

of the

"FOREST ECONOMICS RESEARCH INSTITUTE"

(Forest Economics Department of the Finnish  
Forest Research Institute)

No. 2

Helsinki, 13.11.1969

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Research Colloquium

The colloquium will meet fortnightly on Mondays at 14.00 in the conference room. Pertti Veckman is secretary and will be pleased to receive proposals for discussion topics. Bear will be available to lubricate discussion and improve the English. The colloquia are compulsory for research personnel.

The next colloquium will be held on Monday, 17th November, at 14.00. The subject of discussion will be: "Proposal for a study of structural change in forest ownership and its consequences", to be outlined by Michael Jones.

The following basis of discussion is proposed:

Proposal for a study of structural change in forest ownership and its consequences

The Problem: Reconciling the need for increased forestry output with a situation in which private land ownership predominates.

Questions to be asked:

1. What is the present ownership situation?

Requires information on categories and occupations of owners, size of forest holdings and current trends (e.g. trend towards fragmentation or amalgamation of holdings?)

2. What are the present situation and future possibilities concerning supply and demand for forestry products?

Involves examining existing studies on present and future trends.

3. What is the policy of the government and wood companies regarding:

(a) structural change, especially land tenure?

(b) forestry investment and management ?

Involves study of official publications, documents and statements, e.g. laws and policy proposals, MERA and other plans, etc.; also investigation of attitudes of wood companies.

4. What are the alternative structural changes possible and the problems of their implementation ?

Investigation of alternatives which will promote increased forestry output, e.g. enlarging size of forest holdings; encouraging co-operation between forest owners; providing subsidies.

Approach:

1. Set out existing situation and trends of supply and demand, and government policy(MERA plan).
2. Examine hindrances presented by present land ownership situation to increasing forestry output, e.g. too small holdings; dangers of forest land going into less productive ownership.
3. Examine problems of overcoming these hindrances - detailed study of historical background to present ownership situation: strong political and cultural attachment to land; economic difficulties, social and political barriers in way of land reform.
4. Look at existing government policies regarding land tenure, e.g. landtenure laws, subsidies, etc. Examination of results and failings of these policies.
5. Attempt to find alternative solutions.

A proposal made on 27.10.1969 by Professor Kullervo Kuusela may also be a relevant topic for discussion in this connection. It is summarized in English as follows:

In order to ensure that agricultural and forestry production best meets the needs of the whole community, it is necessary to obtain detailed data on factors affecting the production decisions of the owners of Farm-Forest holdings. A sample of Farm-Forest holdings may be taken on the basis of the official agricultural statistics to find out the characteristics of Farm-Forest holdings and the importance of primary production in their total income.

As far as private forests are concerned, the sample can be made by the Department

of Mensuration. Collection and analysis of data can be undertaken by the Forest Economics Department.

The agricultural side of the study requires participation by the Board of Agriculture and the Agricultural Research Centre. Since forest is a source of capital for farmers, it is important for the development of agricultural production. Other occupations of Forester/Farmers should also be included in the study to avoid misleading results.

The 5th National Forest Inventory in Finland is due for completion in summer 1970. The measurement of sample holdings could therefore be possible in summer 1971. Depending on the grant available, 500 - 700 holdings could be sampled in one summer. This would be sufficient for a multi-variant analysis.

If the study is to be undertaken in 1971, a plan must be prepared and a team set up before the 1971 budget of the Forest Research Institute is submitted for approval to the Ministry of Agriculture.

#### Personnel

Eeva Virta, student of forestry, has started work in the department where she is compiling the forest economics section of the Dictionary of Forestry.

Ilpo Tikkanen, 20, has started work as assistant to Juhani Numminen in the study of the end-use of forest products. He graduated from school with 5 laudatur and one cum laude, and is studying national forestry economics.

#### Newsletter

Items, quotable quotes and miscellaneous trivia for inclusion in the newsletter (issued approximately fortnightly) should be submitted to the editors (Mike and Dave).

New publications:Pertti Veckman:

Metsäalan toimihenkilöiden lähivuosien koulutustarve (The educational requirements of professional forestry staff in Finnish forestry in the near future). Metsä ja Puu -lehti, n:o 9, 1969.

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Uuden yhteiskunnan metsäteknikkokoulutus (Training of forest technicians in modern society). Metsämies, 9, 1969.

Terho Huttunen:

Suomen puunkäyttö, poistuma ja metsätase vuosina 1967 - 69. English summary: Wood consumption, total drain and forest balance in Finland in 1967 - 69. Folia Forestalia, 67, 1969.

Snippets

Edifying epitaph:

"Work is the curse of the drinking class" (Oscar Wilde; with thanks to Terho Huttunen, B.F.)

Paavo Kajander wrote a 2-page letter on 11.11.1969 containing only 4 minor mistakes. Is this a record?