



# FOREST ECONOMICS DEPARTMENT

## NEWSLETTER

Editors: Michael Jones and David Cope

Finnish Forest Research Institute, Helsinki, Finland

Kaisaniemenkatu 1, 00100 Helsinki 10

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### Departmental personnel

Telephone numbers - the exchange is 661401 (unless otherwise indicated)

Aho, Markku, MH	716311/518	Palo, Matti, MMT	291
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Mikkola, Pertti, MH	283	Prof. Heikinheimo - outside line	667460
Niemi, Asko	15211/568	Erkki Berg (if not at 293)	4133
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METSÄNTUTKIMUSLAITOS

Kirjasto

## Colloquium

Osmo Pasanen, professor of economics at Mankato State College in Minnesota (U.S.A.), will be the guest at the next colloquium, which is on 11th October at 14.15 in the department's conference room. The topic will be the status of lake-shore management in Minnesota and how the situation there relates to what is happening in Finland.

Professor Pasanen says that in Minnesota rapid, uncontrolled development of the shoreland areas has led to water pollution, disorderly development, crowding and under-sized lots, highway congestion, destruction of scenery, and general deterioration of the environment. The recreational value of public waters is in the process of being gradually destroyed; in some instances the destruction has already occurred.

Although local jurisdictions have had authority to regulate development for a decade or more, many have been slow to act, for a variety of reasons. To help prod the local authorities into taking action but without transferring authority to the state government, the state legislature passed the 1969 Shoreland Management Act. Its purpose is to preserve water quality and the scenic beauty of Minnesota's shorelands through the regulation of the manner in which shorelands are used and developed.

This is the situation in Minnesota as professor Pasanen sees it. In Finland, there is no clear view of just what is happening. Most people have yet to accept that there is (or shortly will be) a need for regulation. The old view that there is plenty of space and natural areas still prevails, as can be seen in the following statement: "Nature is here fairly untouched, and the Government authorities are still doing their best in order to preserve this virginity. There is plenty of water, and at least in the lakes of the wilderness the water is so clean that it is drinkable." (Finland in Focus, Helsinki 1970, p. 21) In part this is true; the real difficulty is that few people are currently able to look at present trends objectively and assess their impact realistically.

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## Contribution from abroad

Started as a departmental information sheet nearly two years ago, the newsletter has steadily grown both in scope and circulation. At the present time, 131 copies of the newsletter are sent out of the department, including 67 sent abroad. It is sent to friends and institutes with the purpose of keeping them informed about the research work and publications of the department.

We are now attempting to widen the scope of the newsletter for both our Finnish and foreign readers by including information about research in forest economics being done in other countries. With the last issue of the newsletter, we sent a circular asking our readers abroad for contributions and information which would be of interest to Finns and others working in forest economics. This may take the form of general outlines of the research being undertaken at different institutes, giving the personnel involved, or more detailed summaries of specific projects in process or recently completed.

We have had already a very rapid response from the Department of Economic History in the Economics Institute of Umeå University in Sweden, and the current issue of the newsletter includes details of a research project entitled "Forest industries and the farming community 1850-1920", which is under the leadership of Professor Gustaf Utterström.

We hope that our first contribution from abroad will encourage others to follow suit. We also look forward to receiving contributions from other departments in the Forest Research Institute as well as forest economists elsewhere in Finland. Each item should be limited to one page and be in English.

## FOREST ECONOMICS OUTSIDE FINLAND, I

UMEÅ UNIVERSITY  
Institute of Economics  
Department of Economics History  
S-901 87 UMEÅ Sweden

### Forest Industries and the Farming Community 1850-1920

Leader: Prof. Gustaf Utterström

#### Main project

A historical background will be given to certain current problems in Norrland, starting from the pre-industrial situation in the agricultural-forestry sector, by analysing certain forest industries (enterprise structure, investments, production trends and profitability) and particularly their effects on the farming community (employment, population and prosperity). It is necessary to use both economic-historical and business-economics methods.

#### Sub-projects

1. The trade-union movement and the sawmill workers of Norrland

FM Jörgen Björklund

Object: To investigate the extent to which the trade-union movement affected the development of economic and social factors between 1897 and 1920, with the emphasis on the period after 1906.

2. Agriculture in Norrland during the industrialization phase (1850-1910)

FK Hans Freijð

Object: To describe structural change in the agriculture of Norrland under the influence of the developing forest industry. Only certain regions will be investigated; the choice will depend on different degrees of industrial influence. Population development and demographic and social structure will be elucidated as well as the population distribution within different sectors

or in different types of employment. In this context, income conditions will also be explained. The size of agricultural holdings and the composition and size of production are also decisive factors. Finally, the relations of the agricultural sector with the forestry companies will be dealt with - in which property purchases, timber removal and the manpower situation will be the central variables.

3. Credit provision of the Norrland sawmilling industry, 1850-1914

FK Ove Lundberg

Object: To investigate the financing of the Norrland forest industry. The credit institutions of Norrland, which began to grow from the mid-19th century, had from the beginning little influence on the forest industry. It is therefore important to investigate how the industry was financed from the beginning; how large an influence the companies had in the banks and vice versa; foreign investors; private investors; and if the capital for the operations and for investments came from the same quarter.

4. Forest-industry workers in Norrland, 1850-1920. An economic and social analysis

FK P.O. Söderström

Object: To elucidate how the economic and social situation was changed for the workers in the forest industry of Norrland. The investigation will initially concentrate on studies of real wages, which in turn builds on examinations of price developments, consumption structure, development of nominal wages, etc.

The method to be used is a components analysis of the type earlier used by Bo Gustafsson, among others, in his study of the sawmill workers of Norrland in the decade around the turn of the 20th century.

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International visits and happenings

An old friend of the department, Professor Bill Mead from University College London, made his annual visit to Finland in September and dropped by the department several times between the 10th and 14th.

On 15th September, Professor and Mrs Heikinheimo held a reception at their home. Mr T.C. Clarke, director of the Forest Economics Institute of the Canadian Forestry Service, Professor Pasanen and Professor Mead were the main guests. Also in attendance were Professor Päiviö Riihinen, from the forestry faculty of Helsinki University, and Professor N.A. Osara, Dr. Matti Palo, Dr. Esko Salo, Jan Heino, Michael Jones and David Cope from the department.

Mr. Irmanov from the Bulgarian Ministry of Forestry visited the department on 14th September and talked with Professor Heikinheimo about expanding contacts with Prof. Marinov at the Forest Research Institute in Sofia. Mr Irmanov was in Finland as a member of the Bulgarian-Finnish Commission for Technical Co-operation representing the sub-group for forestry and forest industries. This was the second meeting of the Commission; the first was held in Sofia last autumn. Discussions took place concerning the aims and means of co-operation, and a protocol was signed.

The director of the Forestry Engineering School of the University of Chile (in Santiago), Hernán Cortés Salas, visited the department on 23rd September to find out about the department's activities.

From 2nd to 9th October, Professor Heikinheimo and Jan Heino will be in Sweden and Norway. They will be talking with forest-economics people in Stockholm and Vollebeke about projects dealing with the social benefits of forestry (multiple use, especially recreation). In addition, they will be looking into the possibilities of initiating some joint projects in this field.

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#### New publications

- Palo, Matti. Metsätalouden tavoiteongelma. (Dynamics of goal-setting in forestry). Metsä ja Puu, No.9. Helsinki, 1971.
- Palo, Matti, & Jan Heino. Metsäseutujen kaavoitusongelmien ratkaisumallit. (Problems in combining regional planning and forestry). Metsä ja Puu, No. 9. Helsinki, 1971.
- Runeberg, Lorenzo. Plastics as a raw-material base for the paper industry in Finland. Tiivistelmä: Muovit paperiteollisuuden raaka-aineena Suomessa. Folia Forestalia, 119. Helsinki, 1971.
- Virta, Jouko. Yksityismetsänomistajien puunmyyntialttius Länsi-Suomessa vuonna 1970. Summary: Timber-sales propensity of private forest owners in western Finland in 1970. Folia Forestalia, 114. Helsinki, 1971.
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### Lectures and courses

It was mentioned in the last Newsletter that Professor Heikinheimo on 6th September gave a talk to a group of visiting Japanese foresters. The editors have been informed that Matti Palo and Hannu Vehviläinen also talked to this group, respectively about Finnish forest taxation and forestry in Finland.

Professor Osara on 27th August gave a talk, "Development trends in world forestry", to the Ninth Scandinavian Congress of Forest Insurance Institutes.

On 15th September, Professor Osara talked to those attending the Finland/FAO Sawmill Training Centre about the importance of forests to Finland and her people.

Marja Harmanen spent 1st and 2nd October attending a refresher course for graduates of her secretarial school.

Professor Lorenzo Runeberg on 5th October began his series of lectures at Helsinki University. During the fall term, he will be lecturing from 13.00 to 15.00 on Tuesdays; his subject is the international market for wood products.

In Tyrvääntö on 12th October at 10.45, Professor Heikinheimo will be giving a lecture, "The development of forestry work and manpower in different professional groups." This will be one of the **presentations** at a conference on forestry manpower questions which is being sponsored by the Association of Finnish Foresters.

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### Personnel changes

At the beginning of October, Tatu Ollikainen joined the department as a researcher in the marketing section. He will be working on the study of capital-equipment costs which is being undertaken in conjunction with the Forest Economics Research Institute of the Canadian Forestry Service.

The new English voice about the department belongs to Simon Parr, who has joined us on a part-time basis to help with the English-language work while Michael Jones has his scholarship.

On 6th October, Olli Nissilä joined the department as an assistant to Matti Palo. No one yet knows what he will be doing. Does Matti?

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### Writing

"A hard period of writing is like a walk up a steep mountainside. There is no natural momentum behind one. It all has to be self-generated. A determined rhythm of stride is a help, but even when achieved it cannot easily be kept up for very long. Frequent pauses for breath are constantly tempting and occasionally inevitable. But when they are taken it is difficult to get started again."

(Roy Jenkins, former British Chancellor of the Exchequer.  
The Observer, London, 20/6/1971.)

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### English test

The 1971 installment of the English test will be held on 15th October from 14.00 - 16.00 in the old coffee room in Metsätalo. It will be a slightly different test from those held in 1969 and 1970, but should nevertheless be a worthwhile examination. It is one of the standard tests accepted by employers in Finland. Certificates of English-language ability will be issued to those who take the test. Of course, no one is obliged to submit to such an ordeal (really now, it isn't that bad), but everyone is requested to have a go at the test. After all, you never can tell when you might need a more official certification of your knowledge of English than those that Mike and Dave sometimes dash off!

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### Departmental news

Twice during September Hannu Vehviläinen and Erkki Heikinheimo (formerly of the department), together with a photographer and two representatives from the Postipankki, acted as judges in a photographic competition. The competition was arranged to collect photos of forest workers in conjunction with the department's project on the standard of living of forest workers. The bank sponsored the contest, providing a total of 18 000 mk including a 1500 mk first prize. Some 600 photos were submitted; the best are now on display in the department.

Professor Runeberg is back from his vacation at Juan Les Pins, near Nice on the French Riviera. He certainly looks like he had a relaxing time and he reports that the French wines were as good as he had remembered they were.

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### A 'so-called' definition

So-called Finnish translators, who have the job of translating into so-called English, much over-use the so-called phrase 'so-called'. The dictionary definition of 'so-called' is as follows:

so-called, adj. Commonly named; thus termed; implying doubt as to the correctness of propriety of so designating the person or thing; as, this so-called American, so-called education  
(Webster's New Collegiate Dictionary)

Moral of the story: only use 'so-called' when in doubt.