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MARCH 1990

PULP AND PAPER

TABLE OF CONTENTS

Canadian Firms Propose Joint Venture for Production of Bleached Chemo-Thermomechanical Pulp at Balakhna Combine

Page No.

PULP AND PAPER

Canadian Firms Propose Joint Venture for Production of Bleached Chemo-Thermomechanical Pulp at Balakhna Combine..... 1

Joint Ventures - Advice to Soviets from a Canadian Counsellor..... 3

Shortage of Wrapping Paper for Food Products Due to Railway Mismanagement and Lack of Rolling Stock.... 7

Paper Shortage Made Worse by Mountain of Needless Production Returns..... 8

More on the Paper Shortage..... 12

Some Further Thoughts on the Paper Shortage..... 18

 In the Quagmire of Stagnation..... 18

 Starvation Rations..... 20

 The Unwarranted State Order..... 23

 A Chain is Only as Strong as Its Weakest Link..... 24

 The Uncontrolled Market..... 28

 Ways Out of the Crisis..... 29

FORESTRY

Inadequacies in Forest Fire Prevention and Control Arrangements Cause Heavy Losses..... 31

PULP AND PAPER

Canadian Firms Propose Joint Venture for Production of Bleached Chemo-Thermomechanical Pulp at Balakhna Combine

Trade links between Canada and the USSR have a long history. However, economic relations between our countries began to develop with particular intensity in 1988. Dozens of joint ventures have come into being. While it is true that the timber industry has not been successful in this form of collaboration, there are numerous objective reasons for this. Chief among these is the capital intensiveness of the sector. Now, however, there are signs of a change for the better. A joint logging venture has been formed. Very recently, moreover, a Canadian - Soviet symposium on the production of fibrous materials took place in Moscow. Representatives of the world renowned companies Hymac Limited and Noranda Forest Sales met with officials and production workers of the USSR Ministry of the Timber Industry and spoke to them about their firms' achievements. Modern technologies, dependable equipment and rich experience in marketing - all this and much else exists in the arsenal of the firms. The Canadian visitors drew to the attention of Soviet specialists dozens of papers explaining in detail highly diverse aspects of the Canadian firms' activities. At the conclusion of the two-day meeting they proposed that through joint efforts a plant should be built on Soviet territory for the production of bleached chemo-thermomechanical pulp (BCTMP) from hardwood species.

"In the Soviet Union a complicated ecological situation has arisen. The pulp and paper industry is in receipt of a fair number of claims in this connection. It is common knowledge that several years ago Canada ran into similar problems, but since that time you have learned to solve them successfully. Is it not safe to say that the joint venture which you are proposing to the USSR Ministry of the Timber Industry will be environmentally safe"? With this question I turned to the President and Director of Production of Hymac Ltd., Thomas Krieser.

Dept. of External Affairs
Min. des Affaires extérieures
OTTAWA

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"Ecological questions are primarily questions of technology", he replied. "In our company's mills thermomechanical pulp (TMP) and chemo-thermomechanical pulp (CTMP) are manufactured from aspen and spruce, with the yield of fibrous substances from wood being as high as 86 to 96 per cent. For purposes of comparison I would say that during the pulp production process the yield of pulp is reduced by almost half, and that the technology which we are using is twice as safe for the environment and naturally, much more economical. The wood is utilised with practically no losses. But this is not all. We are constantly refining the production processes and modernizing the equipment. Our company recently supplied units with a fully closed water cycle for two mills built in Canadian provinces whose governments are very seriously concerned about environmental protection policies. Yet even there Hymac's equipment has not received unfavourable criticism. I want to assure you that in the Soviet Union also we intend to supply the most up-to-date equipment of the highest quality."

There are no reasons to disbelieve what Thomas Krieser had to say. During the two-day period dozens of Soviet specialists analysed in the minutest detail the information presented by Hymac Ltd., and Noranda Forest Sales and reached the conclusion that it would be possible to collaborate with them.

Shortly after the symposium an agreement of intent to create a joint venture was signed at the USSR Ministry of the Timber Industry. It is expected to produce 200,000 tonnes of bleached chemo-thermomechanical pulp annually and to be situated in the production area of the Balakhna Pulp and Paper Combine.

We're off to a good start. Let's hope for success.

Lesnaya promyshlennost

March 3, 1990

Pages 1, 3 (full text)

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Joint Ventures - Advice to Soviets from a Canadian Counsellor

Joint enterprises are nothing new in the Soviet Union. Many of them have now also made their appearance in the timber industry and several articles by Soviet specialists have analyzed them. But what do representatives of the developed countries think of these joint enterprises? Our correspondent discusses this question with David Taylor, a Minister and advisor to the Canadian Embassy in the USSR.

"Recently you and I witnessed an important event. The large Canadian firms "Hymac" and Noranda Forest Sales" conducted a symposium in Moscow, during which it was proposed that a joint enterprise be established in the Soviet Union. How much faith do you have in this type of collaboration?"

"I suppose any activity in this field has a good chance of being successful: in the case of our countries the prospects are good. There have been trade relations between the USSR and Canada for a long time. We know each other and that's already something.

"The firms "Hymac" and "Noranda Forest Sales" are two of the largest pulp and paper concerns not only in Canada, but in the entire world. They are reliable, experienced and solid partners. It's true that in order to set up a joint enterprise, particularly in such a capital-intensive industry as pulp and paper, western firms have to be fully convinced that perestroika will continue to develop in the USSR. Unfortunately, at the moment there are still doubts on that score. The sooner firms become convinced that some other policy won't come along to replace current Soviet policy, the sooner capital investments will start to be made in your country."

"I agree but you know, nothing ventured, nothing gained, as they say. In fostering the creation of joint enterprises, you are actually supporting the economic reforms which are under way in our country. And it is quite possible that companies which are willing to take a risk today, will find that in the future, once perestroika has been successful, they will be big winners, far outstripping those who didn't opt for collaboration now."

"That's quite true. That's why we are actually trying to support any reasonable projects, but at the same time, we prefer to proceed with caution. It's the job of firms to reduce their risks to a minimum. For this reason, in-depth analysis is needed and we have to weigh all the "pros" and "cons".

"Hymac" and "Noranda Forest Sales" produce advanced, ecologically clean equipment, their inventory is well known in many countries of the world and they have built up extensive experience in the marketing field. In other words, these are very solid companies, and they can allow themselves a certain amount of risk. Time will tell whether the risk has been worthwhile, whether our joint efforts have been worthwhile."

"You probably know that there have already been several attempts on the part of various companies to set up a joint enterprise in the Soviet pulp and paper industry, but so far none of these has been successful. What do you think is the reason for this failure?"

"The main problem stems from the fact that the pulp and paper industry requires large financial outlays. The question of supplying an enterprise not only with wood, but also with chemical components, transport, equipment, manpower and a huge number of other elements, is an extremely complicated one."

March 1, 1990

Pages 1, 3 (full text)

"Doesn't it seem to you that in both Canada and the USSR there are business people who would like to find some common ground, to organize effective production systems, but, alas, haven't succeeded? What I'm now talking about isn't only such large-scale projects as the construction of pulp and paper combines, but also cooperatives, small, leased factories and plants which are ready to collaborate with Canadian firms. What is preventing a rapid increase in the number of small joint enterprises which do not require large capital investments?"

"In my opinion such enterprises are already being created. Perhaps this process is proceeding more slowly than we might all like. But, I believe that the number of joint enterprises will grow as more and more western firms become convinced that the perestroika process is irreversible, when they see that the Soviet Union is making a determined effort to foster their activity by taking on the bureaucracy and by introducing a convertible rouble, when individual people and organizations of the cooperative type will be able to make money by taking a risk and through their own efforts. The main thing is not to give up.

"The number of active joint enterprises is, in my opinion, considerably higher than some people are attempting to claim. For example, of the twenty six joint Soviet-Canadian enterprises registered in November of last year in various branches of industry, twelve are already functioning and as far as the other fourteen are concerned, at the very least two of them will start operating in the near future.

"Some joint enterprises are quite big, employing a large number of collaborators, others on the contrary are tiny, but they are also important. In Canada we put a lot of effort into promoting small-scale entrepreneurship. This represents one of the most creative aspects of

economics, well-suited for the development of new technology and the production of new types of goods. At the same time small enterprises develop more quickly than do big firms."

"What specific advice can you give to Soviet business people who want to work with Canadian businessmen?"

"Above all they should take a good look at how business people in the West think and act. Joint enterprises which are oriented toward the export trade would help people to acquire some knowledge of what exactly it is that the foreign consumer wants to see in a given product, and what he requires in that product. Let your entrepreneurs also study western business principles, to understand what exactly is meant by "cost" and "net income". And most important, they should try to understand how consumer services are organized abroad. It's possible to get to know all of this without even leaving the country.

"We also advise representatives of Canadian firms to study their Soviet partners. Confidence in one another arises from mutual understanding. We should learn languages. In order to strengthen the economic ties between our countries we are also organizing visits to Canada by Soviet managers so that they can study at our institutions and we are working at getting our businessmen to visit the Soviet Union."

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Lesnaya Promyshlennost
March 24, 1990
Page 3 (full text)

Shortage of Wrapping Paper for Food Products Due to
Railway Mismanagement and Lack of Rolling Stock

Why is it that at McDonalds almost every pie is in a box, while in the adjoining store the meat is being sold unwrapped?

Is there any wrapping paper to be had anywhere? Yes, at the Archangel Pulp and Paper Combine. But we don't see it because there are no railway cars.

"But didn't they give you 16,796 railway cars in the penultimate year of the latest Five-Year Plan? So, where are they?" "There are none. More than half are being repaired or held for cleaning, and 5,258 cars were sent back because, with the exception of the wheels, they were completely exposed to the weather. That is why your pies are in little boxes."

Is this really the case? The Archangel Pulp and Paper Combine needs 60 to 70 cars every day, which is more than 20,000 in a year. Moreover, they must be in good running order and of course, covered. But the cars that they sent are a dreadful sight. "What a dreadful individual the head of Isakogor'ka Station must be", hastily conclude our naive readers. But Oleg Vasil'evich Zakhozhii is not that way at all. Why would he want to dispatch badly damaged open cars, which according to the documentation, are to be sent to the Donets Railway for capital repairs.

It is incomprehensible as to who would benefit when cross-ties are being transported in covered cars and paper, in damaged ones. And this is the situation all the time. There is simply not enough rolling stock and the "pointsmen" display no initiative whatever.

For now, however, an unseen railway hand is manipulating the traffic flows, with the result that tens of kilogrammes of paper are being ripped from rolls arriving in a damaged condition.

When will they finally stop wasting time on idle chatter? And when will the Ministry of Railways people learn not only to theorize globally but also to haul freight normally, without robbing the country?

These questions might be considered purely rhetorical, were it not for the fact that in the shop next door, unlike McDonalds, everything is being sold unwrapped.

Gudok

March 10, 1990

Page 2 (slightly abridged)

Paper Shortage Made Worse by Mountain of Needless Production Returns

I have familiarized myself with the Minister's Order (prikaz) dated November 24, 1989, "On the Introduction of Operational Returns on Deliveries of Wood". Throughout the period December 1989 to February 1990 our sector's head office is requiring its subordinates at the production sites to submit monthly reports on deliveries of wide-gauge cross-ties to the USSR Ministry of Railways and the USSR Ministry of Transport Construction, and of sawtimber to all of the construction ministries of the Russian Federation and to the Moscow Oblast Building Committee. This is also required for shipments of sawtimber and shipbuilding timber to the USSR Ministry of the Shipbuilding Industry. All figures are to be reported in items handled and in thousands of cubic metres.

The Ministry's Main Information Computing Centre (MICC) has been ordered to provide for the collection and processing of data on the appropriate forms and within established time frames.

In remembering that there is nothing more constant than the temporary, I asked the head of the Department of Supply and Sales of "Tyumenlesprom" (Tyumen Timber Industry Association), A. Gruzdev, for an explanation.

"From the point of view of the assortments listed in the Order (prikaz), the volumes of product deliveries to the consumers are included in the State order (goszakaz) for the Association and are monitored by the local agencies of the State Committee for Material and Technical Supply (Gossnab)", said Anatolii Andreevich. "In order to submit the return, we are taking the data collected at Tyumenlessnabsbyt' (Tyumen Timber Supply and Sales) and reporting them to sector headquarters, which means that each is duplicating the other. The feeling is that it would be preferable for the Ministry's MICC to obtain the information from the primary source - from the corresponding department of Gossnab which is also situated in Moscow. An alternative way would be to increase the staff of our department, to provide for the collection, processing and transmission of these data to the Ministry of the Timber Industry."

Yes, documents, documents... the flow of them is becoming increasingly menacing and is paralysing the work of engineering and technical personnel. While figures are unquestionably boring, certain of them, I suppose, should be designated as being not without interest.

Here are the registration logs of the incoming and outgoing documents of "Tyumenlesprom". In 1989, 8,620 of them arrived there, but 11,768 were sent out by the Association. Simple estimates show that for each working

day there are 82 incoming and outgoing source documents, and for each engineering and technical worker of the administration, including the directors, there are 150 in a year.

Of course, the most active "correspondent" is the USSR Ministry of the Timber Industry. Last year, a total of 4,485 Orders (prikaz), official records, letters and telegrams were received from sector headquarters, which is an average of 18 per working day and is 575 more than in 1988. How can we speak about administrative independence when the ministry regulates almost every step that the loggers and woodworkers take?

"If something has gone up in our department, it is the productivity of bureaucratic officialdom", declares the Head of the Association's Economics Department, Deputy General Director B. Khrabrov. "The flow of all kinds of documents is increasing. How often has the need been stated for shortening statistical returns in general! However, USSR Goskomstat (State Committee on Statistics) has done nothing positive in this direction. The book-keeping forms, approved by a high authority tens of year ago, have remained unchanged, except that they have become a little longer.

All this is forcing "Tyumenlesprom" to increase the volume of paperwork. Every day the dispatcher service collects from the enterprises information on 76 indices, which means that an average of 1,400 to 1,500 "boxes" are being filled with figures. Everything is to be found there: beams, skidding, cross-cutting, temporary stoppages of machinery, sawing and woodworking indices. All this goes on around-the-clock and with a cumulative total for the 24-hour period. In the evening the information on 17 positions is communicated to the duty officer for the Ministry of the Timber Industry and on the following morning, in an expanded form to the MICC. Furthermore, on a daily basis, data on shipments of forest products, with a breakdown for the assortments, are reported to MICC for both domestic and foreign consumers.

On May 9, 1986 when, by way of an experiment, "Tyumenlesprom" had already changed over to new conditions of management, your newspaper published my correspondence dealing with this problem under the heading "In a Fog of Paper". Since then, a lot of water has flowed in the Ob'-Irtysch Basin. An economic mechanism is being perfected and the Association's enterprises and also "Tyumenlesprom" have completely converted to the profit-and-loss system of accounting and self-financing. Nevertheless, the authoritarian, clerical and bureaucratic methods of administration continue as before. Even so, in the decisions of the 27th Congress of the CPSU plans were announced to perfect the style and methods of administration by economic means. In the Political Report of the CC CPSU there is a statement that the time has come to put an end once and for all, to the petty stewardship of enterprises practised by ministries and departments. The Congress called for a decisive struggle against bureaucracy and unnecessary paperwork. But for the present, alas, there is no clearing in the fog of paper...

(Article prepared by
special correspondent A.
Konakov)

Lesnaya promyshlennost
March 17, 1990
page 3 (full text)

More on the Paper Shortage

The teacher Elena Fedorovna Sapunkova from Vorkuta is demanding to know why the supplement to "Sovetskaya Rossiya" has not appeared? In November of last year it was reported in "Pravda" that the supplement would be issued in 1990. And still there is no sign of it. The explanation is brief: there is no paper. The regrettable fact is that Russia - the land of forests - cannot find the paper for its own newspaper.

The printing industry is suffocating for lack of paper. It is already safe to say that the schoolchildren will begin the next school year without sufficient text books. Here and there, printing plants are being forced to shut down their presses due to the lack of raw material.

The crisis is the result of prolonged neglect of the pulp-and-paper industry. Its situation today is lamentable. Only 25 of the 157 enterprises (mills) were built after 1960, and of the 380 papermaking machines only 5.6 per cent have been in service for less than 15 years. As much as 65 per cent of the plant is completely worn out.

According to data supplied by the All-Union Scientific Research Institute of the USSR Ministry of the Timber Industry, the requirement of the Soviet economy for paper and paperboard is at best only being satisfied to the extent of 60 per cent. The shortage of packing paper is resulting in a 10 per cent shortfall in the nation's shipments of mineral fertilizers and cement, and in undershipments of 100,000 tonnes of fish, vegetables and other foodstuffs.

The nature conservation decrees issued by government agencies have dealt a crippling blow to the pulp-and-paper industry. It would seem that Sharakhan is becoming a symptom of the times. Are our sector's mills a large proportion of which were built in the fifties, able to withstand the stringent requirements of the ecologists? At one stroke, without regard to the consequences, capacities for the production of 20,000 tonnes of paperboard, 40,000 tonnes of paper and 220,000 tonnes of pulp were crossed off.

But this is only the beginning. The sanitary and epidemiological stations are planning to bring to a halt the capacity for producing 5,000,000 tonnes of pulp (of the 11 million being produced), 1,000,000 tonnes of paperboard and almost 3,000,000 tonnes of paper!

"If this happens", says V. Malygin, Head of the State Planning Commission (Gosplan) sub-section which is responsible for pulpwood and distribution plans for the forest products and paper industry, "we shall be without a domestic pulp-and-paper industry. The health protection agencies are imposing demands on the papermakers which even their colleagues from foreign countries are often not in a position to meet. For example, the experts who had arrived from Finland rated the Sloka pulp mill as one of the world's most ecologically clean enterprises, but the local authorities demanded its closure."

In Leningrad, the Ministry of the Timber Industry (Minlesprom) has got rid of the Priozersk pulp mill. But this led to a worsening of the ecological situation on Lake Ladoga, since the pulpmakers were not only treating their own effluents, but those from the city as well. At the time of writing, in order to build a mill equal in size to the Priozersk, the State will have to find 300,000,000 roubles.

But neither are we speaking in defence of Minlesprom. The Ministry's purification plants are classed with secondary installations. For example, at the "Kaliningradbumprom" Association, nature conservation structures which were built as long as 10 years ago are only 60 per cent phased in. But according to the plans, the installations should already have been operative there for five years. Facts of this kind are undermining the prestige of the forest products and paper industry.

"It might be possible to improve the environmental background of a Minlesprom mill by making more efficient use of the raw material," muses A. Globatskii, the head of the forest and woodworking industrial sector of the USSR Committee for Public Audit. "In the Irkutsk Oblast, where the largest pulp mills are concentrated, every year more than 3,000,000 tonnes of secondary wood products accumulate. Although these are well suited to the production of pulp, only 40 per cent are being used. The remainder is left to rot at dump sites or burnt in furnaces."

It would seem that given the extreme severity of the shortage, rigid State control will have to be imposed on the distribution and use of paper. But in place of the semblance of order which existed formerly we now have disorder. A large portion of the paper is going to the black market, where it is three to five times as expensive. It is on "illicit" paper that the newly emerged commercial merchants are doing business and the "informals" (neformaly) are being printed. I expressed interest in knowing where the editor of the newspaper with the fine sounding title but meagre content "The Alternative" (Alternativa), managed to obtain paper. "Where else but from the speculators - we all go to them", replied Emiliya Kharlanova, who runs off 50,000 copies at a time.

On March 1, during the Moscow television broadcast "In the World of Music", an astonishing fact was revealed. One of the concert artists had "applied" at a Moscow printing plant for permission to operate a machine specialising in the production of expensive artistic albums and was authorised to print on it his mail output during "the announcement - free period". It would seem that besides the shortage of paper, printing workers are also affected by a shortage of accountability. What other explanation can there be for instances in which publications speaking against the Party are being printed on the polygraphic facilities of the CPSU, and newspapers criticizing the army - on printing machines of the Ministry of Defence?

"Alternativa", being only one of the publications of the "samizdat" press, can hardly be called a newspaper for more often than not, the editions run to no more than 30,000 copies. Also included on the samizdat list are "The Ghost of Communism" (Prizrak kommunizma), (the Communist-Democrats faction of the Social Democratic Party), "Express Chronicle" (the SD Party), "The Voice of Anarchy" (The Petersburg Anarchic Revolutionary Union), "Soviet Morality" (Sovetskaya Moral'ka) and a host of others. According to rough estimates, about 700 "independents" are being published in the USSR today. None of them, of course, intends to pay taxes or name the sources from which the paper is obtained. It is pointless to demand this information from the cooperatives. By a decree of USSR Goskomstat (State Committee for Statistics) paper is excluded from the list of raw material for which they submit a report. The Chief of Administration of USSR Goskomstat explains that this is because the cooperatives "have a scarcity of bookkeepers". If this is the case, why does Goskomstat require them to supply data on the use of other types of raw materials?

Also growing like mushrooms are the "informal" Party publications. In particular, the district committees of the Party have taken it upon themselves recently to launch more than 20 newspapers... Is it not a luxury to expend paper on these newly emergent district publications when the publishing house of the CC CPSU, from where the overwhelming majority of the central newspapers are issued, is operating without a guaranteed supply of raw material?

The funds allocated for paper are being cut, which is regrettably a normal phenomenon given the existing deficit situation, but why is Sovetskaya Rossiya again being done out of its share? Even though to all outward appearances equality is being observed, i.e. in all of the Union republics an identical quantity of paper is being cut, the State order constitutes the greatest share in the plans of the printing trades workers and publishers, amounting to 85 per cent of the total. So as not to disrupt the fulfillment of the State order (which is mainly for the production of textbooks and children's literature), the RSFSR State Committee for the Publishing Industry (Goskomizdat) was forced to take paper back from the book publishers and place them on hunger rations. Many writers are being denied the opportunity to publish their works and readers must go without hundreds of thousands of copies of books about Russia, its history and culture.

We need to look into the situation that has arisen and introduce order in the distribution of paper, which has become a strategic raw material. Apparently, a temporary committee attached to the government is to be formed in order to draw up a programme to rescue the country from the "paper crisis". It is no longer acceptable that a country possessing a quarter of the world's growing stock of trees occupies one of the lowest rungs on the ladder when it comes to the production of paper.

Even if the pulp-and-paper industry develops in accordance with the Five-Year Plan, by 1995 the shortage of newsprint will still be with us. However, the journalists don't see it in that light. Nor, apparently, do the readers.

Sovetskaya Rossiya

March 18, 1990

Page 4 (slightly abridged)

Some Further Thoughts on the Paper Shortage

IN THE QUAGMIRE OF STAGNATION

The truth is that even though the USSR leads the world in stocks of standing timber it currently occupies 49th place in the per capita consumption of paper and paperboard. And who knows what tomorrow will bring... Even to satisfy the country's minimal requirements a portion of the paper must be purchased through imports, using convertible currency. The scarcity of paper, like a heavy weight, is dragging down our entire culture. Until very recently the Soviet Union was regarded as the most literate country in the world. Now however, there is talk of the imminent danger of the intellectual pauperization of our people.

According to our information the USSR produces 5.8 times less pulp than the USA does, 7 times less paper and paperboard, 13 times less writing and printing paper and 48 times less sanitary and toilet paper. While we consume 34 kg of paper per capita, with them it is almost 300.

Although Finland logs approximately a tenth of the volume of timber extracted in the USSR they produce almost the same amount of paper that we do, which is about 6 million tonnes a year.

Overall, about 0.7 per cent of the gross national product is accounted for by the pulp and paper industry, which is one of the most capital intensive but also highly profitable sectors of the economy.

How is it that we have got into this predicament? Whose fault is it? At present it is fashionable to try to find the weakest link in the chain of irresponsibility. The finger is pointed primarily at those who make the paper: at the labour collectives and their bosses, and also the engineers. Then there are the directors of the pulp and paper mills operated by the USSR Ministry of the Timber Industry, given that the Ministry has a monopoly on the production of what everyone needs. Every once in a while the latter are hauled onto the mat, made to take part in a "round table" organized by the newspaper and provide explanations. In their own defence they cite the increasing scarcity of raw material resources, the lack of balance between plans and the material supply situation, the antiquated state of the production capacities, the worn out condition of the equipment, the obsolete technologies, the ecological intolerance of the "greens" and the unreliability of the sub-contractors. While this is an unbiased statement of fact it is not the whole truth.

The root of the painful misfortunes afflicting the pulp and paper industry lies elsewhere: in the short-sighted, incompetent approach to the development of the sector. It is precisely the fallacious State policy - the administrative command system - rigidly fettering the independence of the enterprises, the numbering of the sector with others which are of low priority and the allocation from the budget of miniscule sums of money for investing in its development that have condemned the paper industry to stagnation and decay.

The depressing statistics are that only 25 of the 157 enterprises are of post-1960 vintage. About 65 per cent of the plant is completely worn out.

In the current Five-Year Plan, in comparison with the 9th there has been a 9-fold decrease in the start-up of plants for the production of paperboard and only half as many papermaking capacities have been placed in service. The construction of new installations is buried in the plans of a distant tomorrow.

Gosplan (the State Planning Commission) has been constantly cutting back on capital investments in the sector both in the logging complex and in secondary conversion of the timber, i.e. in the production of pulp, paperboard and paper. Many blunders of this kind rest on the consciences of A.I. Lukashov, V.P. Tatarinov and the other officials of Gosplan who are responsible for the sector. What the country needs right now is a scientifically validated programme, developed in detail, to rescue it from a blind alley and breathe new life into the sector as a whole.

STARVATION RATIONS

As a consequence of the information explosion, a state of crisis exists in the production of newsprint. The rapid growth in the circulations and the increase in the sizes of many periodicals (such as the single run of the newspapers "Trud" and "Komsomol'skaya Pravda" in excess of 20 million copies, and of "Argumenty i Fakty" in excess of 34 million; the fact that "Pravda" and "Izvestiya" have begun to be issued in 5 sheets and "Sovetskaya Kul'tura" in 10); the appearance of an incalculable number of weeklies, heralds and bulletins, chiefly in the form of "independents"; and the disruptions in the work of the paper combines and in shipments of paper rolls to consumers have placed the publishing houses on starvation rations. In some of them the monthly and six weekly working stocks of paper have shrunk to amounts sufficient for one day only, in others they have fallen to zero. There were instances when, in a number of regions, the mass newspapers interrupted their daily editions and reduced the production volumes.

The subscribers, on ceasing to receive their beloved editions, unleashed a storm of protest directed at the publishing houses. "Argumenty i Fakty" fell behind by several editions, amounting to an entire one time run of the weekly. It is becoming more and more difficult to buy newspapers at the stands. The shelves of the kiosks maintained by "Soyuzpechat'" are cleared in a matter of minutes. Even with the major newspapers a question as to whether they will be issued the next day is frequently left unanswered.

The fact that the demand for newspapers is not being fully met has come to be regarded by irate readers as an encroachment on the intellectual life of society, a strike against glasnost' and democracy, and ultimately - against perestroika itself. Under the pressure of mass displeasure, publishers and journalists have been swamped with telephone calls.

On January 25 "Pravda" published an appeal addressed to the sector's workers and engineering and technical personnel, asking them to display "political understanding" of the situation and do everything necessary to ensure the uninterrupted supply of the printing houses with paper, pursuant to existing contracts.

Such understanding was indeed manifested, for the labour collectives of the integrated paper mills piled on the pressure. In January and February the overall plan for production of newsprint was overfulfilled. However, the situation with respect to shipments of finished product deteriorated: the railway workers let them down, which led to anxious moments at the publishing houses.

A special session of the Collegium of the Ministry of the Timber Industry was held on February 19 to discuss the increasingly tense situation. Participating in the talks were directors of associated industries and of the USSR Council of Ministers' bureau for the wood-chemical complex. The Collegium endorsed an appeal by the workers of the timber and paper industry to the Soviet government which was published in "Pravda" and our newspaper under the heading "We Will Lead the Sector Out of the Crisis".

The feelings of bitterness remained after this collegium. Unremitting pressure from "above" and counter-arguments from "below" reminded one of a conversation between the deaf. The measures that were planned and recorded in the resolution failed to dispel the sense of despair. The consensus was that the ministry had responded to the criticism but was virtually powerless to end the crisis on its own.

Well, they "chopped up" Deputy Minister V.A. Chuiko and the directors of the Solikamsk, Balakhna and Kondopoga pulp and paper combines. They reminded them of their earlier statement that they would "develop the operation so as to achieve the maximum possible output of paper", and of what happened recently. All of the juice was squeezed out of the machines and the workers.

Perhaps it had escaped their attention that there are more shortcomings in the sector than there are capabilities within the ministry and the labour collectives to patch them up.

THE UNWARRANTED STATE ORDER

In 1990 the mills of the sector must produce 1,834,000 tonnes of newsprint, or an estimated 6.3 kilogrammes per head of the population. Frankly, that's not much when you consider that production of newsprint in the leading western countries in 1988 (in thousands of tonnes) was as follows: Canada, 9,969; USA, 5,427; Japan (all types of printing paper), 7,762; Sweden, 2,064; Finland, 1,811.

The State order for newsprint has now been set, for the first time ever, at 95 per cent of the volume produced, which is 1,740,000 tonnes (36,108,000,000 square metres).

Last year a State order in the amount of 100 per cent was thrust upon the combines, but it remained underfulfilled by 14,000 tonnes. A trifle? It depends on which side of the fence you are on, for there is such a thing as the straw which breaks the camel's back.

At Gosplan they are again itching to saddle the papermakers with a 100 per cent State order, to shut off even their small safety valve so as to sell the output on the market, including the export market! So far it hasn't happened.

The burden of the present ministerial apportionment of paper also seemed relentless to the Balakhna and Solikamsk pulp and paper combines and they refused to accept the State order to the extent of 27 tonnes in all. Which means that one of the consumers whose funds had been set aside for these enterprises is again partly out of luck.

Let us now turn to another question: whether or not among the consumers there is the firm assurance that they will receive the paper indented for, and within the time frames stipulated in the contract. No one can give such a guarantee. The papermakers of course, are reliable people for the most part and it would rest on their conscience if it were not for the fact that they are constantly being let down by their sub-contractors. The loggers are disrupting the rhythmical delivery of unprocessed timber, the pulp producers - of semi-manufactured product, and the chemists - of the constituents that are needed in paper production. Moreover, the railway workers are failing to supply freight cars on time for shipping out the finished product and the power engineers are unexpectedly depriving the enterprises of electricity whenever they choose to do so. Added to this is the fact that the papermaking machines have to be shut down on account of the lack of spare parts and sub-assemblies of both foreign and domestic origin (the suppliers - factories of the Ministry of Transportation - and Heavy Machine Building - have ceased producing the most complex of these). The publishing houses are refusing to return to the combines samplings of newsprint which Gosplan is obstinately counting in as part of the resources.

Many more such examples could be cited.

A CHAIN IS ONLY AS STRONG AS ITS WEAKEST LINK

We are not going to analyse all the malfunctions of the paper conveyor belt here, but will deal only with the worst of them.

Raw Material. With the merger of the ministries of the timber and pulp and paper industries just under ten years ago the main objective was brought into focus: to rationally solve the raw materials problem and amalgamate under one boss responsibility for the procurement of timber

and the uninterrupted supply of it for paper production. In theory that is what ought to have happened. Raw material in the form of pulpwood, chips for pulping and firewood exists in sufficient quantities in the zones of activity of the paper mills. However, it has not proved possible to achieve stability in the supply of it. On the contrary, the disorder within the sector has become even worse.

Figuratively speaking, the ministry was unable to hold two cherries in one hand. Under the whine of the saw the formerly rich timber resource bases of Karelia and the Archangel, Vologda, Kostroma, Kirov and Perm oblasts rapidly became exhausted. Softwood from these places by-passed the paper combines and the technology proved unadapted to the processing of "foliage" and waste paper. In order to keep the half-starving mills fed, it was sometimes necessary to permit coniferous sawtimber to go for beating, instead of pulpwood and spruce chips.

According to our information, Japan produces more than 25 million tonnes of paper and paperboard annually. At least 50 per cent of this is manufactured through the secondary processing of waste paper.

In the USSR only about 20 per cent of the waste paper is used, chiefly by enterprises of the State Committee for Material and Technical Supply (Gossnab).

Pulp: It stands to reason that without pulp you won't make good paper. However, the production of it nationwide is decreasing rather than increasing. In the last three years alone, capacities for the production of 432,000 tonnes of semi-manufactured product have been withdrawn from service. They have stopped cooking pulp at the Priozersk and Lyaskelya mills and at the Okulovka Pulp and Paper Combine. In view of the worsening ecological situation, capacities for the production of a further half a

million tonnes are under attack. At the same time, during the last 15 years not a single pulp mill has been built in the USSR. It might have been possible to compensate in part for the shortage of pulp by thermomechanical or chemo-thermomechanical pulp, but the production volumes of it are still very small. We now have to ship pulp to Karelia from Sakhalin. Naturally, the price of it is rising sharply.

Scientists have proposed a dry, ecologically clean method of manufacturing the semi-manufactured product, but it hasn't yet made its mark in the world.

In the circumstances, the planning agencies are resorting to their customary practice of planning for an underdelivery of pulp, even to the point where it is less than the State order. In other words, they are forcing the enterprises to produce paper from air. The low quality of the raw material and the pulp is leading to a situation in which not all of the paper (especially that from Solikamsk) meets the requirements of the State Standard (GOST). It is grey, uneven in texture and becomes dusty during the printing process. Hence the unattractive appearance of the newspapers.

Machines: The pulp and paper industry is just as poorly served by its machines. They are extremely decrepit, unbelievably worn out and hopelessly behind the times. Of the 22 papermaking machines, only two are of modern design (commissioned in 1982). Of the remainder, 12 are between 20 and 30 years old and eight have even reached the half century mark. Obviously, the sector does not have a firm technical foundation.

Almost all the papermaking machines are foreign made. Attempts during the last 15 years to manufacture a domestic model have ended in failure. This means that to

acquire new machines and the spare parts for them, hard currency is needed, which puts us in a tight spot. To earn it, we are exporting forest products - paper, timber in the round and waste paper - at an overall discount. We are selling for 300 to 350 dollars a tonne and buying for 450 to 500.

The mighty factories for the manufacture of papermaking equipment which were built at Izhevsk, Petrozavodsk and Dnepropetrovsk under the roof of the Ministry of Transport - and Heavy Machine Building have converted to producing goods for other sectors of the economy.

In the 13th Five Year Plan it is intended that the Ministry of the Timber Industry will increase the output of newsprint by 630,000 tonnes through a new plant (at Balakhna) and modernization of the 11 existing papermaking machines (3 at the Balakhna Pulp and Paper Combine and 4 each at the Kondopoga and Solikamsk combines). A proposal has been placed before the government to arrange for the construction of three new pulp and paper combines during the next Five-Year Plan - the Enisejsk, Vycheгда and Kirensk. Are there any hopes of this happening? Everything depends on the availability of currency, financial and material resources. But where are they to be found?

Do you sometimes wonder why investments in the pulp and paper industry are made solely from the State budget, while the CC CPSU, the All-Union Central Council of Trade Unions (VTsSPS) and the other voluntary organizations in receipt of billions in revenue from printing activities, are not participants in this process? After all, they themselves are heavy consumers of paper.

Currency: Although paper for printing is an extremely popular and profitable commodity, this applies least of all to those who produce it. On the domestic

market a tonne of paper costs 245 to 260 roubles at the price fixed by the State, but on the other hand it is 10 to 20 times dearer when sold in the form of newsprint. As a consequence of the steadily decreasing profitability of production (rising prices of the machines, raw material, chemicals and power transmission lines, increases in the transportation tariffs and rising expenditures on environmental protection) the paper combines are becoming impoverished. Conversely, the publishers, by increasing the runs of newspapers, magazines and books, are prospering.

In order to cover the domestic requirements for paper it has become necessary to purchase it abroad, where the price of it is constantly rising. It is precisely by this means that the conscientious consumers are getting by. But a paradox has been created: the country is exporting paper and at the same time importing it, at the cost of large amounts of currency due to the price differential.

Why don't the wealthy publishing houses like "Pravda", "Izvestiya", "Literaturnaya gazeta", "Novosti Press Agency" and the cooperatives purchase paper for currency at our combines, thereby promoting a strengthening of the domestic pulp and paper industry? Nothing of the sort is happening. The publishers are putting pressure on the government, Gosplan and Gossnab, the latter are doing the same to the Ministry of the Timber Industry, which in turn puts pressure on the regional timber industries, until the papermakers lose their last chance to rectify their disastrous situation through independent sales of their output - either at contracted prices or through a mutually advantageous exchange of products.

THE UNCONTROLLED MARKET

For many it remains guesswork as to where the independent publishers are getting their paper. While there are several leakage channels for circumventing the shortage,

FORESTRY

State resources are the main source. It is a fairly simple matter to nip off a portion of the whole. In the first place, enterprising businessmen have managed to use economic levers to interest the producers of the paper and even the loggers, and thereby obtain the desired materials and by-pass the distribution system. Secondly, large amounts of printing paper, including newsprint, are being procured by departments and offices. Despite the contraction of the administrative apparatus, the bureaucracy continues to absorb up to 135,000 tonnes of paper annually.

WAYS OUT OF THE CRISIS

Many of the difficulties that we are currently experiencing on "the paper front" have been engendered by the low standard of management of the sub-sector on the part of the Ministry of the Timber Industry, the tenacity of tough managerial stereotypes, and resistance to new methodology on the part of individual managers.

The ministry continues to lack a scientifically verified strategy and tactical plan for the development of the pulp and paper industry. Certain programmes concerning increases in the production of various kinds of printing paper or the implementation of environmental protection measures are designed for not more than a five-year term. They still have not received governmental approval and are weakly coordinated with the long-term functioning of the timber complex as a whole and the associated sectors.

Demanding of the most serious attention is the reconstruction of a domestic papermaking machine-building capacity that is on a par with world analogues, or alternatively, arranging for joint enterprises of this nature with foreign firms. We cannot be for ever dependent on imported machinery and technology. Why not make use of the opportunities that are opening up as a result of the conversion?

A task that has first priority is to enhance the potential and the efficiency of applied science. How far behind world standards we are in many parameters, especially in matters pertaining to environmental safety!

Yes, the whole country needs paper - the bread of glasnost'- which means that there should be an appropriate degree of concern about overcoming the shortage of all shortages. In our view, this is no longer a matter of economics. The problem has become political.

Lesnaya promyshlennost

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Page 2 (abridged)

FORESTRY

Inadequacies in Forest Fire Prevention and Control Arrangements Cause Heavy Losses

More than 28,000 fires originated in the past year in the actively protected territory of the general forest lands administered by the State (Goslesfond). The loss to the country's forestry amounted to 204,800,000 roubles. Fire damaged or destroyed 65,400,000 cubic metres of standing timber, 87,600 cubic metres of finished product and 1,200,000 roubles worth of industrial and residential buildings. Two people lost their lives. Such are the doleful results of the forest fire season.

In the Order (prikaz) issued by the USSR State Committee for Forestry (Goskomles) it is stated that in comparison with earlier years the loss has increased 4.1-fold. True, in the document it is pointed out that this figure attests to the more accurate method of calculation now in use. But the fact remains that fires affected 2,070,700 hectares of area overall, including 1,646,300 forested hectares.

The journalists and specialists who took part in the "Ecological Task Force 01" organized by our newspaper provided the readership with quite detailed information on the state of affairs in the nation's "hottest" spots, namely the Tyumen' and Tomsk oblasts, Sakhalin and the Khabarovsk Krai. Almost a fifth of all the fires reported took place in these regions. It was also noted that an extremely unfavourable situation had arisen in the forested areas transferred to the integrated timber enterprises of the USSR Ministry of the Timber Industry. Scarcely anyone can refute this statement. The following figures confirm it. In the territories of the integrated enterprises 6,900 fires were recorded (a quarter of the total number) and 1,082,300 hectares of overall area, including 929,500 forested hectares were damaged. This is already more than half of the total for the country.

In analysing the results for the past year, the specialists have identified the causes of the low standard of protection of the forests against fires, namely the general neglect of the subject by directors of forestry agencies and enterprises, the chronic shortage of funds and of material and technical resources needed by the aviation and ground services, the scantiness of these services and the fact that we are extremely underequipped technically.

Aerial protection has proved to be in a critical state. In 1989 it was removed from the list of indices qualifying for the State order of the USSR Council of Ministers and its budgetary appropriations were cut. Funds available to the "Avialesookhrana" (Aerial Protection of the Forests) Association for the leasing of airships amounted to less than 62 per cent of what was needed, and the numbers of skilled parachutists and smoke-jumpers came to only 43 per cent of the normative requirements. This resulted in a diminished frequency of aerial patrols during periods of increased fire danger, an increase in the number of fires that were not spotted promptly and a lowering of operational efficiency.

In the vast majority of the Siberian and Far Eastern districts the unfavourable weather conditions were aggravated by the almost one third reduction in the numbers of workers at forest protection and chemical fire-control stations, the delayed transfer of forestry enterprises to the USSR Ministry of the Timber Industry, and also the continuing practice of diverting foresters to tasks pertaining to the industrial and other activities of the enterprises.

In the prikaz from Goskomles reference is made to such factors as the indecisiveness and at times, incompetence of individual employees of forestry and integrated timber and woodworking enterprises, the lack of a clear cut interaction with the executive committees of local Councils of People's Deputies and agencies of the militia,

State Fire Inspectorate and civil defence organization, and the substantial drop in the operational efficiency with which violators of forest safety requirements are being identified and made accountable for their actions.

In general, the work of the RSFSR Ministry of Forestry with respect to the matter under consideration is rated unsatisfactory. In particular, nothing has been done to increase the specific outlays on aerial protection. In the RSFSR they are several times lower than in other republics.

The Ministers of Forestry in the Kazakh Republic and the Ukrainian Republic, the acting General Director of the "Uzbekles" Association and the General Director of the "Turkmenleskhoz" Association have been criticised for the unacceptable slackening of activities with respect to fire prevention and the organization of forest fire control measures.

Directors at all levels responsible for the preservation of the forests have been instructed to carefully analyse the results of the past year and work out specific measures to correct the state of affairs in this area. Arrangements must be made to conduct an official investigation into the reasons for the genesis and spread of each major fire and to hold the guilty parties accountable.

The Ministries of Forestry in the Ukrainian Republic, the Belorussian Republic and the RSFSR must provide for an enhanced level of forest protection in areas that are subject to radioactive pollution consequent upon the Chernobyl disaster.

The All-Union Research Institute for the Organization and Mechanization of Forestry (VNIIPOMleskhoz) is conducting a check on the effectiveness of the forest fire-fighting machinery mounted on military hardware. Serial production of the high-pressure MLV-1 motor pumps, the isolation of navigational equipment, and the jointly with the USSR Ministry of the Timber Industry, resolving the problem of the technology to be used in the clearing of felling sites... these and many other measures are needed to ensure that there is a reliable barrier against fire. The season just ended has shown that the lack of attention to protecting the forests against fires carries a threat of enormous losses, some of which cannot be estimated in roubles.

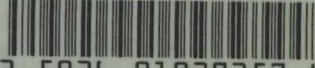
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Page 2 (full text)



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