



BANK OF FINLAND

Monthly Bulletin

**On the occasion of the closing of
the 1972 accounts**

**Development of Finland's population
in 1950—1970**

**Finland's balance of payments
January—September 1972**

**Inflow of long-term capital in
January—September 1972**

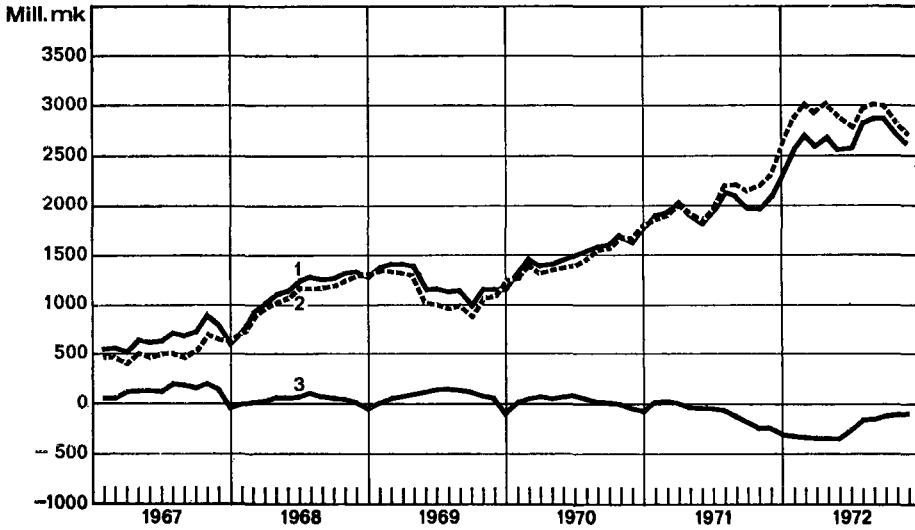
**Finland's travel account in January—
September 1972**

Supplementary budget

JANUARY 1973

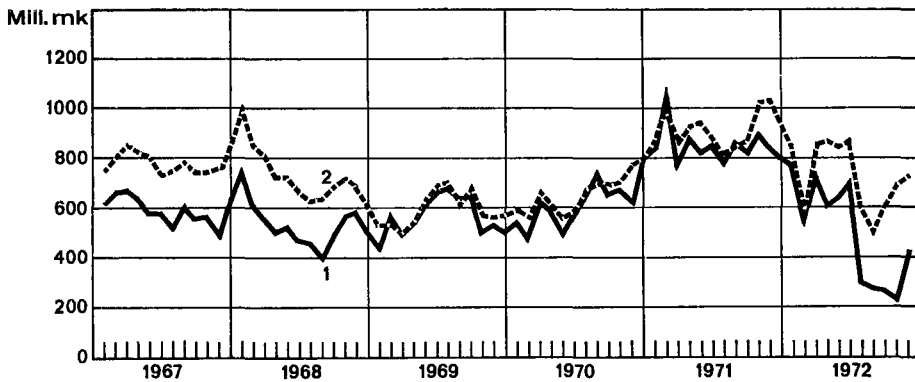
Vol. 47 No. 1

Bank of Finland foreign exchange reserve, 1967-1972



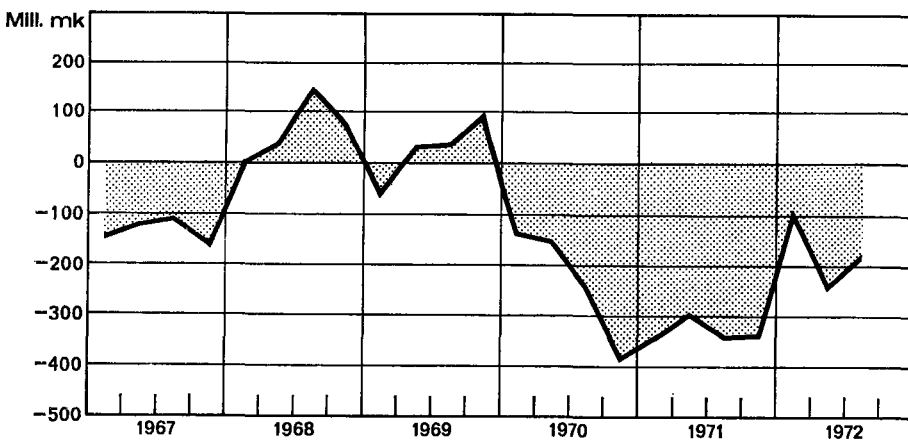
1. Total gold and foreign exchange
2. Gold and convertible currencies
3. Other currencies

Bank of Finland's position in regard to the banks, 1967-1972



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

Balance of payments current account surplus/deficit, 1967-1972



Seasonally adjusted quarterly figures

ON THE OCCASION OF THE CLOSING OF THE 1972 ACCOUNTS

the Governor of the Bank of Finland, Dr. Mauno Koivisto, has made the following statement

After a mild cyclical recession the growth of total production picked up in 1972. However, the cyclical upswing began slowly in an atmosphere coloured by uncertainty, and hence, unemployment still increased slightly. On the other hand, the strengthening of inflation was the most serious deviation from the desired course of economic development. In 1972 the current account deficit was distinctly smaller than one year earlier. However, such an improvement is to be expected at this phase of the business cycle. The inflow of long-term foreign capital remained strong. As the current account was strengthened and the inflow of foreign capital continued, the country's foreign exchange reserves grew further.

Most of the measures aimed at promoting economic activity in 1972 were already completed in 1971. These included the releasing of the counter-cyclical reserves of private enterprises, the raising of the credit quotas of the commercial banks at the Bank of Finland, and the general lowering of interest rates from the beginning of 1972. These measures were supplemented by credit policy guide-lines given to the financial institutions in May 1972; the purpose of the guide-lines was to get investment in machinery and equipment, housing and environmental projects started as quickly as possible. At the same time, financial institutions were advised to take more stringent attitudes towards applications for credits that would be drawn upon during the later stages of the cyclical upswing. The continuing inflow of foreign capital contributed to economic activity.

Throughout 1972 the international foreign exchange market was much more tranquil than during the previous year. However, basic problems remained unchanged, and no perma-

nent solutions to the problems facing the international foreign exchange system were reached. Throughout the year the Bank of Finland employed the central rate system, which was introduced in December 1971. In the first months of 1972 the external value of the Finnish mark continued to fall as a result of the strengthening of other currencies; however, from the beginning of April 1972, the value of the mark rose gradually so that by the end of the year it had reached the level of the beginning of the year.

The international capital market remained easy and the inflow of long-term foreign capital continued throughout 1972. The net inflow of long-term capital was somewhat smaller than in the previous year, though it was still large enough to cover the current account deficit and to increase the gold and foreign exchange reserves of the Bank of Finland by 271 million marks during the year. The Special Drawing Rights, allocated to Finland at the beginning of the year, accounted for 84 million marks of the increase in foreign exchange reserves.

The releasing of the counter-cyclical reserves of private enterprises continued in 1972. Counter-cyclical deposits, which amounted to 184 million marks at the beginning of the year, were drawn upon before the end of September. In 1972 the net drawings of investment deposits totalled 70 million marks, and at the close of the year, undrawn investment deposits amounted to 38 million marks. Of the counter-cyclical reserves of private enterprises, 256 million marks were released in 1972.

Furthermore, the central government used most of its counter-cyclical reserves in 1972. Export levy funds decreased from 15 million marks to

2 million marks. A total of 72 million marks of counter-cyclical tax funds was used during the year, and at the end of the year 42 million marks of these funds remained on account.

The growth of the foreign exchange reserves of the Bank of Finland as well as the release of the counter-cyclical reserves of the private and public sector improved the liquidity position of commercial banks. This was offset somewhat by the 390 million mark increase in the amount of deposit certificates held by the Bank of Finland and by the growth of note circulation, which was exceptionally large because of many Bank holidays at the end of the year. In 1972 net liabilities of commercial banks to the Bank of Finland fell by 82 million marks and totalled 758 million marks at the end of the year. During most of the year, the commercial banks used only about half of their credit quotas with the Bank of Finland.

Direct lending to enterprises by the Bank of Finland fell by 24 million marks during the

year. At the end of the year, »new export» credits amounted to 39 million marks and domestic suppliers' credits to 236 million marks. The Bank of Finland's profits for 1972 amounted to 80 million marks.

It may be expected that economic activity will revive still more during the current year, and unemployment should fall. During 1973 it may become necessary to implement measures to curb the upswing, as most economic policy measures begin to take effect only very slowly. It would then be desirable if the main emphasis of counter-cyclical policy were not placed on monetary policy, since monetary policy measures will inevitably be focused mainly on investment. A substantial restraint in industrial investment would be harmful, particularly since the Finnish economy has to adjust to a new international market situation. In view of future economic development, the curbing of inflation is a goal of utmost importance.

January 4, 1972

BANK OF FINLAND

Mill. mk

	1971	1972				
	Dec. 31	Nov. 30	Dec. 8	Dec. 15	Dec. 22	Dec. 29
Assets						
Gold and other foreign assets	2 776	3 001	2 954	2 977	2 934	2 912
Gold	205	205	205	205	205	205
Special drawing rights	197	283	283	283	283	283
IMF gold tranche	268	268	268	268	268	268
Foreign exchange	1 950	2 035	1 984	2 006	1 957	1 929
Foreign bills	119	102	106	106	112	110
Foreign bonds	37	108	108	109	109	117
Claims on domestic banks	849	805	825	852	945	758
Discounted bills	848	787	808	831	933	752
Rediscounted bills	1	1	1	1	1	1
Cheque accounts	—	17	16	20	11	5
Other lending	340	317	308	305	317	316
Inland bills discounted						
In foreign currency	—	—	—	—	—	—
In Finnish marks	121	57	49	43	43	44
Loans	219	260	259	262	274	272
Other assets	597	698	697	689	680	607
Finnish bonds	38	132	133	127	121	47
Finnish coin	14	31	30	27	25	25
Currency subscription to Finland's quota						
in the IMF	530	530	530	530	530	530
Other claims	15	5	4	5	4	5
Total	4 562	4 821	4 784	4 823	4 876	4 593
Liabilities						
Notes in circulation	1 479	1 556	1 696	1 834	1 836	1 730
Liabilities payable on demand	358	518	339	245	298	136
Foreign exchange accounts	297	101	76	69	65	78
Mark accounts of holders abroad	30	45	46	46	45	43
Cheque accounts						
Treasury	2	42	43	37	42	1
Post Office Bank	2	317	159	79	133	2
Private banks	9	—	—	—	—	—
Other	3	2	3	2	2	1
Other sight liabilities	15	11	12	12	11	11
Term liabilities	905	926	925	917	914	899
Foreign	—	—	—	—	—	—
Domestic	905	926	925	917	914	899
IMF mark accounts	530	530	530	530	530	530
Allocations of special drawing rights	174	258	258	258	258	258
Equalization accounts	400	289	290	291	288	286
Bank's own funds	716	744	746	748	752	754
Capital	600	600	600	600	600	600
Reserve fund	32	74	74	74	74	74
Profits undisposed	—	—	—	—	—	—
Earnings less expenses (Dec. 31, Net profit)	84	70	72	74	78	80
Total	4 562	4 821	4 784	4 823	4 876	4 593

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
1966	556	61	495	81	101	475	10	40	— 30
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
1971									
Sept.	2 180	192	1 988	661	530	2 119	— 96	0	— 96
Oct.	2 227	246	1 981	664	530	2 115	— 92	22	—114
Nov.	2 364	261	2 103	668	530	2 241	— 90	39	—129
Dec.	2 620	327	2 293	686	530	2 449	— 15	2	— 17
1972									
Jan.	2 935	349	2 586	682	530	2 738	— 15	17	— 32
Feb.	3 080	360	2 720	695	530	2 885	— 3	26	— 29
March	2 991	370	2 621	708	530	2 799	— 3	30	— 33
April	3 079	372	2 707	707	530	2 884	— 3	37	— 40
May	2 941	370	2 571	725	530	2 766	— 3	32	— 35
June	2 865	282	2 583	732	530	2 785	— 3	36	— 39
July	3 028	181	2 847	748	530	3 065	— 3	35	— 38
Aug.	3 073	175	2 898	743	530	3 111	— 3	43	— 46
Sept.	3 034	137	2 897	741	530	3 108	— 2	48	— 50
Oct.	2 881	134	2 747	742	530	2 959	— 2	43	— 45
Nov.	2 791	146	2 645	740	530	2 855	— 2	47	— 49
Dec.	2 685	121	2 564	757	530	2 791	— 2	1	— 3

FOREIGN EXCHANGE SITUATION

Mill. mk

	Net holdings, Dec. 31, 1971			Net holdings, November 30, 1972			Change	
	Bank of Finland	Other	Total	Bank of Finland	Other	Total	Nov.	Jan.—Nov.
	Gold	205	—	205	205	—	205	—
Special drawing rights	197	—	197	283	—	283	—	+86
IMF gold tranche	268	—	268	268	—	268	—	—
Convertible currencies	1 920	143	2 063	1 984	212	2 196	—178	+133
Other currencies	—297	— 3	—300	— 94	—10	—104	+ 11	+196
Total	2 293	140	2 433	2 646	202	2 848	—167	+415

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	
1966	—	915	—	14	17	884	180	85	72	193	1 106
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
1971											
Sept.	866	1	15	—	0	882	180	208	918	-530	1 322
Oct.	1 097	1	5	—	79	1 024	188	207	950	-555	1 373
Nov.	1 109	1	19	—	162	967	152	206	929	-571	1 396
Dec.	848	1	—	9	2	838	121	234	908	-553	1 479
1972											
Jan.	714	1	22	—	71	666	117	226	1 002	-659	1 369
Feb.	522	1	18	—	101	440	116	238	977	-623	1 377
March	786	1	—	5	48	734	89	242	1 110	-779	1 423
April	807	1	5	—	207	606	85	249	1 087	-753	1 451
May	796	1	6	—	74	729	79	254	1 067	-734	1 450
June	860	1	—	6	154	701	67	261	1 096	-768	1 555
July	616	1	19	—	347	289	63	256	1 072	-753	1 513
Aug.	488	1	5	—	249	245	63	256	1 057	-738	1 474
Sept.	661	1	15	—	388	289	63	248	977	-666	1 557
Oct.	753	1	29	—	507	276	65	262	949	-622	1 507
Nov.	787	1	17	—	312	493	57	265	937	-615	1 556
Dec.	752	1	5	—	2	756	44	277	909	-588	1 730

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

SELLING RATES FOR FOREIGN EXCHANGE

Mk

January 2, 1973

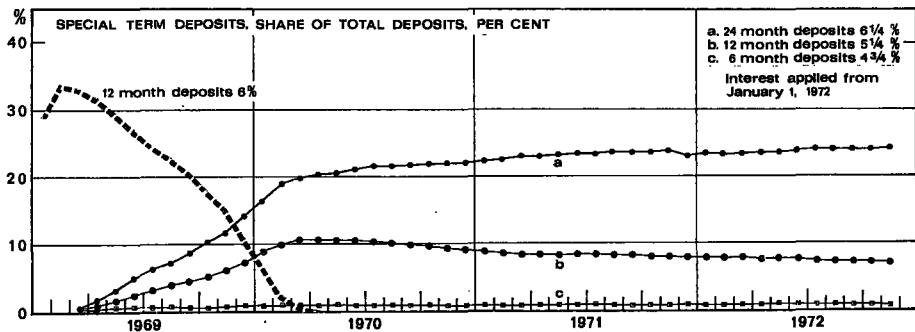
New York ¹	1 \$	4.176	Frankfurt o. M.	100 DM	130.40	Vienna	100 S	18.04
Montreal	1 \$	4.198	Amsterdam	100 FI	129.35	Lisbon	100 Esc	15.59
London	1 £	9.800	Brussels ²	100 Fr		Reykjavik	100 Kr	4.28
Stockholm	100 Kr	88.05	Zurich	100 Fr	110.82	Madrid	100 Pta	6.60
Oslo	100 Kr	62.80	Paris ³	100 FF		Moscow ⁴	1 Rbl	4.960
Copenhagen	100 Kr	61.00	Rome	100 Lit	0.7168			

¹ As from Dec. 20, 1971 also applied to clearing accounts with Berlin, Budapest and Sofia.² 9.470 commercial rate; 9.415 financial rate.³ 81.55 commercial rate; 81.55 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
1965	676.9	843.7	309.4	3 182.6	2 954.4	1 931.0	773.2	357.2	9 198.6	10 351.7
1966	639.8	849.4	318.0	3 660.9	3 329.9	2 202.1	863.6	380.7	10 437.3	11 604.7
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	1 732.7	754.4	6 961.4	5 447.0	3 876.2	1 491.4	642.3	18 418.3	20 905.4
1971*										
Sept.	1 195.8	1 553.2	637.4	6 361.7	5 119.9	3 676.7	1 371.0	608.3	17 137.6	19 328.2
Oct.	1 175.9	1 514.0	612.2	6 425.4	5 177.3	3 720.5	1 390.6	617.8	17 331.6	19 457.8
Nov.	1 322.4	1 663.1	624.3	6 534.2	5 252.3	3 774.1	1 418.9	619.4	17 598.9	19 886.3
Dec.	1 343.5	1 732.7	754.4	6 961.4	5 447.0	3 876.2	1 491.4	642.3	18 418.3	20 905.4
1972*										
Jan.	1 456.2	1 805.2	721.2	6 970.3	5 480.9	3 930.1	1 520.8	648.4	18 550.5	21 076.9
Feb.	1 456.3	1 820.1	772.5	7 021.9	5 540.5	4 008.4	1 548.9	658.5	18 778.2	21 370.8
March	1 421.2	1 767.8	782.6	7 052.8	5 572.5	4 040.8	1 566.2	663.4	18 895.7	21 446.1
April	1 374.8	1 714.7	798.0	7 112.5	5 611.9	4 080.0	1 577.5	670.2	19 052.1	21 564.8
May	1 497.3	1 882.8	763.6	7 206.3	5 662.4	4 133.3	1 586.1	674.5	19 262.6	21 909.0
June	1 542.5	1 927.3	850.0	7 236.5	5 675.7	4 106.5	1 599.3	674.5	19 292.5	22 069.8
July	1 655.1	2 046.3	779.9	7 341.4	5 728.4	4 150.2	1 619.5	677.1	19 516.6	22 342.8
Aug.	1 637.3	2 078.4	793.6	7 418.0	5 813.8	4 218.5	1 634.3	678.4	19 763.0	22 635.0
Sept.	1 568.9	2 009.4	852.1	7 491.7	5 882.5	4 270.0	1 669.2	695.4	20 008.8	22 870.3
Oct.	1 735.6	2 181.9	793.0	7 567.4	5 934.6	4 311.5	1 693.8	697.2	20 204.5	23 179.4
Nov.	1 689.1	2 140.7	797.0	7 658.3	6 018.3	4 396.2	1 727.8	700.9	20 501.5	23 439.2

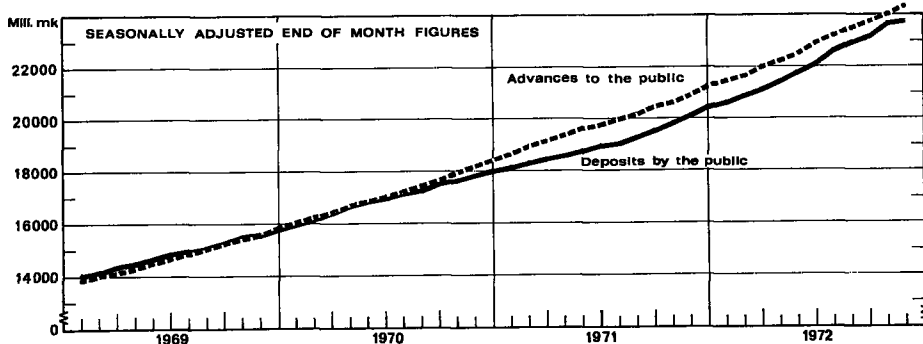


ADVANCES TO THE PUBLIC—MONEY SUPPLY

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 ¹	Mortgage banks	Loans & Bills	Cheque credits		
	1	2	3	4	5	6	7	8	9
1965	4 597.4	2 609.2	2 030.6	707.4	899.4	10 420.4	423.6	10 844.0	2 074
1966	5 205.4	2 951.4	2 261.0	779.6	908.8	11 618.1	488.1	12 106.2	2 181
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	4 796.2	3 836.0	1 746.6	1 799.1	20 643.2	768.4	21 411.6	4 025
1971*									
Sept.	8 811.6	4 655.6	3 686.1	1 742.1	1 657.0	19 747.3	805.1	20 552.4	3 415
Oct.	8 956.0	4 712.2	3 739.1	1 755.6	1 662.5	20 026.2	799.2	20 825.4	3 495
Nov.	9 071.0	4 770.5	3 793.6	1 737.0	1 760.3	20 352.2	780.2	21 132.4	3 606
Dec.	9 233.7	4 796.2	3 836.0	1 746.6	1 799.1	20 643.2	768.4	21 411.6	4 025
1972*									
Jan.	9 262.7	4 851.8	3 884.0	1 782.7	1 808.1	20 838.9	750.4	21 589.3	3 821
Feb.	9 283.7	4 874.0	3 895.8	1 813.6	1 795.0	20 903.2	758.9	21 662.1	3 930
March	9 417.3	4 912.2	3 941.0	1 838.6	1 831.1	21 144.3	795.9	21 940.2	3 950
April	9 583.6	4 954.0	3 976.1	1 879.5	1 869.7	21 432.3	830.6	22 262.9	3 964
May	9 671.5	5 011.3	4 034.2	1 918.8	1 908.3	21 725.5	818.6	22 544.1	4 018
June	9 887.3	5 052.3	4 074.7	1 943.4	1 975.1	22 074.8	858.0	22 932.8	4 275
July	9 867.9	5 101.2	4 124.7	1 963.3	2 086.5	22 332.1	811.5	23 143.6	4 247
Aug.	9 865.5	5 167.3	4 187.4	2 022.3	2 103.7	22 540.1	806.1	23 346.2	4 268
Sept.	10 038.7	5 253.3	4 269.7	2 095.4	2 135.6	22 957.3	835.4	23 792.7	4 408
Oct.	10 214.8	5 335.2	4 357.3	2 087.0	2 171.6	23 370.8	795.1	24 165.9	4 422
Nov.	10 386.3	5 429.3	4 417.6	2 107.8	2 229.2	23 758.6	811.6	24 570.2	4 418

¹ New series.



STATE FINANCES

Mill. mk

Revenue	Jan.—Oct.		Expenditure	Jan.—Oct.	
	1971	1972		1971	1972
Income and property tax (net)	2 957	3 709	Wages, salaries, pensions etc.	1 686	1 943
Gross receipts	(6 679)	(7 827)	Repair and maintenance	264	288
Refunds & local authorities	(—3 722)	(—4 118)	Other consumption expenditure	739	829
Other taxes on income and property	68	78	Total consumption expenditure	2 689	3 060
Employers' child allowance payments	343	365	State aid to local authorities	1 382	1 573
Sales tax	2 545	2 968	State aid to industries	1 093	1 237
Revenue from Alcohol Monopoly	638	691	of which: agric. price subsidies	(804)	(916)
Customs duties & import charges	333	358	Child allowances	261	276
Counter-cyclical tax	84	3	Share in national pensions and health insurance	151	214
Excise duty on tobacco	376	421	Other transfer expenditure	991	1 300
» » on liquid fuel	544	582	Total transfer expenditure	3 878	4 600
Other excise duties	262	296	Machinery and equipment	280	387
Tax on autom. and motor cycles	250	337	House construction	178	242
Stamp duties	191	223	Land and waterway construction	578	786
Special diesel etc. vehicles tax	46	51	Total real investment	1 036	1 415
Other taxes and similar revenue ¹	166	246	Interest on State debt	201	207
Total taxes	8 803	10 328	Index compensations	22	23
Miscellaneous revenue	507	838	Net deficit of State enterprises	141	102
Interest, dividends etc.	200	241	Other expenditure	7	16
Sales and depreciation of property	74	—	Total other expenditure	371	348
Redemptions of loans granted	185	166	Increase in inventories	+41	+65
Total revenue	9 769	11 573	Lending	634	840
Foreign borrowing	7	141	Other financial investment	346	193
Domestic borrowing	395	364	Total expenditure	8 995	10 521
Total borrowing	402	505	Redemption of foreign loans	107	134
Deficit (+) or surplus (—)	(—702)	—962	Redemption of domestic loans	367	461
			Total redemptions	474	595
			Total	9 469	11 116

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

State debt	1969	1970	1971	1972			
	Dec.	Dec.	Dec.	Aug.	Sept.	Oct.	Nov.
Foreign debt	1 656	1 557	1 524	1 577	1 547	1 539	1 538
Loans	2 316	2 437	2 467	2 450	2 444	2 391	2 339
Compensatory obligations	4	3	2	2	2	1	2
Short-term credit	158	46	61	55	55	55	55
Cash debt (net)	—217	—284	—528	—502	—505	—396	—585
Domestic debt	2 261	2 202	2 002	2 005	1 996	2 051	1 811
Total State debt	3 917	3 759	3 526	3 582	3 543	3 590	3 349
Total debt, mill \$	933	900	849	866	856	865	803

FOREIGN TRADE

Mill. mk

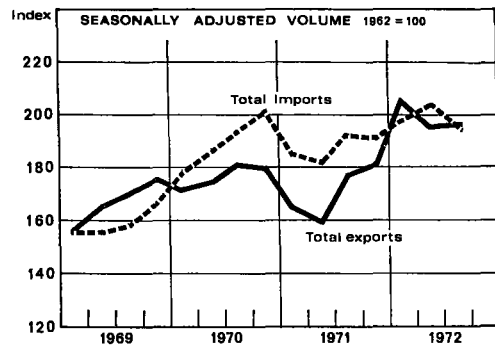
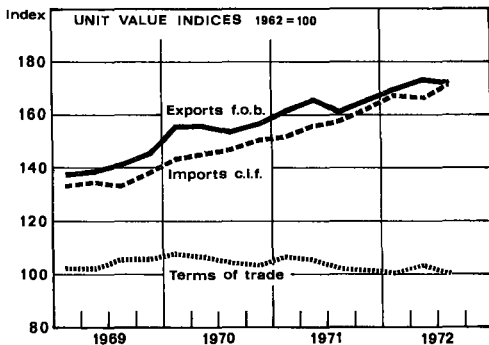
Value mill. mk

Period	Value mill. mk		
	Exports f. o. b.	Imports c. i. f.	Surplus of exports (+) or imports (-)
1966	4 816.9	5 524.4	-707.5
1967	5 231.2	5 794.4	-563.2
1968	6 874.2	6 710.9	+163.3
1969	8 344.7	8 504.8	-160.1
1970	9 686.7	11 071.4	-1 384.7
1971*	9 897.2	11 734.4	-1 837.2
1971*			
Dec.	1 017.7	1 458.8	-441.1
1972*			
Jan.	872.3	957.5	- 85.2
Feb.	963.2	958.1	+ 5.1
March	1 049.9	1 032.5	+ 17.4
April	856.9	1 092.7	-235.8
May	891.6	1 080.3	-188.7
June	1 122.7	1 116.2	+ 6.5
July	993.4	1 100.1	-106.7
Aug.	832.1	998.8	-166.7
Sept.	1 171.3	1 092.6	+ 78.7
Oct.	1 018.5	1 214.7	-196.2
Jan.-Oct.			
1971*	7 918.3	9 252.0	-1 333.7
1972*	9 771.9	10 643.5	- 871.6

Indices of exports and imports 1962 = 100

Period	Volume		Unit value		Terms of trade
	Exports	Imports	Exports	Imports	
	1966	122	135	112	
1967	129	135	115	110	105
1968	143	129	136	132	103
1969	167	160	141	135	104
1970	176	192	156	147	106
1971	171	190	164	157	104
1970					
Apr.-June	178	189	156	146	107
July-Sept.	182	186	154	147	105
Oct.-Dec.	193	228	157	151	104
1971					
Jan.-Mar.	152	169	162	152	107
Apr.-June	157	182	166	156	106
July-Sept.	176	184	162	158	103
Oct.-Dec.	198	223	166	163	102
1972 ¹					
Jan.-Mar.	192	179	170	168	101
Apr.-June	187	200	174	167	104
July-Sept.	197	189	173	172	101

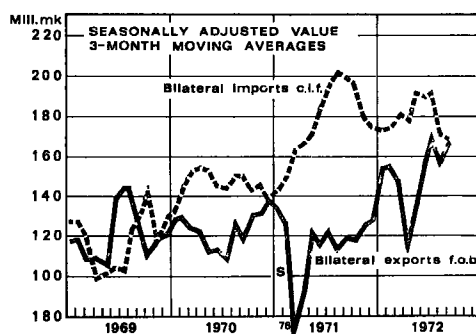
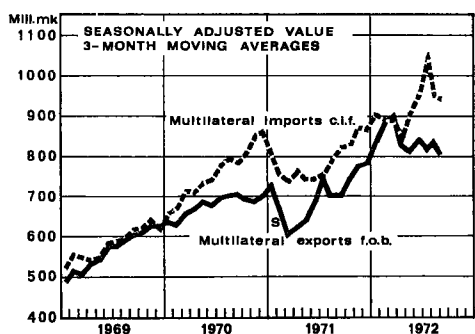
¹ The 1972 figures have been calculated by converting the final 1971 Fisher index with the percentage change in the 1972-1971 Laspeyres index.



FOREIGN TRADE BY MAIN GROUPS

Mill. mk

Period	Exports, f.o.b.						Imports, c.i.f.			
	Agri- cultural products	Round and hewn timber	Wood industry products	Paper industry products	Metal, en- gineering industry products	Other goods	Raw materials and pro- ducer goods	Fuels and lubricants	Finished goods	
									Investment goods	Consumer goods
1966	264.0	59.0	863.5	2 297.0	877.2	456.2	2 450.5	589.8	1 448.5	1 035.6
1967	261.4	54.3	865.7	2 384.5	1 080.6	584.7	2 545.9	668.2	1 462.8	1 117.5
1968	327.1	55.5	1 157.7	2 994.0	1 566.4	773.5	3 023.1	874.0	1 524.2	1 289.6
1969	360.2	71.9	1 400.4	3 373.9	2 011.8	1 126.5	3 692.9	948.6	2 229.4	1 633.9
1970	426.3	88.0	1 544.0	3 789.4	2 437.2	1 401.8	4 918.2	1 243.4	2 905.5	2 004.3
1971*	546.8	88.5	1 653.3	3 720.7	2 323.0	1 564.9	4 638.6	1 556.5	3 428.4	2 110.9
1971*										
Dec.	74.5	6.6	168.6	359.6	254.8	153.6	601.7	175.4	431.1	250.6
1972*										
Jan.	72.8	3.2	132.7	320.7	226.5	116.4	360.9	136.6	294.3	165.7
Feb.	38.5	3.9	115.4	341.4	312.4	151.6	387.3	83.9	290.9	196.0
March	88.3	0.7	114.3	377.9	287.4	181.3	437.0	75.7	279.7	240.1
April	32.6	3.4	118.5	309.8	235.5	157.1	395.6	104.7	364.7	227.7
May	64.6	3.5	127.7	268.7	273.9	153.2	419.3	125.3	318.3	217.4
June	47.5	5.3	153.3	371.2	375.4	170.0	463.3	156.7	290.8	205.4
July	46.1	8.9	172.8	363.4	267.0	135.2	399.8	188.0	312.8	199.5
Aug.	30.4	4.5	144.8	318.9	172.4	161.1	412.9	144.1	240.6	201.2
Sept.	55.2	6.6	199.5	420.0	247.9	242.1	451.0	143.6	269.1	228.9
Oct.	45.2	4.5	169.8	343.3	256.6	199.1	479.8	166.7	309.0	259.2
Jan.-Oct.										
1971*	425.0	74.6	1 319.2	3 038.6	1 812.9	1 248.0	3 624.5	1 247.7	2 705.6	1 674.2
1972*	521.2	44.5	1 448.8	3 435.3	2 655.0	1 667.1	4 206.9	1 325.3	2 970.2	2 141.1



FOREIGN TRADE BY COUNTRIES

Mill. mk

Area and country	Exports, f.o.b.				Imports, c.i.f.			
	January — October				January — October			
	1971*		1972*		1971*		1972*	
	%	Mill. mk	%	Mill. mk	%	Mill. mk	%	Mill. mk
OECD countries in Europe	72.2	5 717.6	72.0	7 036.5	72.5	6 705.8	74.2	7 904.9
Austria	1.0	76.2	1.0	93.6	1.5	135.5	1.5	161.9
Belgium-Luxembourg	1.8	142.3	2.0	192.9	1.6	149.9	1.8	195.1
Denmark	4.0	316.9	3.8	371.7	3.2	298.6	3.1	333.0
France	3.8	303.9	4.0	390.9	3.1	287.6	3.6	385.6
Federal Republic of Germany	10.5	831.0	10.3	1 004.9	16.7	1 545.7	17.9	1 902.2
Italy	2.1	168.5	1.4	140.3	2.0	181.9	1.9	206.7
Netherlands	4.4	349.1	3.5	347.9	3.5	321.1	3.7	391.5
Norway	4.0	316.3	3.8	369.8	2.5	234.9	3.0	313.9
Portugal	0.3	19.0	0.3	27.0	0.6	51.8	0.8	80.0
Spain	0.9	74.0	1.0	96.9	0.7	61.5	0.5	56.0
Sweden	16.0	1 267.0	18.2	1 777.6	18.0	1 667.4	18.7	1 994.1
Switzerland	2.1	168.8	2.0	194.4	3.6	336.7	3.4	365.9
United Kingdom	19.2	1 516.1	18.3	1 789.0	15.3	1 411.4	14.0	1 486.4
Other	2.1	168.5	2.4	239.6	0.2	21.8	0.3	32.6
OECD countries outside Europe	6.2	491.2	6.1	592.5	6.9	640.1	6.6	699.4
Canada	0.8	60.8	0.8	73.5	0.3	26.4	0.3	27.5
Japan	0.1	13.0	0.4	42.3	2.1	195.2	2.0	209.6
United States	5.3	417.4	4.9	476.7	4.5	418.5	4.3	462.3
Eastern Bloc	13.8	1 096.0	15.2	1 490.8	18.3	1 696.3	15.6	1 661.3
Czechoslovakia	0.6	50.3	0.5	46.7	0.5	45.3	0.5	52.3
Democratic Republic of Germany	0.6	48.2	0.4	45.2	0.6	54.7	0.6	64.6
People's Republic of China	0.4	33.7	0.7	67.1	0.4	39.6	0.3	33.2
Poland	1.0	80.4	0.9	92.6	2.1	193.7	1.3	142.2
Soviet Union	10.3	813.8	11.9	1 161.2	14.1	1 305.3	11.9	1 265.4
Other	0.9	69.6	0.8	78.0	0.6	57.7	1.0	103.6
Latin America	2.3	183.1	2.1	204.9	0.8	77.2	1.6	168.0
Argentina	0.7	54.3	0.4	38.0	0.1	9.3	0.1	10.7
Brazil	0.7	52.5	0.7	70.5	0.1	6.4	0.5	49.6
Colombia	0.2	16.6	0.2	18.5	0.1	9.9	0.5	51.0
Other	0.7	59.7	0.8	77.9	0.5	51.6	0.5	56.7
Other	5.5	430.4	4.6	447.2	1.5	132.6	2.0	209.9
GRAND TOTAL	100.0	7 918.3	100.0	9 771.9	100.0	9 252.0	100.0	10 643.5
of which								
EFTA countries	46.6	3 693.1	47.5	4 638.4	44.8	4 147.5	44.6	4 750.0
EEC countries	22.7	1 794.7	21.3	2 076.9	26.9	2 486.0	29.0	3 081.1
OECD countries	78.4	6 208.8	78.1	7 629.0	79.4	7 345.9	80.8	8 604.3

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
1969	8 296	8 528	-232	+579	+ 4	-13	+338	-323	+72	+ 87
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

Jan.-Mar

1969	1 696	1 944	-248	+128	- 20	-11	-151	- 57	+80	-128
1970 ^f	2 074	2 309	-235	+192	- 9	- 3	- 55	- 86	-11	-152
1971	2 168	2 536	-368	+198	- 13	+19	-164	-135	- 1	-300
1972*	2 870	2 960	- 90	+217	+ 3	+ 1	+131	-142	-22	- 33

Apr.-June

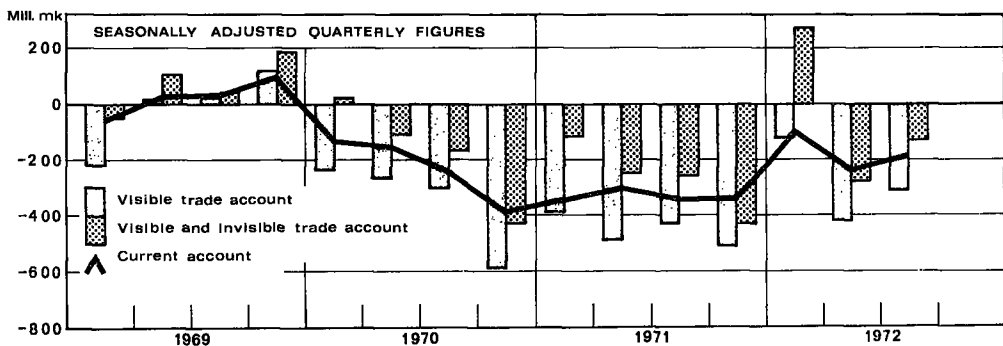
1969	2 002	2 008	- 6	+140	- 17	- 6	+111	- 84	- 7	+ 20
1970 ^f	2 429	2 721	-292	+180	+ 10	+ 0	-102	- 96	+ 1	-197
1971	2 291	2 777	-486	+175	+ 47	+21	-243	-118	- 1	-362
1972*	2 856	3 298	-442	+162	+ 57	+46	-177	-155	- 8	-340

July-Sept.

1969	2 168	2 022	+146	+116	+ 38	-14	+286	- 80	+ 1	+207
1970 ^f	2 469	2 690	-221	+180	+109	- 4	+ 64	-110	- 1	- 47
1971	2 502	2 883	-381	+178	+166	+16	- 21	-120	- 4	-145
1972*	2 978	3 195	-217	+170	+191	+19	+163	-140	+20	+ 43

Oct.-Dec.

1969	2 430	2 554	-124	+195	+ 3	+18	+ 92	-102	- 2	- 12
1970 ^f	2 662	3 379	-717	+164	+ 32	+24	-497	-105	- 7	-609
1971	2 884	3 566	-682	+109	+ 47	+10	-516	-104	+ 5	-615

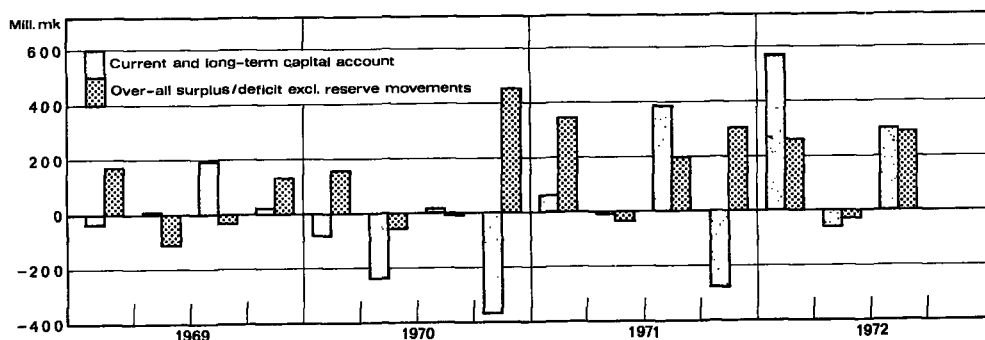


Drawings of long-term loans	Amortizations of long-term loans	Long-term export credits, net	Miscellaneous long-term capital items, net ¹	Long-term capital account	Current and long-term capital account	Short-term import credits and pre-payments, net	Short-term export credits and pre-payments, net	Miscellaneous short-term capital items incl. errors and omissions	Over-all surplus/deficit excl. reserve movements	Reserve movements	
										Bank of Finland	Other foreign exchange holders
+1 055	-723	-180	- 51	+101	+188	+284	-311	- 6	+155	+115	-270
+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
+ 311	-201	- 8	-15	+ 87	- 41	+112	+147	- 46	+172	-135	- 37
+ 278	-158	- 51	+ 1	+ 70	- 82	- 9	+225	+ 23	+157	-240	+ 83
+ 610	-228	- 5	-18	+359	+ 59	+ 20	+329	- 66	+342	-314	- 28
+ 968	-273	-115	+17	+597	+564	-152	- 27	-124 ²	+261	-327	+ 66
+ 279	-155	- 98	-39	- 13	+ 7	- 23	- 92	- 6	-114	+252	-138
+ 220	-191	- 69	- 4	- 44	-241	+142	+ 42	- 4	- 61	- 86	+147
+ 595	-200	- 11	-29	+355	- 7	-157	+144	- 17	- 37	+ 99	- 62
+ 655	-180	-192	- 5	+278	- 62	+ 92	+ 25	- 84	- 29	+ 37	- 8
+ 146	-146	- 17	+ 6	- 11	+196	+ 34	-284	+ 19	- 35	+151	-116
+ 359	-175	- 60	-58	+ 66	+ 19	+ 87	+ 5	-119	- 8	-116	+124
+ 868	-252	- 89	+ 5	+532	+387	- 40	+ 21	-169	+199	- 35	-164
+ 628	-327	- 41	- 3	+257	+300	+265	-124	-153	+288	-314	+ 26
+ 319	-221	- 57	- 3	+ 38	+ 26	+161	- 82	+ 27	+132	-153	+ 21
+ 622	-170	- 73	-141	+238	-371	+531	- 35	+332	+457	-121	-336
+ 657	-175	-103	- 43	+336	-279	+564	-297	+314	+302	-305	+ 3

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			
1969	285	288	271	283	291	285	313	276	273	131	139	119
1970	297	300	286	299	317	290	329	290	283	138	146	126
1971	312	315	302	309	361	304	346	295	303	149	162	134
1972												
Feb.	328	331	319	320	394	323	357	306	326	154	170	137
March	330	334	317	321	394	326	360	309	326	154	170	137
April	334	337	321	324	395	330	364	313	329	157	174	140
May	335	338	322	326	397	329	365	313	330	162	187	140
June	335	338	322	325	400	331	366	313	331	162	187	140
July	339	343	325	329	401	337	373	318	333	163	187	142
Aug.	340	344	325	329	401	338	372	319	334	164	187	142
Sept.	343	347	328	334	402	340	375	324	337	164	187	144
Oct.	346	350	334	339	406	341	379	328	339	165	187	144
Nov.	352	356	335	347	406	344	393	333	340	165	187	145

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
1969	217	170	112	115	111	108	111	109	110	110	110	112
1970	223	175	115	116	115	109	115	121	115	113	113	115
1971	237	186	122	121	119	112	125	141	119	125	119	125
1972												
Feb.	245	192	126	126	120	115	126	147	122	131	126	129
March	247	194	127	127	120	116	126	147	122	133	127	131
April	251	197	129	131	126	117	128	148	123	133	127	133
May	253	199	130	131	126	117	131	147	125	134	129	135
June	254	199	131	132	126	118	131	148	126	134	129	135
July	256	201	132	134	126	118	132	146	126	138	129	137
Aug.	257	202	133	135	126	119	132	146	127	137	129	138
Sept.	259	203	133	137	126	121	132	146	128	137	129	138
Oct.	260	204	134	137	126	121	134	146	128	138	129	139
Nov.	262	205	135	138	126	122	134	147	129	138	130	140

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							
1969	162	154	149	155	151	158	150	149	153	151
1970	181	170	170	164	161	165	164	157	169	164
1971	210	195	195	180	176	178	188	171	195	185
1970										
Oct.-Dec.	187	175	179	165	162	165	168	158	174	167
1971										
Jan.-Mar.	200	184	182	176	173	174	180	169	185	178
Apr.-June	209	193	193	177	175	175	187	169	195	183
July-Sept.	210	199	200	180	178	178	192	171	200	188
Oct.-Dec.	219	205	207	185	181	184	196	177	204	192
1972*										
Jan.-Mar.	236	207	206	186	182	185	197	177	205	193
Apr.-June	251	225	217	196	192	194	213	188	223	207

PRODUCTION

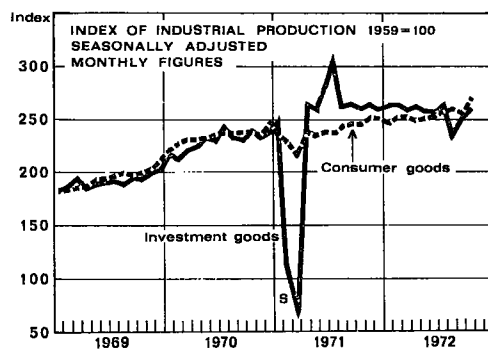
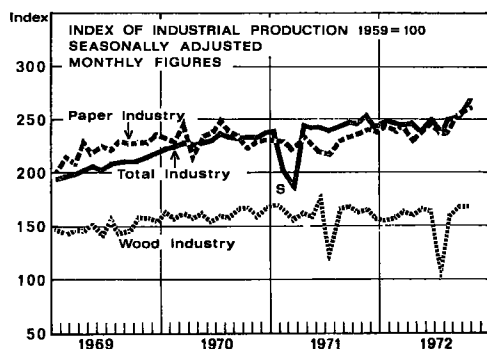
Volume indices of production 1964 = 100

Period	Gross domestic product	Industrial production	Agriculture	Forestry	House construction	Land and waterway construction	Transport and communications	Commerce, banking and insurance	Ownership of dwellings	Public admin. and defence	Services
1969	123	138	97	102	123	104	124	123	123	123	127
1970	132	154	96	111	141	98	132	132	129	128	134
1971*	135	158	96	105	138	97	134	139	135	134	140
1972*	142	170	94	96	146	104	142	150	142	139	148
1971*											
Oct.-Dec.	139	173	67	90	171	97	136	148	139	136	142
1972*											
Jan.-Mar.	140	179	61	134	104	101	132	144	141	138	146
Apr.-June	141	169	84	110	135	104	145	147	141	138	147
July-Sept.	141	153	167	51	168	107	146	147	142	139	147
Oct.-Dec.	145	180	65	90	176	103	145	161	145	141	150

PRODUCTION

Index of industrial production 1959 = 100

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	
1968	182	175	191	164	163	132	202	253	240	177	181
1969	207	194	214	196	173	151	223	285	281	199	207
1970	232	230	223	235	182	164	234	336	341	233	232
1971*	238	235	229	241	192	164	231	363	360	231	238
1971*											
Aug.	241	246	229	252	192	138	241	331	381	242	245
Sept.	256	283	244	258	192	170	241	374	378	278	248
Oct.	264	288	256	257	229	173	250	375	394	282	248
Nov.	269	289	260	264	234	166	251	389	370	283	256
Dec.	251	274	242	250	188	159	223	375	305	272	245
1972*											
Jan.	257	286	246	249	171	164	256	418	308	277	249
Feb.	258	280	245	257	175	171	245	402	321	273	248
March	277	295	261	280	190	188	262	423	372	287	245
April	254	270	236	265	183	180	218	386	349	267	248
May	259	271	242	271	213	191	231	394	350	270	250
June	244	247	226	262	207	164	220	371	340	250	251
July	180	144	178	178	183	91	235	238	325	139	240
Aug.	254	233	234	283	217	138	247	325	421	236	251
Sept.	262	267	249	265	195	168	261	369	425	266	254
Oct.	290	292	279	286	256	182	278	443	441	289	271



LABOUR—TIMBER FELLINGS—INTERNAL TRADE—TRAFFIC

Period	Total labour force, 1 000 persons	Employed 1 000 persons	Unemployed 1 000 persons	Unemployment, % of total labour force	Commercial timber fellings 1 000 solid cu. m	Retailers' sales volume index 1968 = 100	Wholesalers' volume index 1968 = 100	Indicator of traffic activity 1964 = 100
1968	2 188	2 100	88	4.0	31 859	100	100	106
1969	2 189	2 127	62	2.8	35 338	108	117	118
1970	2 194	2 163	41	1.9	39 267	114	130	125
1971*	2 199	2 160	49	2.2	36 238	118	137	122
1971*								
Sept.	2 194	2 154	40	1.8	1 794	115	149	124
Oct.	2 179	2 138	41	1.9	2 274	120	142	128
Nov.	2 177	2 131	47	2.2	2 616	117	144	123
Dec.	2 175	2 122	53	2.4	3 233	156	155	121
1972*								
Jan.	2 134	2 063	71	3.3	3 009	110	126	121
Feb.	2 128	2 055	73	3.4	3 927	110	137	116
March	2 126	2 053	73	3.4	4 658	119	152	125
April	2 142	2 078	64	3.0	3 774	114	143	125
May	2 192	2 141	51	2.3	2 842	123	152	130
June	2 355	2 303	52	2.2	1 854	133	149	144
July	2 359	2 305	54	2.3	768	126	132	127
Aug.	2 276	2 225	51	2.2	1 185	129	159	136
Sept.	2 198	2 153	45	2.0	1 637	130	157	137
Oct.	2 194	2 148	46	2.1	2 092

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											
1969	38.95	15.38	3.88	15.29	2.12	32.03	12.85	3.15	10.95	3.32	36.40
1970	41.42	17.96	3.72	15.56	23.6	38.55	16.41	4.29	12.59	3.35	36.56
1971*	42.63	19.54	3.10	15.18	26.0	37.00	15.67	3.12	13.71	2.91	37.64
1971*											
Apr.-June	13.59	5.54	1.59	5.06	0.58	8.60	3.49	0.44	3.76	0.57	37.90
July-Sept.	12.90	6.66	0.61	4.18	0.89	8.78	3.65	1.01	2.64	0.84	41.76
Oct.-Dec.	9.62	4.48	0.38	3.49	0.80	12.67	5.35	1.12	5.03	0.76	37.64
1972*											
Jan.-Mar.	7.31	2.73	0.55	3.20	0.48	7.75	3.16	0.33	3.34	0.73	34.34
Apr.-June	13.52	6.22	1.55	3.91	0.85	8.02	4.08	0.35	2.56	0.65	38.57

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 Institute for Economic Research. 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 international nomenclature (ISIC). The seasonally adjusted series is calculated by the Bank of Finland Institute for Economic Research on the basis of the index of industrial production per working day according to a method resembling the U.S. Bureau of Census Method II. Commodities according to use: investment goods weight 14.3, other producer goods weight 57.0 and consumer goods weight 28.7. Special manufacturing indices: food industry ISIC no. 20, weight 11.2, wood industry no. 25, weight 6.6, paper industry no. 27, weight 13.1, chemical industry no. 31, weight 5.2, non-metallic mineral industry no. 33, weight 3.6 and metal industry nos. 34—38, weight 23.5

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

Page 17. *Labour* figures supplied by the Central Statistical Office. *Commercial timber fellings* compiled by the Ministry of Labour. *Retailers' and Wholesalers' volume indices* supplied by the Central Statistical Office. *Indicator of traffic activity* calculated by the Bank of Finland Institute for Economic Research. Figures are weighted averages of the sea, air, railway and road traffic. *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 1155 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, 1974, 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 were as follows: Social Democrats 55, People's Democrats 37, Centre Party 35, Conservatives 34, Finnish People's Unification Party 12, Swedish Party 10, Liberal Party 7, Finnish Farmers' Party 6 and Christian League 4.

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 (1971): 4.6 million. Sweden 8.1, Switzerland 6.3, Denmark 5.0 and Norway 3.9 million.

DENSITY OF POPULATION (1971): In South Finland 44.2 in East and Central Finland 14.2, in North Finland 3.9 and in the whole country an average of 15.2 inhabitants to the square kilometre.

DISTRIBUTION BY AREA (1971): 52 % of the population inhabit the rural areas, 48 % towns and urban districts. The largest towns are: Helsinki (Helsingfors), the capital 519 900 inhabitants, Tampere (Tammerfors) 159 600, Turku (Åbo) 159 900.

EMPLOYMENT (1971): Agriculture and forestry 21 %, industry and construction 36 %, commerce 15 %, transport and communications 7 %, services 21 %.

LANGUAGE (1970): Finnish speaking 93.3 %, Swedish speaking 6.5 %, others 0.2 %.

EDUCATION (1971): Practically all persons over 15 years of age are literate. There are 6 universities (the oldest founded in 1640), 10 colleges of university standard, and 2 teacher training colleges, besides teacher training departments in two of the universities.

CHANGE OF POPULATION (1971): births 13.3 ‰, deaths 9.9 ‰, change + 3.3 ‰, net emigration 0.0 ‰. Deaths in France 10.7 ‰ and Great Britain 11.6 ‰.

TRADE AND TRANSPORT

NATIONAL INCOME (1971, in million marks): Gross domestic product at factor cost by industrial origin: agriculture 2 857 (7 %),

forestry and fishing 2 922 (7 %), manufacturing 12 695 (30 %), construction 4 066 (10 %), transport and communication 4 084 (10 %), commerce, banking and insurance 5 225 (12 %), public administration 1 931 (5 %), ownership of dwellings 2 326 (5 %), services 6 103 (14 %), total 42 209. Index of real domestic product 135 (1964 = 100).

FOREST RESOURCES (1971). The growing stock comprised 1 448 million of solid cu. m incl. bark (51 135 million cu.ft.), of which pine 44 % and spruce 37 %, the remaining 19 % being broad-leaf-trees, chiefly birch. Of the growing stock 17 386 million cu. ft, 48 % of them pine, was up to the standard required for logs. The annual growth is 47.6 million solid cu. m green wood excl. bark (1 681 mill. cu. ft). The total removal calculated according to the use of wood was 48.4 million cu. m excl. bark (1 709 million cu. ft).

AGRICULTURE (1971): Cultivated land 2.7 million hectares. Number of holdings 297 257, of which 188 461 are of more than 5 ha. Measure of self-sufficiency in bread cereals 97 % in the crop year 1970/71 and 115 % in 1971/72.

INDUSTRY (1970): Gross value of industrial production 35 577 mill. marks, number of workers 502 981, salaried employees 103 449, motive power (1970) 5.1 mill. kW. Index of industrial production 238 for 1971 (1959 = 100).

STATE RAILWAYS (Jan. 1, 1972): Length 5 874 km.

MERCHANT FLEET (Dec. 31, 1972): Steamers 37 (40 723 gross reg. tons), motor vessels 397 (823 374 gross reg. tons), tankers 59 (748 351 gross reg. tons), sailing vessels with auxiliary engines 3 (499 gross reg. tons). Total 496 (1 612 947 gross reg. tons).

MOTOR VEHICLES (Dec. 31, 1971): Passenger cars 753 000, lorries and vans 113 600, buses 8 200, others 5 200. Total 880 000.

FINNISH AIRCRAFT (May 1972): Finnish Airlines, Finnair and Kar-Air have in use 3 DC-8-62s, 2 DC-6s, 8 Super Caravelles 8 DC-9s and 7 Convair Metropolitans. Companies have scheduled traffic outside of Finland to 24 airports and to 17 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 markka). 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 Dec. 20, 1971 a temporary central rate of 4.10 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, 1971). There are two big and five small commercial banks with in all 833 offices, 306 savings banks, 424 co-operative banks, six mortgage banks, and Post Office Bank. The co-operative stores accept deposits from their members. The National Pension Institute and fifty-nine private insurance companies also grant credits.

RATES OF INTEREST (Jan. 1, 1972). 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 7 ³/₄ %. The range of rates for other credits granted by the Bank of Finland is between 6 and 9 %. Other credit institutions: term deposits 4 ¹/₄ %, 6 month deposits 4 ³/₄ %, 12 month deposits 5 ¹/₄ %, 24 month deposits 6 ¹/₄ %; highest lending rate 11 %.

DEVELOPMENT OF FINLAND'S POPULATION IN 1950—1970¹

by Mauri Nieminen, M. A.

The Central Statistical Office

The two most striking features in the post-war development of Finland's population are a fall in the birth rate and substantial migration from rural areas to urban growth centres. Most European countries experienced a »baby boom« in the immediate post-war years, and Finland was no exception. In the late 1940's, the annual crude birth rate was as high as 26—28 per 1 000, or almost equal to the rate in the first two decades of this century. However, in the 1950's the birth rate began to decline, and, at the same time, migration from the country to cities picked up. The exodus from the countryside was a direct result of the industrial structure and changes in it. The labour force, which was released from agriculture, generally sought employment in industry and services and hence moved to towns. In the 1960's, the development of the population was affected by continued internal migration, by a very sharp fall in the birth rate over the whole country and by emigration, mainly to Sweden. The fall in the birth rate and net emigration influenced developments to such an extent that, at the end of 1960's, the population of Finland fell for the first time in a hundred years, if war-time is excluded.

Regular population figures in Finland, based on parish registers, date back to the mid-1700's. In the 19th century censuses were taken in the largest cities of the country, and 1950 saw the beginning of a series of comprehensive decennial censuses covering the whole country. For intervening years, data on changes in the population are obtained from parish registers.

According to the 1950 census, there were 4.03 million people living in Finland (see table 1). The 1960 census showed a growth of over 400 000 or 10.3 per cent during the 1950's to a total of 4.45 million. In the 1960's, the population did not increase by more than 150 000 persons, amounting to 4.60 million in 1970. Population growth in that decade was only 3.4 per cent, or 0.3 per cent per year. The decline in growth was largely a result of increased emigration, particularly towards the end of the period; in 1969 and 1970, this was not offset by the natural increase in population, and the population fell during these years.

CHANGES IN THE POPULATION BY PROVINCE

The average population density in Finland was 13.2 persons per square kilometre of land in 1950, 14.6 in 1960, and 15.1 in 1970. The regional distribution is highly uneven, as more than one half of the population lives in the four provinces of Southern Finland: Uusimaa, Turku and Pori, Häme, and Kymi (see chart 1). In 1970, they contained 57.9 per cent of the population. The area of these four provinces covers only one fifth of the country's total area, yet most of Finland's industry is concentrated in them. The distribution of population by province in 1950, 1960 and 1970 is shown in table 1.

The province of Uusimaa, where the capital, Helsinki, is situated has the largest population; 16.6 per cent of population lived there in 1950. By 1970, the population of this province had increased so sharply that more than one fifth of Finland's population resided there. Growth was mainly the result of migration, since Uusimaa has had the lowest birth rate in Finland.

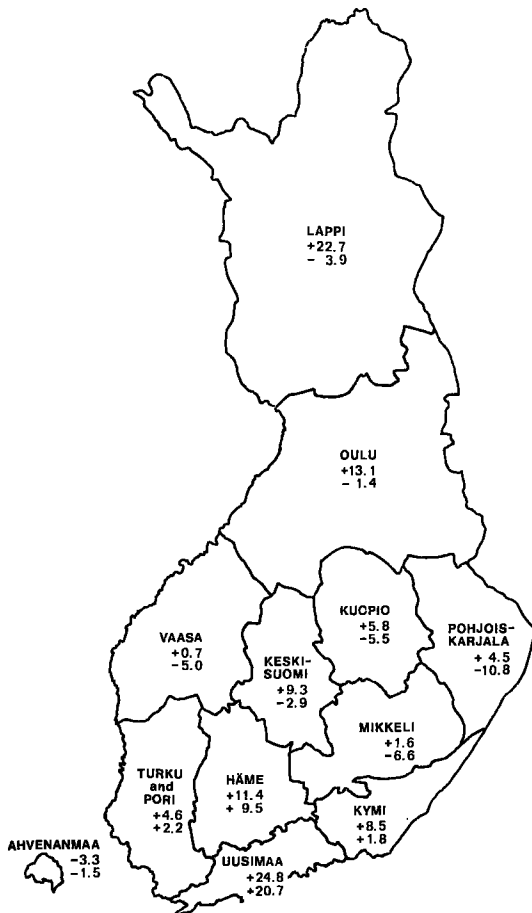
¹ See also the article »Changes in the Distribution of Population between 1950 and 1970 by Industry and Industrial Status« in Bulletin 11/1972.

TABLE 1. DISTRIBUTION OF POPULATION BY PROVINCE IN 1950, 1960 AND 1970

Province	1950		1960		1970	
	Population	Per cent	Population	Per cent	Population	Per cent
Uusimaa	667 459	16.6	832 936	18.7	1 005 257	21.9
Turku and Pori	631 049	15.7	660 269	14.8	675 063	14.7
Ahvenanmaa	21 690	0.5	20 981	0.5	20 666	0.4
Häme	521 333	12.9	580 765	13.1	635 679	13.8
Kymi	311 364	7.7	337 772	7.6	343 936	7.5
Mikkeli	230 847	5.7	234 629	5.3	219 221	4.8
Pohjois-Karjala ¹	198 775	4.9	207 742	4.7	185 303	4.0
Kuopio	255 569	6.4	270 504	6.1	255 514	5.5
Keski-Suomi ¹	224 172	5.6	245 014	5.5	237 979	5.2
Vaasa	440 581	10.9	443 505	10.0	421 402	9.2
Oulu	359 821	8.9	406 992	9.1	401 170	8.7
Lappi	167 143	4.2	205 113	4.6	197 146	4.3
Total	4 029 803	100.0	4 446 222	100.0	4 598 336	100.0

¹ Formed in 1960 from parts of the provinces of Kuopio, Vaasa, Häme and Mikkeli. To facilitate comparison, the figures for 1950 have been calculated according to the post-1960 division. In table 3 the new provinces are included only from 1960.

CHART 1. CHANGES IN POPULATION BY PROVINCE IN 1951—1960 AND 1961—1970, PER CENT ¹



¹ The figures above refer to the years 1951—1960, the figures below to the years 1961—1970.

The second principal province, that of Turku and Pori, had almost as many inhabitants as the province of Uusimaa in 1950. However, by 1970 the population of Uusimaa had increased by nearly 400 000 persons, whereas the population of the province of Turku and Pori had increased by less than 50 000.

The relative growth of population by province in 1951—1960 and in 1961—1970 is shown in chart 1. In the first decade, the population increased in all provinces, except Ahvenanmaa, an island province with a small population. The fastest increase was recorded in Uusimaa, where growth for the decade was 24.8 per cent. Population growth was also fast — 22.7 per cent — in the northernmost province, Lappi. An exceptionally high birth-rate was the source of this growth, for Lappi experienced net out-migration in almost every year of the 1950's. Similarly, population growth in the province of Oulu in the 1950's was a result of a high birth rate, and in these years the population grew by more than 13 per cent, i.e. one per cent per annum. Growth was insignificant in the provinces of Vaasa, Kuopio, Pohjois-Karjala and Mikkeli, as high birth rates were offset by pronounced out-migration. Population growth in the provinces of Keski-Suomi and Kymi was sharp, inspite of some net out-migration over the whole decade. The only provinces besides Uusimaa, to ex-

perience in-migration for the period 1950—1970 were Häme and Ahvenanmaa.

In the 1960's the population fell in eight of the country's twelve provinces. The decrease was sharpest in Northern and Eastern Finland. While the population was still increasing during the early 1960's in the provinces of Oulu and Lappi as a result of the high birth rate, the late 1960's saw a sharp fall, which was a direct result of a lower birth rate, extensive migration to Southern Finland and emigration to Sweden. In the 1960's, the largest decline in population was recorded in the province of Pohjois-Karjala, where the population fell by 10.8 per cent. In the four provinces of Southern Finland, the population continued to grow in the 1960's, but the growth was slow in the provinces of Turku and Pori, and of Kymi. Annual population growth in these provinces was not more than 0.2 per cent on average. In Uusimaa population growth remained vigorous, with an increase of 20.7 per cent during the decade, or close to 2 per cent annually.

Migration has affected decisively the distribution of population by province over the last two decades (see table 2). The provinces of Southern Finland tend to attract people from other parts of the country. In all the quinquennial periods, only the provinces of Uusimaa, Häme, and on a lower scale, Ahvenanmaa experienced in-migration. All other provinces faced out-migration, except the province of

Turku and Pori, where a slight inflow was recorded in the late 1960's, and Lappi, where some in-migration took place towards the end of the 1950's. The largest decrease caused by migration was recorded in Pohjois-Karjala, from where 52 000 persons moved away since 1950.

Figures for net migration from the province of Turku and Pori are modest in relation to the size of the population, for those who have left the farms have often moved to urban centres within the province. The net in-migration of the late 1960's is probably the result of the establishment of a few major industrial enterprises around which expanding population centres were developed.

The province of Kymi, the population of which had grown, experienced some out-migration during the last two decades. There are two vigorous industrial areas in this province, which received a substantial inflow of people until the early 1960's. On the other hand, the countryside of the province faced marked out-migration, mainly to Uusimaa.

INCREASED EMIGRATION IN THE 1960'S

The figures on net migration presented in table 2 include only internal migration. Emigration affected population development very

TABLE 2. NET MIGRATION BY PROVINCE IN 1951—1955, 1956—1960, 1961—1965 AND 1966—1970

Province	1951—1955	1956—1960 ¹	1961—1965	1966—1970	Total
Uusimaa	+ 53 990	+ 64 659	+ 76 332	+ 68 250	+ 263 231
Turku and Pori	—10 491	— 5 525	— 6 115	+ 782	— 21 349
Ahvenanmaa	+ 133	+ 257	+ 180	+ 727	+ 1 297
Häme	+ 5 361	+ 7 946	+ 8 213	+ 16 855	+ 38 375
Kymi	— 2 303	— 1 611	— 225	— 3 152	— 7 291
Mikkeli	— 9 693	—11 189	—11 515	—12 229	— 44 626
Pohjois-Karjala	— 6 353	—12 982	—17 899	—15 176	— 52 410
Kuopio	—10 710	—11 652	—14 084	—13 160	— 49 606
Keski-Suomi	— 2 175	— 4 942	— 8 093	— 6 865	— 22 075
Vaasa	—11 985	—15 466	—11 660	— 9 393	— 48 504
Oulu	— 4 311	—12 066	—12 897	—16 714	— 45 988
Lappi	— 1 463	+ 2 200	— 2 237	— 9 925	— 11 425

¹ —371 unknown moves.

strongly, particularly in the 1960's, and it is estimated that some nine tenths of all emigrants moved to Sweden.

Statistical data on emigration from Finland to Sweden are not available on a regular basis, because passports have not been needed for travel between the Nordic countries since 1954 nor has registration been required. The figures for emigration are thus based mainly on data from other countries and on census estimates. An agreement between Finland and other Nordic countries on the registration of immigrants came into force in 1969, and this will make it easier to prepare statistical data on emigration within the Nordic area.

In 1951—1960 net emigration totalled 70 000 persons; in 1961—1970 the corresponding figure was 178 000. The increase was a consequence of the fact that not all of the great number of people born just after the war nor all of those released from agriculture and forestry could find work in Finland.

In 1968—1970 net emigration reached a record level, i.e. more than 70 000 persons. It was particularly the northern parts of the country which lost people to Sweden.

THE FALL IN THE BIRTH RATE

The post-war decline in the birth rate has clearly affected the population development. The birth rate was at its highest towards the end of the 1940's; a record number of children, 108 000, were born in 1947. This was 28 per 1 000 of the mid-year population. After a rapid rise in the birth rate, the number of new-born fell off continuously, and by 1970 Finland's crude birth rate was one of the lowest in the world. In 1950 the crude birth rate was 24.5 per 1 000 and there were 98 000 live births. In 1970 this rate was no more than 13.9 per 1 000 and there were 65 000 live births. Chart 2 illustrates the development of the crude birth rate.

Those born in the late 1940's reached the age of marriage in the 1960's, and this was reflected in a new upsurge in the number of marriages towards the end of the decade. Nonetheless the birth rate continued to decline. From 1966 to 1970, there were almost as many marriages as in the post-war years of 1946—1950, when the birth rate was at its peak. However, in 1966—1970 only 361 000 children were born, whereas the corresponding figure in 1946—1950 was 524 000.

CHART 2. CRUDE BIRTH RATE IN 1950—1970

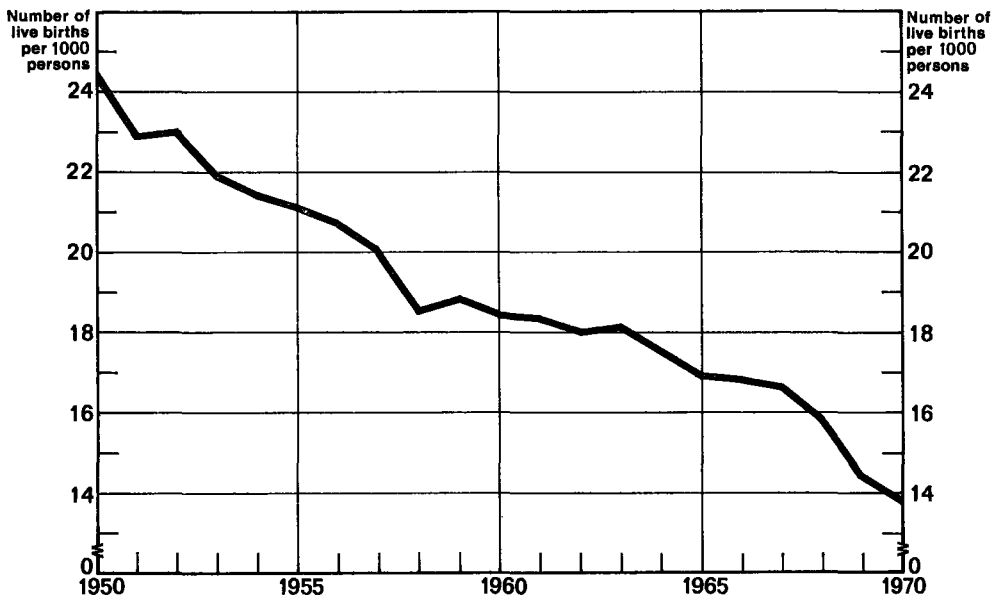


TABLE 3. GENERAL FERTILITY RATES BY PROVINCE IN 1950, 1960 AND 1970

Province	General fertility rate			Per cent change	
	1950	1960	1970	1960/1950	1970/1960
Uusimaa	74	76	59	+ 2.7	-22.4
Turku and Pori	94	78	62	-17.0	-20.5
Ahvenanmaa	73	83	73	+ 13.7	-12.0
Häme	93	78	61	-16.1	-21.8
Kymi	98	84	58	-14.3	-31.0
Mikkeli	120	94	62	-21.7	-34.0
Pohjois-Karjala ¹	.	110	63	.	-42.7
Kuopio	134	98	65	-26.9	-33.7
Keski-Suomi ¹	.	93	64	.	-31.2
Vaasa	114	87	71	-23.7	-18.4
Oulu	148	117	74	-20.9	-36.8
Lappi	158	128	72	-19.0	-43.8
Total	106	89	64	-16.0	-28.1

¹ The new provinces of Pohjois-Karjala and Keski-Suomi (see footnote 1 to table 1) are included only from 1960.

The fall in the birth rate was not only a feature of the more industrialised southern provinces but took place in all parts of the country. Table 3 shows the general fertility rates (the number of live births per 1 000 women between 15 and 44 years of age) by province. In the province of Uusimaa the fertility rate rose by 2.7 per cent in the 1950's, and in the province of Ahvenanmaa it rose by almost 14 per cent, largely as a result of migration. In general, most migrants are young people who are often setting up their own households. In contrast, the fertility rate fell in other provinces. In 1950 the highest rate was recorded in Lappi, where 158 children were born per 1 000 women. In six provinces the general fertility rate was over 100, while in 1960, it exceeded 100 in only three provinces. In the 1960's the general fertility rate declined most sharply in the parts of the country where the birth rate had previously been high, i.e. in Northern and Eastern Finland. In 1970 the fertility rate was highest in the province of Oulu, where 74 children were born per 1 000 women. The general fertility rate was relatively low in all provinces in 1970, and regional differences were reduced during the period 1950—1970.

The rapid change in the structure of society may have contributed to the significant fall

in the birth rate. Large families are not uncommon in agrarian societies but the birth rate tends to fall with urbanization. The increasing tendency for women to take jobs is often cited as a factor responsible for the lower birth rate. Finland has one of the highest figures in the world for the participation of women in the labour force.

MORTALITY AND LIFE EXPECTANCY

As the population underwent a change in age structure (see chart 3), the absolute number of deaths increased slightly from 1950 (41 000 deaths) to 1970 (44 000 deaths). The crude mortality rate has been about 9—10 per 1 000 during the whole period. There is one feature in the mortality statistics for Finland which is not to be found elsewhere. The mortality rate has declined for all age groups except for men of working age, for whom it has gone up in recent years. The rise in the mortality rate is quite distinct for men between 40 and 54 years of age.

TABLE 4. MEAN LIFE EXPECTANCY IN 1951—1955, 1956—1960, AND 1961—1965

Age	Men			Women		
	1951—1955	1956—1960	1961—1965	1951—1955	1956—1960	1961—1965
0	63.4	64.9	65.4	69.8	71.6	72.6
1	64.7	65.7	65.8	70.9	72.1	72.8
5	61.3	62.2	62.1	67.3	68.5	69.0
10	56.5	57.4	57.3	62.5	63.7	64.2
20	47.0	47.8	47.8	52.8	53.9	54.4
35	33.0	34.1	33.9	38.8	39.6	39.9
70	21.0	21.4	21.2	25.2	25.9	26.0
55	6.6	6.8	7.0	7.3	7.6	7.5

In 1951—1965 the life expectancy of both men and women increased somewhat, as table 4 indicates. From the late 1950's to the early 1960's, the life expectancy for women increased in almost all age groups, while the life expectancy for men fell slightly in many age groups. The high mortality rate of Finnish men stands out clearly when the mortality rates for Finns and Swedes are compared. Were the mortality rate of men between 20 and 64 years as low as it is in Sweden, nearly 50

TABLE 5. POPULATION BY AGE IN 1950, 1960 AND 1970.

Whole country		1950		1960		1970	
Age	Number	Per cent	Number	Per cent	Number	Per cent	
0—14	1 208 236	30.0	1 338 991	30.1	1 118 550	24.3	
15—64	2 553 159	63.4	2 775 757	62.4	3 052 298	66.4	
65—	268 408	6.6	331 474	7.5	427 488	9.3	
Total	4 029 803	100.0	4 446 222	100.0	4 598 336	100.0	

Cities and towns		1950		1960		1970	
Age	Number	Per cent	Number	Per cent	Number	Per cent	
0—14	338 209	26.0	455 445	26.7	548 320	23.4	
15—64	886 185	68.0	1 134 351	66.5	1 594 056	68.1	
65—	78 033	6.0	117 253	6.8	197 932	8.5	
Total	1 302 427	100.0	1 707 049	100.0	2 340 308	100.0	

Rural communities		1950		1960		1970	
Age	Number	Per cent	Number	Per cent	Number	Per cent	
0—14	870 027	31.9	883 546	32.3	570 230	25.2	
15—64	1 666 974	61.1	1 641 406	59.9	1 458 242	64.6	
65—	190 375	7.0	214 221	7.8	229 556	10.2	
Total	2 727 376	100.0	2 739 173	100.0	2 258 028	100.0	

per cent fewer men of that age would die in Finland than at present. The mean life expectancy for new-born boys is six years shorter than in Sweden. For women, the corresponding life expectancy is four years shorter than in Sweden. On the basis of mortality rates in 1961—1965, the life expectancy was 72.6 years for women and 65.4 years for men.

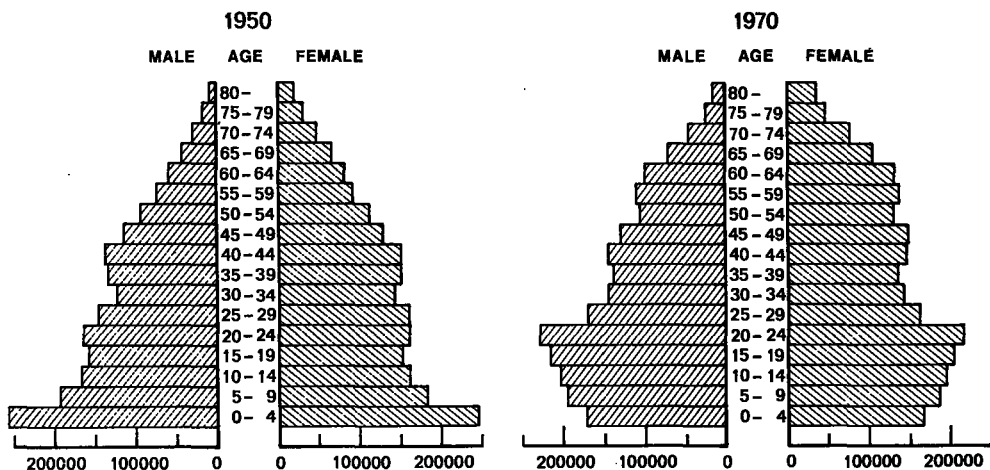
While Finland has a high mortality rate for adults, it has one of the lowest in the world for newly born babies. Only in Sweden and the Netherlands is this mortality rate lower.

At present there are only 14 deaths for every 1 000 live births, whereas the corresponding figure was 44 in 1950.

AGE STRUCTURE OF THE POPULATION AND URBANIZATION

A marked change in the age structure of the population took place in 1950—1970, with the share of the elderly increasing sharply. Table 5 presents the age structure of the population in 1950, 1960 and 1970; chart 3 illustrates age pyramids for 1950 and 1970.

CHART 3. AGE PYRAMIDS BY FIVE-YEAR AGE GROUP IN 1950 AND 1970



In the 1950's the population increased in cities, towns and rural communities, although the expansion in rural communities was very slight, only slightly more than 10 000 persons. However, in the 1960's the population living in rural communities decreased sharply.

For the nation as a whole, changes in the age structure were most marked in the 1960's. The share of people of working age in the total population declined from 63.4 per cent to 62.4 per cent during the 1950's, and yet grew to 66.4 per cent in 1970.

Changes in the age structure of the rural population reflect the fall in the number of births and net migration. In general migrants are of prime working age. In the 1960's the number of those under 14 years of age dropped by more than 300 000 in rural communities, and their share was reduced from 32.3 to 25.2 per cent. Both the absolute number and the relative share of people over 65 in the total rural population increased over the two decades. The share of those between 15 and 64 also increased slightly in the 1960's but their absolute number fell.

The urban population grew in all age groups from 1950 to 1970. The share of persons under 14 years fell from 26.0 per cent in 1950 to 23.4 per cent in 1970. The number of people of working age increased by nearly 250 000 persons in the 1950's and by more than 450 000 persons in the 1960's. The relative share of this group fell during the first decade but climbed back to its previous level by 1970. It is this age group which is most strongly affected by migration. There was a sharp increase in the share of people over 65 living in cities, even though the share of this age group in urban population is smaller than it is in total population. In 1970 the share of persons over 65 living in cities was 8.5 per cent, while the corresponding figure for the whole country was 9.3 per cent.

Heavy migration from the countryside to cities increased the relative size of the urban population considerably. While 32.3 per cent of population lived in cities in 1950, the corresponding

figure was 38.4 per cent in 1960 and 50.9 per cent in 1970. It must be borne in mind, however, that some of the growth in urban population is the result of boundary changes and the incorporation of new cities between the censuses.

THE LANGUAGE GROUPS IN FINLAND

The official languages of Finland are Finnish and Swedish. The Swedish-speaking minority resides mainly on the southern and western coasts of the country. Furthermore, the population of the province of Ahvenanmaa is almost entirely Swedish-speaking.

TABLE 6. THE DEVELOPMENT OF THE SWEDISH-SPEAKING POPULATION IN 1950—1970

Year	Total population	Number speaking Swedish as their first language	Share of Swedish-speaking, per cent
1950	4 029 803	348 286	8.6
1960	4 446 222	330 538	7.4
1970	4 598 336	303 406	6.6

After World War II the number of those speaking Swedish continued to decline. Since 1950 the number of Swedish-speaking residents has fallen by 12.9 per cent, while the number of Finnish-speaking residents has grown by 16.8 per cent. The fall in the share of those speaking Swedish has been greatly accelerated by emigration, as most of the communities where Swedish is spoken by the majority are regions of emigration. Moreover, the elderly make up a larger share of the Swedish-speaking population than they do of the Finnish-speaking population, and the birth rate of Swedish-speaking people is lower than that of the Finnish speaking population. Furthermore, marriage between Swedish and Finnish speaking persons tends to tilt the balance in favour of the latter group.

THE FALL IN POPULATION BY 1980

The latest demographic forecast indicates that the incipient decline in population will continue until 1980. This estimate is based on

changes in birth rates, mortality and migration over 1965—1969.

According to the projection, population will be further concentrated in Southern Finland. Distinct changes in the age distribution of the population, caused partly by the fall in the birth rate, are estimated to continue until 1978. At that time, the birth rate should be equal in all parts of the country. Moreover, it is estimated that the rate of emigration will remain high, and that net emigration in the 1970's will total 150 000 persons, most of whom will be from 20 to 35 years old.

According to the projection, the population would total about 4 570 000 persons in 1980; 60.2 per cent of the population would live in the provinces of Uusimaa, Turku and Pori, Häme and Kymi. While a projection of this sort must be approached with great caution, it does give an idea of how the population would develop in the 1970's if the trends of the late 1960's were maintained.

CONCLUSION

Population developments in Finland are characterized by great regional differences, with Southern Finland tending to attract people from other parts of the country. Changes in Finland's industrial structure have been rather significant, and the rate of migration has been high. This migration was speeded up by the large number of people born just after the war, some of whom were forced to emigrate from the countryside. Regional differences are strengthened by the tendency for firms to be attracted to regions where population growth is rapid, i.e. to Southern Finland. Furthermore, changes in the age structure of the population tend to exacerbate regional differences as Northern and Eastern Finland lose those of prime working age. In rural communities all over the country, the share of the elderly is growing. The whole country is becoming more urban and beginning to experience the well-known blessings and problems which this brings.

ITEMS

Finland's balance of payments January—September 1972. According to preliminary figures of the Bank of Finland, total current account revenue was 11 259 million marks and total expenditure 11 589 million marks in the first three-quarters of 1972. Thus there was a deficit of 330 million marks on current account, as against a deficit of 807 million marks in the corresponding period of 1971.

The trade deficit, including adjustment items, amounted to 749 million marks in January—September, which was 486 million marks less than in the first three-quarters of 1971. The value of commodity imports increased by 15 per cent on January—September of 1971 and amounted to 9 431 million marks. The value of commodity exports grew by 25 per cent and totalled 8 753 million marks. The increase in commodity imports was mainly in the form of consumer goods and raw materials, while in commodity exports, main emphasis lay on products of the metal and other industries.

The surplus in trade in invisibles totalled 866 million marks. The growth in tourism continued, and the surplus on travel account rose to 252 million marks. Net income from transport was estimated to total 549 million marks. As other services yielded a surplus of 65 million marks, there was a total surplus of 117 million marks on visible and invisible trade account. On the other hand, the current account was burdened by a deficit of 447 million marks in net investment revenue and transfer payments abroad, so that the current account showed the above-mentioned 330 million mark deficit.

The inflow of long-term capital remained as vigorous as in the previous year; 2 251 million marks was drawn upon mainly in the form of direct financial loans in the first three quarters of the current year. Amortizations amounted

to 780 million marks. A total of 347 million marks was granted in long-term export credits, which was 242 million marks more in net terms than in January—September 1971. The net inflow of long-term foreign capital was 1 132 million marks. i.e. 114 million marks less than in the corresponding period of the previous year. The net inflow of short-term trade credits amounted to 79 million marks, whereas the country's short-term foreign liabilities fell by 367 million marks.

When the special drawing rights allocated to Finland by the IMF at the beginning of 1972, totalling 85 million marks, are taken into account, an overall surplus of 520 million marks is obtained. This figure equals the growth in the country's foreign exchange reserves in the first three quarters of 1972. The gold and foreign exchange reserves of the Bank of Finland increased by 604 million marks, whereas the net foreign exchange assets of other foreign exchange holders declined by 84 million marks in the same period.

Inflow of long-term capital in January—September 1972. Drawings of new long-term foreign loans amounted to 2 210 million marks in the first three-quarters of 1972. This amount exceeds the drawings of the corresponding period in 1971 by 104 million marks. Most of the loans were drawn upon in the first quarter of the year, when drawings of new loans totalled 968 million marks. Since the spring there has been a downward trend, and the lowest figure for the inflow of long-term capital since the third quarter of 1970 was recorded in July—September. As in the past, most of the long-term foreign loans were in the form of direct financial loans. The greatest change in the composition of borrowed capital occurred in bond issues, the value of

which was much larger than in the previous year, while the value of commodity credits was smaller than that in the previous year.

The relatively extensive borrowing has been possible because of the easing of foreign capital markets. The greater access to advantageous foreign credits has naturally contributed to the present ease in domestic capital markets.

According to preliminary figures of the Bank of Finland, 2 210 million marks of long-term foreign loans were drawn upon in the first three quarters of 1972, while redemption totalled 739 million marks. Hence the net inflow of long-term capital amounted to 1 471 million marks. In January—September 1971 the net inflow totalled 1 401 million marks, drawings 2 106 million marks and redemptions 705 million marks.

Six Finnish bond issues totalling 472 million marks were floated abroad; this amount is 263 million marks larger than that of the first nine months in the previous year. Two loans were launched in July—September. In July the Industrial Mortgage Bank of Finland Ltd launched a DM 70 million loan, and in September the Huhtamäki Group Ltd made a bond issue of 15 million Swiss francs. Amortizations of outstanding bonds amounted to 66 million marks in January—September.

Drawings of financial loans amounted to 1 310 million marks in January—September, and their net inflow was 1 021 million marks. The share of commodity credits in the net total capital inflow was 156 million marks.

Drawings of loans previously granted by the World Bank totalled 30 million marks, while redemptions of loans granted by the World Bank and foreign governments came to 113 million marks.

At the end of September, Finnish long-term foreign debt amounted to 9 318 million marks. Interest expenses on long-term foreign loans came to 371 million marks in January—

September 1972. Debt service costs, i.e. interest expenses and amortizations, thus totalled 1 110 million marks in the first three quarters of 1972 as against 1 000 million marks in the corresponding period one year earlier. It is estimated that debt service costs will equal about 10.9 per cent of total current account earnings in 1972; the corresponding share in 1971 was 10.1 per cent.

Finland's travel account in January—September 1972. According to preliminary figures of the Bank of Finland, total revenue from tourism in January—September 1972 increased by 36 per cent on the corresponding period of the previous year and amounted to 771 million marks. Travel expenditure totalled 519 million marks. The growth in travel expenditure was 42 per cent on January—September 1971, whereas it was only 22 per cent in the corresponding period of the previous year. The surplus on the travel account amounted to 252 million marks in January—September, which is 51 million marks larger than the surplus recorded during the corresponding period of 1971.

Supplementary budget. The third supplementary budget for 1972 was approved by Parliament in December. Total expenditure in the supplementary budget amounted to 942 million marks and total revenue to 1 236 million marks. A total of 286 million marks was earmarked for the financing of additional public construction projects in order to improve the employment situation in the northern and eastern parts of Finland, which was worse than had been expected. Extra funds were appropriated for unemployment assistance, for the unemployment funds, and to further develop vocational training.

An additional 13.6 million marks was granted to support international development; most of this money was earmarked for the FAO's Global Programme.

To promote the marketing of agricultural produce, an additional appropriation of 260

million marks was made, of which somewhat less than one half will be used to support the price of butter. Because of continuous over-production, it was necessary to grant more subsidies for the export of grain and grain products (78.8 million marks), meat (23 million marks), eggs (27 million marks) and butter (5.8 million marks).

Spending on social and health services was increased by 172 million marks. The main part of this, 85 million marks, took the form of an increase in the central government's share in expenditure on health insurance. The new National Health Act, which came into force on April 1, 1972, contributed to the growth of this expenditure. 43 million marks was appropriated for invalidity pensions, and 15 million marks for the payment of veterans' pensions and veterans' housing allowances.

It was calculated that revenue from the national lottery in 1972 would exceed preliminary estimates by 20 million marks. One half

of the additional revenue will be used to support sports and physical education, in accordance with the statute concerned; the arts will receive 6.5 million marks, the science 1.9 million marks, and youth education 1.6 million marks.

On the revenue side, the largest item was revenue from taxes and related sources, which had accrued as a result of unexpectedly rapid growth in national income, aggregate demand and production. Income and property taxes were estimated to yield an additional 380 million marks, turnover tax 245 million marks, motor vehicle taxes 80 million marks, excise duties of tobacco 80 million marks, on beer 35 million marks, on alcohol beverages 105 million marks and on liquid fuel 25 million marks.

Including the last supplementary budget, state expenditure budgeted for 1972 totals 13 988 million marks.

BANK OF FINLAND

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Governor

A. Simonen

Deputy Governor

Ahti Karjalainen

*Absent as a Member
of Government*

Heikki Valvanne

Jaakko Lassila

Päiviö Hetemäki

Timo Helelä

ad int.

Directors

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Senior officials

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Administration

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Credits and securities

Kalle Koski

Foreign credits

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Foreign exchange policy

Raili Nuortila

Eastern trade

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Research dept.

Stig Törnroth

Cash

K. Eirola

Automatic Data Processing

A. Nenonen

Foreign correspondence

Väinö Heiskanen

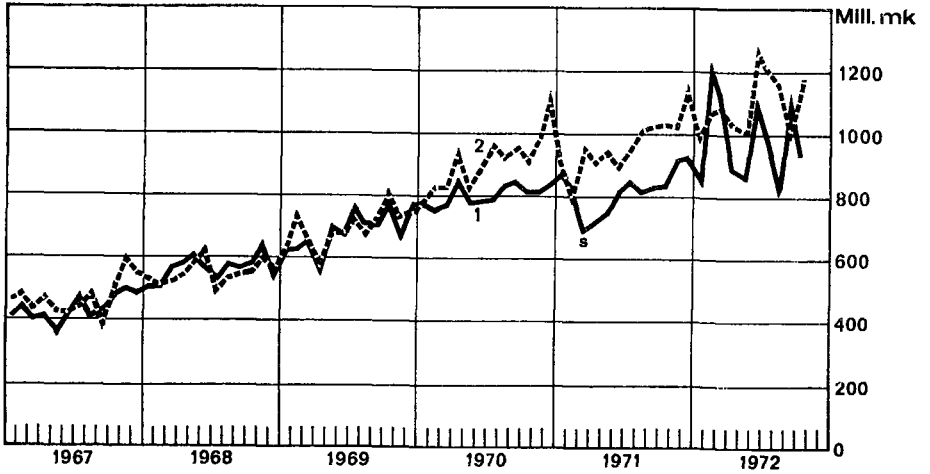
Banking services

Eino Suomela

Internal Audit

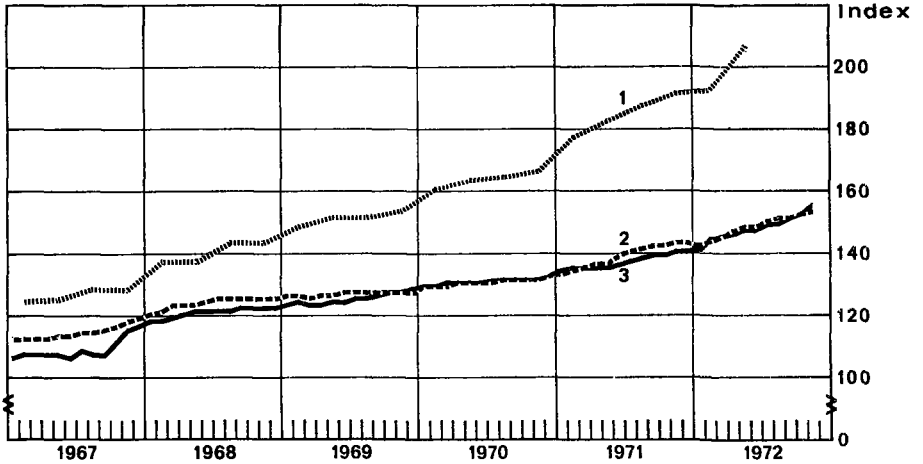
Foreign trade, 1967 - 1972

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



Prices and wages, 1967 - 1972

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, 1967 - 1972

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

