

However, the Ministry of Finance says no, these moneys will go into the budget, or if the worst comes to the worst, they will go to finance unprofitable logging enterprises.

There is one other problem, which we cannot solve without incurring losses in forestry. The transition to the new system of management presupposes an increase in wages. Where is this to come from? Either from an increase in profits or from a reduction in the number of workers. Forest protection, which accounts for an enormous category of forest workers, does not generate a direct profit. Since we have not received any government subsidies, we have to "opt" for a reduction in numbers. We are thereby literally "deforesting" our lands, mainly the taiga regions. We are relinquishing control over vast expanses of forest, since the reduction will have been achieved at the expense of foresters, forest wardens and plantation engineers, that is, of the very people who are directly engaged in the cultivation, protection and conservation of the forest.

We believe that the management mechanism which we have developed and which is still under discussion at the USSR State Planning Committee (Gosplan) will ensure a transition to the new system of financing and profit and loss accounting and will enable the sector to manage forestry efficiently. This mechanism is now being worked out at nearly 200 of our enterprises."

Q. "There is a rather widely held view, which is also current among economists, that forestry can develop as a result of the profits derived from the utilization of timber and from other forest uses."