

This is why it is absolutely necessary to begin the construction of 2 or 3 pulp and paper mills with an overall capacity of 1 - 1.5 million tons of pulp and paper no later than 1991. The Ministry has already received proposals from a number of foreign companies for concluding contracts on a compensation basis for the complete construction and presentation in a "key ready" state of such enterprises using the latest technology and equipment.

Another restraining factor is the fact that our domestic mechanical engineering is not producing any highly productive state-of-the-art papermaking and chemical equipment. Consequently, 90 percent of all the equipment in the pulp and paper mills has to be imported. Therefore the technical re-equipping of enterprises and the incorporation of modern, ecologically clean technology in them will necessitate the purchase of both imported equipment and imported spare parts for the next 2 - 3 years.

Frankly, it is high time we had our own domestic sector-oriented mechanical engineering capability. Unfortunately, the enterprises designed to produce papermaking equipment, being located in Petrozavodsk, Izhevsk, Dnepropetrovsk and other cities, are fully occupied in producing machinery for other industries. It would appear desirable that these plants, which are presently subordinate to the USSR Ministry of Heavy Machine-Building, be placed under the jurisdiction of the USSR Ministry of the Timber Industry.

The Ministry is also recommending the transfer of the sector's enterprises and associations to a state of hard currency self-sufficiency. This would open up new opportunities for the purchasing of imported equipment and chemical material which are not being produced