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

MARCH - 1988

Any enquiries or comments on this publication should be directed to:

The Department of External Affairs, (INI)  
A-2 Lester B. Pearson Building,  
125 Sussex Drive,  
Ottawa, Ontario  
K1A 0G2

TIMBER AND WOODWORKING

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## TIMBER AND WOODWORKING

### Appointments

The Praesidium of the Supreme Soviet of the USSR has appointed Mikhail Ivanovich BUSYGIN Minister of the Timber Industry of the USSR (Minlesprom).

The Praesidium of the Supreme Soviet of the USSR has appointed Aleksandr Sergeevich ISAEV Chairman of the State Committee for Forestry of the USSR (Goskomles).

Lesnaya promyshlennost'

29 March 1988

Page 1 (Excerpts)

### Quarterly Logging Target Within Sight

The logging industry has still to extract less than seven million cubic metres and cut down approximately three million cubic metres of roundwood in order to fulfill its socialist obligations undertaken for the first quarter of the year.

Lesnaya promyshlennost'

29 March 1988

Page 1 (Full text)

### Perestroyka in the Timber Industry: Formation of the USSR Ministry of the Timber Industry (Minlesprom) and the USSR State Committee for Forestry (Goskomles)

The radical restructuring in economic management that is being carried out in the country in accordance with the resolutions passed at the XXVII Party Congress and the June (1987) Plenum of the Central Committee of the CPSU, has begun to be felt in the timber and forest industry.

The Politburo of the CPSU Central Committee examined the question of improving the administration of our industry on March 10 of this year. In the course of the discussions it was admitted that the current system, the serious deficiencies in forestry sector and timber industry management, and the mistakes committed by organizations run by the USSR State Planning Committee and the USSR State Committee for Material and Technical Supply, have begun to have a negative impact on the well-being of the various industries involved and on the formation of a truly economic approach to the forest riches of our country.

Measures for restructuring the administration of the forest-based sector have been determined. They are centred on overcoming the legacy of overly bureaucratic management methods and on developing a system based on sound economics. We are determined to effect a wide-scale democratization of the administration and to activate the human factor as much as possible.

Soviet citizens have often wondered why our country, which has the largest area covered by forests in the world and which logs the most timber, is so significantly behind the majority of developed countries when it comes to the per capita manufacture and consumption of the main types of products made from wood. What is preventing the timber-based industries from working effectively and in a stable manner?

As compared to the USA, the USSR actually produces almost six times less chemical pulp, seven times less paper and paperboard (it ranks 47th in the world in paper production), and 48 times less sanitary and hygienic paper products. We obtain just 27.3 tonnes of paper per thousand cubic metres of extracted timber while the Americans produce 137 tonnes, the Swedes - 129 tonnes and the Finns - 164 tonnes. We have even begun to fall noticeably behind in the export market.

The main reasons behind this serious failure to perform are well known: insufficient capital investment in the development of the industry; the lack of a reliable engineering base for timber and forestry equipment; the imperfect organizational structure and poor administration of production facilities; the feeble rate of utilization of existing capacities; our unproductive expenditures and losses due to extravagance; sluggishness on the part of the scientific and engineering sectors; the slow rate of introduction of advanced, resource-saving technologies; and the unreasonable growth of the bureaucracy and upper management. This has all exerted a negative impact on the social sphere. The "residual principle" in allocating funds for housing, social and cultural facilities, only after the needs of production have been met, has given rise to a "deafness" when faced with the everyday needs of the forest industry workers. At the present time, the social amenities offered in the industry, particularly in the logging and wood chemicals sectors, are close to being the worst in the USSR.

The search for new approaches to raising the effectiveness of forest cultivation and utilization started back in the 'sixties with the support of both the Soviet government and the Central Committee of the CPSU. In 1980 the Central Committee approved the system developed by the Party Executive Committee of the Ivano-Frankovsk Oblast in the Ukraine for encouraging the workers in the timber industry enterprises and organizations to utilize the local timber resources more effectively. The methods developed in the Ivano-Frankovsk Oblast for running comprehensive forestry enterprises were applied widely. The creation and formation of comprehensive enterprises on this qualitatively new basis proceeded rapidly, especially after the publication in 1984 of directives on improving the utilization of forest resources. At present, comprehensive enterprises and associations operate both in the timber industry and in

the forestry sector in the Ukraine, Karelia, the Leningrad, Novgorod, Sverdlovsk, Perm', Irkutsk, Gor'kiy and Penza Oblasts, the Tatar ASSR, the Krasnoyarsk Kray and in many other regions of the country.

The CPSU Central Committee has also approved the advances made by the "Tsentromebel'", "Yugmebel'" and "Kirovdrev" Associations and the Kotlas and Solikamsk Pulp and Paper Combines in cutting back resources used in production and in increasing the share of secondary raw materials and wastes used. This approach was also widely emulated throughout the industry.

Thus, the grounds for further changes in the industry have already been laid.

The decree calls for a clear separation of responsibilities between the two main directing organizations in the industry. With this aim in view the Praesidium of the USSR Supreme Soviet has formed a Union-Republic State Committee for Forestry (Goskomles USSR) based on the old USSR State Forestry Committee (Gosleskhoz) and the Union-Republic Ministry of the Timber Industry (Minlesprom) based on the old Ministry of the Timber, Pulp and Paper and Woodworking Industry of the USSR (Minlesbumprom).

There are two major points to this organizational restructuring in the administration of the forest-based industries: it will limit the responsibilities of the departments; it will facilitate a close interaction and partnership among the various industries within the framework of a single chemical-forestry complex.

The merging of the USSR Ministry of the Timber, Pulp and Paper and Woodworking Industry and the USSR State Forestry Committee into a single general organization, an



idea proposed by several participants in the discussions, was seen to be ill-advised given the incompatibility of the roles of forest preserver and exploiter.

The USSR State Committee for Forestry (Goskomles) will: a) be in charge of the state forested area; b) formulate scientific and technical policies for the forestry sector; c) check on the state of the forests - their utilization, regeneration, protection and preservation. With help from the Council of Ministers of the Union Republics, it will determine and, after receiving approval from the USSR State Planning Committee, will set the planned coupe. It will also contribute to the formulation of the economic plans. At the same time, it will not be directly responsible for the economic management of forestry and timber industry operations, unlike its predecessor, the State Forestry Committee (Goslezkhoz).

The Ministry of the Timber Industry of the USSR will be in charge of the industrial exploitation of forest resources in order to satisfy the demands of the economy and of the population for wood products. It will directly control operations in the enterprises and associations located in the densely forested region of the RSFSR and also in the larger enterprises located in other Union Republics.

Organizations in the Union Republics will be in charge of their own forestry and logging activities. Ministries (Committees) of Forestry and of the Timber Industry will be retained in the larger Union Republics as required. It is planned to set up appropriate scientific-production and production associations in the other republics and to abolish government organizations for these industries.

All forestry operations and logging work in the densely forested zone of the RSFSR, where industrial logging is underway, will be concentrated in the USSR Ministry of the Timber Industry enterprises.

Operations of this type in the sparsely forested regions of the RSFSR will be carried out by the RSFSR Ministry of Forestry. At the same time this Ministry will check on what the USSR Ministry of the Timber Industry enterprises are doing in the densely forested regions. It will do this through the various oblast forestry administrations.

The principle of comprehensive utilization and reproduction of forest resources will be the key focus in both the forestry and the logging sector. Comprehensive enterprises, as has been clearly demonstrated, make it possible to utilize existing resources more effectively and to run a more business-like operation. Comprehensive logging enterprises are to become the main feature of operations in densely forested regions where industrial logging is carried out. These enterprises are set up to be permanently-operating facilities based in allotted timber limits leased to them on a long-term basis. They will carry out a continuous cycle of logging, processing and replanting operations.

In the regions where logging is not conducted on an industrial scale or where insignificant volumes of timber are harvested, comprehensive forestry enterprises will be the order of the day. In addition to forestry operations, these enterprises will conduct other types of timber industry work (maintenance felling, raw material processing, production of consumer goods).

It has been decided to increase control over the activities of all the forestry and logging enterprises, regardless of their affiliation. The USSR State Committee

for Forestry will do this both by exerting direct control and by acting through the relevant forestry organizations in the various union republics. The local Soviets of Peoples' Deputies acting through the forestry organizations, which will thus be subordinate to two agencies, will check operations on the spot. At the same time a state-wide check on the utilization and regeneration of forest resources in connection with other ecological factors will be carried out by the USSR State Committee for the Environment (Goskompriroda). The Union and Republic ministries and committees must become the true scientific-technical and planning-economic headquarters of the industry and must bring forest-related industry operations up to world level. They have been asked to work ceaselessly on the development and improvement of the structure of the industry. This is to include: the formation of large industry-wide, inter-industry and territorial-industry associations; a greater degree of integration, specialization and cooperation; the establishing of conditions favouring the application of the most advanced technology; the development of economic levers and incentives for the ministerial enterprises; and the energetic growth of foreign economic involvement.

The Union and Republic ministries are in charge of the main scientific and technical organization. They will have access to centralized funds with which to set up new enterprises or to build up the work force when production facilities are retooled or expanded. They are responsible for training the workers and for re-qualification and re-training programmes.

This renaming is far from just a formality. It will result in much more than a simple reshuffling of powers with various directors moving from one position of responsibility to another.

The new structure of management is aimed at the further consolidation and development of the profit-and-loss accounting system. Leasing of timber limits and payment for resources as a form of economic basis for inter-relations between logging enterprises and forestry enterprises, will be widely practiced. In consideration of the new demands, a full transition to the profit-and-loss accounting system and to self-financing in forestry enterprises is planned, as is a restructuring of the planning and allocation mechanism. The wide application of cooperative forms of production in exploiting stands of little commercial value and in utilizing other forest resources, and in manufacturing consumer goods, will, it is hoped, provide for a fuller satisfaction of the demand for forest-related products.

Realizing the planned measures will result in the development of a two-part system of administration. The All-Union associations and a number of republic-level ministries will be done away with.

The restructuring of the upper management of the industry should result in a radical improvement in the economy of the forest-related industries. It should also make the sector more dynamic and productive and help it reach world standards. The style and methods of operation applied by economic managers in party and trade union committees have to be changed decisively at all levels. A particularly great deal of responsibility has been entrusted to the party committees in the Ministry of the Timber Industry of the USSR and the State Committee for Forestry of the USSR.

The Ministries and Committees, having thus been freed of operative-management administration and of detailed interference in the activities of the departments subordinate to them, now no longer require large staffs. There will thus be a substantial reduction in the numbers

of personnel employed in the central agencies and in expenditures on maintaining and servicing them. In this way it will also be possible to select the very best team and to utilize and allocate workers in the most rational way.

We have to make sure that there is no duplication of duties and we have to staff our operation with the most competent, professional and bold economic thinkers who have made a name for themselves as able organizers. At present the main criterion for assessing staff is their relation to perestroyka. We have often noted at board meetings and bureaucratic conferences that certain workers are incorrigibly conservative, have become mired down in the bureaucracy, and take too long to get things done. It is clear that they will not suit the new conditions of management and the new demands set by the restructuring. They will have to be replaced.

Changing staff is a delicate matter. It has to be done openly, thoughtfully and on a democratic basis - without delay.

The perestroyka movement in both the upper echelons of management in the forest-based industries and on the working level has now reached a crucial stage. We have to carry out the reorganization in such a way that no problems in industrial operations occur during the introductory phase. The most important thing now is to take action.

Lesnaya promyshlennost'

19 March 1988

Page 1 (Abridged)

PULP AND PAPER

Is What Paper We Manufacture Being Put to Good Use?

Who has failed to notice the thousands of books and leaflets that lie undisturbed for ages on the shelves of our book shops? There are thick ones and thin ones, some bound in artificial leather and others in glossy dust-covers. They are a dead weight both for the market and for society at large. They represent the bottomless pit of incompetent management.

Official statistics indicate that of the books printed in 1982-84, more than 34 million were not sold. Over the past three to four years (the publishing industry usually does not have current statistics at hand), approximately 60% of the printed brochures and more than 30% of the books on highly-specialized topics, were not sold. Some of these items are written off if possible, but the majority of them become an "albatross" hanging around the book industry's neck. The state has to pay huge amounts just to store them.

Let's not even consider the losses stemming directly from printing operations (although it is quite obvious that a great deal of electricity was wasted for no good reason, that all the equipment was operating in vain, and that the staff still had to be paid), and let's not even determine the amount of printer's ink used that was manufactured by our own chemical industry and then scattered to the wind. We will simply confine ourselves to the figures that are closer to us. In the course of a year, the country's printers receive 1,060,000 tonnes of paper for their presses. In the same period 300,000 tonnes of waste paper from books and periodicals alone winds up as secondary raw material. How much of the same type of paper is simply burned? No-one knows exactly.

But it has to be a lot. Thus, we can safely assume that at least a third of the paper supplied to the printers and made into books, is wasted.

I examined hundreds of publications devoted to the catastrophic shortage of paper in the USSR. They all stated that the presses were starving for lack of paper. The following statistics have become popular. The USSR annually produces 36 kilogrammes of various types of paper and paperboard per capita while the USA produces 290 kilogrammes per capita. This is a striking difference. Whose fault is this? The general feeling is that the papermakers are to blame.

For the sake of argument let's say that they are responsible. They are having a tough time of it. Many executive personnel have been reprimanded or even removed from their positions because they have failed to deliver paper to the country's printers. Shortfalls in deliveries amount to hundreds of tonnes and thousands of tonnes are scrapped. Yet no-one is held responsible for this.

At the January 8 meeting of the Central Committee of the CPSU, M.F. Nenashev, Chairman of the USSR State Committee for Publishing Houses, Printing Plants and the Book Trade, complained about the shortage of paper for publishing historical works. How can there be enough if dull, useless books are being printed in the millions? Works of completely unknown contemporary authors gather dust for years on bookstore shelves. Who can improve this situation?

According to the system now in place, a Soviet author receives 60% of his royalties when his book is delivered to the printers and the full fee when the book is put on sale. This means that all the financial dealings with the author are completed before the reader has even evaluated the work. It would be difficult to

think up a more advantageous system for the author. Yet surely it would be more in keeping with the spirit of the times to calculate everything depending on the finished product: if the book sells you get the full fee; if the readers want an additional edition - you would then get the royalties without any adjusted reductions.

Why is such a large amount of paper wasted in this way? Is there no-one in the country to exert control over its effective use? According to the USSR Ministry of the Timber, Pulp and Paper and Woodworking Industry, this is up to the USSR State Committee for Material and Technical Supply's Main Administration for the Supply and Marketing of Paper Products (Soyuzglavbum).

"The thing is," I.S. Kharitonov, Chief of the Soyuzglavbum Administration, explains, "that the paper used in printing is considered to be a special case. We supply it to the publishing houses and printing presses but can't really say what happens to it later."

It really would be difficult for I.S. Kharitonov to answer this question. In order to do this, the Administration would have to check the effectiveness of paper utilization at least once. It has every right to do this. But it has never exercised this right. Yes, and what is there to check if, according to officialdom, the paper, having become a book, is no longer paper.

Thus it would appear to be up to the USSR State Committee for Publishing Houses, Printing Plants and the Book Trade. But here as well, Yu.I. Kabikov, Chief of the Paper Section, tells us that control over the utilization of printing paper is carried out selectively and periodically. Furthermore, only the grade of the paper supplied is checked.



Thus it turns out that there is no real control in the Soviet Union over the utilization of this product which is in such short supply. As we have seen, even these dull books don't really cause real problems for anybody. I've been told that some workers in the book trade's warehouses are driven to commit some real crimes in this regard. In order to free the storage areas of works that are not being sold, they pour water on the books and then, blaming it all on a hole in the roof or in the walls or on the dilapidated state of the storage premises, they write them off.

A no less sinful but decidedly more dangerous system is as follows: the book trade, hoping to sell the worn-out texts, arranges with the local organs of power to have the many tonnes of books distributed to libraries and offices. There the books and brochures gather dust for about three years and then are sent to the paper recyclers.

This is a very convenient system. You can't, after all, blame the State Committee for Publishing Houses, Printing Plants and the Book Trade or the book trade itself for the fact that a certain book doesn't sell. "What do you mean by 'doesn't sell'?" they will ask. "Everything's been paid off and we even made a profit." We, however, would like to state that this profit is exaggerated and actually not a profit at all. It is society at large that pays for the manufacturing costs of the paper, and for the book that has contributed nothing but harm. This type of book is like a phantom. It may exist but in actual fact it has no positive weight in society. The only winners are the publishers.

Not all these hack works of literature, of course, end up like this. Some of them are bought by me and, no doubt, by some of you readers. We are reduced to doing this in order to satisfy our intellectual curiosity somehow or other.

People are now enthusiastically talking about shifting the book publishing organizations over to the profit-and-loss accounting system (khozraschet). Workers in these organizations are eagerly giving interviews to radio, television and the press. But it is not clear from what they have said, what changes will take place on the book market. There are still grounds for fearing that the book trade will remain as before, full of unsaleable books, and that the papermakers will continue to make timber into waste paper, which, by the way, is also not recycled as much as it should be.

Lesnaya promyshlennost'

3 March 1988

Page 2 (Slightly abridged)

Changes in Financial Transactions at the All-Union  
Scientific Research Institute for the Pulp and Paper  
Industry

The All-Union Scientific Research Institute of the Pulp and Paper Industry fulfilled 101.4% of its plan for scientific research in 1987. This work resulted in economic gains of more than 25 million roubles, or one million more than in 1986. A profit of 900,000 roubles was obtained by means of reducing expenditure on the production of scientific research developments. We completed all the contract work undertaken. We have no debts and did not have to pay any fines.

The Institute shifted over to the full profit-and-loss accounting (khozraschet) system in January. Our scientific work has now become a "product" and is sold at prices agreed upon between the Institute and its clients.

Self-financing and the profit-and-loss accounting system will force the Institute to show some initiative and demonstrate its flexibility. By "selling" one and the same scientific research development we will be able to vary the agreed-upon price, after examining the financial situation of the client enterprise, its funds, etc. Last year we developed a two-stage chemical pulp cooking technology for the Sloka Pulp and Paper Mill in Latvia. This method helps greatly to save on the wood and chemicals used in the cooking process and improves product quality. It has resulted in economic gains of more than one million roubles. The Solikamsk and Balakhna Combines are now interested in the new technology. We had asked the Solikamsk Combine to pay us 560,000 roubles for it but the Combine's financial situation was such that it could only pay 270,000 roubles. We agreed to this sum and the transaction was beneficial to both parties.

The actual method of setting a price for each development has also changed. What is considered is its effectiveness, its closeness to world standards, and its urgency.

The new management conditions are inspiring the Association not just to develop new technologies but also to build prototypes of the new equipment. The first phase of the Astrakhan' Experimental mechanical Plant, which has come on line, has made it possible to undertake this work as well.

Creative work teams are being set up to carry out important and urgent jobs. Here we are introducing a normative salary planning system depending on the volumes of research completed in contracted prices. For example, if we have a contract for 100,000 roubles, then from 35,000 to 40,000 roubles will be allocated for salaries.

We spend 75 kopecks for every rouble of scientific work we produce and in this way obtain a profit of 25 kopecks. This is still a rather small profit. In the future we plan to expend only 60 kopecks per rouble.

The profit-and-loss accounting system has brought with it a number of problems. For example, worldwide practice indicates that those scientific organizations that do not create a surplus and which are not involved in research for future developments, cannot be competitive. Previously, the Ministry provided money for carrying out exploratory work. Now the Association itself must come up with the funds. The problem is we don't have any spare cash.

Up to now we have not come across any blatant breaking of the new system. We have, however, noted that the Ministry itself sometimes relapses into the old patterns of administration. The Ministry, for example, sometimes forces us to send our experts to work on some important project in another place. But this costs money. Who is going to pay for the trips? Right now we have to count every kopeck.

Lesnaya promyshlennost'

1 March 1988

Page 2 (Slightly abridged)

Shortage of Rolling Stock for Paper Shipments at the  
Segezha Pulp and Paper Combine

Workers in the paper packaging material shops of the Segezha Pulp and Paper Combine "got a lucky break" in February. Almost one thousand people were given an unexpected holiday. They spent whole days "hanging around" their workplaces, thinking bad thoughts about the railway workers.

They had every right to be angry. Approximately 20 million paper bags were piled up in the storage areas and workshops, bags that were needed to ship mineral fertilizers and other free-flowing substances. The bags were stuffed in all the corridors and entrances of the shops, in contravention of all the rules of fire safety, and were also piled up in the auxiliary shops.

V.I. Sankin, the Combine's Chief Economist, commented that they also have a lot of paper lying around. "We have a supply of 2,500 tonnes already. Our clients have been showering us with telegrammes and complaints. It's a disaster. Our entire work force is out of sorts."

The USSR Ministry of Railways did the Segezha mill a great disservice, sending one thousand workers on holidays. Since the first days of February the Ministry reduced supplies of empty rolling stock by one half. The Oktyabr'skaya railway, in spite of Ministerial protestations to the contrary, constantly fails to provide the cars requested by the Combine. Thus, the piles of finished products continue to grow and an emergency is developing in the Combine.

The railway workers' irresponsibility is undermining the financial situation at the Combine as well. Because of the pile-up of finished products the Segezha workers have been unable to manufacture approximately two million paper bags and have let their customers down. This means that the monthly planned target is missed and that salaries and funds for material incentives are reduced. How can we organize self-financing at the enterprise under these circumstances?

The years go by and the directors at the Oktyabr'skaya railway and the Ministry of Railways have changed, yet the situation concerning paper shipments from

Karelia has hardly improved. Now one, now another enterprise has to close down temporarily because the finished products are not being shipped out. How long will this continue?

Lesnaya promyshlennost'

10 March 1988

Page 1 (Slightly abridged)

Okulovka: Clean-Up of Peretna River

In 1882 a sulphite pulp mill was put on stream in the village of Parakhino near Okulovka station where the Pastburgs, a foreign family, operated several paper mills. Since that time harmful effluent has been flowing into the lower reaches of the Peretna river. The mill grew up to become the Okulovka Pulp and Paper Combine and the amount of effluent increased as well. The river was transformed into a sewer.

Efforts were made, starting in 1974, to decrease the amount of effluent and to render it harmless. But nothing much was really accomplished.

The Okulovka Combine became part of the "Novgorodlesprom" Association in 1985. This Association undertook to build some purification facilities, which are to come on stream this year. Recently it was decided to cut production of chemical pulp by 22,000 tonnes annually. The alcohol-yeast shop was closed as well. From now on the tonnes of harmful suspended particles, phenol, lignin, and formaldehyde, will no longer be poured into the river. Furthermore, only four-and-a-half million cubic metres of fresh river water will be used in production annually.

The day when the Peretna River will bring clean water to the lake Il'men' basin is close at hand.

Lesnaya promyshlennost'

22 March 1988

Page 1 (Slightly abridged)

## FORESTRY

### Industrial Expansion Brings Trouble to the Northern Forests

Forestry workers in Western Siberia were happy when the oil industry moved to the region. The oil boom promised to bring great changes to the entire regional economy. It was hoped that the forestry sector would move ahead as well.

The years passed by. Tyumen' became one of the country's main oil and gas centres. The Oblast is miles ahead of other regions in terms of utilizing capital investment. The network of roads and railways is tens of thousands of kilometres long. An entire constellation of new cities has grown up here. But the foresters' dreams never materialized. With hindsight they can see that they were right off track from the very beginning.

The geologists, oil, gas, power, and transport workers and communications experts that serve the industrial sector, have already occupied several hundred thousands of hectares of state forest lands. The amount of land allotted for permanent or temporary use to the oil and gas sector is equal to the area of land logged annually in main-use operations.

The good thing is that the taiga has come alive, that people have come here to work and live. What is upsetting, however, is what they have brought with them to this hitherto virginal landscape.

The forest stands are being destroyed everywhere for no apparent reason. The earth is being damaged and the soils are being mixed up together to a considerable deepness. Large areas are becoming polluted with oil



products, drilling solutions, effluent and chemical reactants. Bits of garbage such as cement, scrap metal, construction debris and discarded logs, are dumped there.

Tracts of land that have been handed over for industrial use for just a short period are, as a rule, removed from the productive forest register and transferred to the non-forested area list. An unregulated process of degradation of the northern taiga is underway.

To put it briefly, the oil and gas industry workers are treating the Tyumen' north not like sensible owners but like negligent temporary tenants. The foresters were completely unprepared for this kind of neighbour. The oil and gas industry has no ecology experts, no anti-pollution devices or control measures. No-one knows the maximum allowable stress that can be exerted on this types of biogeocenosis. There are no methods for ascertaining the complexity of the damage inflicted on the environment. Yet leakage of oils, drilling solutions and mineralized water is numbered in the hundreds of thousands, if not millions, of cubic metres and tonnes. The scale of this disaster increased in proportion to the expansion of drilling operations, the number of fields and the length of the pipelines.

All types of accidents and breakdowns are known to have occurred in the oil-rich regions. There were dozens of breakdowns in the "Uralneft'" Oil Production Association alone last year. There was an accident at the Trekhozernaya field, for example. Thousands of tonnes of oil spilt into the flood plain of the Konda river. A thick layer of oil floated on the water for twelve days. The water area, neighbouring forests, local inhabitants and surrounding area, were all harmed by this event.

The newspaper "Tyumen'skaya Pravda" recently published an article on the barbaric attitude towards the forest that was apparent last year during the construction

of the electric power line leading to the new field developed by the "Pravdinskneft'" Association. The No. 114 mechanized work crew, which was preparing the route, did not even bother to cut the trees down. They just pushed them aside with powerful bulldozers. These ugly embankments alongside the power line will serve as an excellent breeding ground for forest pests for a long time to come. A chance spark from the power line would be enough to start a forest fire, which would damage the power line as well.

So much damage has been done that now it would be impossible to gauge its extent with any degree of precision. The paradox is that the ones who are the first to suffer from the destruction of the environment and from all the attendant discomforts, and who suffer the most, are those who are working on extracting the buried riches of the area. Sociologists from the ZapsibburNIPI (Western Siberian Scientific Research and Production Institute for Drilling Operations) have carried out research on man's adaptation to Northern conditions. Among the factors exerting a negative effect on man's well-being in the north, we find the monotony of the landscape in third place, after the mosquitoes and cold weather, and before the polar night. Despite this, however, no effort has been made to change the prevalent attitude to nature.

The oil industry has its own environmental protection and industrial sanitation agencies but these organizations have had no say in the running of practical operations. They appear to have failed to notice many infractions. The judicial organs have also treated the culprits leniently. Feeling immune from punishment, those in charge of industrial development apply incorrect methods to develop the new territories, use extraction technology that is not guaranteed to preserve the environment.

Left to fight the oil and gas giant practically on their own, the forestry enterprises have not been in a position to counter it, or to preserve and protect the stands effectively. They are still understaffed. They have little in the way of transport and suffer from a high labour turnover. There are, for example, only 67 foresters working in the 18 million hectares of state forest lands in the four forestry enterprises located on the right "oil-rich" bank of the Ob' river. The average area per beat is 300,000 hectares. It is laughable, under these circumstances, to suggest that the forest protection service could even begin to do its job properly.

Foresters should no longer have to represent these interests in the oil and gas region. We are not dealing with something trivial like stealing logs for personal needs. This is a completely different type of infringement of forestry rules both in terms of scale and character. In order to ascertain what the problem is, to analyse the situation and take action, one requires a good knowledge of economics, technology and law.

The coming of the oil workers has brought with it a change in the activities of the forestry enterprises' engineering and technical staff. The amount of time spent on registering surveys, and on checking on the activities of numerous industrial operations that have sprung up on the state forest lands, has increased many times over. Yet the forestry experts are still being paid the same. Land management work increases with each year that passes and becomes more and more hopelessly muddled up. This is very dangerous, particularly when using out-of-date planning, cartographical and inventory materials. After all, only one third of the state forest lands in the Tyumen' Oblast have been charted out in forest management studies.

The local forestry enterprises are very poorly equipped. In the four forestry enterprises of the middle Ob' region, where one fifth of the state forest lands in the Oblast are found and where most of the oil extraction operations are concentrated, the total value of the fixed capital amounts to just over one million roubles. As far as development is concerned, these enterprises belong to the "pre-oil development age".

To sum up, the balance of power in favour of the oil industry and to the detriment of a sensible, intelligent and scientifically-based utilization of natural resources, has become firmly entrenched.

The foresters are not alone in their concern: the hunting and fishing organizations are also up in arms. The inhabitants of the settlement of Ugut, for example, have been provided for by the rivers and taiga since time immemorial. The local waters were at one time the purest in the entire region. Today, however, the animals and birds are dying and the fish take has dropped off markedly. Four oil prospecting expeditions are just coming in and snatching up the land, cutting down the taiga, developing the quarries and filling up the rivers with dirt. "We are unable to seek redress for the illegal actions that have taken place," the Ugut townsmen wrote to us. "The expedition crew is not afraid of fines. They get the required funds from the state and just laugh at us."

About the question of fines.... Even though far from all the infractions are brought to light, each year the fines paid amount to huge sums, exceeding the cost of forestry operations. The oil sector is very free with its money, but this doesn't help the environment.

The Bureau of the Tyumen' Executive Committee of the CPSU last year, when discussing the work of the forestry administration and the "Tyumen'mezhkhosles"

Association in the protection, regeneration and rational utilization of local forests, asked these organizations together with the judicial organizations to increase the punishment meted out to local citizens and enterprises for infringements of forestry regulations, to ensure that the entire forest area is looked after by the air services, and to increase protection measures on the ground. It was noted at the Oblast Council meeting that "the ecological situation in the area over past years has become increasingly problematic, particularly in the North." A. Ushakov, the Chairman of the Khanty-Mansi Autonomous Okrug Executive Committee, noted that the pace of industrial penetration into the environment in this Okrug, which is a main oil-producing region, far exceeds the extent to which the checking organizations are conducting their operations. The activities of these organizations are highly generalized and mostly amount to either prohibitions or summations of faits accomplis.

Lesnaya promyshlennost'

10 March 1988

Page 2 (Slightly abridged)

Large Forest Machinery Association Under New Management  
Conditions

Of the twenty-seven RSFSR Ministry of Forestry enterprises that switched over to the full profit-and-loss accounting system (khozraschet) as of January 1, 1988, fourteen are "Rosleskhoz mash" (RSFSR Forestry Machinery) Association plants. This means that the "Rosleskhoz mash" Association is the largest self-financing pioneer in the Russian forestry sector. All the more reason to be interested in how the workers and directors of this Association are finding this new management system, how they are solving their difficulties, and what kind of problems they are facing.

We recently interviewed G.L. Kotlyar, the General Director of the "Rosleskhoz mash" Association, on these issues.

.....

Lesnaya promyshlennost: Director Kotlyar, all our hopes for the rapid development of the Soviet economy, for an increase in production and an improvement in product quality, are pinned on the introduction of the profit-and-loss accounting system. This is the reason behind my first question: what is your opinion of the equipment now at work in the forest in terms of types and quality, and what future developments do you anticipate in this area as a result of the new management system?

G.L. Kotlyar: The country does not have a single forestry equipment engineering system and the "Rosleskhoz mash" plants do not produce all the different models now in operation. Foresters get some equipment from the agricultural, logging and other sectors. We fill in the gaps in large-scale machine-building. We manufacture a number of multi-unit machines based on skidder and forestry tractors. This base unit, by the way, leaves much to be desired both from the technical and the ecological point of view. We also manufacture units for processing low-grade wood and timber of little commercial value.

Now under the new management conditions when we have entered into direct contact with our customers, we have become convinced that even they don't know who produces what and whom they should get in touch with if they have complaints about the quality or technical level of the equipment. We will get back to this point later.

In my opinion we now have a complete set of reforestation equipment. We have everything, or, to be more exact, almost everything. But this "everything" is not of the best quality, alas. The profit-and-loss accounting system is supposed to help improve quality.

L.P.: Will it help?

G.L.K.: Last year we paid 37,000 roubles in fines for poor quality.

L.P.: That's quite a lot!

G.L.K.: In 1986 we had to pay almost ten times as much! Just the preparation for the transition to the new management system has resulted in a ten-fold increase in quality. One can imagine the improvements that will be made when the new system is actually in place! Take the following example: traditionally, orders from the enterprises for our equipment far exceed the capacities of the Association (this isn't surprising: there is still a great deal of manual labour in the sector). Suddenly, we began to receive cancellations of orders from the oblast forestry administrations. They are asking us to decrease their orders for equipment.

L.P.: What equipment in particular?

L.G.K.: I know what you're trying to say. But no, they aren't just cancelling orders for out-of-date, unpromising equipment. Here's a letter from the Voronezh forestry administration. They are asking us to reduce their order for KLB-1.7 cultivators and LMD-81 tree-planters. They always had a shortage of this type of equipment and even your paper has commented on how the existing units are "driven to the bone". Yet, all the same, they have cancelled their orders. What they are doing is saving up their money in advance, before the transition to the

profit-and-loss accounting system. Furthermore, the RSFSR Ministry of Forestry's central fund for the acquisition of new equipment is 60 million roubles less this year than last...

L.P.: N.M. Prilepo, the RSFSR Minister for Forestry, at a recent Ministry board meeting, managed to convince the directors of the forestry administrations to accept the "Rosleskhoz mash" equipment all the same. But such practices will no longer be tolerated. The entire industry is switching to the new system and even the Minister will be unable to force a forestry enterprise to take on unnecessary equipment.

L.G.K.: It's not that our equipment isn't useful. In my opinion you have made a mistake in this respect. It's just that, given the shortage of funds, any enterprise would be more willing to buy a logging truck than one of our sowers. The Minister was really just concerned about the fact that the industry's job is reforestation. First of all, we have to work on mechanizing these operations. Anything else is really a luxury.

Yet, all the same, I agree with your main point - pronouncements from above are no longer the answer. We have to find different solutions. In particular, we have to study the demand better and learn how to be more flexible and quick to redistribute production. A product that one person doesn't want might well be needed by someone else. In general, despite these difficulties, I have no doubt that our products will sell. Our product is in demand.

L.P.: Excuse me, but is this because it is good or simply because there is no alternative? There is no competition after all. The choice is simple: either your units or no units at all...



L.G.K.: Yes, but under the new arrangements when everyone has started to keep track of his money, this lack of competition won't make it any easier for us. To a certain extent we are our own competition. If we don't propose something new by way of production, the enterprises will fix up our old sowers, operate them longer, and won't buy others like it. They will spend their money on something else. Thus, we have only one way out: to manufacture only such equipment that is in great demand. So the enterprises will even borrow the money in order to buy!

L.P.: What are you doing and what have you done to inspire this sort of reaction in your customers?

L.G.K.: Last year we carefully analysed all our equipment and set up a plan: what would have to be done to improve each of our products. We manufacture, for example the Ts2KM double-saw unit at the Sofrino plant. This unit saws the log into a double-edged beam and two half-logs. We improved the unit, making use of the ideas developed in the Sofrino design bureau, installing four saws instead of two. Now we can obtain two extra under-slabs. The average cost of half-logs is 16 roubles per cubic metre, and 70 roubles per cubic metre of under-slabs. Is this profitable? I'll say it is! We already have 600 advance orders. It is no longer a question of whether we will sell the unit but of whether we will be able to meet the demand. The situation is the same with the TsDT-5.3 units. These units can saw boards two metres long. These are high enough for doors but not for door frames. We modified the unit so that we could make longer boards, and interest jumped to such an extent that it will take several years just to come close to meeting the demand.

L.P.: So far we've just touched on various units but what about the products for which you have no competition at all such as forestry equipment?

L.G.K.: We make the MBT-8 chokerless skidder. It does not have a simple history; at first no-one liked it and we received a great number of justified complaints and returns. We then improved it so that now the workers don't complain and even some send us their compliments and thanks. We are continuing to improve this machine and to make it more universal. Working together with the Karelian Scientific Research Institute of the Timber Industry (KarNNILP) and the Central Scientific Research Institute of Mechanization and Power Engineering in the Timber Industry (TsNIIME), we have developed a branch-delimiting and cross-cutting head for it. Starting next year we will (partially for the time being) complete the machine with this unit. In this way the machine will be able to skid the logs and cut off the branches. We have already started to develop devices for further operations. We are improving our other machines as well.

L.P.: Everything you've said is quite interesting. But these are all just modifications, improvements... Do you have any radically new equipment in the planning stages or in the experimental shops?

L.G.K.: Up to now I've just been telling you about what we have undertaken to do ourselves, in our own design bureaus which, by the way, we have decided to put on an internal profit-and-loss accounting system. Basic research is required for any radically new equipment. This is the task set before the industry's scientific bodies: the All-Union Scientific Research Institute for Forestry and Forestry Mechanization, the Central Experimental Design Office for Forestry Equipment, and other institutes. The only new unit is the fire-fighting tractor based on the Czechoslovak LKT model, designed in the Leningrad Scientific Research Institute for Forestry. We have even announced a competition among our plants for the right to manufacture this machine. As far as everything else is concerned, our respected scientific bodies are just continuing the old line.

L.P.: Why is that?

L.G.K.: The problem is that there has been no competition up to now. Quite the contrary. For many years the institutes quietly duplicated each others' efforts and this was considered the only thing to do. Almost every institute has its own break-clearing vehicle. And they are all similar. Take the following example. Someone asked me to sign the specifications for one of them. I looked at it and saw that there really wasn't much of a difference. "What's so special about it?", I asked. The man answered: "It's from a different institute!" You find this funny? We don't find it so amusing when we have to manufacture one variation of a machine and then another. We make five of them and that's all that's needed. We then have to reset our production lines to manufacture the other type and then produce only ten of them....

L.P.: But now you will have the right to accept, or more exactly, buy or not to buy any new design or other. Or else you can order any design you want to be developed.....

L.G.K.: We do not intend to pay for any fundamental research. The forest sector has to pay for the developing of any of the designs it needs. Right now we are discussing the following system: the scientists inform our scientific-technical council in advance about their designs if they want us to manufacture the machines. If we see that the design is an interesting one and approve the working plans, we could finance the design work. If we don't approve - then it's too bad. Anything we can't see the use of, will not be paid for and manufactured by this association.

L.P.: What happens if there's a shortage of good designs? What then? Will you cut production completely?

L.G.K: If there isn't anything fundamentally new it would be better to make maximum use of our own resources. It is not just our clients who are counting money these days, but we ourselves. We have our own laboratory in the Voronezh Timber Industry Institute. Traditionally we paid it from 60,000 to 100,000 roubles annually for conducting research. We have no bones to pick with them. But this year, because of the new system, we have signed contracts with them but for a sum of 30,000 roubles only.

L.P: All the same, what do you mean exactly by "fundamentally new?" Is there any chance that we will be seeing the next generation of forestry equipment in the near future?

L.G.K: I have to admit frankly that I don't envisage this for the near future. At most what we need is a completely new approach to forest technology. We need to use the modular principle; a base tractor module with a single front axle. There will be a set of various machines (a cultivator, a sower, etc.) instead of the second axle. This will be very convenient and profitable for our, frankly speaking, poor forestry enterprises. They could buy one vehicle instead of ten. And our sowers are much cheaper...

L.P: Is this abstract wishful thinking or have you carried out some solid work in this direction?

L.G.K: We have worked out an agreement with the Khar'kov Cross-country Tractor Chassis Plant for joint research in this area. It will give us two modules for experiments and we propose to make approximately thirty variations of vehicles that could operate with the modules. We can't do all this work ourselves - we have to work with the scientific sector and with enterprises from other industries.

L.P.: Will these units be in series production in the near or the distant future?

L.G.K.: Actually, I don't know. Everything is still very vague and doesn't depend on us alone. Maybe this will happen during the course of the Thirteenth Five-Year Plan... It's hard to say.

L.P.: Director Kotlyar, the introductory phase is over now... It is now three months since the Association has been working under the profit-and-loss accounting system. What are the main problems that you have had to deal with?

L.G.K.: The main problem isn't an economic one but a psychological one. This is the hardest thing to change. It amounts to no more and no less than breaking down one's own way of thinking, of developing a new approach to things. The essence of this approach is "I am responsible for everything" rather than "I do what I am asked to do". We have to realize that now there are different demands, different responsibilities and different relations. This is a very difficult thing to do. For example, I went up to the Chief of the Sales Department at one of the plants and asked him: "how are you getting on with setting your plan?". He looked at me as if I had lost my mind... I realize that a great deal has changed. There are always some new discoveries.

L.P.: For example?

L.G.K.: Lesnaya promyshlennost' sent a note to the RSFSR Ministry of Forestry Board meeting asking me why we don't advertise our equipment in the paper. Really, why not? I don't know myself. It simply wasn't necessary before... Our information services were very weak. Now we are suffering the consequences: we know very little about our clients and they know even less about us.

L.P.: Information, advertising, the studying of the demand - all these are new activities for you. Have you made some progress in this direction?

L.G.K.: What do you mean? We couldn't exist without it now. We have sent our catalogues and questionnaires to various administrations and ministries. We have met enterprise directors in the Vladimir and Kalinin oblasts... But I have a definite feeling that a lot more has to be done.

L.P.: Our paper has also sent out some questionnaires, asking the chiefs of the various oblast forestry administrations and the directors of the forestry enterprises about forestry equipment...

L.G.K.: Can I have a look at the answers?

L.P.: Of course. Maybe you could comment on them as well.

L.G.K.: It looks like we're OK! Our MBT-8 and KLB-1.7 units received positive evaluations... There is quite a bit of criticism in the answers but this relates mostly to others, not to us. There are complaints about the tractors and about products manufactured in plants run by other departments. They write that there are too few LMD-81s. We can manufacture as many as you want. You just have to send in your orders.

I have been approached at the Ministry Board meetings with the following question: is it really possible that we can send in an order to buy without first obtaining ministerial approval? It's hard to believe that this is true. So much more has to be done by way of advertising. We have to start advertising not just the equipment available but also information about future

possibilities. In other words we have to establish good contacts with the forestry enterprises. This will bring in good results.

We have to overcome any internal opposition to this general plan. But in general I believe we are on course. I, for one, was not too sure that the workers had fully understood all the changes that had taken place (although the enterprises are offering study sessions on them). Then suddenly I heard these comments from the chairman of the workers' council at the Yaksha plant: "We want it arranged so that not just bonuses depend on profits but our salaries as well, and that this holds true not just for the workers but for the engineers and even the director as well."

L.P. In other words they are proposing another, more risky model of the profit-and-loss accounting system?

L.G.K. Yes, and we have decided to try out this experiment.

L.P. Is this one of your more successful plants?

L.G.K. Not exactly.

L.P. Director Kotlyar, I know that twelve of your fourteen plants have been excused from paying for funds and seven do not pay for labour resources and that the Ministry provides you with two million roubles annually...

L.G.K. Up to now we have not instated the full profit-and-loss accounting system. The two million provided by the Ministry will not be granted indefinitely but just until we get within range of our goal. Our financial situation is far from uncomplicated. We have two plants that run at a loss...

L.P: Is there any kind of programme to do away with unprofitable ventures?

L.G.K: The main losses incurred at the Dmitrievskiy plant amount to 120,000 roubles from the auxiliary farm (the cost price per kilogramme of meat is 12 roubles). We are solving the fodder problem there. We are getting ready to shift operations at the farm over to the family contract system. The Borovlyanskiy plant is suffering losses because of the overhead travelling cranes. The forestry sector needs these cranes but only in small amounts - approximately 120 per year. This is why losses outweigh gains. This year, however, there should be no losses incurred since they will be compensated for by profits in other areas.

Nevertheless, our profitability level is still less than ten percent and this means that our funds are still not great. The most troubling area is in the provision of social and cultural facilities and in the service sector. The construction of the kindergarten in the Dmitriev-L'gov plant had to be put on ice since the plans for a swimming pool and a winter garden area were too grandiose for our means. The worst problems, however, is housing. We would probably have to allocate some of the funds for the development of production into this area but even this wouldn't solve the problem completely.... There are a lot of complications connected with the introductory phase of the new system: the industry as a whole still hasn't changed to the profit-and-loss accounting system and still thinks in other categories... But we hope this is a transitional stage. One thing that worries us is formulating our production plans. What can we do if we have to put in our orders for material and technical supplies in March but the agroindustrial complex only sends us its orders for machinery in May (this department accounts for more than one quarter of our production)? All these things have yet to be worked out.



L.P.: But the key to solving these problems lies in what we were discussing at the beginning of this interview: everything depends on what the "Leskhosmash" Association has to offer the forestry enterprise.

L.G.K.: That's it, exactly.

Lesnaya promyshlennost'

22 March 1988

Page 2 (Slightly abridged)

Ordzhonikidze: Source of Sapling Shipments

Specialized forestries in Northern Osetiya are contributing to reforestation projects in various regions of the country. They have just finished shipping planting stock to forestry enterprises, parks, nature reserves and special reserves (zapovedniki) in the Northern Caucasus, the Ukraine, the Volga region and Central Asia. The packages and containers hold more than 30,000 kilogrammes of select walnut, hazel, chestnut, red oak, beech, smooth elm, Alpine pine and birch seeds. This is enough to plant approximately 3,000 hectares of new stands. Specialized operations in the mountainous region of Ordzhonikidze also ship tree and bush saplings to various parts of the country. Most of the seed plots are located in the Ordzhonikidze arboretum plantations.

Lesnaya promyshlennost'

1 March 1988

Page 3 (Full text)

Pineapple Guava Cultivated in Georgia

The USSR's sole pineapple guava (Feijoa sellowiana) nursery, located near Sukhumi, has just shipped a large order of saplings of this exotic bush to subtropical regions of Georgia for spring planting operations. This spring the pineapple guava plantation will expand by 76 hectares and will exceed a total area of 700 hectares.

South America is the birthplace of the pineapple guava. The fruit of this plant is rich in sugar, iodine, folic acid, pectin and other biologically active substances. Among its other qualities, we should note that growing this species is a very inexpensive undertaking.

Lesnaya promyshlennost'

19 March 1988

Page 4 (Full text)

Penza Oblast: Forest Produce Preserved

Bud harvesting has begun in the birch and pine groves of the Penza Oblast. Villager and workers from the local forestries have set out armed with tarpaulin covers and basic gear to collect this medicinal raw material. A shop where the forest produce is processed and bottled has been built at the Akhuny logging and sawmill operation. Workers here installed the necessary equipment and are now producing salted and pickled mushrooms, fruit preserves, and jams out of various wild species. The shop operates year-round and has proven to be quite profitable for the

Combine. It has now been equipped to manufacture birch juice which is bottled with wild fruit and berry juice additives.

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26 March 1988  
Page 3 (Full text)

Combine. It has not been subjected to preservative treatment. Juice which is covered with wild fruit and berry juice additives (oil) every 100 gms. also 2-3% salt.

Just as, in the past, the juice of this exotic bush to have a high content of biologically active substances, it is now being used for spring planting. The juice of this bush is used for the production of various products. The juice of this bush is used for the production of various products. The juice of this bush is used for the production of various products.

The juice of this bush is used for the production of various products. The juice of this bush is used for the production of various products. The juice of this bush is used for the production of various products. The juice of this bush is used for the production of various products. The juice of this bush is used for the production of various products.

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Forest Products Preserved

The forest products preserved in the birch and pine... The forest products preserved in the birch and pine... The forest products preserved in the birch and pine... The forest products preserved in the birch and pine... The forest products preserved in the birch and pine...



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