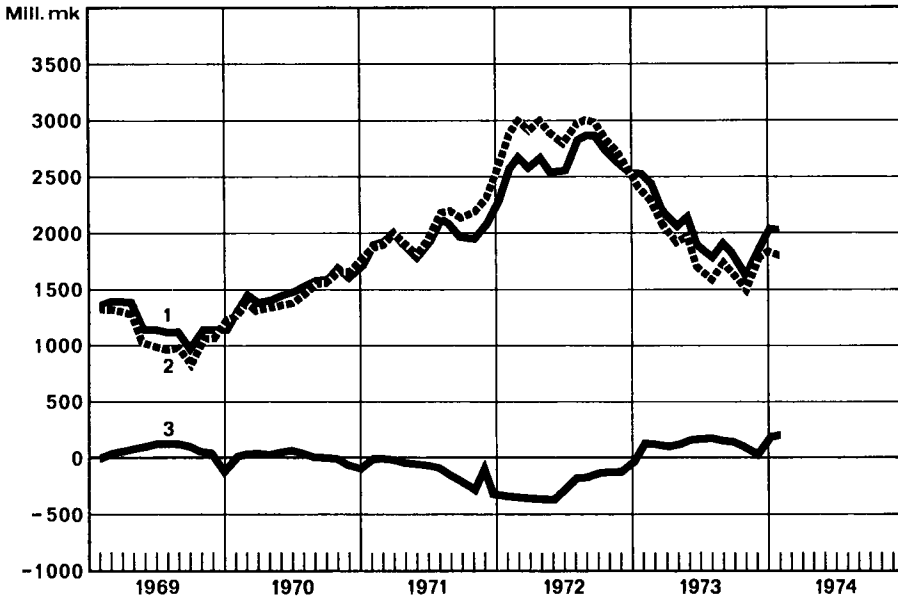
**Recent measures in agricultural
policy**

**Reforms in the administration of
labour protection**

MARCH 1974

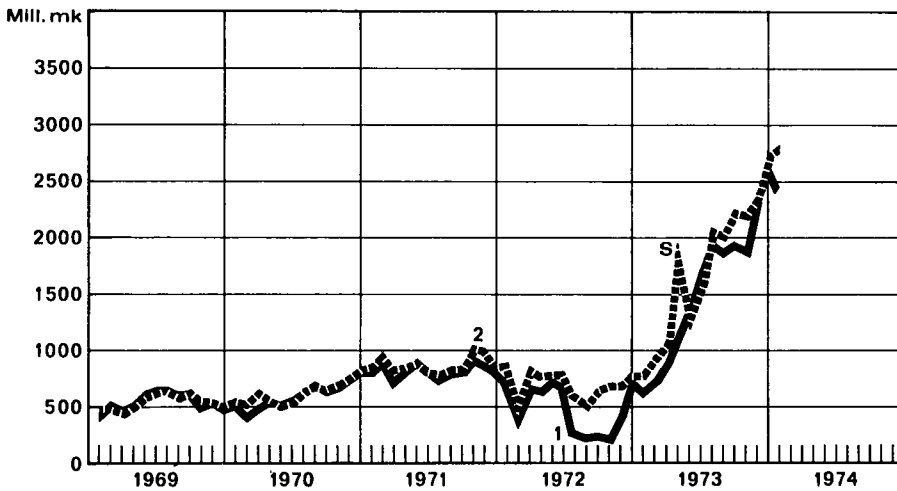
Vol. 48 No. 3

Bank of Finland foreign exchange reserve, 1969-1974



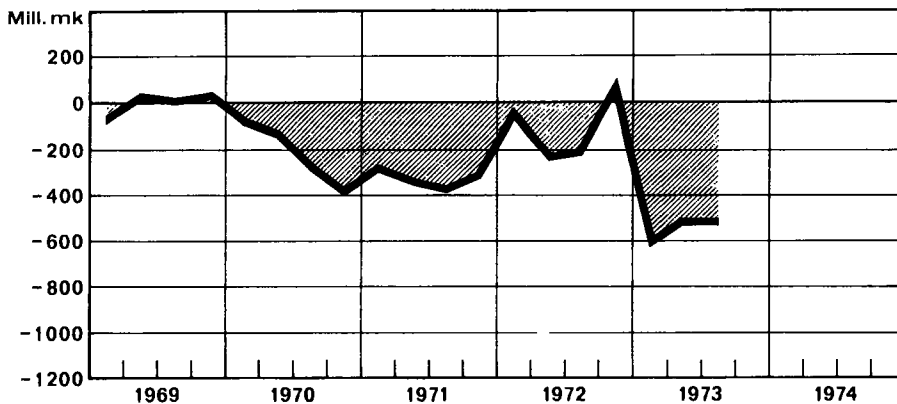
- 1. Total gold and foreign exchange
- 2. Gold and convertible currencies
- 3. Other currencies

Bank of Finland's position in regard to the banks, 1969-1974



- 1. Net claims on the banks
 - 2. Discounted and rediscounted bills
- Seasonally adjusted end-of-month figures

Balance of payments current account surplus / deficit, 1969-1974



Seasonally adjusted quarterly figures

RECENT MEASURES IN AGRICULTURAL POLICY

Since the late 1950s Finland has been faced with the problem of surplus production in agriculture. Attempts were first made to curb production by strictly regulating the import of concentrated fodder, and by implementing a price policy and taking other similar measures, but on the whole these steps did not have a significant impact on the total volume of production. The situation deteriorated further, and towards the end of the 1960s barriers facing the exports of agricultural produce became unsurmountable. The wheat and butter surpluses were the most serious since production was substantial and no markets could be found for these commodities. As stocks accumulated, it became necessary — mainly for political reasons — to find some means to check the continuous growth of production.

Since the volume of total production is primarily dependent on the size of the area under cultivation, efforts were made to reduce this area. For this purpose, an act concerning the regulation of the area under cultivation was passed in 1969. In the main, this act provided that the Government would pay any farmer who left all his fields untilled. The size of the annual payment was determined by the number of hectares left fallow, and the agreement was to be made for three years at a time. Neither party was entitled to withdraw from the agreement, and the farmer had the right to have it extended for at least nine years. The agreements concluded under this arrangement took about 250 000 hectares, or more than eight per cent of the country's total arable land, out of cultivation.

This measure, which was meant to be temporary was designed to deal with particularly pressing market conditions. Originally it was to be applied only for a couple of years, since it was realized that this system would have considerable drawbacks in the long run, for it

left unanswered the question what would happen to the untilled fields. They could, of course, be afforested, and it was possible to obtain a Government subsidy for this purpose. In fact, little use has been made of these subsidies, primarily because the location of the bulk of the fields is not suitable for afforestation. Most of the fields left fallow are now covered with weeds and awaiting their final lot. Not only did the system cause environmental damage, but it also hampered the development of agriculture. Nobody wanted to sell fields for which he received non-cultivation compensation, and it was naturally not allowed to rent them out. It became increasingly difficult for active farmers to obtain additional area for cultivation, particularly in the less fertile regions where the Government compensation exceeded the current rent for fields. Furthermore, the system had a negative psychological effect on the agrarian population.

New legislation to replace this system awaited legislative action for a number of years. At the end of 1973 and the beginning of 1974, Parliament passed three acts, which are to provide a new backdrop for tackling the problem of agricultural surplus. These acts are the Farmers' Non-cultivation Pensions Act, the Non-cultivation Compensation Act, and the Farmers' Generation Shift Pensions Act. The first act was specifically designed to supersede the former act concerning the withdrawal of fields from cultivation.

The Farmers' Non-cultivation Pensions Act provides for the payment of a fairly substantial pension to the owner of a farm, who is 55 years or over and who meets certain conditions. The farmer who ceases cultivating his fields must have lived on the farm and worked in farming for not less than five years on a farm comprising not less than one hectare of cultivated area. He is to sell his farm to the Central Board of

Agriculture or to neighbouring farmers who will then cultivate it. A farmer is also entitled to a pension if he sells only his arable land or concludes a binding contract to afforest within three years fields which are not suitable for cultivation by other farmers.

The amount of the pension depends on the area previously cultivated, but the amount per hectare falls as the area formerly under cultivation increases, and it is not possible to receive a pension for more than 15 hectares. A fairly small part of the selling price is to be used for the payment of a pension insurance premium. The areas which the Government purchases in this programme will be used as additional arable land by other farmers or will be afforested. Each year the Government is to set forth which use will be of higher priority. Unlike the former act, the Farmers' Non-cultivation Pension Act provides a final decision on the use of fields.

The Farmers' Non-cultivation Pensions Act is supplemented by the Non-cultivation Compensation Act, and provides benefits for farmers also under 55 years of age. This act stipulates that the Government will make up the difference between the full current value of the farm and the selling price, if the farmer cannot sell his fields at a fair price because they are far away from other farms, or because the buyer has no use for the farm buildings. There is, however, a limit of 25 000 marks on this compensation. The purpose of this act is thus to encourage those farmers to leave farming who otherwise would face difficulties, since the selling price would be lower than the value of the farm. It is, however, believed that this act will not play a very important rôle.

From the point of view of changing the structure of agriculture, the Farmers' Generation

Shift Pensions Act will be rather insignificant for it is meant to accelerate the transfer of farms from aging farmers to their heirs. In some cases, this act replaces the former non-cultivation system. In keeping with this act, a farmer and his spouse may receive a pension if they surrender their farm to any of their heirs when they are at least 60 years of age but not more than 65. The farm must be considered suitable for continuous cultivation, i.e., the farm must be able to provide a full living for the farmer. However, in northern and eastern Finland the farm need only provide the bulk of the farmer's living.

The farmers' non-cultivation pension, the non-cultivation compensation and the farmers' generation shift pension are mutually exclusive alternatives. Both pensions acts are to be in force for three years. It will then be decided whether they should be extended. The Non-cultivation Compensation Act established a permanent programme.

The first steps in the execution of these acts will be taken during the first half of 1974, and it is estimated that purchases of farms will increase substantially, thus increasing the scope for improving the structure of agriculture. It will perhaps be possible to gradually dispose of the untilled fields, for the pension scheme should encourage a number of farmers to sell their farms. It will no doubt be difficult to decide exactly how large a farm be before it is considered suitable for continuous cultivation, or whether selling fields to a farmer who lives at some distance entitles the farmer to non-cultivation compensation. These problems will be solved when more specified regulations are formulated.

February 21, 1974

BANK OF FINLAND

Mill. mk

	1973		1974				
	Feb. 28	Dec. 31	Feb. 8	Feb. 15	Feb. 22	Feb. 28	
Assets							
Gold and other foreign assets	2 740	2 493	2 446	2 463	2 510	2 501	
Gold	205	121	121	121	121	121	
Special drawing rights	283	285	285	285	285	285	
IMF gold tranche	268	268	268	268	268	268	
Foreign exchange	1 774	1 546	1 490	1 504	1 550	1 540	
Foreign bills	96	96	103	106	107	108	
Foreign bonds	114	177	179	179	179	179	
Claims on domestic banks	885	2 617	2 372	2 255	2 349	2 340	
Discounted bills	828	2 556	2 279	2 174	2 274	2 227	
Rediscounted bills	1	—	—	—	—	—	
Cheque accounts	56	61	93	81	75	113	
Other lending	310	362	366	360	361	359	
Inland bills discounted							
In foreign currency	—	—	—	—	—	—	
In Finnish marks	40	58	66	62	65	64	
Loans	270	304	300	298	296	295	
Other assets	608	598	609	630	605	630	
Finnish bonds	37	33	33	54	29	54	
Finnish coin	36	25	38	38	38	37	
Currency subscription to Finland's quota							
in the IMF	530	530	530	530	530	530	
Other claims	5	10	8	8	8	9	
	Total	4 543	6 070	5 793	5 708	5 825	5 830
Liabilities							
Notes in circulation	1 521	1 907	1 687	1 717	1 734	1 744	
Liabilities payable on demand	290	178	172	176	182	184	
Foreign exchange accounts	25	80	57	59	61	64	
Mark accounts of holders abroad	45	67	79	79	83	79	
Cheque accounts							
Treasury	47	2	1	1	2	3	
Post Office Bank	162	2	1	0	0	4	
Private banks	—	—	—	—	—	—	
Other	1	8	4	5	5	5	
Other sight liabilities	10	19	30	32	31	29	
Term liabilities	891	2 214	2 093	2 012	2 090	2 105	
Foreign	—	—	—	—	—	—	
Domestic	891	2 214	2 093	2 012	2 090	2 105	
IMF mark accounts	530	530	530	530	530	530	
Allocations of special drawing rights	258	258	258	258	258	258	
Equalization accounts	287	171	230	190	204	180	
Bank's own funds	766	812	823	825	827	829	
Capital	600	600	600	600	600	600	
Reserve fund	114	114	163	163	163	163	
Profits undisposed	40	—	49	49	49	49	
Earnings less expenses (Dec. 31, Net profit)	12	98	11	13	15	17	
	Total	4 543	6 070	5 793	5 708	5 825	5 830

BANK OF FINLAND

Mill. mk

End of year and month	Gold and foreign accounts						Treasury		
	Gold and foreign exchange	Liabilities on foreign exchange and mark accounts	Foreign exchange reserve (1-2)	Other foreign assets	Other foreign liabilities	Net foreign assets (3+4-5)	Claims on Treasury	Liabilities, Cheque account	Net claims on the Treasury (7-8)
	1	2	3	4	5	6	7	8	9
1967	701	75	626	98	354	370	— 7	4	— 11
1968	1 353	62	1 291	125	34	1 382	—354	3	—357
1969	1 268	92	1 176	517	360	1 333	—196	4	—200
1970	1 844	106	1 738	639	518	1 859	—118	2	—120
1971	2 620	327	2 293	686	530	2 449	— 15	2	— 17
1972	2 685	121	2 564	757	530	2 791	— 2	1	— 3
1973	2 220	147	2 073	803	530	2 346	— 1	2	— 3
1973									
Feb.	2 530	70	2 460	740	530	2 670	— 2	47	— 49
March	2 287	75	2 212	737	530	2 419	— 2	41	— 43
April	2 177	73	2 104	752	530	2 326	— 2	46	— 48
May	2 280	90	2 190	762	530	2 422	— 1	41	— 42
June	1 985	75	1 910	771	530	2 151	— 1	5	— 6
July	1 931	96	1 835	791	530	2 096	— 1	44	— 45
Aug.	2 113	156	1 957	777	530	2 204	— 1	29	— 30
Sept.	2 020	176	1 844	763	530	2 077	— 1	50	— 51
Oct.	1 861	169	1 692	768	530	1 930	— 1	49	— 50
Nov.	2 060	170	1 890	798	606	2 082	— 1	50	— 51
Dec.	2 220	147	2 073	803	530	2 346	— 1	2	— 3
1974									
Jan.	2 207	147	2 060	808	530	2 338	— 1	1	— 2
Feb.	2 214	143	2 071	817	530	2 358	— 1	3	— 4

FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1972			Net holdings, Dec. 31, 1973			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Dec.	Jan.-Dec.
	Gold	205	—	205	121	—	121	—31
Special drawing rights	283	—	283	285	—	285	—	2
IMF gold tranche	268	—	268	268	—	268	—	—
Convertible currencies	1 814	463	2 277	1 189	165	1 354	—145	—923
Other currencies	— 6	— 3	— 9	210	2	212	+148	+221
Total	2 564	460	3 024	2 073	167	2 240	+262	—784

BANK OF FINLAND

Mill. mk

End of year and month	Domestic banks						Other				Notes in circulation
	Dis-counted bills	Redis-counted bills	Cheque accounts ¹	Liabilities, Cheque accounts		Net claims on the banks (1+2+3-4-5)	Inland bills in Finnish marks	Other advances	Liabilities	Net claims on the rest of economy (7+8-9)	
				Private banks ²	Post Office Bank ²						
1	2	3	4	5	6	7	8	9	10	11	
1967	—	868	—	155	35	678	197	383	56	524	1 052
1968	—	618	107	163	16	546	186	195	43	338	1 160
1969	—	550	87	93	12	532	192	269	25	436	1 298
1970	827	9	3	1	4	834	137	246	528	-145	1 344
1971	848	1	—	9	2	838	121	234	908	-553	1 479
1972	752	1	5	—	2	756	44	277	909	-588	1 730
1973	2 556	—	61	—	2	2 615	58	314	2 240	-1 868	1 907
1973											
Feb.	828	1	56	—	162	723	40	275	900	-585	1 521
March	986	1	17	—	16	988	41	291	891	-559	1 562
April	2 036	1	—	3	768	1 266	43	293	1 033	-697	1 937
May	1 363	1	—	4	22	1 338	47	297	1 030	-686	1 795
June	1 696	1	25	—	1	1 721	50	301	1 211	-860	1 829
July	2 060	0	60	—	156	1 964	51	297	1 477	-1 129	1 695
Aug.	1 776	0	8	—	5	1 779	52	295	1 646	-1 299	1 693
Sept.	2 221	—	22	—	199	2 044	54	296	1 739	-1 389	1 773
Oct.	2 363	—	54	—	320	2 097	57	302	1 730	-1 371	1 683
Nov.	2 623	—	50	—	67	2 606	60	302	2 189	-1 827	1 790
Dec.	2 556	—	61	—	2	2 615	58	314	2 240	-1 868	1 907
1974											
Jan.	2 146	—	129	—	1	2 274	64	303	2 079	-1 712	1 706
Feb.	2 227	—	113	—	4	2 336	64	304	2 138	-1 770	1 744

¹ Including special index accounts.² Including cash reserve accounts.

SELLING RATES FOR FOREIGN EXCHANGE

Mk

February 21, 1974

New York ¹	1 \$	3.900	Frankfurt o. M.	100 DM	145.85	Vienna	100 S	19.85
Montreal	1 \$	4.010	Amsterdam	100 Fl	140.00	Lisbon	100 Esc	15.30
London	1 £	8.960	Brussels ²	100 Fr		Reykjavik	100 Kr	4.60
Stockholm	100 Kr	84.05	Zurich	100 Fr	125.50	Madrid	100 Pta	6.62
Oslo	100 Kr	68.30	Paris ³	100 FF		Moscow ⁴	1 Rbl	4.937
Copenhagen	100 Kr	61.80	Rome	100 Lit	0.6010			

¹ As from Dec. 20, 1971 also applied to clearing accounts with Berlin, Budapest and Sofia.² 9.850 commercial rate; 9.550 financial rate.³ 79.35 commercial rate; 78.90 financial rate.⁴ Clearing account: also Bucharest.

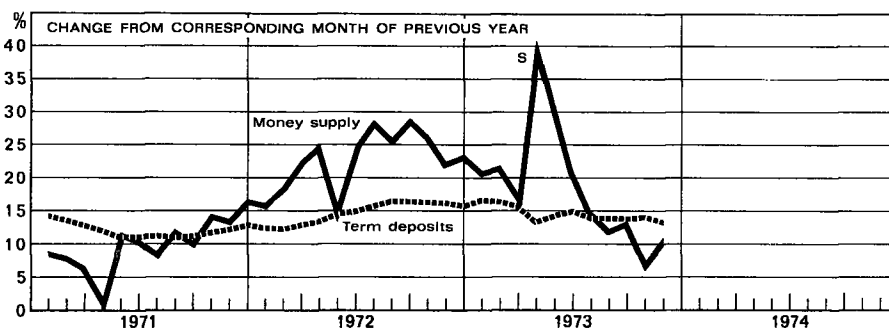
DEPOSITS BY THE PUBLIC

Mill. mk

End of year and month	Sight deposits			Term deposits						Total (2+3+9)
	Cheque accounts		Postal giro accounts	Commercial banks	Savings banks	Co-op. banks	Post Office Bank	Co-op. stores	All credit institutions	
	Commercial banks	All credit institutions								
	1	2	3	4	5	6	7	8	9	10
1967	661.5	834.0	340.9	4 103.1	3 644.6	2 417.3	941.2	431.3	11 537.9	12 712.8
1968	856.2	1 087.6	428.4	4 597.8	3 966.4	2 683.1	1 027.2	465.0	12 739.8	14 255.8
1969	1 057.4	1 373.9	520.8	5 236.3	4 333.1	3 021.6	1 116.0	521.6	14 228.7	16 123.4
1970	1 142.7	1 507.7	603.3	6 098.7	4 846.9	3 458.4	1 287.6	574.2	16 265.8	18 376.8
1971	1 343.2	1 733.5	754.4	6 961.4	5 446.4	3 876.6	1 491.4	642.3	18 418.1	20 906.0
1972	1 851.2	2 371.4	979.2	8 095.8	6 231.8	4 499.8	1 805.6	720.0	21 353.0	24 703.6
1973*	2 153.3	2 900.5	1 360.2	8 973.8	7 117.1	5 238.7	2 158.7	804.9	24 293.2	28 553.9

1973*

Jan.	1 849.2	2 315.5	944.6	8 190.6	6 327.8	4 583.8	1 839.0	729.6	21 670.8	24 930.9
Feb.	1 796.9	2 261.8	1 047.7	8 221.3	6 399.2	4 655.8	1 866.7	737.5	21 880.5	25 190.0
March	1 649.4	2 132.3	989.5	8 197.1	6 412.9	4 672.2	1 869.7	742.3	21 894.2	25 016.0
April	1 660.4	2 144.0	1 488.1	8 028.9	6 325.3	4 647.3	1 892.5	747.5	21 641.5	25 273.6
May	1 919.5	2 512.9	1 037.9	8 259.6	6 462.6	4 712.7	1 893.8	753.0	22 081.7	25 632.5
June	1 816.1	2 292.4	1 092.5	8 345.6	6 490.8	4 699.2	1 926.3	752.0	22 213.9	25 598.8
July	1 754.2	2 236.9	1 041.5	8 326.0	6 506.9	4 735.7	1 950.5	757.7	22 276.8	25 555.2
Aug.	1 677.3	2 192.3	1 025.7	8 401.2	6 610.8	4 831.8	1 874.3	763.4	22 581.5	25 799.5
Sept.	1 630.7	2 155.5	1 098.0	8 442.8	6 689.7	4 924.3	1 994.5	783.9	22 835.2	26 088.7
Oct.	1 690.5	2 234.4	932.0	8 524.6	6 756.3	5 013.2	2 017.6	783.2	23 094.9	26 261.3
Nov.	1 681.9	2 221.5	989.1	8 508.2	6 833.8	5 113.1	2 052.0	785.2	23 292.3	26 502.9
Dec.	2 153.3	2 900.5	1 360.2	8 973.8	7 117.1	5 238.7	2 158.7	804.9	24 293.2	28 553.9



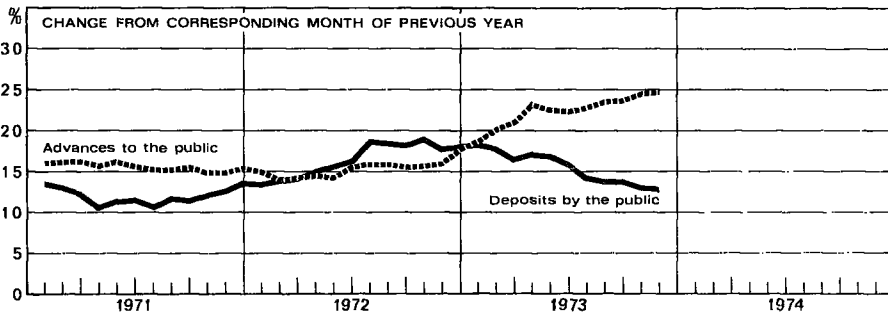
ADVANCES TO THE PUBLIC—MONEY SUPPLY

Mill. mk

End of year and month	Advances granted by					Types of advances		Total (1 to 5) (6 and 7)	Money Supply
	Commer- cial banks	Savings banks	Co-op. banks	Post Office Bank	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1967	5 558.9	3 247.7	2 424.3	864.9	1 026.9	12 583.8	538.9	13 122.7	2 146
1968	5 865.5	3 448.4	2 600.5	927.9	1 053.0	13 392.0	503.3	13 895.3	2 642
1969	6 892.2	3 802.8	2 922.1	1 039.8	1 290.4	15 354.4	592.9	15 947.3	3 126
1970	7 963.5	4 342.1	3 403.8	1 341.9	1 454.0	17 814.9	690.4	18 505.3	3 445
1971	9 233.7	4 795.6	3 834.0	1 746.6	1 799.1	20 639.8	769.2	21 409.0	4 025
1972	10 667.3	5 503.0	4 482.6	2 244.8	2 374.4	24 475.0	799.5	25 272.1	4 959
1973*	13 293.1	6 495.5	5 302.5	3 398.6	2 696.4	30 214.3	971.8	31 186.1	6 114

1973*

Jan.	10 788.6	5 590.5	4 525.4	2 344.4	2 438.0	24 878.1	808.8	25 686.9	4 627
Feb.	11 007.4	5 659.5	4 593.6	2 399.7	2 446.4	25 249.9	856.7	26 106.6	4 757
March	11 284.3	5 732.6	4 626.6	2 538.3	2 450.7	25 699.4	933.1	26 632.5	4 644
April	11 839.6	5 829.5	4 681.0	2 648.4	2 490.1	26 490.4	998.2	27 488.6	5 584
May	11 805.2	5 876.4	4 730.2	2 777.4	2 486.8	26 806.2	869.8	27 676.0	5 225
June	12 074.3	5 954.0	4 788.3	2 790.3	2 510.9	27 180.8	937.0	28 117.8	5 170
July	12 238.0	6 005.7	4 833.9	2 854.7	2 547.8	27 520.3	959.8	28 480.1	4 883
Aug.	12 419.3	6 096.5	4 908.2	2 915.1	2 565.5	27 928.1	976.5	28 904.6	4 791
Sept.	12 702.8	6 202.6	5 009.5	3 023.8	2 573.6	28 451.7	1 060.6	29 512.3	5 004
Oct.	12 968.1	6 320.2	5 116.5	3 173.2	2 592.9	29 142.5	1 028.4	30 170.9	4 749
Nov.	13 162.8	6 414.2	5 209.2	3 284.9	2 629.6	29 677.4	1 023.3	30 702.1	4 906
Dec.	13 293.1	6 495.5	5 302.5	3 398.6	2 696.4	30 214.3	971.8	31 186.1	6 114



STATE FINANCES

Mill. mk

Revenue	Jan.—Nov.		Expenditure	Jan.—Nov.	
	1972	1973		1972	1973
Income and property tax (net)	4 042	5 412	Wages, salaries, pensions etc.	2 159	2 479
Gross receipts	(8 684)	(10 939)	Repair and maintenance	316	357
Refunds & local authorities	(—4 642)	(—5 527)	Other consumption expenditure	925	1 119
Other taxes on income and property	89	116	Total consumption expenditure	3 400	3 955
Employers' child allowance payments	405	475	State aid to local authorities	1 739	2 198
Sales tax	3 313	3 873	State aid to industries	1 378	1 469
Revenue from Alcohol Monopoly	769	923	of which: agric. price subsidies	(1 003)	(963)
Customs duties & import charges	403	518	Child allowances	310	327
Counter-cyclical tax	3	—	Share in national pensions and health insurance	237	219
Excise duty on tobacco	463	470	Other transfer expenditure	1 440	1 705
» » on liquid fuel	703	755	Total transfer expenditure	5 104	5 918
Other excise duties	326	400	Machinery and equipment	436	488
Tax on autom. and motor cycles	363	609	House construction	273	310
Stamp duties	249	320	Land and waterway construction	886	951
Special diesel etc. vehicles tax	51	51	Total real investment	1 595	1 749
Other taxes and similar revenue ¹	275	354	Interest on State debt	222	227
Total taxes	11 454	14 276	Index compensations	24	25
Miscellaneous revenue	875	830	Net deficit of State enterprises	107	120
Interest, dividends etc.	247	318	Other expenditure	20	17
Sales and depreciation of property	—	3	Total other expenditure	373	389
Redemptions of loans granted	178	195	Increase in inventories	56	—1
Total revenue	12 754	15 622	Lending	921	1 244
Foreign borrowing	143	18	Other financial investment	264	749
Domestic borrowing	376	200	Total expenditure	11 713	14 003
Total borrowing	519	218	Redemption of foreign loans	157	157
Deficit (+) or surplus (—)	(—894)	(—968)	Redemption of domestic loans	509	712
			Total redemptions	666	869
	Total	12 379	Total	12 379	14 872

¹ Including supplementary turnover tax and import-equalization tax from June 1971.

State debt	1969	1970	1971	1972	1973		
	Dec.	Dec.	Dec.	Dec.	Sept.	Oct.	Nov.
Foreign debt	1 656	1 557	1 524	1 517	1 486	1 446	1 414
Loans	2 316	2 437	2 467	2 268	1 921	1 818	1 811
Compensatory obligations	4	3	2	2	1	1	1
Short-term credit	158	46	61	56	39	48	39
Cash debt (net)	—217	—284	—528	—488	—406	—518	—593
Domestic debt	2 261	2 202	2 002	1 838	1 555	1 349	1 258
Total State debt	3 917	3 759	3 526	3 355	3 041	2 795	2 672
Total debt, mill \$	933	900	849	804	819	755	714

FOREIGN TRADE

Mill. mk

Value mill. mk

Period	Value mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1967	5 231	5 794	- 563
1968	6 874	6 711	+ 163
1969	8 345	8 505	- 160
1970	9 687	11 071	-1 384
1971	9 897	11 734	-1 837
1972	12 082	13 107	-1 025
1973*	14 609	16 548	-1 939

1972			
Period	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
Dec.	1 175	1 210	-35

1973*			
Period	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
Jan.	1 055	1 391	- 336
Feb.	1 079	1 104	- 25
March	1 167	1 384	- 217
April	938	1 287	- 349
May	1 336	1 461	- 125
June	925	1 107	- 182
July	1 094	1 207	- 113
Aug.	1 218	1 404	- 186
Sept.	1 366	1 482	- 116
Oct.	1 538	1 684	- 146
Nov.	1 562	1 595	- 33
Dec.	1 331	1 442	- 111

Indices of exports and
imports 1962 = 100

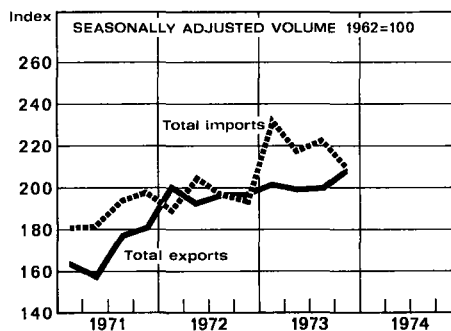
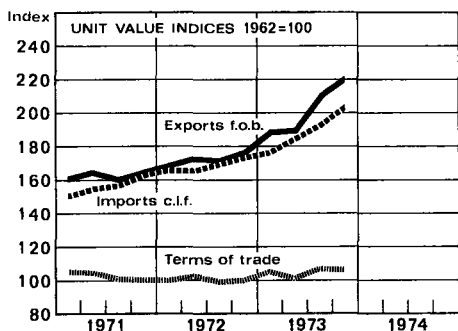
Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1967	129	135	115	
1968	143	129	136	132	103
1969	167	160	141	135	104
1970	176	192	156	147	106
1971	171	190	164	157	104
1972	197	196	174	170	102
1973*	202	222	205	190	108

1971					
Period	Volume Exports	Volume Imports	Unit value Exports	Unit value Imports	Terms of trade
Oct.-Dec.	198	223	166	163	102

1972					
Period	Volume Exports	Volume Imports	Unit value Exports	Unit value Imports	Terms of trade
Jan.-Mar.	192	179	170	167	102
Apr.-June	187	200	174	167	104
July-Sept.	197	190	173	171	101
Oct.-Dec.	212	215	178	175	102

1973 ¹					
Period	Volume Exports	Volume Imports	Unit value Exports	Unit value Imports	Terms of trade
Jan.-Mar.	197	222	190	178	107
Apr.-June	190	211	191	186	103
July-Sept.	197	214	211	194	109
Oct. Dec.	226	234	222	205	108

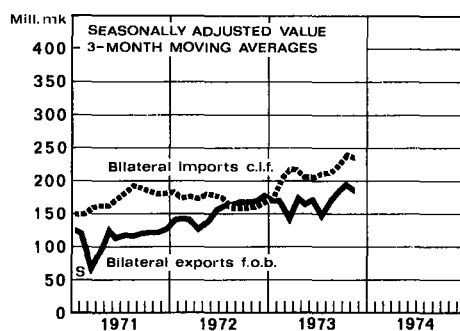
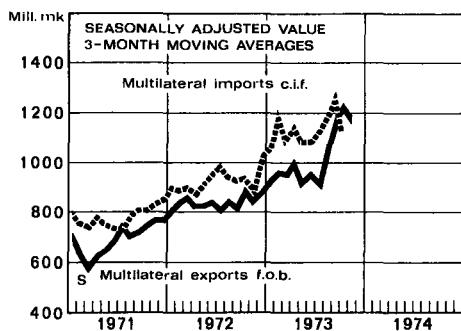
¹ The 1973 figures have been calculated by converting the final 1972 Fisher index with the percentage change in the 1973-1972 Laspeyres index.



FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f. o. b.						Imports, c. i. f.			
	Agricultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, engineering industry products	Other goods	Raw materials and producer goods	Fuels and lubricants	Finished goods	
									Investment goods	Consumer goods
1967	261	54	866	2 384	1 081	585	2 546	668	1 463	1 117
1968	327	56	1 158	2 994	1 566	773	3 023	874	1 525	1 289
1969	360	72	1 400	3 374	2 012	1 127	3 693	949	2 229	1 634
1970	426	88	1 544	3 789	2 437	1 403	4 918	1 243	2 906	2 004
1971	547	89	1 653	3 721	2 323	1 564	4 639	1 557	3 427	2 111
1972	634	56	1 824	4 253	3 246	2 069	5 238	1 626	3 586	2 657
1973*	621	72	2 473	5 115	3 872	2 456	6 697	1 970	4 462	3 419
1972										
Dec.	71	3	186	438	281	196	523	142	303	242
1973*										
Jan.	89	6	175	359	261	165	556	164	364	307
Feb.	24	6	159	398	308	184	444	86	311	263
March	83	3	166	424	271	220	532	101	415	336
April	49	5	142	350	218	174	501	125	344	317
May	71	6	202	463	388	206	580	117	458	306
June	34	3	103	249	369	167	454	123	308	222
July	30	4	193	412	296	159	474	174	343	216
Aug.	34	7	274	510	204	189	587	186	369	262
Sept.	33	12	262	481	325	253	648	173	375	286
Oct.	46	6	287	520	393	286	657	214	487	326
Nov.	38	8	283	508	476	249	660	279	357	299
Dec.	90	6	227	441	363	204	604	228	331	279



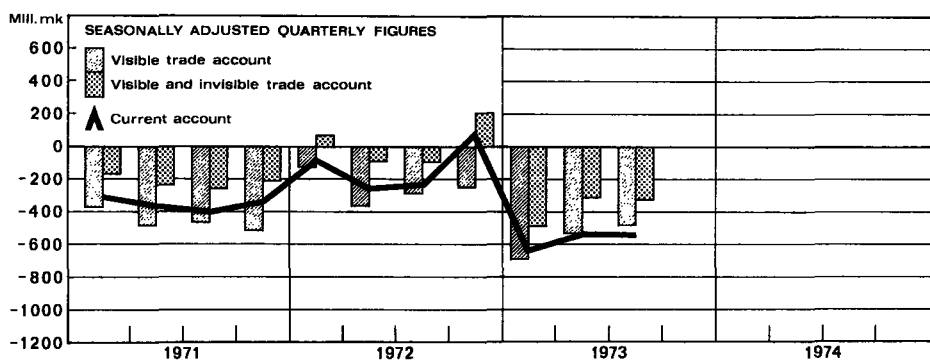
FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January—December				January—December			
	1972		1973*		1972		1973*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
OECD countries in Europe	71.8	8 675	71.8	10 497	74.4	9 754	73.1	12 102
Austria	0.9	113	1.1	162	1.5	198	1.7	274
Belgium-Luxembourg	2.0	238	2.1	300	1.9	244	2.1	355
Denmark	3.8	465	4.3	624	3.2	423	3.5	580
France	3.9	471	4.1	598	3.5	463	3.2	537
Federal Republic of Germany	10.3	1 247	10.3	1 511	18.0	2 360	18.4	3 052
Italy	1.5	183	1.8	270	1.9	253	1.8	299
Netherlands	3.6	429	4.0	586	3.6	478	3.4	556
Norway	4.1	500	4.0	583	2.9	375	2.8	464
Portugal	0.3	33	0.3	51	0.8	99	0.8	129
Spain	1.0	125	1.1	160	0.5	70	0.6	100
Sweden	17.7	2 142	15.2	2 223	19.0	2 489	19.8	3 270
Switzerland	2.0	238	2.1	301	3.4	444	3.3	540
United Kingdom	18.4	2 218	19.7	2 883	13.9	1 817	11.3	1 871
Other	2.3	273	1.7	245	0.3	41	0.4	75
OECD countries outside Europe	6.6	799	6.6	960	7.0	913	7.6	1 248
Canada	0.7	83	0.6	87	0.3	35	0.4	67
Japan	0.4	53	0.8	111	1.9	254	2.2	370
United States	4.8	578	4.5	652	4.4	577	4.8	786
Other	0.7	85	0.7	110	0.4	47	0.2	25
CMEA countries	15.2	1 834	14.1	2 056	15.1	1 987	15.3	2 534
Czechoslovakia	0.5	58	0.4	53	0.4	60	0.5	82
Democratic Republic of Germany	0.5	62	0.5	77	0.6	78	0.5	87
Poland	0.9	110	0.8	116	1.5	192	1.4	231
Soviet Union	12.4	1 492	11.7	1 705	11.6	1 520	12.0	1 982
Other	0.9	112	0.7	105	1.0	137	0.9	152
Latin America	2.0	244	2.0	299	1.7	218	1.8	299
Argentina	0.4	52	0.4	59	0.1	12	0.0	6
Brazil	0.7	85	0.6	94	0.6	82	0.7	108
Colombia	0.2	20	0.1	16	0.5	64	0.5	85
Other	0.7	87	0.9	130	0.5	60	0.6	100
Other	4.4	530	5.5	797	1.8	235	2.2	365
GRAND TOTAL	100.0	12 082	100.0	14 609	100.0	13 107	100.0	16 548
of which								
EFTA countries	25.2	3 044	23.0	3 354	27.6	3 622	28.4	4 701
EEC countries	44.2	5 337	47.1	6 886	46.1	6 047	44.0	7 280
OECD countries	78.4	9 474	78.4	11 457	81.4	10 667	80.7	13 350

BALANCE OF PAYMENTS

Period	Visible exports f.o.b.	Visible imports c.i.f.	Visible trade account	Transport, net	Travel, net	Other services, net	Visible and invisible trade account	Investment income, net	Transfer payments, net	Current account
1970	9 634	11 099	-1 465	+716	+142	+17	-590	-397	-18	-1 005
1971	9 845	11 762	-1 917	+660	+247	+66	-944	-477	-1	-1 422
1972	12 012	13 087	-1 075	+731	+335	+72	+ 63	-586	+43	- 480
Jan.-Mar										
1970 ^f	2 074	2 309	-235	+192	- 9	- 3	- 55	- 86	-11	-152
1971 ^f	2 168	2 536	-368	+208	- 13	+19	-154	-135	- 1	-290
1972	2 870	2 960	- 90	+217	+ 3	+ 1	+131	-142	-22	- 33
1973*	3 301	3 868	-567	+229	- 5	+15	-328	-149	-14	-491
Apr.-June										
1970 ^f	2 429	2 721	-292	+180	+ 10	+ 0	-102	- 96	+ 1	-197
1971 ^f	2 291	2 797	-506	+141	+ 47	+21	-297	-118	- 1	-416
1972	2 856	3 298	-442	+162	+ 57	+46	-177	-155	- 8	-340
1973*	3 182	3 842	-660	+196	+ 48	+ 5	-411	-200	-23	-634
July-Sept.										
1970 ^f	2 469	2 690	-221	+180	+109	- 4	+ 64	-110	- 1	- 47
1971 ^f	2 501	2 864	-363	+159	+166	+16	- 22	-119	- 4	-145
1972	2 978	3 195	-217	+170	+191	+19	+163	-140	+20	+ 43
1973	3 635	4 081	-446	+210	+230	-15	- 21	-193	- 8	-222
Oct.-Dec.										
1970 ^f	2 662	3 379	-717	+164	+ 32	+24	-497	-105	- 7	-609
1971 ^f	2 885	3 565	-680	+152	+ 47	+10	-471	-105	+ 5	-571
1972	3 308	3 634	-326	+182	+ 84	+ 6	-54	-149	+53	-150

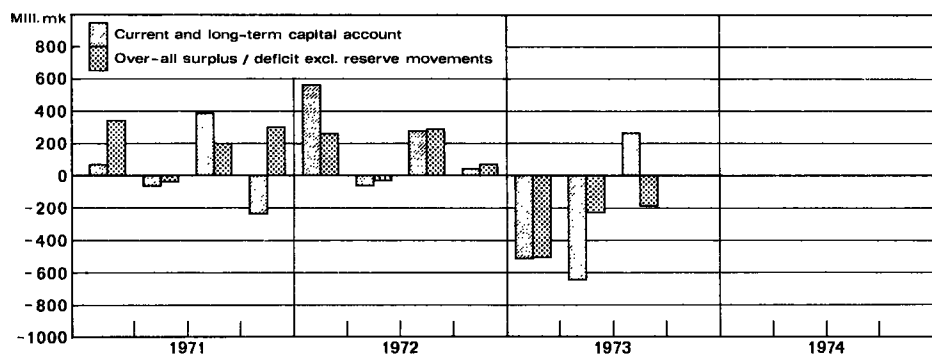


Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net ¹	Long-term capital account	Current and long-term capital account	Short-term import credits and pre-payments, net	Short-term export credits and pre-payments, net	Miscellaneous short-term capital items incl. errors and omissions	Over-all surplus/deficit excl. reserve movements	Reserve movements	
										Bank of Finland	Other foreign exchange holders
+1 479	-694	-253	-202	+330	-675	+751	+237	+232 ²	+545	-563	+ 18
+2 730	-855	-208	- 85	+1 582	+160	+387	+197	+ 62 ²	+806	-555	-251
+3 014	-1 228	-376	-106	+1 304	+824	+104	- 90	-247 ²	+591	-271	-320
+ 278	-158	- 51	+ 1	+ 70	- 82	- 9	+225	+ 23	+157	-240	+ 83
+ 609	-228	- 5	-17	+359	+ 69	+ 21	+329	- 77	+342	-314	- 28
+ 968	-273	-115	+17	+597	+564	-152	- 27	-124 ²	+261	-327	+ 66
+ 365	-396	+ 34	-24	- 21	-512	+ 20	+ 7	- 22	-507	+353	+154
+ 220	-191	- 69	- 4	- 44	-241	+142	+ 42	- 4	- 61	- 86	+147
+ 596	-201	- 11	-30	+354	- 62	-140	+146	+ 19	- 37	+ 99	- 62
+ 655	-180	-192	- 5	+278	- 62	+ 92	+ 25	- 84	- 29	+ 37	- 8
+ 308	-265	- 48	- 9	- 14	-648	+ 94	+323	+ 4	-227	+301	- 74
+ 359	-175	- 60	-58	+ 66	+ 19	+ 87	+ 5	-119	- 8	-116	+124
+ 869	-252	- 89	+ 5	+533	+388	- 60	+ 21	-150	+199	- 35	-164
+ 628	-327	- 41	-25	+235	+278	+265	-124	-131	+288	-314	+ 26
+ 835	-353	+ 60	-54	+488	+266	-401	-115	+ 64	-186	+ 66	+120
+ 622	-170	- 73	-141	+238	-371	+531	- 35	+332	+457	-121	-336
+ 656	-174	-103	- 43	+336	-235	+566	-299	+270	+302	-305	+ 3
+ 763	-448	- 28	- 93	+194	+ 44	-101	+ 36	+ 92	+ 71	+333	-404

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

¹ Including Direct investment, net.

² Including Allocations of special drawing rights 88 million in 1970, 85 million in 1971 and 85 million in 1972.



PRICE INDICES

Period	Wholesale prices 1949 = 100									Building costs 1964 = 100		
	Total	Origin		Purpose			Stage of processing			Total	Wages in building trade	Building materials
		Domes- tic goods	Im- ported goods	Pro- ducer goods	Machin- ery & transport equipm.	Con- sumer goods	Raw materials and com- modities	Simply pro- cessed goods	More elab- orately processed goods			
1971	312	315	302	309	361	304	346	295	303	149	162	134
1972	338	342	325	330	400	334	370	318	332	161	182	141
1973	398	401	385	403	447	378	435	395	378	188	202	176
1973												
April	374	376	369	369	430	367	403	362	365	175	191	160
May	382	383	375	379	438	372	407	377	369	180	191	170
June	389	391	380	390	441	374	415	390	372	183	191	176
July	404	408	390	406	456	389	439	406	382	192	213	179
Aug.	408	412	391	414	456	388	440	414	384	198	213	188
Sept.	421	426	401	437	466	388	466	425	391	202	213	194
Oct.	427	433	408	448	469	390	476	429	397	204	214	198
Nov.	430	436	408	452	465	393	478	434	399	205	214	199
Dec.	436	440	418	459	481	394	481	442	404	209	214	200
1974												
Jan.	452	453	448	479	487	407	509	452	417	214	217	209

Period	Cost of living Oct. 1951 = 100	Con-sumer prices Oct.-Dec. 1957 = 100	Consumer prices 1967 = 100									
			Total	Food	Bever-ages and tobacco	Clothing and foot-wear	Rent	Heating and lighting	Furniture, household equip. and operation	Traffic	Education and recreation	Other goods and services
1971	237	186	122	121	119	112	125	141	119	125	119	125
1972	254	199	131	133	125	118	131	147	126	135	128	135
1973	284	223	146	149	135	130	153	160	137	150	139	149
1973												
April	272	214	140	143	137	127	140	155	135	143	136	145
May	277	218	143	147	137	128	142	157	135	147	137	147
June	280	220	144	150	137	128	143	158	136	148	139	150
July	288	226	148	152	138	128	161	158	137	152	139	151
Aug.	292	229	151	154	138	131	164	159	139	155	141	152
Sept.	295	231	152	156	135	133	167	162	140	154	142	153
Oct.	297	233	153	156	135	135	170	165	140	155	143	154
Nov.	299	235	154	155	135	136	171	167	145	158	145	155
Dec.	303	237	156	155	136	136	173	185	147	161	145	159
1974												
Jan.	305	239	157	154	136	138	176	192	149	162	146	160

WAGES

Index of salary and wage earnings 1964 = 100

Period	By industries				By institutional sectors			All salary earners	All wage earners	All employees
	Wage earners in			Employees in services	State employees	Municipal employees	Employees in private sector			
	Agriculture	Manufacturing	Construction							
1970	181	170	170	164	161	165	164	157	169	164
1971	210	195	195	180	176	178	188	171	195	185
1972*	254	222	222	197	189	196	212	189	220	206
1973*	329	257	256	223	210	218	239	212	256	237
1972*										
Jan.-Mar.	236	207	206	186	179	186	197	178	205	193
Apr.-June	251	225	219	199	191	194	215	191	223	209
July-Sept.	256	227	228	202	194	201	219	193	229	213
Oct.-Dec.	272	230	235	203	193	202	220	193	229	213
1973*										
Jan.-Mar.	287	235	238	206	198	206	221	195	234	217
Apr.-June	331	260	251	227	213	222	239	213	259	240
July-Sept.	336	264	266	229	215	222	247	219	267	246
Oct.-Dec.	339	268	269	231	216	224	249	220	268	247

PRODUCTION

Volume indices of production 1964 = 100

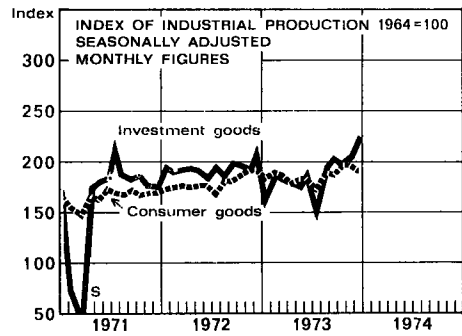
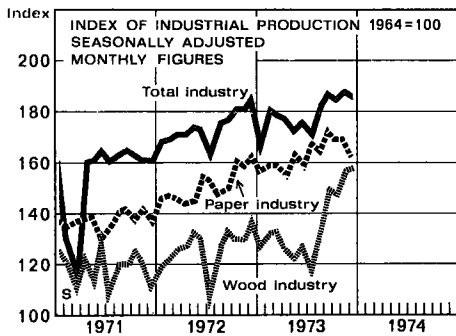
Period	Gross domestic product	Industrial production	Agriculture	Forestry	Construction of buildings	Land and waterway construction	Transport and communications	Commerce, banking and insurance	Ownership of dwellings	Public admin. and defence	Services
1970	132	154	96	111	141	98	132	132	129	128	134
1971	136	157	98	106	138	99	134	140	135	135	140
1972	145	176	94	95	149	103	144	155	142	141	149
1973*	152	187	90	99	159	104	154	165	150	145	157
1972											
July-Sept.	144	157	174	51	169	102	149	152	142	142	148
Oct.-Dec.	151	194	57	90	177	101	150	171	145	143	151
1973*											
Jan.-Mar.	150	194	53	128	124	107	144	162	147	143	156
Apr.-June	147	180	74	106	133	102	151	161	148	145	157
July-Sept.	152	168	171	53	188	105	159	159	149	146	156
Oct.-Dec.	161	207	61	110	191	101	161	178	153	147	159

PRODUCTION

Index of industrial production 1970 = 100¹

Period	Total	Investment goods	Other producer goods	Consumer goods	Special indices of manufacturing						Total, adjusted for seasonal variations
					Food industry	Wood industry	Paper industry	Chemical industry	Non-metallic mineral industry	Metal industry	
1972*	114	120	113	111	110	110	110	137	113	118	113
1973*	117	117	117	115	113	117	118	139	120	120	117
1972*											
June	110	117	108	110	117	116	97	134	104	114	113
July	78	62	83	69	103	63	107	105	87	61	108
Aug.	114	109	111	118	120	98	111	136	129	110	114
Sept.	115	124	114	113	108	112	109	126	130	122	115
Oct.	126	133	126	123	126	119	124	152	135	132	118
Nov.	125	131	123	125	118	111	121	148	131	132	118
Dec.	116	119	117	111	104	104	111	149	120	122	121
1973*											
Jan.	123	123	125	120	98	126	123	156	128	127	111
Feb.	116	121	117	114	96	117	115	139	122	124	118
March	129	132	129	128	108	132	126	152	138	133	117
April	111	112	111	113	103	111	99	145	124	114	115
May	123	126	121	126	126	132	122	140	96	132	113
June	106	114	103	109	109	112	94	121	70	117	115
July	83	53	88	72	109	65	118	104	109	56	112
Aug.	118	112	117	121	129	104	124	134	138	117	118
Sept.	117	121	119	114	113	120	124	145	128	122	122
Oct.	133	140	132	132	138	142	131	153	140	142	120
Nov.	129	138	129	129	125	133	126	148	140	139	122
Dec.	112	114	113	107	108	112	109	134	113	115	121

¹ New series, see explanations on page 18.



LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

Period	Population of working age 1 000 persons	Total labour force, 1 000 persons	Employed 1 000 persons	Unemployed 1 000 persons	Unemployment, % of total labour force	Commercial timber felling 1 000 solid cu. m	Retailers' sales volume index 1968 = 100	Wholesalers' volume index 1968 = 100
1969	3 480	2 189	2 127	62	2.8	35 338	108	117
1970	3 492	2 194	2 153	41	1.9	39 267	114	130
1971	3 507	2 199	2 150	49	2.2	36 238	118	137
1972*	3 541	2 206	2 149	57	2.6	31 441	128	151
1972*								
Dec.	3 558	2 187	2 132	55	2.5	3 328	177	173
1973 ¹								
Jan.	3 430	2 127	2 055	72	3.4	3 257	116	140
Feb.	3 432	2 116	2 047	69	3.3	3 529	117	153
March	3 433	2 111	2 048	63	3.0	4 175	132	176
April	3 434	2 120	2 060	60	2.8	4 088	125	160
May	3 436	2 177	2 128	49	2.3	2 446	131	174
June	3 440	2 365	2 315	50	2.1	1 461	139	151
July	3 444	2 379	2 333	46	1.9	818	134	141
Aug.	3 447	2 303	2 261	42	1.8	1 216	141	175
Sept.	3 449	2 226	2 188	38	1.7	1 606	138	172
Oct.	3 451	2 222	2 181	41	1.8	2 339	148	191
Nov.	3 453	2 220	2 180	40	1.8	2 813

¹ See explanations on page 18.

CONSTRUCTION OF BUILDINGS

Period	Building permits granted					Buildings completed					Building works under construction
	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	Total	Residential buildings	Farm buildings	Industrial and business buildings	Public buildings	
Million cubic metres											
1970	41.42	17.96	3.72	15.56	2.36	38.55	16.41	4.29	12.59	3.35	36.56
1971*	42.63	19.54	3.10	15.18	2.60	37.35	15.79	3.16	13.88	2.91	37.64
1972*	47.73	20.56	3.08	17.04	4.28	39.72	18.02	2.81	14.13	2.96	39.29
1972*											
Apr.-June	13.52	6.22	1.55	3.91	0.85	8.28	4.21	0.35	2.64	0.68	39.33
July-Sept.	13.44	6.11	0.55	4.89	1.17	10.17	4.64	0.87	3.22	0.76	41.87
Oct.-Dec.	13.46	5.50	0.43	4.88	1.78	13.32	5.94	1.26	4.83	0.77	39.29
1973*											
Jan.-Mar.	10.62	3.99	0.80	4.85	0.50	8.07	3.71	0.42	3.17	0.51	48.56
Apr.-June	16.97	7.85	1.73	5.82	0.62	6.51	3.27	0.33	2.08	0.37	47.39
July-Sept.	16.23	7.86	0.84	6.06	0.76	10.34	4.65	0.91	3.31	0.78	52.75

EXPLANATIONS RELATING TO THE STATISTICAL SECTION

BANK OF FINLAND

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

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

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

Figures for deposits and advances are supplied by the Central Statistical Office.

Page 6. *Cheque accounts in all credit institutions* relates to commercial banks, savings banks and co-operative banks.

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

STATE FINANCES

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

FOREIGN TRADE

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

BALANCE OF PAYMENTS

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

PRICE INDICES

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

WAGES — PRODUCTION

Pages 15—16. Figures supplied by the Central Statistical Office. Page 16. *Index of industrial production* calculated by the Central Statistical Office. The grouping by branches of industry is in accordance with the Standard Industrial Classification (SIC) which is a version of the 1968 edition of the ISIC. The SIC facilitates international comparisons between Finnish statistics and corresponding data from countries which use the ISIC. The seasonally adjusted series is calculated by the Bank of Finland on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: investment goods weight 7.0, other producer goods weight 67.0 and consumer goods weight 26.0. The weights for the special manufacturing indices are food manufacturing (SIC 311-2) 9.8, manufacture of wood, and wood and cork products (SIC 311-2) 8.0, manufacture of paper and paper products (SIC 341) 15.2, manufacture of industrial chemicals (SIC 351-2) 5.2, manufacture of non-metallic mineral products except products of petroleum and coal (SIC 361-9) 3.6 and metal industry (SIC 37-38) 25.9.

LABOUR — TIMBER FELLINGS — INTERNAL TRADE — TRAFFIC — CONSTRUCTION OF BUILDINGS

Page 17. *Labour* figures supplied by the Central Statistical Office. As of the beginning of 1973, the figures for the labour force, the employed labour force and the rate of unemployment are not fully comparable to the previous figures. The sample population used in the Labour Force Sample Survey was changed to accord with the data provided by the demographic forecast made in 1973. In January 1973, the labour force was estimated to be about 30 000 persons smaller, and the seasonally unadjusted rate of unemployment about 0.1 percentage point lower, than the corresponding figures derived with the aid of the former sample population.

Commercial timber fellings compiled by the Ministry of Labour. *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Construction of buildings* figures calculated by the Central Statistical Office.

SYMBOLS USED

- * Preliminary
- r Revised
- 0 Less than half the final digit shown
- . Logically impossible
- .. Not available
- Nil
- S affected by strike

SOME PARTICULARS ABOUT FINLAND

FORM OF GOVERNMENT

From 1165 to 1809 Finland formed a part of the kingdom of Sweden. Connected from 1809 with Russia, Finland was an autonomous country with the Emperor as Grand Duke until December 6, 1917, the date of Finland's declaration of independence. The republican constitution was adopted in 1919. The legislative power of the country is vested in Parliament and the President. The highest executive power is held by the President, elected for a period of 6 years. The President for the current period, March 1, 1968, to March 1, 1978, is Urho Kekkonen.

Parliament, comprising 200 members, is elected by universal suffrage for a period of 4 years. The number of seats of the different parties in Parliament elected in 1972 is as follows: Social Democrats 56, People's Democrats 37, Centre Party 35, Conservatives 33, Finnish People's Unification Party 13, Swedish Party 9, Liberal Party 6, Finnish Farmers' Party 5, Christian League 4 and Finnish People's Constitutional Party 2.

INTERNATIONAL ORGANIZATIONS

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

LAND

THE AREA is 337 000 square kilometres (Great Britain's area is 245 000 sq. km and Italy's area 301 000 sq. km). Of the total, inland waters form 9.4 %. Of the land area (1970) 2.7 mill. ha (9.6 %) are cultivated and 19.1 mill. ha (68.4 %) are covered by forests.

OWNERSHIP OF LAND (1970): The total land area was distributed among different classes of owners approximately as follows: private 60.7 %, State 29.4 %, joint stock companies etc. 8.0 %, municipalities and parishes 1.9 %.

POPULATION

NUMBER OF INHABITANTS (1972): 4.6 million. Sweden 8.1, Switzerland 6.4, Denmark 5.0 and Norway 3.9 million.

DENSITY OF POPULATION (1972:) In South Finland 44.4 in East and Central Finland 14.0, in North Finland 4.0 and in the whole country an average of 15.2 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1972): 55 % of the population inhabit the rural areas, 45 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 507 700 inhabitants, Tampere (Tammerfors) 162 800, Turku (Åbo) 158 300.

EMPLOYMENT (1972): Agriculture and forestry 19 %, industry and construction 35 %, commerce 15 %, transport and communications 7 %, services 24 %.

LANGUAGE (1970): Finnish speaking 93.2 %, Swedish speaking 6.6 %, others 0.2 %.

EDUCATION (1972): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640) 11 colleges of university standard, and 2 teacher training colleges, besides teacher training departments in two of the universities.

CHANGE OF POPULATION (1972): births 12.7 ‰, deaths 9.6 ‰, change + 4.3 ‰, net immigration 1.2 ‰. Deaths in France 10.6 ‰ and Great Britain 11.9 ‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1972, in million marks): Gross domestic product at factor cost by industrial origin: agriculture 3 225 (7 %), forestry and fishing 2 721 (6 %), manufacturing 15 147 (31 %),

construction 4 703 (10 %), transport and communication 4 750 (10 %), commerce, banking and insurance 6 174 (13 %), public administration 2 191 (4 %), ownership of dwellings 2 538 (5 %), services 6 891 (14 %), total 48 340. Index of real domestic product 143 (1964 = 100).

FOREST RESOURCES (1972): The growing stock comprised of 1 481 million m³ (solid volume with bark), of which 44 % was pine and 38 % spruce, the remaining 18 % being broad-leaved trees, chiefly birch. Of the growing stock, 619 million m³ was up to the standard required for logs, 55 % of these being pine. The annual growth was 56.2 million m³ and the total removal, calculated on the basis of roundwood consumption, was 54.3 million m³.

AGRICULTURE (1972): Cultivated land 2.7 million hectares. Number of holdings 286 500, of which 189 100 are of more than 5 ha. Measure of self-sufficiency in bread cereals 105 % in the crop year 1972/73.

INDUSTRY (1971): Gross value of industrial production 29 705 mill. marks, number of workers 395 501, salaried employees 105 915, motive power (1971) 5.5 mill. kW. Index of industrial production 101 for 1971 (1970 = 100).

STATE RAILWAYS (Jan. 1, 1974): Length 5 897 km.

MERCHANT FLEET (Dec. 31, 1973): Steamers 28 (21 300 gross reg. tons), motor vessels 378 (760 000 gross reg. tons), tankers 57 (731 700 gross reg. tons), sailing vessels with auxiliary engines 3 (500 gross reg. tons). Total 466 (1 513 500 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1972): Passenger cars 818 000, lorries and vans 116 100, buses 8 400, others 5 400. Total 947 900.

FINNISH AIRLINES (March 31, 1973): Finnair and Kar-Air have in use 4 DC-8-62s, 1 DC-6s, 8 Super Caravelles 8 DC-9s and 5 Convair Metropolitan. Companies have scheduled traffic outside of Finland to 25 airports and to 18 domestic airports.

FINANCE AND BANKING

CURRENCY. Since 1860, Finland has had its own monetary system. From 1877 until 1914 the country was on the gold standard, and returned to it in 1926. In 1931, the Central Bank's duty to redeem bank notes in gold was suspended and at the end of 1962 was entirely cancelled. The monetary unit is the mark (Finnish marka). Since Oct. 12, 1967, the par value of the mark is 0.21159 grams of fine gold per mark (equivalent to 4.20 marks per U.S. dollar). Since Feb. 15, 1973 a central rate of 3.90 marks to one U.S. dollar has been applied.

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

OTHER CREDIT INSTITUTIONS (Dec. 31, 1973). There are two big and five small commercial banks with in all 846 offices, 298 savings banks, 398 co-operative banks, six mortgage banks, and Post Office Bank. The co-operative stores accept deposits from their members. The Social Insurance Institution and fifty-eight private insurance companies also grant credits.

RATES OF INTEREST (July 1, 1973). The official discount rate of the Bank of Finland (the basic rate applied by the Bank of Finland for discounts and rediscounts of commercial banks) is 9 ¼ %. The range of rates for other credits granted by the Bank of Finland is between 7 ½ and 10 ½ %. Other credit institutions: term deposits 5 ¾ %, 6 month deposits 6 ¼ %, 12 month deposits 6 ¾ %, 24 month deposits 7 ¾ %; and sight deposits 1 ½ %; highest lending rate 12 ½ %.

REFORMS IN THE ADMINISTRATION OF LABOUR PROTECTION

by Jaakko Riikonen, M.Pol.Sc.

Director-General of the National Board of Labour Protection

HISTORICAL BACKGROUND

In Finland the first protective labour law was implemented at the end of the 1870s, when the disadvantages of industrialization began to be felt. The legislation regulating the observance of these acts was formulated during the first decades of this century. The most important act concerning the supervision of labour protection was the Industrial Inspection Act, which was adopted by Parliament in 1927 and based on the Industrial Inspection Statute of 1917.

In the main, the Industrial Inspection Act remained unchanged for more than forty years. However, in the course of those years a number of attempts were made to amend this act and revise the system of labour protection. There were four successive committees which dealt with the problem and submitted proposals for the development of the system: the first committee was appointed in 1935, the second in 1947, the third in 1958, and the fourth in 1967. This last one was appointed to plan labour protection, but it also dealt with industrial inspection. However, the comprehensive reforms which the committees proposed did not come about. Only minor reforms were made and, in its essentials, the system remained unchanged.

It was not until 1971 that the Ministry for Social Affairs and Health appointed two committees to plan the reform of the Industrial Inspection Act and the re-organization of labour protection as a whole. On the basis of the proposals of these committees, Parliament adopted two bills, the Act on the Administration of Labour Protection, issued on July 24, 1972, and the Act on the Supervision of Labour Protection, issued on February 16, 1973.

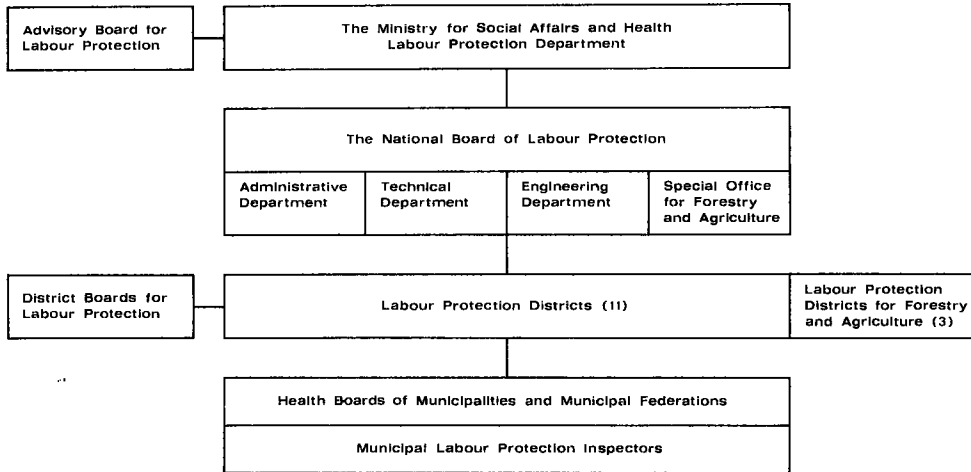
MAIN FEATURES OF THE OLD SYSTEM

The former Industrial Inspection Act included provisions concerning the supervision of labour protection and the organization of inspection. This act designated the Ministry for Social Affairs and Health as the highest authority supervising labour protection. Both the state and local authorities carried out industrial inspection. The state inspection authorities were responsible for the inspection of industrial establishments where at least five employees worked and where the installed machine power exceeded five kilowatts (seven horsepower). In 1970 there were roughly 9 400 establishments of this type employing about 401 000 people. The state inspection authorities also superintended public institutions, such as schools, hospitals, welfare centres and prisons, although regular inspections were not the rule. It was estimated that in 1971 there were some 30 000 establishments of this type with about 215 000 employees. Moreover, the state inspection authorities also supervised labour safety in felling and floating. The local authorities were responsible for the industrial inspection of small handicraft shops, work in agriculture and its subsidiary activities, retail shops, offices and warehouses, restaurants, hotels and cafeterias, as well as on temporary sites primarily for building. It was calculated that in 1970 there were roughly 88 800 places of this type providing 537 000 jobs.

For purposes of state industrial inspection, the country was divided into eight districts, while for the regulation of labour protection in felling and floating, three districts were used.

Local authority industrial inspection was performed under the control of state inspectors.

ORGANIZATION OF LABOUR PROTECTION



Each municipality was to have an industrial inspector, who was subordinate to the Health Board of the municipality.

THE NEW SYSTEM OF LABOUR PROTECTION

According to the new acts, labour protection is in practice based on inspection by official organizations and on co-operation between employers and employees at work.

ORGANIZATION OF THE ADMINISTRATION

The reform of the administration of labour protection, which finally took effect on October 1, 1973, has not led to the abandonment of the bipartite division of responsibility between state and local authorities; however, state inspection has increased substantially in importance. The Ministry for Social Affairs and Health still acts as the highest decision-making body and co-ordinates the organization of labour protection. In the Ministry, labour protection matters are handled in a new Labour Protection Department. Furthermore, an Advisory Board for Labour Protection works in connection with the Ministry; the 29 members of the Advisory Board represent labour market organizations and groupings of labour protection experts.

A new central board, the National Board of Labour Protection, was set up to take care of the ordinary administration and supervision of

labour protection. The new board, which is subordinate to the Ministry for Social Affairs and Health, started its activities in Tampere on October 1, 1973, and is the first central board to be located outside the capital. The Labour Protection Department of the Ministry deals with general legislative matters, the ratification of certain permanent provisions and with international relations. The National Board of Labour Protection supervises the activities of labour protection officials, drafts provisions concerning labour protection, deals with offences, supervises labour protection training and information, and compiles statistics on occupational accidents. It also drafts stipulations concerning the working environment, health care at work, tools and machinery, and provides guidance and advice for employers and employees in matters concerning labour protection. Furthermore, the Act on the Supervision of Labour Protection, which came into force on January 1, 1974, makes the National Board of Labour Protection the highest supervisory authority in these matters. The highest decision-making body in the National Board of Labour Protection is the Council, a collegial body, composed of the Director-General who acts as Chairman and the Department Chiefs who serve as ordinary members.

The National Board of Labour Protection is responsible for administration in the 11 districts. Each province, except the semi-autonomous

province of Ahvenanmaa — Åland, makes up one Labour Protection District. Each district has a Labour Protection Office, which may, in turn, have affiliate offices if needed. The country is divided into three districts for the purpose of labour protection in forestry and agriculture.

The expert authority in the Labour Protection District is the District Labour Protection Board. The Head of the District acts as Chairman of the District Board which has nine other members who generally represent labour market organizations. The functions of the District Board are similar to those of the Advisory Board; i.e., it deals with matters of principle concerning labour protection, makes proposals, and tries to promote co-operation between employers and employees in the field of labour protection. The forestry and agricultural District Protection Boards have eight members.

At the beginning of 1974, nearly 340 officials were employed in the state administration of labour protection, of these 21 were employed by the Labour Protection Department of the Ministry for Social Affairs and Health, 107 by the National Board of Labour Protection and 211 by district authorities. Compared with the former system, the number of persons working in this field has more than trebled.

The Municipal Health Board acts as the key labour protection authority on the local level. The new act charges the municipalities and federations of municipalities to employ full-time labour protection inspectors, who are subordinate to the Health Board. In certain cases the Ministry for Social Affairs and Health may permit a municipal health inspector to act as a labour protection inspector or may allow two or more local authorities to employ a single inspector. Municipalities receive central government funds to pay the salaries of the inspectors. Municipal labour protection is supervised by the state labour protection authorities.

The state and local governments have divided their labour protection activities so that the

municipal labour protection official supervises establishments with less than ten persons and in which no equipment, substances, or practices are used which might cause harm to the employee or cause a sanitation hazard. Accordingly, the state labour protection authorities are to inspect construction sites and public institutions. Previously the local authorities were responsible for this. A total of 1 600 000 persons will be guaranteed labour protection through these activities.

On the local level the new system of labour protection is to be ready by the end of 1976. At the moment it is impossible to assess exactly how many municipal labour protection inspectors will be appointed, but it is estimated that their number will exceed 200.

THE SUPERVISION OF LABOUR PROTECTION AND CO-OPERATION BETWEEN EMPLOYERS AND EMPLOYEES

The Act on the Supervision of Labour Protection, which came into force on January 1, 1974, extended substantially the powers of labour protection officials. One of the defects of the former Industrial Inspection Act was the fact that the authorities were not able to enforce their recommendations. The new act gives the inspector the authority to give the employer instructions to take measures necessary for ensuring the safety of his employees. The official is also empowered to have measures carried out at the cost of the employer, or to prohibit the use of dangerous practices, machines or equipment, or to stop work in an establishment or in some part of it.

However, the measures promoting labour protection are not to be imposed solely by the labour protection officials. The Act on the Supervision of Labour Protection calls for co-operation between employers and employees in these matters. Accordingly, the employer shall appoint a labour protection supervisor, and in establishments with at least ten employees, the employees shall choose from among themselves a labour protection representative and two deputies for a period of two

calendar years. Salaried employees also have the same right.

The labour protection representative is to be given time during working hours to see to labour protection matters. The labour protection representatives are authorized to obtain all information relevant for ensuring safety and sanitation and for making proposals and suggestions on these matters to the employer. Furthermore, the labour protection supervisor and the representatives shall be present at labour protection inspections, if the protection official considers it necessary.

In addition, in order to promote labour safety and sanitation, a Labour Protection Committee is to be appointed for two calendar years at a time in establishments which regularly employ 20 or more persons. This Committee is a joint body composed of representatives of the employer, the workers and the salaried employees; half of the members of the Committee will be chosen by the workers, one fourth by the salaried employees and one fourth by the employer.

FUTURE PROSPECTS

As labour protection at work is largely based on co-operation between the employers and employees, the future development of labour protection will greatly depend on the success of this co-operation. The number of inspectors and related personnel is limited, and it may not be possible to increase it substantially in the coming years because of the lack of public funds. Accordingly, the labour protection authorities may, even in the future, act only as advisory and co-ordinating bodies. Apart from intensifying the supervisory activities as provided by the act, main attention should be focussed on the development of labour protection training and research, and on the continuous monitoring of sanitation at work. This calls for co-operation between the various authorities responsible for health care in setting up regional occupational health centres and co-ordinating the activities of the technological research institutions.

BANK OF FINLAND

Board of Management

Mauno Koivisto

Governor

A. Simonen

Deputy Governor

Ahti Karjalainen

*Absent as a Member
of Government*

Heikki Valvanne

Päiviö Hetemäki

Pentti Uusivirta

Timo Helelä

ad int.

Directors

Jouko J. Voutilainen

Timo Helelä

Jorma Aranko

Pertti Tammivuori

Markku Puntila

Senior officials

Pertti Kukkonen

Director, ADP-planning

Pauli Kanerva

Administration

K. Ignatius

Personnel

Antti Lehtinen

*Domestic Financial
Operations*

Kalle Koski

Capital Transfers

Kari Nars

Foreign Exchange Policy

Raili Nuortila

Eastern Trade

J. Ojala

Foreign Exchange Control

Kari Puumanen

Economics Dept., ad int.

Heikki Koskenkylä

Research Dept., ad int.

Stig Törnroth

Cash

K. Eirola

Automatic Data Processing

A. Nenonen

Foreign Correspondence

Väinö Heiskanen

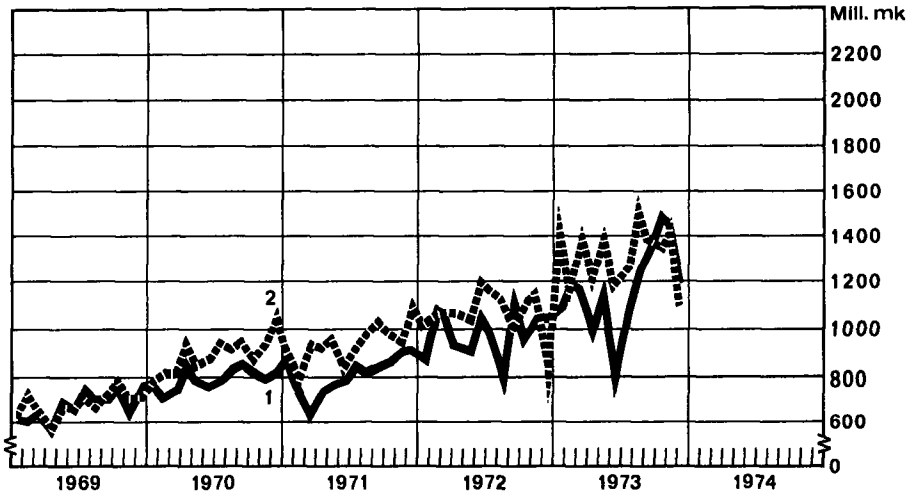
Banking Services

Eino Suomela

Internal Audit

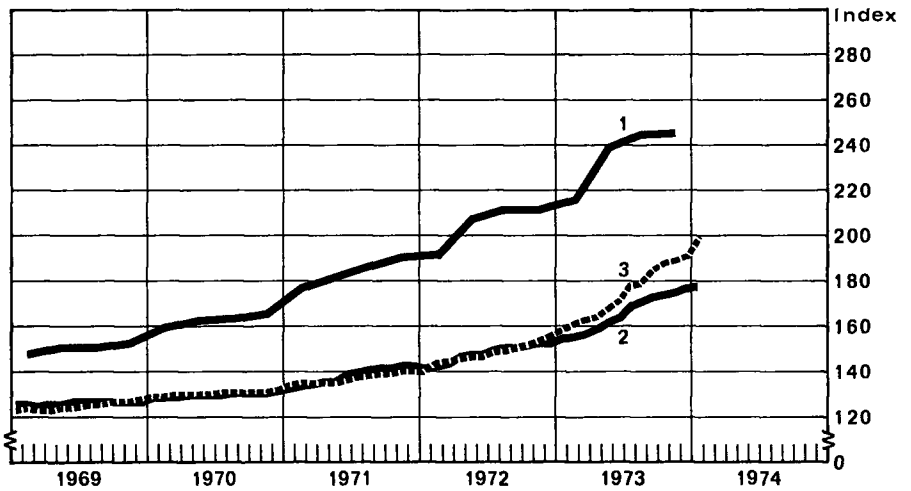
Foreign trade, 1969-1974

1. Exports f.o.b.
 2. Imports c.i.f.
- Seasonally adjusted monthly figures



Prices and wages, 1969-1974

1. Index of salary and wage earnings 1964 = 100, quarterly
2. Cost of living index 1964 = 100, monthly
3. Wholesale price index 1964 = 100, monthly



Production, 1969-1974

1. Total index of industrial production 1964 = 100, seasonally adjusted monthly figures
2. Volume index of gross domestic product 1964 = 100, seasonally adjusted quarterly figures

