

listed among the five largest exporters. The exploitable forest resources of Finland, that is, those which are situated to the south of the Arctic Circle, barely exceed the Karelian resources, and yet the land of Suomi is earning through its exports of forest products twice as much as the USSR. Even the Federal Republic of Germany, whose forest resources are about equal in area to the resources of the Vologda Oblast, earns more from its timber exports than does the USSR as a whole. What is the explanation for this?

#### Greater in Quantity, Cheaper in Price

In the second half of the seventies there was a protracted slump in timber exports. It was only after 1984 that the volume of these exports began to rise again. Unfortunately, the burgeoning volumes in subsequent years were not accompanied by the action that ought to have been taken with a view to restructuring the pattern of exports, upgrading the quality of the shipments and improving the range of products.

Consequently, whereas there was a sharp rise in the volumes of export deliveries, as exemplified by the period 1980-87, when unseasoned wood shipments rose from 35 to 45 million cubic metres (this included a jump from 20 to 27 millions in the volumes shipped to capitalist countries), the principal outcome of the trade - foreign currency earnings - showed only a slight increase for the importing countries as a whole, and in trade with the capitalist countries it even decreased.

The eighties, it is true, were marked by worsening conditions of sale on world markets, by increasing competition and falling prices. This