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DATE 15 June 1990  
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Affaires extérieures et  
Commerce extérieur Canada

External Affairs and  
International Trade Canada

# EXTRACTS FROM THE SOVIET PRESS ON USSR FORESTRY AND FOREST-BASED INDUSTRIES

April 1990

Dept. of External Affairs  
Min. des Affaires extérieures  
OTTAWA

JUL 5 1990

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## TIMBER AND WOODWORKING

### Soviet Logging Industry: Measures to Correct for First Quarter Arrears in Production

On April 19th a meeting of the Board of the USSR Ministry of the Timber Industry was convened to consider the question "Increasing the Operating Efficiency of the Logging Industry in 1990." Among those participating was Deputy Chairman of the USSR Council of Ministers V.k. Gusev.

Deputy Minister of the USSR Ministry of the Timber Industry N.S. Lyashuk analysed the reasons for the arrears in production that occurred during the first quarter. He noted that the Ministry's associations and enterprises had permitted the volumes to drop from the corresponding level in 1989 to the extent of 6.5 million cubic metres of timber extracted and 5.4 million cu. m. of marketable wood produced. This had had a highly aggravating effect on the country's timber supply situation.

Entities that performed particularly poorly during the winter were "Arkhangel'sklesprom", "Primorsklesprom", "Komilesprom", "Krasnoyarsklesprom", "Amurlesprom", "Estonskiilesprom" and the Belorussian Minlesprom.

Was the weather to blame? In some respects yes, but then why was it that under no less difficult conditions a number of elements performed consistently well, namely those in "Karellesprom", "Tyumen'lesprom", "Kemerovoles", "Omsklesprom", "Udmurtles" and Minlesprom of the Ukrainian SSR? In their case, no attempt was made to cite the vagaries of the weather, but rather to counter the latter with better engineering expertise, entrepreneurship and accurate accounting.

What conclusions can be drawn from the disruptions that were permitted to occur and what can be done to make up for the arrears? Firstly, when preparing for harvest time, the possibility of a mild winter in the year following must be taken into consideration. Secondly, life dictates the necessity of altering the approach to the planning and development of logging operations, especially in the second and third quarters.

How might it be possible to increase production volumes in the summertime? The main emphasis must be on the building of year-round timber-transport roads. There is a multiplicity of reserves there. Practically nothing has been done to build spurs and approach routes because of the cost. The advantages of using locally available construction materials, including the building of spurs on a cushion of brushwood, have been underestimated.

Given the constant shortage of skilled workers, of great importance is the fuller utilization of machinery. Here we have been totally negligent. The omissions are repeated year after year. The disease has become chronic. When will we begin to treat it in the proper way? Good opportunities exist within the sector for increasing timber production volumes during the period May to September. Residues of long logs at lower landings amount to 27 million cubic metres. It is therefore necessary to arrange for their timely cross-cutting, with the shade-intolerant species given priority and attention directed to the output of the most important assortments: pit props, plywood materials and pulpwood for the pulp-and-paper industry.

Summer is a very important season for the procurement of raw material for the wood chemistry industry. Charcoal production for the metallurgical industry should be stabilised.

In the course of the discussion the attention of directors who had come from the production sites focussed on the incompatibility of a drop in production volumes with the economic well being of the enterprises. Today, many forest-based industrial enterprises (lespromkhozy) are in difficult straits. Their own circulating funds are two to three times below the norm. It is impossible to climb out of the financial hole without exerting maximum effort during the warm season. It is high time to stop counting on "kind uncle" and living by the principle that "maybe things will work out".

Mention was also made of the unsatisfactory work of the Altai Tractor Plant, which during the last three years has short-delivered some 2,500 TT-4 tractors, thereby aggravating the existing very difficult situation with respect to the availability of logging machinery. The Ministry of Tractor and Agricultural Machinery Manufacture should take immediate steps to dissociate itself from the work of this enterprise, since it is running the loggers onto a sandbank.

And finally, there is the ongoing problem of the supply of railway cars. For the Ministry as a whole, it stood at 82 per cent of the requirement for the first quarter. No such thing had ever occurred before.

On the Northern and Sverdlovsk railways the situation is even worse. Consequently, work had become virtually paralysed in "Tyumen'lesprom", "Sverdlesprom" and "Komilesprom".

In order to make up for the arrears which were allowed to develop during the January-March period, calculated volumes were adopted for the second and third quarters in the amounts of 34 million and 32.6 million cubic metres for timber extraction and 40.5 million and

37.4 million cubic metres for timber production (all assortments) respectively. Measures were drawn up by the associations with a view to stepping up the construction of year-round timber transport roads, using these to capacity, and the partial relocation of workers and machinery to enterprises with sufficiently large allowable cuts.

Lesnaya promyshlennost'

April 21, 1990

Page 1 (slightly abridged)

Emergency Situation on Soviet Railways Created by Aging  
Cross-Ties, Switch Points and Bridge Timbers: Ministers  
Appeal to Timber Workers to Step Up Deliveries

The USSR Ministry of Railways and the USSR Ministry of the Timber Industry hereby appeal to the workers' collectives at enterprises of the country's timber industry with a request to help the workers in railway transport resolve their main problem, which is to provide for the transportation of passengers and freight in the quantities the country needs, without causing delays and at the same time, guaranteeing their safety.

One of the main conditions affecting the solving of this problem is the dependable maintenance of the tracks. Because of exceedingly heavy loads the latter are rapidly wearing out and require constant upkeep and repairs.

For these purposes railway transport must annually receive 25 million wooden cross-ties, not less than 30 thousand sets of square-sawn timber for switch points and 25 thousand cubic metres of square-sawn timber for bridge maintenance. It will then become possible to replace in a coordinated manner all of the cross-ties and squared timber becoming unserviceable, make the tracks more reliable and remove the numerous restrictions on train speeds.

Even so, since the beginning of the post-war period railway transport never has received the necessary quantity of these materials. For example, last year only 14.5 million cross-ties and only 9.2 thousand sets of switch points were received. Particularly severe cuts in the manufacture and delivery of cross-ties and squared timber were made by the timber industry's enterprises "Krasnoyarsklesprom", "Irkutsklesprom", "Primorsklesprom", "Permlesprom", "Zabaikalles", "Sverdlesprom" and certain others.

But in the first quarter of this year the railway workers received far fewer cross-ties and sets of square-sawn timber than during the same period of last year, notwithstanding the fact that the latter was unfavourable from the standpoint of deliveries of raw materials. At this moment, at the height of the work being done on repairs to the tracks, not one of the 32 railways has a sufficient quantity of cross-ties, and railways such as the Western Kazakhstan, Alma Ata, Azerbaidzhan and Southwestern have still not received a single cross-tie.

Constant disruptions in the deliveries of materials for cross-ties have led to a situation in which there are currently more than 50 million rotted cross-ties on the nation's railway lines, which is four times the level at which dependable operation of the railways is assured. A quarter of the squared timber lying beneath the switch points is urgently in need of replacement. The situation with the bridges is no better. Resulting from the condition of the cross-ties, during the past two years alone there have been nine crashes, 12 breakdowns and more than 3,000 derailments of wagons and locomotives.

Under these conditions it is extremely difficult for the railway workers to guarantee the present rhythm of transportation of passengers and freight. Our sectors of the economy are some of the most important in the country and they have always functioned cohesively. It is because we realize that we depend on each other for successes in our work that we appeal to you, esteemed workers in enterprises of the USSR Ministry of the Timber Industry, with the following request:

- prior to April 25th, terminate work on the conclusion of contracts with the railways with respect to work orders already issued;

- provide in full for the production and first-priority shipment to the railways ahead of all other recipients, of the cross-ties, switch point - and bridge timbers in the amount stipulated by each enterprise in the State Production Order for 1990;

- discuss with representatives of the railways the possibilities of making advance deliveries of timber for the manufacture of cross-ties, and of concluding direct, long-term contracts for the supplying of these products.

For their part the railway workers will resolve all your questions pertaining to ensuring in full the transportation of timber products.

It will be for the chiefs of the timber production associations and the railways to bring this appeal to the attention of their workers' collectives.

(Signed) N.S. Konarev, USSR Minister of Railways  
V.I. Mel'nikov, USSR Minister of the  
Timber Industry

Lesnaya promyshlennost'

April 19, 1990

Page 1 (full text)

PULP AND PAPER

Network of Small Pulp and Paper Mills  
Proposed as Solution to Industrial Ills

The country's pulp and paper industry has long been chronically ill, primarily on account of the low levels of capital investment in development of the sector, the lack of spare parts and up-to-date industrial plant, and a severe shortage of raw materials, chemicals and other products.

To correct the situation, money is needed for the reconstruction of mills and also for building new ones, and we must earn these funds ourselves.

Let us say that the funds have been found, but that the immediate question which arises is where and on what to spend them and how to invest them advantageously?

In our view, the authors of the following article, senior scientific co-workers E. Khoietsyan and A. Katsenelenbaum of the All-Union Scientific Research Institute of Economy, Management, Production and Information in the Timber, Pulp and Paper and Woodworking Industry (VNIPIElesprom), by promoting the idea of establishing small pulp and paper mills, are providing the answer to these questions.

During the last decade the economy of the western world has to a considerable degree been oriented towards creating small and medium-sized enterprises. In a number of capitalist countries the share of these enterprises is as high as 70 to 80 percent. Why is this? In the first place, small enterprises are characterised by greater

mobility and the capacity to react quickly to demand. Secondly, they are built within shorter time frames and do not pollute as heavily. Also, it is simpler to administer a smaller number of employees and easier to provide the incentives needed for a greater degree of worker interest in the end results of production. Added to this, a branching network of small enterprises makes it possible to get rid of monopolistic tendencies in the output of certain types of products, thereby reducing the economic pressure on the market as a whole. The creation of such enterprises is based on use of the most modern and sophisticated technology, which ensures that the output will be of a high quality and production is carried out efficiently.

Recently, interest has been expressed in our country in the creation of such enterprises. In 1988 an All-Union conference was held in Tallin on the question of making rational comparisons between large, medium-sized and small enterprises in the national economy. The subject of small enterprise development was also discussed in November 1989 at a session of the USSR Council of Ministers. A Union of Small State Enterprises was formed. However, in the pulp and paper industry the attitude towards small enterprises is still in need of improvement even though substantial reserve capacities are inherent in them as well as opportunities to obtain additional volumes of paper in short supply in the European part of the country.

We all know about the millions of cubic metres of decaying, unused timber in the forests of such inhabited regions as the Novgorod, Pskov, Ryazan', Smolensk, Yaroslavl', Moscow, Kalinin and Kostroma oblasts. What is not realized, however, is that in those regions not a single pulp and paper mill is left which would be capable of converting locally available low-grade timber, chips and waste paper into semi-fabricated products. Furthermore, pulp production at the Kondrovo and Okulovka combines was discontinued and a number of other enterprises were also closed. Consequently, despite the existence of a very large growing stock, the production of pulp in our country is hardly increasing at all.

Meanwhile, an analysis of the technical and economic activity of pulp-and-paper industry enterprises with differing levels of industrial concentration indicates that small enterprises with their own semi-fabricating capacity perform sufficiently well. The mean level of profitability of such enterprises is about 20 per cent, and the production of output for sale per worker is equal to the average for the sector, notwithstanding the obsolete equipment and outdated technology.

At our institute calculations of some models of small pulp and paper enterprises were made. Timber consumption, mainly of broad-leaved varieties, ranges from 150 to 500 thousand cubic metres. It could easily be provided for in any of the oblasts named by three or four adjacently located forest farms (leskhozy) or timber industry enterprises (lespromkhozy) operating on the principles of sustained forest regeneration. Also investigated were similar types of enterprises which would be able to use all or part of up to 60,000 tonnes of waste paper from their own region. In mills such as these with capacities in the 50-70-100-120 thousand tonnes range it might be feasible to produce paper for books and magazines, offset paper, coated paper, wallpaper, sanitary tissues, wrapping paper for computer equipment, as well as all types of paperboard, chiefly for container and packaging purposes.

Preliminary estimates show that the profitability of these enterprises could reach the 64-84 per cent level. The profit accruing would provide opportunities for creating economic incentives funds and making the mandatory payments into the budget. Such superior results are occasioned by the possibility of employing modern technology and using low-grade timber and secondary raw material resources, and by relatively uncomplicated and efficient production pattern of a small enterprise.

The capital investments which would be needed for the construction of board mills utilising waste paper and having a capacity of 50 thousand tonnes of board and 55 million square metres of boxes are estimated at 60 to 62 million roubles; for the construction of a combine with a capacity of 100 thousand tonnes and a mill for production of chemo-thermomechanical pulp - at about 100 million roubles; and for the construction of a pulp and paper combine with an annual capacity of 120 thousand tonnes of paper and partial reprocessing into manufactured articles - at 150 to 170 million roubles.

Such a volume of capital investments, and accordingly of construction and assembly work, could be assimilated in the course of two years. The indices of effectiveness of the capital investments for all of the models are within the normative range for the sector, and for a number of models they are even significantly better. The time frame for recovery of the capital investments is from 6.4 to 7 years for the board mills and from 6 to 8.6 years for the pulp and paper combines.

A vital question of course, concerns sources of financing. In the absence of governmental appropriations it would be expedient to obtain credit financing. In all of the documents it is emphasised that for small enterprises, especially during the construction period and the initial period of operations, preferential terms of credit and taxation should be arranged.

Calculations show that in all of the models examined the derived profit, after allowing for mandatory payments into the budget and deductions for the economic incentive funds, will make it possible to repay the loans within a period of up to 10 years.

Also possible is the variant of enlisting funds from the organizations interested in receiving the finished product.

Of course, the attracting of foreign firms could play an important role in solving the problem since this, in particular, would facilitate the task of securing production plant. A number of foreign firms possessing relatively small amounts of capital and counting on obtaining a rapid return on money invested are again expressing a willingness to collaborate with us.

In short, the time has long since come when we should give very careful thought to the creation of an extensive network of small enterprises for the output of paper products, which would work with local sources of raw materials. We have finally begun to realize that our passion for large "projects of the century" has not always yielded the needed results. Our wise forebears loved to say "Small is golden". It would pay us to heed these words more often.

Lesnaya promyshlennost'

April 24, 1990

Page 2 (slightly abridged)

Exhausted Timber Resource Base in  
Western Urals Causes Curtailment of Paper Production

The Kama Pulp and Paper Combine in the Perm Oblast produces paper for books and magazines - a commodity in extremely short supply. It is exactly a year since one of its machines, with a production capacity of 25,000 tonnes, had to be shut down due to lack of raw material and wood pulp.

Altogether during the past year, stoppages of the papermaking machinery have caused a loss to the Combine of 61 thousand tonnes of paper, including 53 thousand tonnes because the supply of fibre for its machines was discontinued.

The enterprise has been denied the opportunity of benefitting from the present strong demand created by glasnost for its products. Today, instead of the 30 million roubles in profits which could be earned by the installed plant, it is earning only about 6 million. Reconstruction of the industrial plant has dragged on for a decade, the wages of the papermakers are the lowest in the city, and the line-up for housing extends literally over the horizon.

But the most pressing problem of all is the extreme shortage of unprocessed wood.

Recently, at the behest of USSR Gosstab (State Committee for Material and Technical Supply) which has fiscal interests in the region, a film crew arrived in Perm to produce a news item about allegedly "remiss" managers who had been dispatching valuable sawtimber instead of cheap pulpwood for use in papermaking. In actual fact, the problem turned out to be quite different. Rather than indicating the presence of "remiss" managers the evidence that sawtimber was being used for a purpose other than what was intended, pointed to the fact that the wood-pulp conversion capacities which had been developed in the Western Urals were caught in a dangerous situation with respect to supplies of raw material. What was needed was an immediate review of the timber supply policy in the region, while there was still time to do this. The subsequent course of events was wholly unexpected.

The then head of the Perm Timber Industry Association ("Permlesprom") was E.A. Kurbash and the filming crew hunted him down. The shortage of pulpwood had placed Kurbash in a desperate position. To supply sawtimber instead of pulpwood to the paper combines was out of the question: It is categorically forbidden and punishable. But not to do so would stop the papermaking machines, which is also categorically forbidden and punishable.

An appeal for a ruling from USSR Gossnab was in vain. In the reply it was stated: "In the Perm Oblast you have stocks of standing timber. Cut enough of it to meet everyone's needs and precisely the kind that is required."

But the truth is that the timber resources of the Western Urals are already exhausted. There isn't enough for everyone.

In the circumstances, Kurbash was left with no alternative but to appeal for help from the Oblast Committee of the Party. There they analysed the situation and admitted "The situation is indeed awkward. To bring the papermakers to a stop is clearly out of the question. Since there is no way out of the problem it is necessary to sacrifice the interests of the secondary consumers of the timber. Act accordingly and we will support you."

So, sawtimber instead of pulpwood was sent to the paper combines and those for whom it was intended according to USSR Gossnab requisitions did not receive it.

In consequence, a furious disagreement arose. The then directors of USSR Gossnab were out for blood. What they had in mind was to bring Evgenii Aleksandrovich before a court, claiming that by his "irregular" deliveries he had wrought harm on the national economy. Although the Perm Oblast Committee of the Party managed to clear Kurbash of responsibility, he was nevertheless dismissed from the post of head of the Association.

The net result of all this had precisely no effect on the timber resource situation in the Perm Oblast. Sawtimber as a substitute for pulpwood continued to be supplied to the paper combines in ever increasing quantities. Initially it was delivered at the expense of consumers situated outside the Oblast. But the situation

worsened and it became necessary to reduce the raw materials ration for the seven housing construction and woodworking enterprises that are part of "Permlesprom". Last year, for example, they were short supplied to the extent of 281 thousand cubic metres of sawtimber from coniferous species.

Well, what about the papermakers themselves? They also, despite the desperate efforts being made, were eventually placed on a meagre ration of raw materials. At first, they had just enough sawtimber to last a difficult minute. But the difficult minutes stretched into difficult days and months! Which explains why for three whole years Kama Pulp and Paper Combine has been supplied with only 70 per cent of its timber requirements. Specialists are predicting that during the current year only half of its needs will be met.

The Kama Combine is not alone in this difficult situation. Conditions at the Solikamsk Pulp and Paper Combine are just as bad. It is on paper from this combine that the country prints its newspapers eastwards and southwards of the Urals. Last year this combine received 86 per cent of the timber it needs. In 1990 its requirement will be satisfied by no more than 70 per cent.

Recently, Deputy Minister of the USSR Timber Industry V.A. Chuiko who is responsible for the work of the pulp and paper enterprises paid a visit to Perm. It immediately became clear that the Ministry's senior management were unprepared for radical actions, preferring to continue to drift aimlessly along. In holding to the inviolability of the pattern of timber consumption that had developed over the years, the Deputy Minister presented the idea at Perm that the Kama and Solikamsk pulp and paper combines no longer be subordinate to Moscow but instead, be transferred to the "Permlesprom" Association.

All this, of course, would be under the guise of some kind of "regional cost accountability".

It is not difficult to imagine the precise way in which "regional cost accountability" would be received at "Permlesprom", with its economically damaged timber industry enterprises, the exhausted raw material resource bases, accompanied by timber-starved housing construction and woodworking enterprises, and pulp and paper combines standing idle on account of the lack of raw material.

Chuiko's recipe for normalizing the situation was vetoed by the workers' collective at the Kama Combine. Transferring the paper combines from one jurisdiction to another would have no effect on their fate. It would merely create the illusion that measures were being taken.

Meanwhile, everything remains as before at Perm. The sixth papermaking machine at the Kama Pulp and Paper Combine stands idle. No solution as to precisely what needs to be done in order to start it up again has been found.

Lesnaya promyshlennost'  
April 19, 1990  
Pages 2 and 3 (abridged)

Lack of Financing Holds Up Expansion  
of Syktyvkar Timber Industry Complex

I am convinced that the newly emerged shortage, like many of the others, has been artificially created. As a matter of fact, drop into the various government offices and get a glimpse of how much paper is being expended there on every possible kind of circular, of no use to anyone! Yet for newspapers, magazines and books there is not enough of it.

At the same time, there is another side to the problem - the condition of the mills where the pulp and paper is produced. Although in many of them the machinery has become worn out, this is by no means the case everywhere. The Skytyvkar Timber Industry Complex, built comparatively recently, is the largest in the country and produces almost half of the paper required for our newspapers and magazines. The workers' collective of the enterprise, foreseeing that there would be a heavy demand for it, have designed a second phase and concluded an agreement for the building of it with the "Komistroi" (Komi Construction) Association. Moreover, it has already received through international contracts sixty million roubles worth of foreign-made equipment. What then, could be standing in the way?

"To our great chagrin", says A. Konovov, general director of the association known as the "Syktyvkar Timber Industry Complex", "We have been unable to push through the financing. We are being forced to lay off construction workers. The loans for the equipment have not been repaid."

On the occasion of his recent journey to the republic the Chairman of the USSR Council of Ministers, N.I. Ryzhkov, visited the complex. The directors enlisted his support for the building of the second phase. The USSR Gosplan (State Planning Commission), the Industrial Construction Bank (Promstroibank) and the Ministry of the Timber Industry were instructed to set things in motion. So far, nothing has happened.

Pravda  
April 3, 1990  
Page 1 (full text)

FORESTRY

Forest Conservation and Regeneration a Major Element  
in Environment-Saving Program for Lake Baikal

Newspaper articles on the subject of Lake Baikal have recently been characterized by less emotion and more constructive criticism than was formerly the case. In the last few weeks, a joint session of the Collegium of the RSFSR Ministry of Forestry and the USSR State Committee for Forestry (Goskomles) was convened to discuss progress made in implementing a whole series of decrees of the Party and the government concerning the protection of Baikal.

Mention was made of the fact that, in compliance with the plan and based on the enterprises of the timber industry that had been transferred from the jurisdiction of the USSR Ministry of the Timber Industry (Minlesprom SSSR), and also on the forestry enterprises located in the shore zone of Baikal, nine integrated timber and forestry enterprises have been established for the conservation, regeneration and rational use of the forests. Beginning in January 1988 a new allowable cut amounting to 8.6 million cubic metres was introduced for the forestry enterprises of the Baikal Basin, which is 25 per cent less than the previous allowable cut.

With the participation of the forestry agencies a General Concept of the Productive Forces in the Basin of Lake Baikal has been formulated, together with a General Schematic Plan of the Fire Control and Prevention Arrangements for the Forests of Baikal Basin and an Integrated Territorial System of Nature Preservation.

A further six chemical fire-control stations have been organized here, which brings their number to 109. The staffing of the grass roots elements of the State forest protection service has been increased by 470 workers. A total of 17 air divisions from the Trans-Baikal, Chita and Irkutsk air bases, including six mechanised detachments, are engaged in aerial protection of the forests. These measures have made it possible to achieve a threefold reduction over the previous year in the areas of forest damaged by fire.

Nor were reforestation activities overlooked. During the period 1987-1989 these were conducted over an area of 76.8 thousand hectares by the forestry enterprises in the basin of Lake Baikal, besides which 47.9 thousand hectares were reforested by enterprises of the USSR Ministry of the Timber Industry.

Forestry agencies performed more than 4,500 checks during 1989. These revealed that the loggers had left behind 77 thousand cubic metres of timber in the form of undercuts (fellings of less than the prescribed quantity), destroyed the understorey of economically valuable species over an area of 480 hectares, and unsatisfactorily cleared more than 5,000 hectares of felling sites. A total of 384 individuals were administratively disciplined for the breaches committed and fines amounting to more than half a million roubles were imposed on the logging organizations. In 1989 alone, failure to clear the felling sites resulted in felling operations being halted in four timber enterprises of the "Zabaikalles" Association and in three such enterprises of the "Chitales" Association of Minlesprom SSSR.

Also, shortcomings exist in the conduct of forestry in the Baikal Basin. Non-clear fellings are slowly being introduced in the Chita forestry association, their volume amounting to only 14 per cent of what was recommended by forest management. The foresters of Buryatia and Chita are consistently failing to fulfill

their assignments for harvesting coniferous seeds with improved hereditary properties. In all, 22 of the 35 nurseries have soil with low fertility, with the result that protective afforestation is currently ineffective. In the Buryat ASSR 1,180 hectares of protective forest stands of one and two years of age have been allowed to die. This is 46 per cent of the stands established in the reporting year. Of the one year-old erosion-control stands only 42 per cent have survived. This is the lowest index for the RSFSR.

In the forests of the Basin the volumes of fire prevention and control work need to be sharply stepped up. In a number of forestry enterprises the proportion of the plantings consisting of concentrated woodlands and thus extremely dangerous in terms of fire hazard exceeds 80 per cent. Despite this, working plans for the prevention and control of fires have not been drawn up in many of the basin's enterprises.

The Instructions on Improvement Fellings in the Forests of Lake Baikal Basin have not yet been ratified, nor have the proposals for amending the Felling Regulations been discussed. Insufficient attention is being paid by the Buryat and Irkutsk associations to the organization and construction of the proposed Trans-Baikalian and Baikalian national parks.

Lesnaya promyshlennost'

April 26, 1990

Page 5 (slightly abridged)

Finnish Proposals for Restructuring the Soviet  
Timber Industry

Rational, sustained forest use in neighbouring Finland has aroused considerable interest among Soviet forest workers. The Finnish scientists and specialists are finding it painful to observe how thoughtlessly we manage our own green storehouse, at times savagely destroying the lavish natural riches. Not only are they willing to share with us their wealth of experience. They are even proposing to radically restructure our timber industry. This formed the subject of a discussion between M. Pekkanen, Managing Director of the Central Union of the Finnish Timber industry, and P. Volpanskii, a special correspondent of the newspaper "Trud" in Helsinki.

It was not by accident that the topic of ecology was raised. "Even though more trees have been cut down in Finland during the post-war period than the total number currently on hand in the nation's forests, up to now they have remained healthy. And if they become sick, it won't be the fellings that are to blame, but the poisoners of the natural environment - our own and those of our neighbours. Moreover, there is a surplus of timber in the country, but..."

"What I am referring to are the overmature hectares to which we have no access - their managers are demonstrating a "concern for Nature". This means that additional purchases are necessary, mainly in the Soviet Union, which makes sense, for we are neighbours with a common border and 22 transportation arteries straddling it. You have 900 million hectares while we have only 20 million. It is unfortunate that in your country the legend has developed that the Finns are concerned about their own forests but not about anyone's else's. This is not the case. Of the 45 million cubic metres of timber being used by our industry, Soviet exports are giving us four to five million.

"The statement is also incorrect for another reason. Forestry in the Soviet Union is precisely what we are interested in. At the time of M.S. Gorbachev's visit to Finland last autumn I succeeded in capturing ten minutes of his time to discuss with him our views on this matter. Naturally, while glancing at the fast moving second-hand on my watch I was unable to make trees the sole object of our attention. The plan for the presentation was hammered out as concisely as possible. Essentially it was as follows.

"Finland has not only achieved notable successes in the development of its own forest resources, but is more and more widely disseminating its experience abroad. Already, 35 states and four international organizations have been able to make use of this. Among our clients are not only Australia, Albania and Nicaragua, but even the giants of the timber industry - Canada and Sweden. For each of them an individual 'Master Plan' was strictly drawn up - this being the conventional term for the "procedures to be followed in the long-term development of forestry and the timber industry" that we formulated. A 'Master Plan' can be likened to a computer. It takes in the maximum amount of data available and plots the optimal path of the technological and socioeconomic evolution of the region as a whole. However, even we are not in a position to apply a 'Master Plan' to one-sixth of the land mass. We are proposing that to begin with, such a plan should be compiled for the Novgorod, Leningrad, Vologda and Archangel oblasts, Karelia and the Komi ASSR, which together account for 200 million hectares of the USSR's timber reserves.

"It stands to reason that such a model should be devised for a clearly formulated task and aimed at the achievement of well defined goals. It is therefore extremely important that at an early stage in the process close contact be achieved between our consultants and the contractor submitting the data for the region, in particular for the forest proper, the timber industry and allied sectors, environmental factors and potential sales markets and human resources. I don't think that this

information can be placed in the "secret" category, for we are living in the age of sputniks and there is hardly anything we don't know about each other."

"But given our present labour situation", I remarked, "It would seem that such a restructuring of timber relations' will not be easy to bring about. for instead of the customary tonnes, cubic metres, roubles and marks, what will move to the forefront will be drawings, maps, flow charts and graphs, not to speak of the need to break up the existing system of forest use and create infrastructures in the form of roads, communications lines and much else. So to talk about rapid recovery of expenditures is out of the question, isn't it?"

"All that I can say is that this is the only practice that has already been tested and that it is therefore the correct way. Together we have accumulated a wealth of experience on mutually advantageous cooperation in the construction, equipping and modernization of high-capacity industrial units: the four phases of the Svetogorsk Pulp-and-Paper Combine, three phases of a similar plant at Kondrovo, the Priozersk Timber Industry Complex, an enterprise for the manufacture of wooden houses situated adjacently to the Tyumen' Oblast, the Ust' - Izhorsk Plywood Combine, and so on. But these are isolated installations, occurring within the rigid frameworks of the old patterns. It would be more advantageous to concentrate on the establishment of a territorial industrial complex in a specific region, such as the one we are proposing in the northern European part of the USSR."

"It would appear that we must also anticipate a danger of another kind. Let us assume that we have located the funds, received a "Master Plan' and begun to develop it. Won't this lead initially to an even greater reduction of the forests, on account of the laying out of transportation routes, rides and loading areas? In the USSR just now the calls for a sharp contraction in the amount of logging are becoming increasingly loud."

"I am in disagreement with the view of those in the USSR who favour a reduction in the opening up of forest lands in the name of their conservation. According to our information, you not only lose on account of excessive fellings and the inefficient use of timber, transportation expenses and the lack of technology for the conversion of waste products. While these losses are heavy, the main reason is the impossibility of accessing our many storehouses in the virtually boundless expanses. Only an ill-informed person would say "Well, thank God! More trees will be left standing". "Quite the reverse is the case. Only scientific technology will permit us, while taking much from the forest, to count on obtaining even more on the morrow. And this will be without prejudice to the forest, precisely by promoting its regeneration.

"In short, our proposals are aimed initially at decreasing and later at eliminating the "discrepancy" in the development of kindred and closely collaborating sectors of two neighbouring countries. Implementation of the plan will enable you to begin to act according to the principle "plant two for every tree that has been felled". In our country this is the underlying basis of the "Forest-2000", plan, developed on the basis of the 'Master Plan' for Finland. But without a developed infrastructure the goal is unattainable. This, by the way, is my response to the proponents of purely prohibitive measures.

"Once you had accomplished such a breakthrough, it may well be that you would be assured of a substantial and rapid influx of the capital and new technologies needed to upgrade the sector to the level of high profitability. You might then be in a position to select any partners you wanted. But I am certain that Finland will continue to safeguard its reputation as the country of "green gold" - the only self-regenerating natural resource."

Lesnaya promyshlennost'

April 12, 1990

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## ENVIRONMENT

### Finnish Firms to Assist in Reconstruction and Reprofiling of Baikalsk and Selenginsk Combines

A deterioration in the ecological situation on the shores of the famous Siberian sea is usually linked with the industrial activities of two combines: the Baikalsk and the Selenginsk. Public opinion is insisting that they be reprofiled. The Irkutians have been particularly active. Central television recently carried a programme dealing with a prosecution brought against the Baikalsk Pulp and Paper Combine. Is there a need for a similar type of court case here in Buryatia?

Here are the facts: during the past year the maximum concentration of methylmercaptan exceeded the maximum permissible norms 25-fold. In the case of dust and carbon disulphide it was 4-fold in excess, and of carbon monoxide, hydrogen sulphide and nitrogen peroxide, 3-fold. Air pollution was observed to be highest in winter.

Now let us make a comparison: whereas emissions of pollutants amounted to 29,400 tonnes at the Pulp and Paperboard Combine, at the Baikalsk Pulp and Paper Combine they totalled 19,500 tonnes. It turns out that the Selenginsk people have a greater impact on the environment than do the Baikalians.

On May 18, 1989 a meeting of the Collegium of the USSR Ministry of the Timber Industry was convened to discuss implementation of the decree issued by the CC CPSU and the USSR Council of Ministers, "Measures to Ensure the Protection and Rational Utilization of the Natural Resources of Lake Baikal during the Period 1987-1995". The discussion centered on the reconstruction and reprofiling

of the Baikalsk and Selenginsk combines. It was noted that modernization of the soda regeneration and power generating boilers is being held up. The reason is the late receipt by the Finnish side of a licence for the supplying of equipment. Our departments are apparently still unable to work quickly and precisely.

As a session of the USSR Supreme Soviet, People's Deputy Volodichev of the Angara Construction Trust (Angarstroj) said: "For the Selenginsk Pulp and Paperboard Combine the additional construction of purification plants at a cost of more than 100 million roubles is foreseen, but the replacement of aging and physically worn out equipment supplied 30 years ago is not anticipated".

The matter of protecting Baikal and the environment needs initiative and enterprise. The Selenginsk people might well give some thought to the introduction of the "Ecocell" design, the essence is of which is to obtain ecologically clean pulp. As is well known, there are two methods of cooking pulp: the sulphate and the sulphite methods. With the former, the release of sulphurous gases occurs; with the latter - emissions of sulphur dioxide, which of course, is also an unwelcome gift. That is why some 15 years ago a solution was found at the Leningrad Paper Institute in which oxygen is used in place of sulphur. In the process, there is absolutely no pollution of the environment. Secondly, any kind of wood is used. Even though the laboratory unit was awarded a gold medal at the Exhibition of Achievements of the National Economy of the USSR, as frequently happens in our country, the good idea was not put to use industrially. Currently, a small experimental industrial unit for the cooling of pulp by a fundamentally new method (capacity 35,000 tonnes a year) is being assembled at the Syas' Pulp and Paper Combine. So, might it be that the Selenginsk people will bring "Ecocell" into operation on their own, without waiting for the Ministry to stir itself?

Lesnaya promyshlennost'

April 26 1990

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