

and currency situation in the capitalist world, and by the aggravation of the inflationary trend which slackened temporarily in the eighties but is again on the rise.

Taken as a whole, the current perception of the prospects for economic development in the leading capitalist countries is giving many foreign economists definite grounds for expecting some lessening of the demand for imported forest products. The latest prediction of the Forest Products Committee of the EEC reflects a similar view on the part of specialists. According to the Committee's estimates, the total demand for imports of forest products (not including pulp-and-paper) by the European countries in 1989 will be approximately three per cent less than the anticipated demand for the current year. Expressed in terms of raw wood, the reduction in imports amounts to about four million cubic metres. Imports of coniferous sawn timber, our main currency-earning forest product, will drop from 30 to 29 million cubic metres, or by four per cent. Appreciable cuts in purchases of coniferous sawn timber abroad are contemplated by Great Britain, which accounts for a quarter of the European imports, and also by such major purchasers as Belgium, Denmark, France, Italy and the Netherlands.

It is expected, however, that due to the growing shortage of saw timber, the leading suppliers - in particular Sweden, Finland and Canada - will curtail the supply of the product.

Much of the uncertainty in predicting the development of the world market for coniferous sawn timber arises from the situation in timber-consuming industries in the United States. That country alone purchases abroad, mainly in Canada, more sawmill products than does all of Europe. With respect to the U.S. the view of the experts is practically unanimous: in 1989 that country will begin to cut back on purchases. The overall conclusion regarding a possible balancing of the European market in the coming year is based on an anticipated cut of roughly five per cent in American imports. But all that would be necessary for world markets to be literally flooded with the cheaper Canadian product would be for the American consumers to curtail imports by say, eight per cent rather than five.