

The risk to the country's currency budget occasioned by this change would be very slight. For at present, exports of paper and paperboard for hard currency are so limited in scope that no harm would be caused to the country's cash reserves.

The following further suggestions are made: a) the existing scales should be maintained for lumber, wood panel, and plywood exports; b) the scale of the currency deductions for roundwood and wood waste should be decreased to 10% and the proportion of them credited to the central ministerial reserves increased to 50%. Calculations show that given this differentiation in the scale of deductions, cash flowing into the country's hard currency reserves would remain at the present level and there would be no decrease in the allocations to the central ministerial reserves. At the same time, exports of pulp-and-paper products for hard currency would receive a powerful stimulus. The pro-logging bias in the industry's investment policy would be reduced.

The budgetary funds which our country spends annually on importing pulp-and-paper products from the capitalist countries could serve as a powerful reserve of currency for financing the rebuilding and technological reequipping of the pulp-and-paper industry. These imports are costly, and more currency is being spent abroad for our pulp-and-paper needs than is flowing into the Soviet Union. To avoid this, we should create incentives for the manufacture of new types of products by the Soviet pulp-and-paper industry and the expansion of current production. Norms for hard-currency deductions for import substitutions could be introduced, for instance, along the same lines as those for exports. This would place Soviet suppliers of pulp-and-paper products on a more or less equal footing with