

THE ACTIVITIES OF TIMBER AGENTS
AND
TIMBER AGENTS ASSOCIATIONS

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Introduction.

The first sawmills in Finland were probably founded at the beginning of the 16th century.¹ As far back as that timber was exported to Sweden and many Baltic ports. From 1550 onwards customs entries at Viipuri list boards as special items of conveyance.² In the middle of the 16th century efforts were made in order to promote exports of timber to more distant markets, as for instance to Holland, England, and Portugal. However, fear of the forest resources running low prevented rapid development of the sawmill industry until 1861, when at last the sawmill industry was declared entirely free.³ At this date the first steam sawmill was established, and with it began the drive for ever expanding production that ensued within a short period. Many other causes contributed to the sawmill industry's becoming, within a few decades the most important export industry in Finland. Let us mention merely the abolition of customs duties on sawn goods in England and France and the improvement of transport facilities, thanks to the development of railways and floating systems. Of importance also was the increasing habit of procuring the necessary money by founding sawmills in the form of joint-stock companies. The majority of the large sawmills in Finland today were established between 1860 and 1880.

As soon as the sawmills began to concentrate on production for export, the question of the sale of timber cargoes came into the foreground. The claims of the buyers as to quality and specification became more exacting as trade expanded so that a radical change in sales methods was inevitable.

The organization of export trade, from the remotest times up to the 19th century was chiefly concerned with the question of transportation. On the one hand the country people themselves built small vessels during the winter, loaded them with timber and farm products, and sailed to

¹ Compare Saari 1936 p. 13.

² Compare Meinander 1945 p. 20.

³ Compare Kovero 1926 p. 210.

countries on the Baltic seaboard, where the cargo, and in many cases the vessel also, were sold. On the other hand, the dealers in the coast towns were also shipowners who exported their goods in their own bottoms. Thus the captains of the boats often had to arrange the sale of the cargo themselves without recourse to middlemen or by employing a commercial firm agreed upon for the purpose. Such a manner of selling meant that immense authority was given to these seagoing captains, since they were responsible not only for navigation but acted also as business agents for their employers. Nonetheless the most usual mode of sale was by consignment, so called »commissioners» seeing to the sale of export goods as well as to the purchase of import goods.¹ The current commission debited by the commissioners was 2 per cent of the amount of the sales, with an additional *del credere* commission in case the commissioner answered also for the credits granted. Furthermore, the commissioner often debited the seller with a special brokerage charge (in England it seems to have fluctuated between $\frac{1}{2}$ and $1\frac{1}{2}$ per cent). In the transoceanic markets the commission was raised considerably; for instance, for exports to South Africa and South America it amounted to $7\frac{1}{2}$ per cent including *del credere*. On the other hand a separate brokerage charge was rather rare in these remote markets.

Payment for consignment deliveries was made in rather different ways. The most usual credit granted was for about 6 months, in respect of business with England, for example, 6 months and a fortnight was the customary basis. Three per cent discount was granted for cash. In most instances the amounts against cargoes were settled immediately, but if business connections were of a more permanent nature, the transactions were debited in the books and credited on the date of payment. Such a procedure was particularly practical if the commissioner also handled the purchase of import goods. Even advance payments against future deliveries by consignment could be obtained, at least during the first half of the 19th century, the commercial houses in different countries offering such services at the time.

Selling through the intermediary of agents is not known in the sphere of wood goods before the 19th century. In the eighteen-twenties this procedure was common in Viipuri, but unknown in other parts of the country. However, selling through agencies spread to other centres in Finland during the middle years of the century, but did not become general until the 'nineties. The oldest agency connections, for instance of the firm W.

¹ This is known at least from 1641, compare Hartman 1906 p. 124.

Rosenlew & Co of Pori, can be traced, it is true, to the eighteen-twenties,¹ but Olin lays stress on the fact that:² »Fram till 1860-talet drevs den finländska trävaruexporten vanligen i konsignationsform och de brittiska agenterna voro närmast att betrakta som kommissionärer.» (The Finnish timber exports were generally carried on by consignment until the eighteen-sixties, and the British agents could be more accurately considered as commissioners). Evidently the difference between a commissioner and an agent during the period of transition was rather vague in many cases. This is already indicated by the fact that connections of certain commissioners were so stable that for decades they negotiated the sales of the same firms.

As long as sales by consignment prevailed, scarcely any fob contracts were concluded. Still, as late as 1866 Rosenlew's London agent wrote as follows:³ »Konsignation är för oss det enklaste försäljningsättet, ty kunderna köpa varan besedd, men vid fob försäljningar obesedd, som ofta leder till krångel och rabatter.» (The manner of selling by consignment is the simplest for us, since the clients buy the goods after inspection, but not seen in the case of fob bargains, which often leads to trouble and discounts).

As the agency became the most usual form of sales medium, there was a simultaneous and complete change in export organization. By degrees the shipping business formed a branch of industry of its own, and the task of the merchant was to devote himself entirely to purchases and sales of export and import goods, without having to concern himself particularly with arranging transport. Thus at first the organization of exports passed chiefly to merchant — and later mostly to producer — circles.

At the turn of the century the development of the other branches of the forest industry had, generally speaking, taken the same course. In the present century, and particularly after the first World War, a clear divergence set in, the paper and cellulose industry⁴ becoming more and more concentrated in large concerns, while that trend was much less pronounced in the sawmill industry. The export organization of the large concerns, according to Järvinen is:⁵ »vain muunnos tuotantovaltaisesta organisaatiosta, suoranaista seurausta tuotannon laajentumisesta suurtuotannoksi ja

¹ Compare Lagus 1928 p. 56.

² Olin 1933 p. 180.

³ Lagus 1928 p. 57.

⁴ Unless specifically distinguished as separate entities we include pulpboard and pulp production under the designation paper and cellulose industry.

⁵ Järvinen 1943 b p. 101.

kansainvälisen kilpailun aiheuttamasta tuottajain keskinäisestä järjestäytymisestä etujensa valvomiseksi.» (Nothing but a variety of organization controlling production — a direct consequence of the expansion of the production into mass-production and of the producers organizing mutually on account of international competition in order to keep watch over their interests). Without doubt the form of large concern is the most natural one for the paper and cellulose industry, taking into account the scale of capital investment alone. By contrast, in the sawmill industry small enterprises are feasible and this form of undertaking still predominates throughout Finland. As a natural concomitant of the powerful concentration of the paper and cellulose industry the sales organization has developed along its own distinctive lines. The concerns have marketed their products co-operatively through cartels — a form of organization forced on them partly by increasing competition on the world's markets, partly by bilateral commercial policy. Later on this form of sales activity proved to be very advantageous and has remained the predominant one. On account of this the need for agents as sales intermediaries on anything like the scale found in the sawmill industry has virtually disappeared. The paper, cellulose, pulpboard, and pulp associations, it is true, can only be looked upon as a kind of general agencies, but in these branches of the forest industry the agent as a private businessman is to-day of slight importance. The associations have taken over responsibility and have only employees in their service. If a private person tries to work as an agent within these provinces, the chances of success are slight indeed. The number of foreign agents employed has also declined appreciably because, generally speaking the associations do not employ more than one agency in each country.

Up to a certain point attempts have also been made in the sawmill industry endeavoured to realize the idea of joint selling, notably within the framework of Suomen Sahanomistajayhdistys (the Finnish Sawmill Owners' Association). This association, however, works chiefly on broad concepts of unity and is primarily concerned with protecting and furthering the general interests of the sawmill industry. The question of a common sales office has been discussed now and then, and small scale trials have been made in practice, but so far without any result worth mentioning. These experiments as well as the general prerequisites for united marketing of sawn timber will be discussed below.¹ Here we shall be satis-

¹ See p. 86

fied merely to point out that development has not yet gone far enough to give the sales organization in the sawmill industry the character of a cartel in anything but negligible degree.

Hence the position of the agent in the sawmill industry after the outbreak of the second World War was still quite different. Anybody who succeeded in obtaining connections with a small mill could appear as its agent, and any foreign agency could send its representative here in order to transact business. At the same time the importance of agency staffs was very great, thanks particularly to the financial aid on which many of the smaller sawmill owners were dependent before the opening of each new shipping season. Indeed, the agents often had a decisive influence on the size of contracts and the price trend.

As from the outbreak of war the position of the agents altered substantially. Viewed superficially industrial life under State direction relegated the agents to a kind of post office fulfilling set orders. Freedom to venture upon mediation of wood goods remained, however, with persons without responsibility, and without the necessary professional knowledge. Since the harmony in the domestic agents' corps was very dubious it was difficult for the government to supervise their activity, and the confusion that might have been caused as to trade agreements concluded. This fact lent topical interest to the question of eventual legislative measures. As long as Finland lived under exceptional post-war conditions, the matter could be arranged interim, but the question to be answered now is what the happiest solution would be in anticipation of peaceful development. Are legislative measures warranted as an outer framework for the timber agents' activities, or should their operations have an entirely voluntary basis? Which is the agents' present position; is the course of development moving toward pre-war conditions, or along altogether new lines? Is the timber agent, may be, in these times of global agreements, an unnecessary remnant that has been played out? These are questions that we hope to be able to solve in the course of this investigation.

To begin with we shall examine the outer framework of timber agents' activities during this century.

Agency activity during the present century in Finland.

Agents' work in the sawn timber trade did not become general until the turn of the century, as stated above. The employment of commissioners proved to be unpractical, since there was no certainty of finding exactly the right buyer for the kind of goods contained in the cargo; therefore, one had often to content oneself with a lower price. By passing over to the intermediary of agents, the buyers were able to order specified assortments of goods. Further, it was advantageous from seller's as well as buyer's standpoint that there was someone who was prepared to take care of their specific interests in case of claims, etc.

By the turn of the century even the sawmills working exclusively for the home market were steam driven. When these small mills started exporting, they had no foreign connections of any kind and from the beginning therefore made use of the aid of agents and export firms. Sales were generally made without any accurate specifications just according to so called log-run. The buyer had often to grant payments in advance to the small sawmillers, who were always worried by financial difficulties, and on account of this alone, sent his agents to watch his interests on the spot.

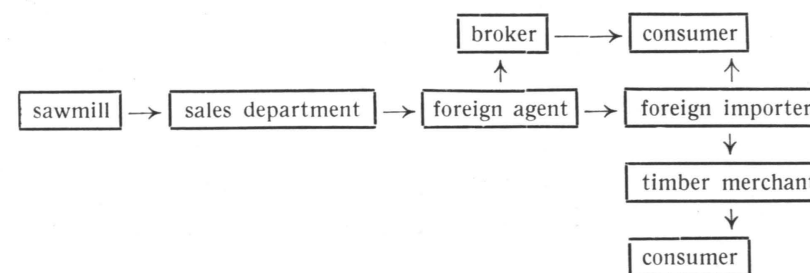
The number of small sawmills increased steeply after 1918. Generally speaking the sawmills opened in the nineteen-twenties were somewhat larger, while some of the smaller ones ceased their activity. More than half the increase in the production in the nineteen-twenties, amounting to about half a million standards, fell to mills with an annual production of less than 10 000 stds.¹ Even if it has been found that the small and the middle-sized sawmills do not utilize the raw material so well as the big concerns, it is nonetheless evident that the former will continue to dominate in Finland.² During an economic depression a small

¹ Compare Olin 1933 p. 80.

² Compare Levon 1931 b p. 26.

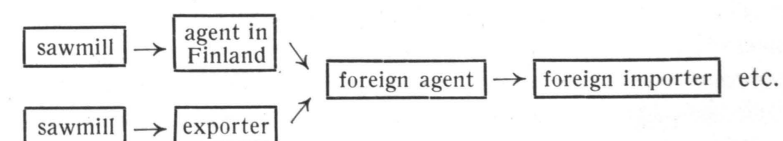
well-managed sawmill does generally better than a middle-sized one because it can exploit the local market to the full. The size of the sawmills is intimately connected with agency activity; units of different size having developed to a certain extent differing sales organizations.

The larger producers thus have a special sales department, which through its agents in the importing countries makes contact with the wholesale importers with whom the sales contracts are concluded. The producer himself thus appears as exporter. Schematically represented the procedure is as follows:



It follows that the sales department is in direct contact with the agents in all importing countries of importance. In a smaller sawmill the sales department can consist of one person only. The foreign agent often has his own broker's department, which negotiates small lots directly with the consumers. Large agencies consider this less profitable and concentrate their efforts on dealings with the importers. These in their turn sell directly to the large consumers or to the wholesale timber firms which do not import anything themselves.

Small sawmills, for whom it does not pay to have a sales department of their own, have no direct connexion with the foreign agent;¹ instead they employ agents or independent exporters active in Finland, whether foreign or domestic. Schematically represented the course of events in such a case is as follows:



¹ The border line for a concern to employ a domestic agent seems to be an annual production of 3000—4000 stds.

Naturally less usual sales methods can upset the abovementioned customs, which, however, are reflected in the great majority of deals.

At the outset agency activity was completely in foreign hands. This was due to the fact that a lot of experts moved in from Sweden and Norway, when the sawmill industry in Finland developed into a manufacturing industry, the lastmentioned country being devoid of professional men in this field. Businessmen used to selling sawn timber followed in the wake. Many leading posts were filled by foreigners, who naturally enough left the negotiation of business to their own compatriots. This was not particularly favourable from the Finnish point of view, since agents of this kind often watched the buyers' interests more closely than those of the sellers.

The so called pocket-agents constituted a special category of their own. They arrived in Finland in the autumn, travelled through the country and left again in the spring. Generally speaking they were of Swedish, Norwegian, or German nationality. They picked up nickname pocket-agents by virtue of the fact that they did not represent any registered firm, nor had any fixed working place, carrying their whole office as it were in their pocket. Agency activities of this kind also attracted less scrupulous people who tried to cheat the sawmill owners in various ways. Among the unorthodox commercial customs employed by such persons, one may mention for instance the assessment of cash discount, as well as agent's commission on the cif value. Similarly, the shippers had to pay stamp duty on foreign bills, etc. At times this agency activity also took the form of direct purchase.¹ On account of the defective statistical data available, the number of foreign agents active in Finland's sawn goods industry during the nineteen-twenties and 'thirties cannot be very accurately determined. The only material available is information from the Central Statistical Office concerning the number of foreigners with a fixed residence in Finland and their activities. A survey of this material gives the following picture.²

Table 1. Number of foreigners living in Finland.

Suomessa asuvien ulkolaisten määrä.

	Total	Agents	Occupation not known
	<i>Kaikkiaan</i>	<i>Asiamiehiä</i>	<i>Ammatti tuntematon</i>
1928	29 685	154	2 095
1929	28 005	148	1 508
1930	27 711	312	3 308

¹ Compare TTJ 1923 10. 2. p. 370 and Finska Sägverksägareföreningen 1923 p. 4. Tilastokatsauksia 1930—31.

In collating these figures the basis of calculation evidently changed between 1929 and 1930, since the number of agents doubled despite the fact that the total number of foreigners decreased in the same period. Even if we suppose that the greater part of the foreigners who gave their occupation as that of agents, handled timber, it is nevertheless impossible to calculate how many in the group »occupation not known» were in fact active as agents. If we scrutinize the data for 1929 more closely with a view to the agents' distribution by nationalities, we obtain the following collocation:¹

Former Russian citizens	.....	44 persons
Swedes	.....	23 »
Englishmen	.....	17 »
Danes	.....	15 »
Germans	.....	13 »
Norwegians	.....	8 »

The total number of foreigners living in Finland decreased steadily throughout the nineteen-thirties. The second World War brought about a pronounced additional decrease so that by 1946 the number of foreigners was down to 10 196. Of these only a little more than a hundred were active as agents and businessmen.

The first domestic agents started operations early in the nineteen-twenties. Hitherto spars alone had been sold on a small scale through domestic agents. Naturally these intermediaries did not look kindly on the pocket-agents through whose ministrations the small sawmill owners in particular had to suffer. Soon the domestic agents endeavoured to take over the activities of the pocket-agents and to become the mediatorial link between the sawmill owners and the foreign agents. The new agencies generally consisted of a single operator working from his home address. To begin with they had to work under very difficult conditions. Not only were the foreign agents against them, but also many large sawmill owner, accustomed to purchasing the production of the surrounding small sawmills for their own account. In order to assert their interests as far as possible, the domestic timber agents founded in 1926 Suomen Puuasiamieskerho (the Society of Finnish Timber Agents), which in the following year was transformed into Suomen Puuasiamiesyhdistys (the Association of Finnish Timber Agents) and registered as such. The activities of the Association consisted chiefly in the members meeting once a week in order to

¹ Tilastokatsauksia 1930—31.

discuss questions of current interest and work did not take on more clearly defined form until the Association had been registered. The scope of its activity may be gauged most appropriately from the following excerpt from the statutes.

Statutes of the Association of Finnish Timber Agents.

§ 1. The name of the Association is Suomen Puuasiamies Yhdistys and its domicile is Helsinki.

The name of the Association can also be written in a binding manner as Finlands Trävaruagent Förening, or, in English, The Association of Finnish Timber Agents.

§ 2. The purpose of the Association is to be a bond of union between firms carrying on professional timber mediation to foreign countries and to further sound, honest commercial usage, manner of practice, and efforts in order that our timber trade more than previously may be centred in domestic hands.

In order to achieve the said aims the Association:

- 1) Arranges opportunities for its members to become acquainted with one another and for discussion of all questions that arise in the sphere of the timber trade;
- 2) works for raising the professional knowledge of their members;
- 3) endeavours to raise the value and repute of the timber of our country;
- 4) draws up uniform mediation conditions to be adhered to by all its members, and is active in order to raise the financial position of the profession;
- 5) works in order to strengthen the friendly understanding and the common ties with the shippers, and to accustom the timber producers of the country to giving greater recognition to the work of the domestic agents and to employ them more than before, thus also increasing the national capital;
- 6) publishes a publication of its own for this purpose, or makes propaganda in some other manner considered appropriate;
- 7) supports its members and employers in regard to foreign buyers and agents; and
- 8) communicates and co-operates with corresponding associations at home and abroad.

§ 3. The meeting of the Association accepts as members of the Association only Finnish subjects of good repute, directors, or partners, who are Finnish subjects, in a company or a similar firm owned by Finnish subjects and professionally as well as publicly carrying on mediation of timber to foreign countries.

In order to join as member the applicant should submit his application in writing with recommendations of two members of the Association.

The acceptance or refusal of a new member is decided by voting with white and black ballots at a meeting of the Association. One black ballot debars a person from membership for the time being.

The Board of directors is free to elect foreigners as corresponding members.

§ 12. The Association fixes a token for itself, which the members are allowed to use on their letterheads as a mark that they have been accepted as members of the Association. Every member is obliged to keep this token clean of any dishonest compe-

tion and bargain as well as of disloyal work in regard to their fellow-members. One of the purposes of the Association is to do its utmost in order to obtain the necessary support from the side of the shippers to members active under this token.

In the statutes it was stipulated among other things that only Finnish citizens of good repute could be accepted as members of the Association. The possibility of becoming a member was further reduced by clause 3 of § 3, according to which the veto of a single vote was sufficient to prevent the election of a new member. Opinion in regard to foreign agents active in Finland was that they were commercial spies on the one hand and on the other endeavoured to effect a reduction of prices. The Association, therefore, resisted the granting of agents' rights to foreign citizens.

An important branch of the Association's activities was the publishing of a newspaper of its own, Suomen Puuasiamies which appeared once a month from 1927 to 1930. Afterwards it was merged in Suomen Puu which is also the organ of Suomen Sahateollisuusmiesten Yhdistys (the Association of the Sawmillindustry-men of Finland). Suomen Puuasiamies was published as a commercial timber journal striving to promote uniform business customs; it also devoted space to sales advice, market surveys, etc. At the same time it was a propaganda medium for the ideas of the Association, often conducting its campaigns in bitter articles attacking foreign agents' activity in Finland.¹ It seems that a language was then used that certainly was not calculated to further Finnish commercial connections abroad. Recourse to such asperity was unnecessary, irrespective of anything individual foreign agents could possibly have committed.

However, the activities of the Association as such may doubtless be considered to have been needed. It is a fact that the small sawmill owner in Finland easily allows himself to be inspired with awe by foreign agents and patronizes them, so that action in favour of domestic work in this domain is of economic importance. Moreover, such efforts, as mentioned in clause 4 of § 2, which have for objective the creation of uniform mediation conditions for all the members, are of very great importance. Without wishing to belittle the value of the pioneer work executed by the Association of Finnish Timber Agents, we must however remark that, on account of the wording of their statutes alone, the Association could not become a connecting link between all the timber agents working in Finland. In prac-

¹ Compare for example Suomen Puuasiamies 1927 p. 17 and 1930 p. 14.

tice it remained rather cliquy, which is to be regretted. Thus the number of members during the 'twenties and 'thirties remained about 15.

The number of domestic agents had increased to something between 30 and 40 by the beginning of the 'thirties. The total number of sawmills working for export in the country at that time amounted to about 450.¹ Toward the end of that decade the situation developed further so that domestic agents took care of the sales of the majority of the small sawmills, which at an earlier date had generally sold their products to large mills in their neighbourhood, or through travelling foreign agents.

With the outbreak of war in 1939 the whole timber trade came into a new situation. Industrial life all over the world came more and more under state direction and commercial customs, scarcely visualised during the nineteen-thirties, developed. Detailed commercial agreements determined quotas and prices for merchandise allowed to be exported. It is evident that this development strongly influenced the position of the timber agents, and there has been almost no sign of any return to earlier business customs even since the conclusion of peace. During the war Finnish foreign trade was concentrated to a great extent on Germany and for that reason was comparatively easy to control.

When in 1945 the foreign trade of Finland was again able to expand, it was rather natural that the eyes of the state turned anew to the activities of the timber agents. A timber agent's dealings call for a thorough knowledge of the trade if they are to succeed. Since the need for capital of their own is slight, persons without any special knowledge of the trade are easily attracted to venture into the agency field. Hence less responsible people were able to offer cargoes regardless of commercial agreements concluded and quotas fixed by them. That timber houses were sold to England during a period when the whole production of Finland was tied to the Soviet Union may be cited as an example. Furthermore, there was no central organization in existence for all the timber agents. Joining the Association of Finnish Timber Agents was voluntary, and eventually less desirable individuals could not be prevented from carrying on agency activity.² These considerations prompted the Cabinet in 1945 to appoint a committee in order to examine agency activities as well as the manner of measuring timber for export. Somewhat earlier the Central Chamber of

¹ Compare the Finnish Sawmilling, Pulp and Paper Industries 1936 p. 10.

² Compare Suomen Puuasiamiesliiton hallituksen kertomus liiton toiminnasta 1946 p. 1.

Commerce at Helsinki had also appointed a committee to look into such matters. In May 1945 this committee had recommended the formation of a board of timber agents attached to the Chamber of Commerce. Rules covering the work of this board had in fact been accepted, but it was decided that action should be deferred pending the decision of the Cabinet in the matter. The report of the committee appointed by the Cabinet led to a decree, issued in November 1945,¹ according to which agency activities in the timber export trade were restricted to businessmen accepted by the Central Chamber of Commerce. In addition all the timber agents had to belong to a central organization approved by the Ministry of Supply. Suomen Puuasiamiesliitto (the Timber Agents' Federation of Finland) was formed in March 1946 to fulfil that requirement. Behind this struggle for centralization were the export associations, above all the Finnish Sawmill Owners' Association and the organizations responsible for the sale of timber houses. Apart from the major objective of unified control there was also the hope that under the new regime the state could convey current trading regulations more easily to all the agents. Again, applications for licences, it was thought, could be more easily handled when accurate information about the firms concerned could be had.

There is reason for a closer scrutiny of the activities of the Central Chamber of Commerce and the Agents' Federation. The Central Chamber of Commerce appointed the Board of Timber Agents proposed by the Committee in order to handle questions connected with this matter. The statutes of this Board are given below.

Statutes of the Board of Timber Agents of the Central Chamber of Commerce.

§ 1.

The object of the Board is to work for an increase of the professional knowledge of the timber agents and of the esteem enjoyed by them by accepting as timber agents in the manner mentioned below those of the profession, who wish to work as timber agents, accepted by the Central Chamber of Commerce, in the export trade.

During the time that the Cabinet's decision of November 22nd 1945 concerning the activity of the timber agents and the measuring of fuelwood is valid, the task of the Board as an organ of the Central Chamber of Commerce is to accept timber agents as referred in the decision. This time will be called «the period of regulation» in these statutes.

¹ Suomen Asetuskokoelma 1945 No 1159.

§ 2.

The Board consists of six members chosen for three years; the Central Chamber of Commerce chooses two of them, one for chairman and one to represent the timber agents active in the export trade, while Metsähallitus (Forest Service), Maataloustuottajain Keskusliitto (the Central Union of Agricultural Producers), the Finnish Sawmill Owners' Association and Puunviejät r.y. (the Timber Exporters' Association) are to choose one member each. For each member a substitute to be chosen correspondingly.

For the period of regulation the Ministry of Supply appoints one member to the Board. The Association of Finnish Timber Agents choose one member of the Board at the start of its activity, instead of whom the corporation referred to in § 1 of the Cabinet's abovementioned decision, once founded, has to choose one member. Substitutes to be chosen for them in the same manner.

The Board assembles at the call of the chairman, to be brought to the knowledge of the members not later than three days before the meeting.

The Board is entitled to decide, when the chairman, or the vice chairman, and four members are present.

Each member has the right of one vote. If the votes fall alike, the opinion of the chairman decides the matter.

§ 3.

The Board can notify, as a timber agent accepted by the Central Chamber of Commerce, any in Finland domiciled businessman, registered in the commercial register of Finland, independently active in business premises in his own possession, and experienced in the work of a timber agent as mentioned below.

The work of a timber agent is considered to consist in representing somebody else for the sale of round, hewn, or cleft timber, fuel wood, sawn timber, wooden vessels, plywood, building material, timber houses, carpentry products, charcoal, or tar, either by procuring purchasing offers for their principals or by concluding sales deals in their name. The stipulations in view of the timber agents' activity must, however, be adapted to such work, where the agent makes offers of purchase for the account of someone else or concludes purchases of the above enumerated objects in his name.

During the period of regulation the Ministry of Supply is entitled to decree exceptions to the conditions and other stipulations contained in this paragraph.

§ 4.

The Board accepts the timber agents generally for one calendar year at a time, having in an appropriate manner notified when and where the applications have to be sent.

The Board is entitled to restrict its acceptance to comprise only determined kinds of wood goods.

§ 5.

Against a charge fixed by it the Board gives the accepted timber agent a certificate which entitles him to act as a timber agent accepted by the Central Chamber of Commerce.

The certificate must annually within January be presented to the Board, and continues to be valid only in case the Board makes a note in it about its continued validity.

If the timber agent wishes to stop his activity as a timber agent accepted by the Board, or if the Board considers it necessary to withdraw their acceptance, the certificate must be returned to the Board.

The reasons for the decisions made by the Board will not be stated.

§ 6.

The timber agents must if the Board so decide join a timber agents' union or other organization accepted by the Board.

During the period of regulation an accepted timber agent should belong to an organization, acting on conditions fixed by the Ministry of Supply as a connecting link of the timber agents, which has engaged itself to adhere in their activity to the regulations given by the Ministry, and to watch the business activity of their members.

§ 7.

The Board to keep a list of the accepted timber agents and to watch their activities, as well as to examine complaints concerning them and to take such measures as these may necessitate.

As is seen in § 2, the Board of timber agents consisted of six members, two of whom were drawn from the Central Chamber of Commerce and one member representing each of the following bodies — the Forest Service, the Central Union of Agricultural Producers, the Finnish Sawmill Owners' Association, and the Timber Exporters' Association. In addition the Ministry of Supply appointed one member for the time being, that is to say, so long as the regulations should continue. At the start the Association of Finnish Timber Agents chose one member who was afterwards chosen by the Timber Agents' Federation of Finland. This widely representative assembly had subsequently to decide whether or not an application for agency rights should be granted. The first list of members of the Timber Agents' Federation of Finland dated June 1946 contained 93 names. The next one issued in February 1947 contained 110 names — and to this an additional list of 6 names was appended in June of the same year. At the end of 1948 membership totalled 120. According to the minutes of the meetings of the Board of timber agents the numbers of rejected applications during this time were as follows:

1946	58
1947	18

Part of the applications were accepted with certain reservations, while others were accepted only for a part of the products applied for. The rea-

sons for applications having been refused were in many cases that the documents of application were incomplete. When the documents had been completed, the renewed application for membership was granted. When evident abuse had occurred, previously granted membership has been cancelled in a few cases. A further proportion of the rejected applications touched firms carrying on export trade for their own account but who in addition had applied for agent's rights. These cases have been decided in casu. Whether such procedure can be considered successful is very doubtful. A combination of export and agency activity must always lead to serious temptations to take advantage of a favourable agent's offer for one's own account. The principal task of the agent — that of mediation pure and simple — is hereby lost, and this, sooner or later, must surely have a disadvantageous influence on the confidence of the employer. Consistent refusal of such applications seems to be recommended,¹ at least when it is question of mediation and export of the same product.

Looking through the minutes of the meetings of the Board of timber agents one will find that the agents' rights have been granted without delay as long as the documents of application have fulfilled the conditions mentioned in § 3. Attempts to resist the acceptance of new members — as has been the case in some federations — cannot be found. Part of the requirements mentioned in § 3 have, nonetheless, been very tedious to fulfil. This touches above all the registration in the Commercial Register and the obtaining of authority from the Board for granting industrial rights. The Board of timber agents assembled on an average once a month, but decision concerning an application was not communicated until after the following meeting. In view of these circumstances serious delay from the trader's standpoint might ensue. In one case at least an unsuccessful mediation by an agent was considered as dependent on »fortgående papperskrig med ty åtföljande betänkliga manipulationer och tung byråkrati» (continued paper-war with ensuing serious manipulations and heavy red-tape) and in another case it has been held out that »För utländska förbindelser äro snabba och kommersiellt bedrivna underhandlingar huvudsaken.» (Rapid negotiations carried on commercially are essential in view of foreign connections).²

The Board of timber agents, however, seems to have done all they were expected to do in order to avoid unnecessary, bureaucratic delays.

¹ Compare for example the statutes of Svenska Trävaruagentföreningen p. 33.

² Archives of the Timber Agents' Federation of Finland.

For instance, some applications have been accepted on the supposition that authority would be obtained later on, thus saving a considerable time. Such delays as did occur were frequent only during the first year of the Board's activity, because as time went on applications for the most part were the same year after year. According to § 4 of the statutes acceptance was valid only for one calendar year at a time. Consequently the agents were obliged to send in a new application yearly; this admittedly was accepted more or less automatically, but still constituted an unwelcome element of uncertainty. However, this procedure was considered necessary in order to keep the list of members up-to-date. It is doubtful whether the Board could keep itself informed about changes during the year. It could scarcely know which agents had ceased operations or keep abreast of changes in the direction and ownership of firms. Also the thought, that the stipulations of the Federation would be better adhered to thanks to it, contributed to such a practice being considered necessary. The same manner of proceeding was employed in Vientipuutavaran Mittaajien Yhdistys (the Association of Export Timber Measurers) founded later. In order to cut down waste of paper as much as possible, some simplification had, nonetheless, been recommended. Eventually this was realised through the expedient of granting agency rights for an indefinite period to well-known firms, those, that is to say who had been working in this branch of the trade over a number of years.

Power to restrict agency rights to certain determined products, as mentioned in § 4, was on the other hand very appropriate. In this manner one hoped to avoid a timber agent being tempted to pass casually into a province where his knowledge of the subject did not suffice. The list of members of the Timbers Agents' Federation of Finland shows, however, that many agents applied for mediation rights for a number of products — evidently more or less in order to be on the safe side. Tying the number of products closely to the member's subscription fee would have given a better result.

As already indicated, the Timber Agents' Federation of Finland was founded to constitute the central organization referred to in § 6. One really wonders at the fact that no negotiations at all seem to have been carried on with the Association of Finnish Timber Agents before steps were taken to found an altogether new Federation. Had such discussions taken place, it might have been feasible to establish some kind of co-operation between the Association mentioned and the Board of timber agents. Evidently this was considered less desirable, as the Association of Finnish

Timber Agents during its activity had always represented only a smaller number of agents. An excerpt from the statutes of the Timber Agents' Federation of Finland is given below.

Statutes of the Timber Agents' Federation of Finland.

§ 1.

The name of the Federation is »Suomen Puuasiamiesliitto—Finlands Trävaruagentförbund» and its domicile the city of Helsinki.

§ 2.

The aim of the Federation is, under the supervision and according to the regulations of the Ministry of Supply, to further and direct the activity of the timber agents in the export trade as a connecting link between them, particularly in respect of the following items of the timber trade: round, hewn, or cleft timber, fuel wood, sawn timber, wooden vessels, plywood, building material, timber houses, carpentry products, charcoal, tar, or corresponding products determined by the Ministry of Supply. The task of the Federation is also particularly to work for raising the professional knowledge of the timber agents and for increasing the esteem they enjoy.

In order to realize these aims the Federation should:

- 1) fix stipulations to be adhered to by their members according to common principles in view of business customs, qualities, sales prices, and other conditions, as well as, in case of need, of quantities, having an eye to the rationalizing of exports and the prevention of unsound competition;
- 2) help the authorities in executing given regulations;
- 3) watch that the members in their activity adhere to the regulations of the authorities and the Federation;
- 4) give, and oblige their members to give such information concerning their activity as the Ministry of Supply and the Board of timber agents of the Central Chamber of Commerce determine; and
- 5) act in co-operation with other central organizations in the timber trade and their organs in order to solve their common problems.

§ 3.

Members of the Federation are those of the profession, whom the Board of timber agents of the Central Chamber of Commerce has accepted as timber agents on conditions fixed by the Board.

In case the Board of timber agents of the Central Chamber of Commerce has cancelled its acceptance mentioned in clause 1, the member is considered dismissed from the Federation.

Member withdrawn or dismissed is not entitled to get back fees already paid.

§ 4.

Not less than 7 and not more than 9 ordinary members, and as many personal substitutes of theirs, belong to the Board of directors of the Federation, of whom the Mi-

nistry of Supply appoints one as well as a substitute for him, while the meeting of the Federation elects the others. At least 3 of the members of the Board of directors elected by the Federation must be accepted by the Ministry of Supply.

The Board of directors can in case of need form sections for different branches of exports within the sphere of the Federation. The task of the sections is to give their opinion to the Board and to the representative of the Federation concerning questions in their lines. Not less than 3 members should belong to a section, the Board appointing the chairman.

The Board choose their chairman and vice-chairman from amongst themselves.

— — — —

§ 6.

The Board of directors has to:

- 1) take care of the execution of the decisions of the meetings of the Federation which are in accordance with the law and the statutes of the Federation;
- 2) give their opinions to the Board of timber agents of the Central Chamber of Commerce concerning the fitness of those of the profession as timber agents, and to appoint a representative of the Federation to the Board of timber agents;
- 3) give their opinions concerning export licences.

— — — —

§ 14.

Expenditure incurred by the activity of the Federation, divided at the discretion of the Board, to be paid by the members.

— — — —

§ 16.

Members of the Federation must without delay give the representative of the Federation such information as the Board of directors, or the representative of the Federation considers necessary.

— — — —

As is seen from the statutes the intention was that the Timber Agents' Federation should take over the practical application of the task mentioned in § 1 of the statutes of the Board of timber agents, viz. to »toimia puuasiamiesten ammattitaidon ja heidän nauttimansa arvonannon kohottamiseksi» (work for an increase of the professional knowledge of the timber agents and of the esteem enjoyed by them). In § 2 of the statutes of the Timber Agents' Federation 5 clauses are given which must be adhered to if the aims mentioned above are to be realised. The results achieved by the Federation during its short period of activity will be touched upon below.

According to § 4 the Board of directors at the beginning of 1946 formed three sections for the different groups of exports. These were: a section for

round and hewn timber, one for sawn timber and one for building and other carpentry industry, comprising also wooden vessels. Three persons belonged to each section, who handled questions concerning the respective branches of exports and gave their opinions to the Board of directors of the Federation.

Concerning the expenditure of the Federation, according to § 14 to be divided by the Board of directors between the members, it was decided to divide the members into three groups as follows:

I Members accepted to mediate round timber, sawn timber, and some other product. Annual fee mk 2 500: —.

II Members who could not be referred to group I, nor to group III. Annual fee mk 2 000: —.

III Members accepted to mediate either building and joinery products, or only the last mentioned. Annual fee mk 1 500: —.

In rare cases the member's fee has not been collected in its entirety, if the business activity of the member has shown a particularly disappointing result during the year.

As a direct consequence of the foundation of the Timber Agents Federation, the question of measurers' activities assumed current interest. When the section for round and hewn timber had looked into the matter, the Cabinet determined in August 1946 that the Central Chamber of Commerce should also supervise this branch of the export trade. In September the Association of Export Timber Measurers was founded.

In 1947 the Federation appointed a special committee in order to find out what could be done to intensify activities, and how the question of representation could be solved in the most appropriate manner. The committee recommended the following:¹

More effective co-operation with the Ministry for Foreign Affairs and other associations of importance to the timber agents.

Contact with the corresponding Federation in Sweden, with the idea of comparing the development of legislation relating to the agency business.

Statistical data to be collected by the members concerning work, the volume of the exports, etc. These statistics to be distributed later, leaving out the names of the firms.

Arrangements for spreading information concerning the members of the Federation and their work should be developed, and the salary of their representative increased.

¹ Archives of the Timber Agents' Federation of Finland.

As to the first point of the committee's recommendations it is somewhat astonishing to find that only slight attention was paid to the Federation, although this had been founded more or less on the initiative of the state. Thus the Board of directors of the Federation had to send a special, written communication to the Ministry for Foreign Affairs and to the Ministry of Supply urging them to make use of the professional knowledge represented by the Federation during the course of commercial negotiations. The result of this intimation was that the Federation obtained the right to appoint one member of the delegation for negotiations concerning exports of pitprops, while one member was present as an expert at the negotiations in London covering exports of sawn timber — though without official status.¹

The idea of contacting the corresponding organization in Sweden, doubtless laudable, was never carried through in practice. A representative of the Swedish Timber Agents' Association was invited, it is true, to the annual meeting of the Federation in 1947, but no one from that body found occasion to come.

The statistical data which the Federation started to gather were compiled from two forms completed by members. One contained data concerning specific agency activity, the other personal information, such as the name of the agent, examinations passed, practical experience in export trade, etc. In spite of § 16 in the statutes of the Federation clearly binding the members to send the information required to the representative, distrust of the Federation was so strong that only 78 of its 116 members returned the forms duly filled. Information concerning specific agency activity was demanded for the whole of 1946 and the first half of 1947. There is no possibility of making use of these statistics in order to obtain an accurate survey of the quantities negotiated by the members. On the one hand information from many important firms is wholly missing, and on the other the year 1946 was in many respects an abnormal one so far as Finland's foreign trade was concerned. As to the information for 1947, the data were never completed so as to include the latter part of the year. We have to content ourselves with finding that the members of the Federation in 1946, according to the statistics mentioned above, mediated 57 700 stds of sawn timber, while the total exports of the country during that year amounted to 330 000 stds. It is thus impossible to say what percentage of the total quantity passed through members' hands.

¹ Compare Suomen Puuasiamiesliiton hallituksen kertomus liiton toiminnasta 1947 p. 2.

Rather interesting conclusions, however, can be drawn from the personal information collected. The following table shows the examinations passed.¹

Table 2. Standard of education among timber agents.
Puuasiamiesten koulutustaso.

Examinations passed <i>Suoritettut tutkinnot</i>	Number of agents <i>Asiamiesten lukumäärä</i>
Graduate of Institute of Economics	15 (2 of which Masters of Economics)
Bachelor of Forestry	13 (1 of which Doctor of Forestry)
Diplomaed Engineers	6
Army Officers	6
Degree in Jurisprudence	3
Masters of Arts	2
Chemist	1
Doctor of Science (Chemistry)	1
	Total 47
Matriculation to the University	3
Secondary + commercial school	9
Secondary + industrial school	1
Secondary school	2
No examinations	11
	Total 26

Although these statistics are not complete, a general tendency is discernable. As the table indicates the examinations passed in economics and forestry are the most usual, while not less than 47 agents have University degrees. This fact seems to point to fairly high educational standards among the domestic agents in Finland. It seems natural that professional foresters should take up this line, and it is likely that the number will increase still further, since the forestry examinations have now been split in such a way that special timber trade subjects form a section on their own. Knowledge of languages and overseas experience are at least as important to those entering the agency business as the formal examinations they have passed. Conclusions under this head can be drawn only from the fact that 9 agents have passed commercial or other examinations abroad, while 11 have been practising or have stayed for a long period

¹ Archives of the Timber Agents' Federation of Finland.

abroad, mostly in England and Germany. Moreover the figures do not indicate a very extensive knowledge of foreign languages among the Finnish timber agents.

The fourth point in the committee's recommendations mentioned above, i.e. the spreading of information about the activities of the members of the Federation, was the one for which there was sufficient time to ensure really efficient handling. In order to disseminate knowledge about the Federation and the rights of its members, a list in Finnish, Swedish and English was published, and two issues of this appeared in 1946—47. This members' list was distributed energetically to interested foreign circles, among others to all known associations of timber agents. Again, in Finnish Foreign Trade Directory for 1947, published by Suomen Ulkomaankauppaliitto (the Finnish Foreign Trade Association), a separate section was devoted to the Timber Agents' Federation and its members. Furthermore, the list of members was published in various foreign trade yearbooks.

Among other questions of current interest in the Federation's working programme was that concerning the distribution of agency commission between the foreign and the Finnish agents.¹ The sawn timber section was also extensively busy handling del credere questions and claims.

The activities of the Federation were based principally on the Cabinet's decision of November 1945. In June 1947 the validity of the Law relating to timber conservation expired; since the decision of the Cabinet was based on that Law the legal background to the Federation's activities had to be adjusted. By virtue of the so called »Economic Power» Law the Cabinet decided in May 1947² to retain for the time being the decrees that had been issued concerning timber agents' activities. When the validity of this law expired at the end of the year the question of the Federation's »to be or not to be» claimed current interest anew. As early as 1945 the committee appointed by the Cabinet and composed of representatives of the Finnish Foreign Trade Association and the export associations had tackled the question of timber agents' activities in export trade, and had discussed how to regulate them on a longterm basis. It was then considered possible to insert a clause in the Law »concerning the regulation of exports in certain cases»³ to embrace timber agents operations, or on the basis of this Law to issue a special decree about them. The committee, however, was of the opinion that there was reason for trying by more casual arrangements to

¹ More concerning this on p. 79.

² Suomen Asetuskokoelma 1947 No 440.

³ This Law is in force until 1951.

gain experience, which in fact was possible on the basis of the exceptional post-war legislation.

The Timber Agents' Federation of Finland had been active a little more than 2 years, when a decision had again to be made. The Federation assembled at the beginning of January 1948 for an extra meeting in order to grapple with the question. It became evident that the majority of the interested parties were against agency activity being regulated on the basis of ordinary legislation, and considered the Federation more or less useless. In consequence the Federation was dissolved at the annual meeting in April 1948, the following decision having been made.

I The Federation to be dissolved by June 1948, and its assets to be transferred to the Association of Finnish Timber Agents.

II A request for the immediate freeing of timber agency activity from legal regulation to be handed in to the Cabinet.

III The members of the Federation were urged to join the Association of Finnish Timber Agents.

IV The Association of Finnish Timber Agents was asked to change a few of its statutes in such a manner that among other things, a foreign timber agent active in Finland could also be accepted as a member.

It is still impossible to say to what extent the recommendations of the annual meeting have been followed.¹ The dissolution touched only the Timber Agents' Federation of Finland. Thus the Board of timber agents appointed by the Central Chamber of Commerce remains, even if it has lost its original importance.

By the dissolution of the Federation a large part of its work was lost. Among other questions the division of agency commissions between the Finnish and British pitprop agents had not yet been finally settled. It is easy to understand that the timber agents should favour the least possible government interference, and seize the first opportunity to disband a Federation which had come into existence on the initiative of the state. On the other hand it is astonishing that, as such a Federation had been founded, no attempt was made to rescue it by transfer to a voluntary basis once its legal background had fallen away. The activity of Koivukeskus (the Birch-central) offers an interesting point of comparison. This was also based on the Law framed to secure the supply of timber, but when the validity of the Law ceased, buyers of hardwood timber founded

¹ At the end of 1949 the number of members in the Association of Finnish Timber Agents was 39.

a voluntary association with the same name. Activity was organized as previously, and practically speaking all of the former members joined in.

That the Federation was not useless is evidenced for instance by the fact that an agent recently wrote to a shipper and requested an offer for telegraph poles inclusive of packing! Whether it is more favourable if agency activity is regulated by legislation or voluntarily is a question to which we shall return later, when conditions in some other countries have been touched upon.

Development in some other countries.

A survey of the development of the conditions in some other countries in the timber agency sphere should give interesting material for comparison. In this case it is appropriate to deal not only with the countries most important as competitors, but also with conditions in some of the leading timber importing countries. Of the exporting countries the Soviet Union — completely directed by its government — is in such a class by itself that the course of the development there does not seem to be of interest for this investigation. On the other hand a closer analysis of the agency business in Sweden and Norway is certainly justified. At the same time we shall touch briefly upon the form of organization of the whole timber industry. In the case of the importing countries we shall investigate more closely the trend of development in the United Kingdom, Holland, Belgium and Denmark.

Sweden.

In Sweden »sawmills by waterpower» were spoken of as early as the middle of the 15th century, and timber export to Scotland is mentioned from the end of the 15th century.¹ Development on a larger scale did not take place until the middle of the 19th century, when steampower was introduced. Thus between 1850 and 1890 timber exports from Sweden increased tenfold and were the foremost in the world. The growth of the sawmill industry reached its culmination at the time of the first World War, since which a steady decline has been noted. This has been brought about chiefly by the lack of round timber, due to the larger trees having been cut from the forests, and to keener competition from the cellulose industry. The apex of timber exports was attained in 1916 and amounted to 1 200 000 stds, but exports have declined since then and can possibly be fixed at 600 000 stds today.² The following table gives an idea of exports during the last decade.³

¹ Compare Göranson 1946 p. 265 and Fogelholm 1948 p. 2.

² Compare Carlgren 1926 p. 11.

³ Kommersiella Meddelanden.

Table 3. Swedish exports of sawn timber.
(1 000 stds)

Ruotsin sahatavaran vienti.

	Sawn timber <i>Sahatavara</i>	Planed timber <i>Höylätty tavara</i>	Boxboards etc. <i>Laatikko- ym. pientavara</i>	Total <i>Yhteensä</i>
1935	513.2	152.3	89.5	755.0
1936	584.4	175.3	92.0	851.7
1937	606.0	156.5	102.7	865.2
1938	458.8	132.2	85.5	676.5
1939	563.8	103.3	77.7	744.8
1935—1939	545.3	143.9	89.5	778.7
1945	504.9	46.1	24.6	575.6
1946	329.6	32.1	30.2	391.9
1947	329.2	36.4	40.0	405.6
1948	446.1	41.9	45.5	533.5

According to official statistics Sweden had 1 745 sawmills in 1937 and 1 688 in 1945.¹ A great number of small local sawmills, however, are not included in these figures. Many a sawmill is now combined with a cellulose factory, or produces boxes, laths, staves, etc. in order to make both ends meet. This circumstance has a certain influence on the sales organization in specific cases, since for example the manner of selling cellulose deviates markedly from ordinary timber sales procedure.

Co-operation between the forest industries in Sweden is to a certain extent organized on somewhat different lines than those found in Finland. There are, it is true, corresponding associations covering cellulose and paper, as well as timber exports, but all of them serve only to promote common interests and members take care of their own sales individually. Nor is membership anything near 100 % of the total number of mills and exporters, as is the case in Finland. The abovementioned associations form together Skogsindustriernas Samarbetsutskott (Joint Committee of the Forest Industries) to deal with questions of common interest — »i syfte att samordna behandlingen och verka för att föreningarna fatta likformiga beslut i ärendet» (in order to co-ordinate procedure and work so as to make the various associations come to uniform decisions).² The Joint Committee corresponds nearest to Suomen Puunjalostusteollisuuden Keskusliitto (the Central Union of the Finnish Woodworking Industries).

¹ Statistisk Årsbok för Sverige 1939 p. 124 and 1948 p. 120.

² Förslag till arbetsordning för Skogsindustriernas Samarbetsutskott p. 1.

To further the interests of the sawmill industry Svenska Trävaruexportföreningen (the Swedish Wood Exporters' Association) was founded in 1875. The purpose of the Association may be seen from the following excerpts from the statutes.

§ 1.

The aim of the Association is to take care of the interests of timber exporters, forest industries, as well as forestry and to work for a sound and up-to-date development of these trades and their branches

§ 2.

Swedish subject, commercial firm, company, or anyone else carrying on a sawmill business, or exports of timber chiefly from his own timber yard can be accepted as a member.

Swedish subject, commercial firm, company, or anyone else carrying on forestry in this country on a large scale, can also be accepted as a member.

As is seen from these quotations the Swedish Wood Exporters' Association corresponds to the Finnish Sawmill Owners' Association. In 1949 the members numbered 68. The share of the Wood Exporters' Association in Sweden's export of sawn and planed timber averaged 78 % from 1935 to 1939 and has further increased since the war to 80 %. Besides the Swedish Wood Exporters' Association there are two further associations carrying on timber exportation, namely Svenska Inlandssågverkens Centralförening (the Central Association of the Swedish Inland Sawmills), and Södra Sveriges Trävaruexportförening (the Timber Export Association of South Sweden). The importance of the lastmentioned associations, however, is considerably smaller. In addition to the sawmills belonging to these associations there are also some important, wholly independent exporting sawmills.¹

The organization of export trade has passed through the same development in Sweden as in Finland. Thus sales through commissioners were predominant far into the 19th century. The custom of employing agents, nonetheless spread more rapidly than in Finland, and can be considered general as early as the eighteen-seventies.² Today this procedure is clearly the most usual, at least so far as rough sawn timber exports are concerned.³ In consequence of the more advantageous geographical position of Sweden and its livelier communications with the most important import markets,

¹ For example the sawmill in Bolsta belonging to Graningeverken.

² Compare Rosman 1899 p. 55.

³ Compare Karlson 1923 p. 9.

foreign agents never played such a dominating part there as in Finland. On the other hand a group of domestic agents appeared early enough, and the smaller shippers began to employ them to a greater and greater extent.

As early as the first World War the question of a union between these Swedish timber agents became one of pressing interest. At a meeting in December 1921 Svenska Trävaruagentföreningen (the Swedish Timber Agents' Association) was established. Excerpts from the statutes of the Association are given below.

Statutes of the Swedish Timber Agents' Association.

§ 1.

The purpose of the Association is to take care of the interests of the members, and to work so as to gain the application of such rules at sales and exports of Swedish timber as can be of use to the timber trade of the country.

§ 2.

Membership in the Association can be obtained exclusively through a call issued by the Board of directors of the Association. Swedish subject, commercial firm, or company, who carries on a timber agency in the realm as his principal occupation, is eligible for membership.

§ 5.

On admission into the Association a fee of 50 crowns to be paid.

§ 6.

The annual fee to the Association is 100 crowns, to be paid in February.

§ 7.

The affairs of the Association are conducted by a Board of directors composed of 5 persons with 3 substitutes. The Association appoints the chairman and vice-chairman from the Board of directors. The Board of directors is resident in Stockholm.

The Board of directors has to:

- represent the Association in external relations and see that its interests are carefully looked after;
- draw up opinions or propositions for statements in relation to questions submitted to the Association by the Swedish Wood Exporters' Association, or other corporations and authorities;
- decide whether matters received are of such a nature that they should be submitted to a general meeting for decision by the Association;

decide, without the hearing of the Association, about such expenditure as is considered necessary for the activity of the Association; and hand over to the ordinary annual meeting the report of the Board of directors concerning the activity of the previous year.

The Board of directors has the right to make decisions, if three members (of whom one should be the chairman or vice-chairman) are present, and all are in agreement. Otherwise the decisions of the Board of directors are made according to the preponderance of votes.

The Swedish Timber Agents' Association is based entirely on voluntary principles. According to § 2 of the statutes, membership of the Association can be obtained only through an invitation issued by the Board of directors of the Association. In addition the member must be a Swedish subject carrying on timber mediation as his principal occupation. Here one notices firstly that not just anybody can become a member, and, since it is required that timber mediation should be carried on as chief occupation, the opportunities for an exporter to carry on an agency are precluded automatically. This circumstance must be considered as particularly happy.¹ Further one notices § 6, according to which the annual fee to be paid to the Association is the same for all the members. This condition is considered justifiable, because smaller firms, generally speaking, make greater use of the Association's services since on their own they cannot so easily procure market information etc. In § 7 one notices particularly that the Swedish Wood Exporters' Association is especially mentioned among the bodies that are expected to submit reports to the Swedish Timber Agents' Association for their consideration. This would seem to indicate close co-operation between these associations. It looks, however, as if such co-operation had not been established until quite recently.²

The Board of directors, consisting of 5 members and 3 substitutes, assemble as often as the volume of work demands. Members of the Board are not salaried at all. Nor was the secretary's post salaried previously; but the post was taken over by one of the directors of the Chamber of Commerce of Stockholm in 1948. The Association has no office premises of its own, but activities have been tied up with those of one of the larger agency firms. The secretariat and archives of the Association have now been transferred to the Chamber of Commerce.

¹ Compare p. 20.

² Compare for example the drawing up of the new »Svea-car» contract.

Membership of the Association has increased slowly and at present (1949) amounts to 34. Stockholm and Gothenburg are the principal centres of activity, as seen from the collocation below.

Stockholm	20 agencies
Gothenburg	6 »
Mora	2 »
Sundsvall	2 »
Härnösand	1 »
Kristinehamn	1 »
Uppsala	1 »
Örnsköldsvik	1 »
Total 34 agencies	

Five of the agencies are active as joint-stock companies and three as partnerships. The remainder are individual firms. Since a person who carries on a professional agency activity, according to Swedish law must keep books all the firms are registered. The agencies working as companies have an extensive business as a rule. So far the timber agents have not exploited the form of the limited company. The comparatively small number of companies is principally caused by views on taxation.

One of the agents active in Stockholm has a branch office in Härnösand. There are about 150 agents outside the Association, who taken together account for a relatively insignificant volume of overall business; the majority of them are small, one-man concerns. The working programme of the Association corresponds on broad lines with the objects drawn up at its establishment.

Since no statistics have been kept by the members, the trend of development cannot be judged with any certainty. Between 1936 and 1938 the Swedish agents handled on the average somewhat more than 200 000 stds a year for export. As to the post-war period it can only be established that the orders obtained by the Swedish agents do not show any falling tendency in relation to the production.¹ In spite of the natural development that the larger Swedish shippers should be directly represented by their own agents in the more important foreign markets, the domestic Swedish agents still seem to be of great importance to the timber trade. As an example of this their co-operation in negotiating imports of Finnish Vth and wrack to Sweden after the second World War can be mentioned.

¹ Compare STJ 1946 p. 550.

The position of the timber agents does not seem to have changed much on account of the second World War. Only in the handling of pitprops, sleepers, poles, and posts have numerous and entirely new customs arisen largely in conformity with the system created by bilateral commercial agreements. Thus the importers of pitprops in other countries agree upon imports directly with the respective organization in Sweden — Svenska Propsexportörers Förening (the Association of Swedish Prop Exporters) — without the intervention of agents, or in certain cases through one agent only, instead of as previously through several agents. Even if the passing over to freer trade should re-establish greater opportunities for the agents to assert themselves, it is, however, possible that direct contact between exporter and importer may also become permanent to a certain extent.

Norway.

Norway is one of the oldest timber exporting countries in the world. Timber was exported to Iceland and England as early as the 9th century.¹ Carlgren writes about this:² »Från Norge utgick bevisligen redan under 1100-talet en vida spridd trävaruexport — först på inhemska, sedan på utländska fartyg — dels till kontinentens, dels till Englands hamnar vid Nordsjön.» (Wide-spread exportation from Norway — at first by domestic, later by foreign ships — partly to continental, partly to English ports on the North-Sea, was provably carried on as early as the 12th century). During the 14th century exports became more common and were handled by Dutch merchants, who sent their ships to Norway. It was not until much later that Norwegian businessmen themselves began to appear as exporters to a bigger scale. The position of Norway in respect of England predestinated the latter country as the principal export market.

The Norwegian sawmills, taken all round, are smaller than those in Finland and Sweden. Of Norway's 7 000 sawmills not more than 250 can be considered of commercial importance. The largest of these produce 8 000 to 10 000 stds annually. Most of the small mills in Norway are owned by farmers, who produce exclusively for the local market.

Exports of timber reached their peak as early as the turn of the century, and have declined appreciably since then, as is seen from table 4.³

¹ Compare Bugge 1925 p. 43 and p. 47.

² Carlgren 1926 p. 4.

³ Statistiske Oversikter 1948 1949 p. 208 and p. 212. 1 stds = 4.672 m³.

Table 4. Norway's exports of timber.
(1 000 stds)

<i>Norjan puutavaran vienti.</i>	
1900	428.5
1920	201.0
1930	136.9
1937	62.1
1938	50.3
1939	61.9
1940	34.5
1941	49.2
1946	26.3
1947	36.2
1948	41.5

Timber exports thus seem before the second World War to have settled down at about 50 000 stds. No increase on this quantity can be budgetted for on account of the strained raw material situation. The fact is that Norway is even now forced to import great quantities of timber, principally from the United States of America and Africa.¹

The first union between Norwegian timber exporters was founded in 1892 with 28 members and was called Høvellast-Exportforeningen (the Norwegian Planed Lumber Export Association). In 1917 this association was reorganized and came to be known as Norsk Trælastexportforening (the Norwegian Lumber Export Association). The Association was divided into the following three principal groups:

- exporters of planed goods
- exporters of boxboards
- exporters of sawn goods.

It had its headquarters at Fredrikstad and in the main comprised adjacent concerns as members. As years passed and new associations were formed in different parts of the country, a central organization appeared a necessity. The actual form of organization adopted by the Norwegian timber producers derived from 1933, when Norges Trælastforbund (the Timber Trade Federation of Norway) was founded. This Federation comprises the following associations, all of them with one representative on the central Board of directors:

Norsk Skur- og Høvellast Forening (Association of Norwegian Sawn and Planed Lumber)

¹ The value of the timber import from USA in 1939 was 600 000 dollars.

Skurlastkjøpernes Forening (Association of Sawn Goods Buyers)
 Høvellastexportørenes Forening (Norwegian Flooring Exporters' Association)
 Norske Kassebordfabrikanter Forening (Norwegian Boxboards Manufacturers Association)
 Norsk Skurtømmerkjøperforening (Association of Norwegian Log Buyers)
 Trelastbrukenes Forening Nordenfjelds (Nordenfjelds Association of Woodworking Factories)
 Telemark Trelastprodusenters Gruppe (Telemark Group of Wood Goods Producers).

The number of members was 37 at the foundation and in 1948 it was 166. The object of the Federation is seen from § 2 of the statutes.

The aim of the Federation is to protect and promote the timber trade's interests. It shall, among other things, collect statistical material and make it available for the members; try to establish healthy and standardised methods of business; attempt to formulate rules to prevent unhealthy competition; and also to co-operate with similar societies at home and abroad.

The Norwegian timber producers are, as the titles of the affiliated associations suggest, more specialized than those of Sweden and Finland. Thus the exporters of planed goods, sawn goods, and boxboards have branch organizations of their own. The Federation represents over 70 % of the total production of planed timber and more than 80 % of the production of boxboards. As to sawn goods, the percentage rests at about 30, dependent on the fact that small local sawmills cannot be accepted as members. If one counts solely by exports, the members of the Federation occupy a monopolistic position.

All the different forms of sales organization are represented in Norway. Export sales are not restricted to any specific time of the year, since there are no obstacles worth mentioning on account of ice. If anything, selling is keener during the winter, when the shippings from the Soviet Union, Sweden, and Finland are at a standstill. As to planed timber, methods are different in so far as specifications, generally speaking, are not sent to the agents, because any dimensions can be produced promptly.

The majority of the mills sell through foreign agents but a not inconsiderable part of the production, particularly from the small sawmills, is handled by domestic agents. The domestic agent works principally on a commission basis, but on occasion he buys the product outright and sells it in his own name. In the latter case naturally he is looked upon as an independent exporter. Some timber merchants have founded sales organi-

zations of their own abroad. As early as the 19th century a Norwegian company was founded in southern Europe. This concern occupied for some time an important position in the timber import trade there. Other concerns have followed that example and founded import organizations in Africa and Australia. This method of attending to sales in the importing country itself proved very efficient, but has lost its former importance with the general decline of exports. The practice of shipping on consignment and exporting directly to foreign importers — thus by-passing the agents, occurred only to a small extent before the second World War.

The Norwegian timber agents are divided into two associations, Østlanske Trelastagenters Forening (the Association of Eastern Timber Agents) domiciled in Fredrikstad, and Trondheim Trelastagenters Forening (Trondheim Association of Timber Agents) in Trondheim. The Eastern Association, to which the agents in South Norway belong, is the more important one. This was founded in 1925 as a independent association, but joined later as a sub-division of Import- og Export-Agenters Forening (the Import- and Export-Agents' Association). At present 800 agents, representing 48 different groups of goods belong to the lastmentioned association. The reason for this fusion was chiefly that the necessity for agents was called in question, so that as strong an organization of their own as possible was therefore considered important. Excerpts from the statutes of the Eastern Association follow.

2. The object of the society, within the framework of the main association, is to consider matters of particular importance to the trade, strengthen co-operation among the members, preserve their interests, promote the trade's common professional interests, give the greatest possible security to both buyer and seller, and develop healthy competition.
3. Any registered firm which is a member of the main association and which carries on the distribution on a commission basis of timber, forest products, etc., inland and for export, can become a member of the society. Application for membership must be made in writing to the Board of directors, which decides at a meeting whether the application shall be accepted. An application should not be refused without proper reason
4. The members promise in no case to arrange sales for less than 1 % which entirely and in whole shall be received by the agent. For the inland sale of planed and joinery wood 2 % commission is to be calculated. Cheaper goods such as boxboards etc. should not be sold under 2 %, at least not in the case of lots of 20—25 stds or less. Sale direct to consumers, i.e. builders, contractors, etc. must not occur. In cases where members are del crederes for seller or buyer a minimum of 1 % del credere commission must be calculated in addition to the usual commission.

The Association has 11 members (1949), 8 resident in Oslo and 3 in Fredrikstad. The Board of directors is unpaid and changes so that the longest period of mandate is two years. The membership fee is the same for all and is paid to the Import- and Export-Agents' Association which later returns a part to the branch associations according to annual agreement.

Trondheim Association of Timber Agents is comparatively a much smaller combination. It has at present (1949) 3 members, all active in Trondheim. This association is not affiliated to the Import- and Export-Agents' Association, and the two combinations scarcely seem to maintain any contact with one another. These associations are not divided in sections for the different classes of goods exported. In addition to the agents belonging to abovementioned associations there are also a few altogether independent firms which, however, are of small importance.

In the Import- and Export-Agents' Association the members of the Eastern Association comprise group 46, handling »Timber, box and case boards, veneer and staves». In 1949 the number of members in this group was 24. Of the members, 8 work as joint-stock companies, while the remaining 16 have only registered names of their firms. Neither partnerships nor limited companies are found among the timber agents. In Norway it is clearly more advantageous from the point of view of taxation to work as an individual firm.

Evidently, the agents belonging to the Import- and Export-Agents' Association are as a rule old, stable firms, of which three were founded as early as the 18th century. During the present decade only two newly established firms have joined so far. Naturally this has to be seen against the background of the extensive fall in Norway's timber exports.

A special characteristic of Norwegian conditions is that the timber agents often handle timber for export as well as for import, whereby they can represent quite different kinds of goods at the same time. In addition there is no clear division between agents and exporters, since the members of the agents associations between whiles are able to appear as exporters under their own name.

The position of the Norwegian agents during the period of German occupation was extremely difficult. The sawmills were superintended by the Germans, who gave the orders for delivery. The Norwegian commercial department appointed a committee, which was instructed to examine the situation in greater detail. It was decided that an agents' cash office should be opened, to which $\frac{1}{2}$ or $1\frac{1}{2}$ % of the purchase money was to be

paid dependent on whether the domestic agent received a separate share or not. Later this practice was extended to cover purchases from Sweden as well. The agents' cash office was finally dissolved in 1948. Beyond this no interference in agents' activity by means of legislative measures has occurred.

The timber export that has started since the end of the second World War has been negligible. This is largely explained by the fact that domestic needs have increased many times over on account of war damage. Indeed it is noteworthy that Norway during the post-war years has been buying quite substantial amounts of sawn timber from Sweden. These have later been reexported in manufactured form.¹ It follows that the importance of the Norwegian agents has also decreased, since the annual exports only comprise about 30 000 stds.

In a reference to the activities of the domestic agents, Oxholm states:² »In a country like Norway, where there are a great many small mills, which generally are unable to handle an export business efficiently, on account of their inability to maintain a competent selling force, it is often desirable to sell through a domestic agent.» A circumstance that Oxholm does not seem to consider, however, is that quite a number of small sawmill owners deliver rough-sawn goods to adjacent planing mills to be further manufactured. Since the planing mills buy out-right, the sawmill owners do not ask for the export agents' assistance. Doubtless the importance of the domestic agents for the Norwegian timber exports is comparatively small. There is however no way of showing this by figures, as no statistics are collected by the members of the agents' associations.

As far as specific post-war characteristics are concerned, it can be mentioned that letters of credit as a rule are demanded before goods are shipped, and that the agents' burden of work has increased considerably on account of extended state interference. On the other hand the agents have not yet been able to call on clients to nearly the extent that was usual before the second World War. To the degree that the shipper employs a domestic as well as a foreign agent the commission has usually been divided equally. No evidence of a post-war increase in direct sales over the heads of the agents can be established. On the other hand, presumably on account of increased purchases from Sweden, an infiltration of Swedish agents can be discerned to a greater extent than during the pre-war years.

¹ Compare Norges Trelastforbund 1948 p. 30.

² Oxholm 1922 p. 106.

The United Kingdom.

The forests of England were destroyed principally during the 17th century, and from this time England has been almost wholly dependent on timber imports. Furthermore, two world wars have seriously depleted her remaining woodland resources so that, at present, only 5 1/2 % of the total land area of Great Britain is wooded.¹ Of the total consumption England and Scotland contribute 5—7 1/2 %. The imports of softwood during recent years are seen from the following table.²

Table 5. Timber imports in the United Kingdom.
(1 000 stds)

	<i>Suurbritannian puutavaran tuonti.</i>				
	1938	1946	1947	1948	1949
Sawn, Soft	1 480.5	689.3	1 085.8	816.1	1 032.3
Planed or Dressed, Soft	297.9	48.1	79.9	42.9	34.3
Boxboards	88.8	20.8	29.6	24.2	28.0

Agency activity in the United Kingdom timber market originates in its present form from the middle of the 19th century. Before that it seems as if the agents themselves bought small timber cargoes and were in fact merchants who nonetheless, considered themselves as representing certain definite shippers, whose goods they put on the market.³ After the industrial revolution of 1830—40 trade increased rapidly, and agents became more and more a necessity. The relation between agents and shippers at this period was based on mutual friendship and confidence. Consequently, connections were very stable and a change of agents rare. Business was conducted on a commission basis so that the agent sold the goods of the shipper during the year, and sent in his commission account at the end of the year, generally receiving his money in January. The agency profession changed later in such a manner that the financing of the production of the exporting countries played a greater and greater part.

With the exception of a small home timber section, the entire timber trade in Britain is based on an exceedingly solid organization the Timber Trade Federation of the United Kingdom, which was founded in 1893. In other parts of the Empire no organizations approximating to it in importance have arisen. Before 1893 no organized co-operation between

¹ Compare Ward 1946 p. 172.

² Board of Trade Statistics.

³ Compare Gane 1923 p. 1451.

the timber merchants existed, even if private conferences between the professional groups had taken place. At the time of its foundation the Timber Trade Federation counted 284 members divided into the following four sections:

- Foreign Timber Importers' Section
- Foreign Timber Merchants' Section
- English Timber Section
- Agents' and Brokers' Section (1895).

The different sections were held together by an executive committee, which met at regular intervals in order to direct the administrative work, elect new members, deal with financial questions, etc. The development of the Federation during this century is seen from the following register of members.

1893	248 members
1921	1 307 »
1931	786 »
1947	1 167 »

Membership reached record strength immediately after the first World War, when a great many new firms were founded. The heavy economic depression at the beginning of the 'thirties brought about a steep decline, the members in 1931 numbering only 786. From that date a steady increase is to be noted again. Excerpts from the statutes follow below.

Rules and Regulations of the

Timber Trade Federation of the United Kingdom.

Title

1. The name of the Association is »THE TIMBER TRADE FEDERATION OF THE UNITED KINGDOM».

Headquarters

2. The Registered Office of the Federation shall be in London, and meetings of the members shall be held from time to time in such places as may be decided upon.

Objects

3. The objects for which the Federation is established are:
 - (a) For protecting, promoting and developing the common interests of the Timber Trade of the United Kingdom.

- (b) The collection and the dissemination of statistical and other information relating to the English and Foreign Timber Trade.
- (bb) The acquisition, promotion or support of a company limited by guarantee having as its principal object to act as a research, information, technical education and publicity department in connection with timber and its products.
- (c) The promoting, supporting, or opposing legislative or other measures affecting the aforesaid Trade.
- (d) The doing of all such other things as may be conducive to the prosperity of the Timber Trade.

Membership

4. Any person, firm or company resident in the British Empire and primarily engaged in the production or selling of timber, or in the conversion of timber for members of the Timber Trade, or in Timber Arbitration shall subject to the consent of the Executive Council be eligible for membership as hereafter provided. The term «timber» for the purpose of this rule includes, *inter alia*, Plywood and Doors.

4a. Every member of the Federation shall be entitled and bound to become a member of the company to be acquired promoted or supported with the object mentioned in Clause (bb) of Rule 3 and to remain a member of the said company so long as he shall be a member of the Federation.

5. Every member of the Federation shall conform to and be bound by the Rules of the Federation for the time being in force.

6. Every person, firm or company eligible for membership under Rule 4 may be admitted by the Executive Council to membership on signing an official form of application for the purpose, having been duly proposed and seconded by members of the Federation. After considering such application, together with a report from the local area in which the applicant carries on business and of the Section of the Federation on which he desires registration, the Executive Council is empowered by resolution to elect or refuse to elect such applicant in its absolute discretion. Such reports shall deal with the following points:

- (a) Eligibility for membership of the particular Section or Local Association.
- (b) Eligibility for membership of the Federation without allocation to any particular Section or Association.

On election the applicant shall become a member and his name shall be entered on the register of members accordingly. A decision of the Executive Council disapproving a recommendation of any local or national Section as regards applications for membership of the Federation shall not be effective unless confirmed at the next following meeting of the Council.

In proportion as the Timber Trade Federation expanded, a division into more and more numerous sub-divisions developed. In 1949 there were the following 20 national and 16 local sections.

National Sections and Associations

	Number of representatives at the Executive Council
Arbitrators (Softwood) Section	—
British Pitwood Agents' and Brokers' Association	1
Federated Merchant Freighters' Association, Ltd.	2
Hardwood Agents' and Brokers' Association, Ltd.	4
Hardwood Importers' Section	9
Hardwood Legal Protection Association, Ltd.	—
Hardwood Staves and Cooperage Stock Section	3
Home-Grown Pitwood Association	1
Merchants' Section	9
National Sawmilling Association	6
National Softwood Importers' Section	19
National Veneer Section	2
Pitwood Importers' Section	6
Plywood Section	8
Plywood Merchants' Sub-Section	—
Sleeper Section	2
Softwood Staves Importers' Association	—
Timber Agents' and Brokers' Association of the U.K.	6
Timber Development Association, Ltd.	—
Timber and General Mutual Accident Insurance Association, Ltd.	—

Area Sections and Associations

East Anglian Softwood Importers' Section	2
Hants and Dorset Timber Trade Association	2
Humber District Timber Trade Association	2
Incorporated Bristol Channel Timber Importers' Association	2
Kent Timber Trade Association	1
Liverpool Timber Trade Association, Ltd.	3
London Timber Trade Labour Committee	—
London Merchants' Section (Softwood)	1
London Softwood Importers' Section	3
Manchester Timber Trade Association	2
North-East Coast Section	3
Northern Ireland Timber Importers' Association	2
Scottish Section	3
South Coast Timber Association	2
South of Ireland Timber Importers' Association	—
Western Counties Timber Importers' Association	2

As will be seen from the above list, the division has by degrees crystallized in such a manner that the importers of the different kinds of commodities form sections of their own, as do also the corresponding agents and brokers. These are so called national concerns viz. comprising the whole country. In addition there are a number of local sub-divisions, whose acti-

vity is confined to a determined part of the country. Some of the subdivisions are administratively only sections of the Timber Trade Federation, while others form associations of their own, although affiliated, to the central body. All the members of such associations are also members of the Timber Trade Federation. The creation of administratively independent sub-divisions has been considered appropriate since in many cases rather different interests are represented by the timber merchants. The difficulty of handling, in the same secretariat, question involving a divergence of interests, is thereby avoided.

Of these sub-divisions the Timber Agents' and Brokers' Association of the United Kingdom is primarily of interest for this investigation. This association was founded in 1918. Before this date the questions to be dealt with were handled by the Agents' and Brokers' Section. The following excerpts from the statutes give an idea of the objects of the Association.

*Statutes of the Timber Agents' and Brokers'
Association of the United Kingdom.*

3. The objects for which the Association is established are:

- (A) To protect, promote and develop the general welfare and interests of softwood agents and brokers, carrying on business in the United Kingdom and Ireland, by co-operation and to maintain and extend their usefulness for the public advantage.
 - (B) To communicate with Chambers of Commerce and other mercantile and public bodies, and concert and promote measures for the protection and advancement of the business of softwood agents and brokers, and to circulate among the members information on all matters affecting such business and the timber trade generally.
 - (C) To consider, originate and support improvements in the maritime and commercial law, and to oppose by all lawful means any proposed or projected legislation prejudicially affecting the timber agency and brokerage business.
 - (D) To consider all questions affecting the interests of the timber agency and brokerage business and of the timber or other trades, businesses or commercial interests connected therewith, and to take such action as may be necessary to promote all such interests.
 - (E) To arrange and promote equitable forms of policies, contracts and other documents used in the timber trade, and to oppose by all lawful means the use of any such contracts and documents which may be considered objectionable.
-
- (I) To act as arbitrator and to appoint arbitrators and umpires in any dispute affecting timber or any dealing therein, and otherwise to make arrangements for the settlement of disputes by arbitration.
-
- (T) To amalgamate, join or co-operate with any other association, company, firm or person in the promotion and furtherance of the objects of the Association and for any other purpose which may seem to be in the interests of the members or of persons connected with the timber trade generally.
-

In order to realize the aims set out above the Association appoints an executive committee and an advisory committee. The advisory committee consists of 2—3 representatives for each one of the following countries:

America and Canada
Danzig and Central Europe
Finland
Scandinavia
Soviet Union.

The executive committee consists of 8 persons, elected annually by the members of the Association. Through these committees the Association intimates its opinion on commercial matters touching the activities of the timber agents and brokers, and in general endeavours to take care of their interests.

Membership does not seem to be restricted in any way, with the one exception that importers are not accepted. So far probably no application made by anyone acting solely as an intermediary, has been rejected. The Association has an office of its own and a secretary with a fixed salary. It has 6 representatives on the executive council of the Timber Trade Federation.

In 1949 the total number of members in the Timber Agents' and Brokers' Association was 95 of which 50 concerns were limited companies and the rest partnerships and small family firms. Not less than 45 concerns are also members of the Hardwood Agents' and Brokers' Association. The accompanying table shows how the main headquarters are distributed throughout the United Kingdom.

Table 6. Distribution of timber agents belonging to:

Suurbritannian puuasiamiesten kotipaikat.

	the Timber Agents' and Brokers' Association	the Hardwood Agents' and Brokers' Association
London	45 agencies	35 agencies
Glasgow	10 »	8 »
Liverpool	9 »	8 »
Manchester	4 »	2 »
Newcastle	4 »	1 »
Hull	4 »	— »
Bristol	2 »	— »
West Hartlepool	2 »	— »
	Total 80 agencies	54 agencies

During its lifetime the Timber Agents' and Brokers' Association has not gathered any statistical material, be it about goods negotiated, or personal information about members. Thus there is no possibility of saying anything about the educational or professional qualifications of the agents. A strong feeling of solidarity, however, seems to be particularly pronounced. As an illustration of this close family spirit, the agents on the outbreak of the second World War established a common fund to which half of all the agency fees were paid. From this fund payments were made to all the agents in proportion to pre-war business. Thanks to this arrangement, even those agents who had business exclusively with the north of Europe, were assisted over the war. This fund, however, has outlived itself by now, and will certainly be abolished in the near future. The temptation to touch commission from the fund, without putting 100 per cent effort into such business as remains open to them must be rather great for certain agents.

Any restriction of agency rights to specific articles alone, as in Finland, has never been practised. This would in fact scarcely seem necessary, taking into account the rather detailed division into sub-sections that has been carried through in relation to different classes of goods. Should an agent handle several different commodities, he would also be a member of several of these sub-sections.

Since agency operations as between softwood and hardwood show considerable differences, it was impossible from the start to bring them within the scope of a common association. Thus the hardwood agents were active a long time as a sub-section of the hardwood section of the Timber Trade Federation. By degrees the need of an association of their own became more and more pressing. The division was realized in 1936, when the Hardwood Agents' and Brokers' Association was founded along the same lines as those of the corresponding softwood association: »to protect, promote, and develop the general welfare and interests of hardwood agents and brokers».¹ In addition to the two abovementioned associations of agents the pitwood agents also have their own association, while the plywood agents constitute a sub-section of the Timber Trade Federation.

Before continuing our investigation of agency activities in the United Kingdom, there is reason for touching on the domestic sawmill industry in a few words. The sawmill owners also have their organization called the National Sawmilling Association. In 1935 the sawmills in the United

¹ Compare Timber Trade Federation 1935 p. 95.

Kingdom numbered 1 512, a total which embraced, however, various producers of further manufactured products. The size of the sawmills is seen from the following table.¹

Table 7. Number of British sawmills grouped according to the number of hands employed in 1935.

Suurbritannian sahojen suuruus työntekijämäärän mukaan jaoteltuna v. 1935.

Number of hands <i>Työntekijämäärä</i>	Number of sawmills <i>Sahojen määrä</i>
11—24	657
25—49	453
50—99	282
100—199	85
200—299	22
300—399	8
400— and more	5
	Total 1 512

Structurally the British sawmilling industry differs considerably from the Scandinavian one. There are not any really large mills at all. The most usual form of enterprise is that of the so called public sawmills. Such mills convert their clients' logs according to their specifications. In addition some of the sawmills carry on the further manufacture of imported goods. Even at the turn of the century only a few sizes of sawn timber — for example 3" × 9" and 2 1/2" × 7" — were imported from Sweden and Finland, and sawn into slatings, battens, staves etc. in the United Kingdom. Later the exporting countries began to deliver the specifications desired direct to the importers, and the different commodities were obtained in their finished form. This resulted in a sharp decline of the corresponding British industry. At the outbreak of the second World War this circumstance proved to be a serious handicap. Large new investments were made in order to reconstruct the domestic sawmilling industry as rapidly as possible. After the conclusion of peace, when importation started anew, the question of the occupation of the domestic industry came into the foreground. As long as timber imports into the United Kingdom are directed by the state, it seems likely that a return to purchases of deal sizes will be favoured.²

The solid organization on which the British timber trade is able to lean, has been of great importance not only for the purposes of co-operation

¹ Board of Trade 1944 p. 108.

² Compare Semi-Prepared Wood 1946 p. 39.

with foreign associations but also for negotiations with governments in different countries, these having begun more and more to interfere in commercial questions at the end of the 'thirties. From the British side, however, governmental inference played no part in the organization of the timber trade up to the second World War. In 1938, close co-operation began between the Timber Trade Federation and the Board of Trade in order to take steps to control the supply of timber in the event of war.¹ The Ministry of Supply established in 1939 a separate section — the Timber Control — for the supervision of the timber trade. Later this section was transferred so as to belong to the Board of Trade administratively. Immediately the Timber Control was established, it took over the entire timber trade so that all sales were concluded with the Timber Control as buyer. These goods, owned by the state, became so called national stock, and the Timber Control employed different timberyard owners and importers for their safe-keeping. Since the conclusion of peace a Post-war Reconstruction Scheme for the Imported Softwood Trade has been introduced and constitutes the basis of the trade. According to this scheme the post-war phase of partial control is divided into periods, and for each period the importers are entitled to a certain quota of the goods imported. Sales to the consumers take place against licences granted by the Timber Control. These licences were issued on the basis of priority in such a manner e.g. that railways, bombed houses, export industries, etc. have preference.

The Timber Control regularly consults many of the sub-sections and committees of the Timber Trade Federation. Co-operation between these institutions seems to function in a comparatively flexible manner. At any rate as late as 1946 the Timber Trade Federation writes about it:² »It is gratifying to record that the relations between the Federation and the Timber Control remain satisfactory». Purely from the point of view of regulation it is evident that the timber merchants, on the whole, are satisfied with the measures taken by the Timber Control. From the point of view of business economy, on the other hand, there seems to be room for grave criticism.³

In 1946 a reorganization of softwood importation was made in a direction that possibly can be regarded as a first step toward a return to pre-war conditions. In that year the National Softwood Brokers' Limited was

¹ Compare Timber Trade Federation 1938 p. 13.

² Timber Trade Federation 1946 p. 13.

³ Compare TTJ 1948 29. 5. p. 1079.

founded. This Company now receives all the softwood imports in order to distribute them to the importers. Where hardwood timbers are concerned the government buying scheme has been modified and although it retains the procurement interest in woods from the dollar countries, an increasing number of species can now be brought into the country by individual firms under Board of Trade licence. In the softwood trade buyers are now divided in first hand buyers and buyers at second hand.¹

The legal background to the control of the timber trade is provided by the Emergency Powers (Defence) Act. This Law was originally accepted in 1939 for one year, but was automatically extended for new periods of one year on the request of Parliament. Should the pressing need that caused the Law to be made, be regarded as having ceased, the Law can be cancelled immediately. On the basis of this Law the government later issued the Defence Regulations of 1939, the 55th decree of which treats of the general control of the industry.² The responsible ministry issued later Statutory Rules and Orders for the Control of Timber based on this decree. The first order was published in September 1939. According to needs these have been cancelled and altered from time to time. Altogether about 50 rules and orders governing the control of the timber trade have been issued.

In § 3 of the first order the position of the timber agents is recognised in the following definition:³

»No person shall acquire, or agree, or offer to acquire, or invite an offer to dispose of, any timber situate in the United Kingdom unless that person is:

b) a person who carries on the business of an agent or broker in timber, and acquires or proposes to acquire, the timber in the ordinary course of that business . . .»

In other words the special wartime legislation orders that only timber agents may trade with timber products, but any restrictions about who may act as an agent are not given. Apart from this decree the position of the agent has not been touched upon in any other connexion. This must be seen against the background that the decrees in the first place touch upon timber ex ship, when the functions of the agent de facto have ceased.

¹ Since the above was written a further and very large measure of freedom has been restored to the hardwood trade. With certain exceptions in the case of woods bought from the »hard currency» countries, trade since January 1950 has been conducted without restriction as to price and quantity under a system of Open Import Licences. In domestic distribution price control and consumption licensing have been abolished over practically the whole range of hardwoods.

² Compare Statutory Rules and Orders 1939 No 927 p. 41.

³ Compare also TTJ 1939 16. 9. p. 847.

The supervision of the timber trade, which it will be easily understood is a necessity in time of war in a country so largely dependent on timber imports shows, however, a regrettable tendency of remaining almost unchanged in the post-war period. Scarcely four months after the conclusion of the war in 1919 the timber trade was entirely freed from government restrictions. The reason why it has not so far been possible to abandon supervision this time is considered to be the fact that the country's timber situation is wholly dependent on the domestic finances and the tonnage resources. On the one hand during the first post-war period there was a lack of suitable vessels being able to load coal in the United Kingdom and return with timber. On the other the lack of coal for export has been acute since the conclusion of peace. The whole trade, therefore, is determined through agreements with the respective governments, the amount of the coal deliveries more or less determining the timber shipments. The acute dollar shortage is also of importance as some 20—25 per cent of the import now comes from Canada.

Thus there does not seem to be any possibility of doing away with the present control of the timber trade in the United Kingdom in the near future. In the event of the substantial increase in exports attained after the end of the war, being maintained, it is calculated that a final balancing of trade will become an accomplished fact by 1952. But even afterwards the state will surely desire to decide how much and what is to be purchased from the respective countries. One point of view that will be of influence is that the government knows what the country needs for industrial and building purposes, etc. If the trade were wholly freed, there would at the outset be the risk of the wrong quantities of the different specifications being purchased. The most probable alleviation that could be envisaged would be that buyers and sellers themselves were allowed to conclude individual contracts through their agents, maintaining some sort of a quota system for the quantitative distribution of goods from the various countries. Such an advance seems to be very probable.¹

On account of the development undergone by the timber market in the United Kingdom during and since the war, the position of the agent has changed considerably. In the following chapter we shall touch upon the principal changes which have occurred, but at this point there is still good reason to examine a few specific characteristics.

¹ Compare TTJ 1947 23. 8. p. 895, but also TTJ 1949 22.1. p. 439 concerning stagnation of the winding up programme.

As mentioned above, the British agents during the present century attained a greater and greater importance as financiers or negotiators of credits — a circumstance which was largely dependent on the fact that the finances of the new countries appearing after the first World War were generally bad. Consequently, the shippers in such countries turned to an agent in the hope of obtaining payments in advance. As to Finland even such a custom was introduced that the buyer paid cash against the purchase contract as early as in the autumn.¹ The seller, nonetheless, had generally to provide a bank guarantee for the transaction. Such a procedure placed the shipper in a position of strong dependence upon the agent.

The importance as financiers enjoyed by the British agents in the 'twenties and 'thirties will certainly be lost for a long time to come. This circumstance is quite natural, as long as the British government takes care of timber purchases. But even after the eventual return to pre-war business customs, the financing potentialities of the agents seem to be small in face of the considerable all-round increase in prices. Very few agents will be in a position to obtain such working capital as is now in question in order to advance the money needed for a transaction in timber.

Another interesting feature of the British market is the proportion of sales made directly to the consumers, thereby ignoring the importers. The position of the latter is very strong in the United Kingdom. In the 'thirties an arrangement was established under which the different agency sections transacted business only with sellers who employed so called recognized importers, that is to say, importers registered in an official list. This list contained 588 names in 1949. The relation between the importers and the agents was generally very firm. The greater part of the importers thus know the agents personally. In normal times the larger agent firms had representatives in all the main districts who called on the importers in the cities several times a week, and between whiles extended their travels to the smaller ports. Thus one firm had several representatives in London, and agents for:

the South Coast and the Bristol Channel,
the East Coast from Chelmsford to Boston,
Grimsby, Hull, West Hartlepool, Tyne, Berwick, etc.,
Manchester, Liverpool, etc.,
Scotland,
Ireland.

¹ Compare p. 82 concerning the advance payments granted by the Timber Control.

There were branch offices in some of these places. In spite of the close co-operation between agents and importers, some sales direct to the consumers seem to have begun immediately after the first World War. However, this sort of business never attained big proportions during the inter-war period. On the other hand an increase in direct business without any mediation of the agent can now be found in respect of imports from Canada and the United States of America. This is principally due to the fact that a great number of British firms founded daughter companies on the other side of the Atlantic — companies which naturally did not need to have recourse to agents when doing business with the parent firms. Generally the connections within the Empire, respectively within the English speaking world, are so close, thanks to modern means of communication, that part of the importance of the agent as an expert in foreign conditions falls away. This tendency does not find expression in regard to business with Scandinavia, where no increase of the direct sales can be noticed. Moreover, such an increase is scarcely probable in view of the difficulties presented by the different languages in these parts of the world.

Holland.

Holland imports more timber than any other country in the world in proportion to its size. Not more than 7.6 % of the land area of Holland is wooded. In spite of this fact there are not less than 450 sawmills working in the country, the first one founded in Zaandam as early as 1596. The sawmilling industry is similar to the British; the mills are owned by importers, who manufacture the foreign timber into finished commodities.

Up to the second World War the Dutch timber trade was built up administratively around Nederlandsche Houtbond (the Dutch Timber Federation). This Federation had been founded in 1909, and was reorganized in 1919. The objects and working programme of the Federation is seen from the following excerpt from its statutes.

- Art. 2. The purpose of this Federation is to further and take care of interests allied and belonging to the timber trade in the Netherlands in its widest sense, especially those of its members, through and in their enterprises;
- a. to establish an office, under the management of a director, to be at the service of its members in obtaining advice on social-economic and juridical questions, procuring information about import regulations, transport and export of timber at home and abroad, collecting bills, and obtaining business information;
 - b. to establish a library and reading-room for Dutch and foreign periodicals in this sphere;

- c. to plan and generally take measures calculated to further the common business interests of its members;
- d. to hold meetings of members in order to discuss business interests;
- e. to co-operate with other domestic and foreign associations for the advancement of common interests;
- f. to establish an organ of its own;
- g. to use all legal means that are considered desirable or necessary in order to make the Dutch Timber Federation serve its purpose.

After its reorganisation the Federation consisted of the following 12 sections:

- Importers of softwood (sea-borne)
 - » » Pitchpine
 - » » softwood (over-land)
 - » » and dealers in hardwood
- Wood Conservation
- Re-sawing mills
- Industrial and social-economic matters
- Timber buyers
- Dealers in native timber
- Timber importers in Rotterdam
- Timber dealers in Groningen
- Foreign agents.

The office of the Federation was in Amsterdam, and the members numbered about 250 in the nineteen-thirties. Division in sub-sections was made principally on the basis of the kind of timber imported. Most of the groups mentioned above were rather small and activities did not amount to much. As seen by the grouping the Federation was principally intended for importers. The foreign agents, however, formed a group of their own, founded in 1920 within the Federation framework.¹ Thus the Dutch timber agents had no association of their own until the outbreak of the second World War. The Dutch Timber Federation was completely dissolved in 1941 in connection with the reorganization of the timber trade ordered by the German occupation authorities.

The purpose of the Federation was the supervision of the Dutch timber industry and trade in order to obtain the best possible results. The union therefore gave the members information concerning the timber regulations in Dutch and foreign markets, and advice on questions of an economic or juridical nature. Credit information was an important part of the Federation's activity. From the agency point of view the importance

¹ Compare Nederlandsche Houtbond 1934 p. 92.

of the Federation scarcely went beyond its work on the standardization of contract forms for example with Finland and Germany.¹

Most of the timber agents work in Amsterdam. After the first World War the setting up of new agencies in Holland was pushed to unwarranted limits. Scores of new agents as well as brokers without any knowledge of the business appeared.² Departments of these firms appeared as importers, while others sold direct to the consumers, neglecting the import wholesalers. Confidence in the Dutch agents' corps was seriously shaken thereby. The frenzy shown in the creation of so many new agencies also gave observers for a long time the impression that this branch of trade was unprofitable.

Leaving out of consideration these casual intermediaries who penetrated into the timber market after the first World War, the agents as a rule are old-established, well known, well-to-do firms. The staffs of these agencies often have University education, and have acquired a thorough knowledge of the timber trade through years of study in the most important export countries. The agents can be divided in two classes. One directly represents foreign shippers, for example as in the trade with Finland and Sweden. The other works as sub-agents of these foreign agents on the Dutch market so that firms in this group may almost be classed as brokers. The sub-agents generally obtain a sales commission of 1 1/2 %.³ The larger agencies as a rule employ such sub-agents in the most important Dutch cities. In spite of the adjacent Belgian timber market Dutch and Belgian agents do not seem to compete with one another, since the countries prefer their domestic intermediaries. Nor does the custom of offering the same goods through several agents seem to have gained much ground. Malcolm writes about it:⁴ »Slechts weinige exporteurs hebben meer dan een agent». (Only a few exporters employ more than one agent).

In the 'twenties the Dutch timber market was still very little organized. As a consequence, many an agent working on a commission basis carried on business far beyond this limit. As noted already, certain agents were able to sell direct to consumers, cutting out the importers completely. Some of the smaller agents also carried on combined agency and import activities in such a manner that they appeared as agents in regard to the foreign shippers, but as importers or wholesalers on the domestic market. Such agents, nonetheless, were boycotted by the larger importers, and

¹ Compare Finska Sägverksägareföreningen 1931 p. 14.

² Compare Oxholm 1925 a p. 164.

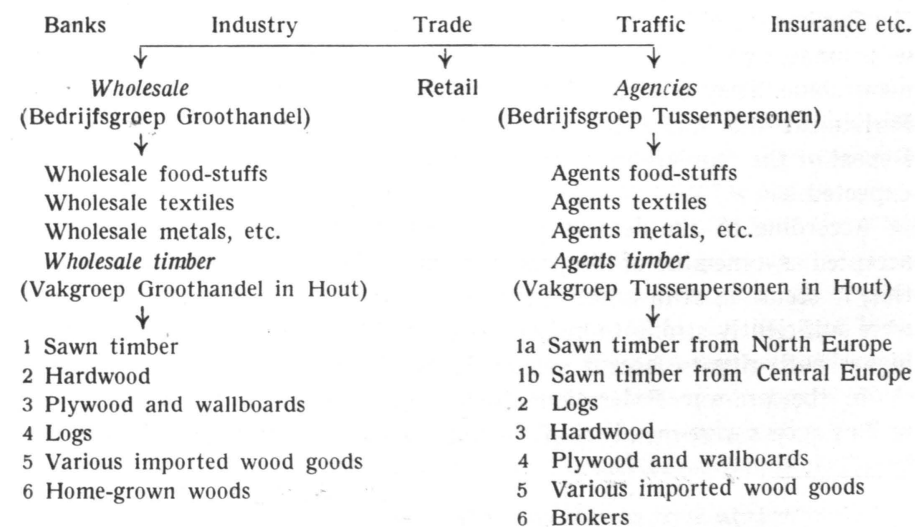
³ Compare Malcolm 1930 p. 68.

⁴ Malcolm 1930 p. 71.

their dual identity was not approved of by the timber trade. In the 'thirties combined operations of this kind became more and more rare and have now ceased altogether.

During the war a considerable rearrangement of the Dutch timber trade took place. Once the country was occupied by Germany, a complete reorganization of the entire administrative apparatus was put through. This reorganization, which proved beneficial in many respects, has been preserved in the main since the war.¹ Rijksbureau voor Hout (the State Timber Office) was set up in 1941 to supervise the timber trade from the government side. It belongs to the Ministry for Economic Affairs and is situated in Amsterdam. About 220 officials are employed. The State Timber Office can be compared most closely with the British Timber Control, since it distributes the imports and decides the grants of currency. There is, however, one considerable difference, viz. that the trade remains in the hands of the importers in such a manner that they do themselves appear as buyers. This arrangement takes in all timber except pitprops, which at present are purchased by only one firm under state control. This procedure, nevertheless, is expected to come to an end in 1949. The State Timber Office will be entirely abolished as soon as deemed practicable.

The employers' associations are organized in the manner represented schematically below.



¹ A reorganization of the administration had been planned by the Dutch themselves, but was not carried out when hostilities opened.

Thus all the wholesalers were joined into a Federation — Bedrijfs-groep Groothandel —, where the timber importers formed a section of their own, called Vakgroep Groothandel in Hout (the Timber Section Wholesale) and in its turn was divided into Undervakgroeps (Sub-sections). In the same manner the timber agents formed a section, called Vakgroep Tussenpersonen in Hout (the Timber Section Agents), of the Federation for all the agents. These sections — one has been formed for each kind of commodity — have an executive committee, usually of 5 persons, and a council of 12—30 persons. During the occupation period the founding of new industries as well as import firms was restricted in many respects, and some of these restrictions still remain. On the contrary no restrictions whatsoever have been applied in regard to the activities of agents. In practice the regulations work in such a way that, when the State Timber Office determines to free a timber quota, the Timber Section Wholesale is informed and divides the quota among the importers on the basis of their respective imports in 1938—1939.

The legal background of the reorganization is provided by Article 2 in the Eerste Uitvoeringsbesluit Organisatie Bedrijfsleven 1940,¹ and Article 3 in the Tweede Uitvoeringsbesluit Organisatie Bedrijfsleven 1940. By these decisions the timber industry is divided in 8 sections and some additional sub-sections. On the same basis the decision of March 31st 1942 concerning the founding of the Timber Section Wholesale was issued. Since the Parliament did not assemble during the period of occupation, no laws were made, and it follows that the decrees were decisions of the government alone. They are valid for the time being and it is probable that the Parliament will make certain alterations to them in the near future. Repeal of the regulations covering the timber trade, however, cannot be expected.

According to the decrees any one active as a timber agent must be accepted as a member of the present agents' association. Notwithstanding this, it seems as if in practice the position of the Timber Section Agents were sufficiently strong to refuse membership, even if it were ordered by higher authority to accept somebody considered none too desirable.²

In the pre-war Federation (Nederlandsche Houtbond) importers as well as agents were members of the same body. However, according to the

¹ Nederlandsche Staatscourant van 12 November 1940 No 221.

² At least one such case has occurred. Compare information in the archives of Tussenpersonen in Hout.

new organization, importers and agents belong to separate federations. In order to retain pre-war relations as much as possible — which were considered excellent in many ways — the importers and agents have been grouped together in a common office. Further, a member of the executive committee of the agents' association can simultaneously be a member of one of the executive organs of the import association. This latter circumstance does not seem to be merely of advantage.

The present agents' association comprises now (1949) 55 members, of whom 6 are active only as brokers. Twenty-seven agencies handle sawn timber from northern Europe. Almost all the agents are active in several of the 5 sections into which, as mentioned above the Association has been divided. The centres where the agents are active, are given in the following analysis.

Amsterdam	29 agencies
Rotterdam	6 »
s-Gravenhage	5 »
Groningen	4 »
Zaandam	2 »
Total	46 agencies

The remaining 9 agents are active in different parts of the country. The Association has not collected more detailed statistics about its members, so that a detailed scrutiny of its activities is impossible.

The agents are now active only as intermediaries, as mentioned above, and do not occupy themselves with imports. The only exception so far is still, to a certain extent, the wallboard trade, where such two-sided activity can be found. On the other hand the timber agents are often also agents for cellulose, cotton, rice and other commodities. The cohesion of the agency community seems to be good. Thus in 1940 the agents voluntarily established a »pool» on the British pattern. From this fund the gross commissions paid in were distributed on the basis of pre-war activities. As a curiosity it may be mentioned that the importers also contributed to this fund. This was considered to be accounted for by the fact that, during the whole period of occupation, it was not permissible to send telegrams in the usual timber code; this of course increased the agents' costs enormously. After the conclusion of peace a smaller and smaller part of commissions were paid into the fund, and the latter was finally dissolved in 1946.

The activities of the agents' association consist to a large extent in sending out detailed instructions about the goods which it is permissible to

buy, from the different countries and the conditions on which it may be done. Every now and then representatives from the agents' association are employed in negotiations over commercial agreements. Without doubt the greatest achievement of the Association was realized in 1947, when it succeeded in winning an important suit against the Dutch government, who at first refused to pay the agents' usual commission on business to the United States of America. The government referred to the fact that war-time prices had doubled, but that despite the increase, the agents' commission continued to be 2 % of the invoiced amounts. The Association, nonetheless, succeeded in showing that no legal justification existed for cutting the commission.

Materially, the position of the agents in Holland does not seem to have changed very much on account of the second World War. In some degree the agent is even considered a more important person than previously. If for example an importer wants, within the limits of this quota allotment, more of a certain well known mark, he is wholly dependent on the agent. The broad differences in business customs before and after the war will be explained in greater detail in the next chapter. Thus, for instance, correspondence has increased enormously. Whereas before the war contracts were made out in duplicate and two copies were written, anything from five to nine copies are now required for the controlling organs. As to other shipping documents the same trend can be noticed. In Holland chartering and applications for licences are not, as a rule, taken care of by the agent. All chartering is now handled by a central organ called Comité van Houtcargadoors. The buyer generally looks after insurance. Credit on the Dutch market, rare before the war, is at present wholly unknown, since everything is paid in cash. On the other hand the payments are not made through the agent, as was the case before the war, but instead the documents are sent through a bank, unless advance payment has been received. Commission is deducted from the shipping invoice, and collected from the buyer. Claims have been rare since the war, but in 1948 a tendency toward an increase was noted.

Belgium.

About $\frac{1}{6}$ of the entire land area of Belgium is wooded. The domestic forests, however, do not nearly suffice to meet the demand for timber and products of the forest industry. Large tracts of woodland have also suffered considerable damage during the two world wars. As late as the final offen-

sive of the recent war the best forests in Belgium were so badly damaged by metal fragments that a great deal of timber had to be cut down later on. This circumstance among other things has influenced the level of imports during the early post-war years, because the Belgian sawmilling industry has had an unusually abundant supply of logs from the country itself. In addition to sawmills working with home-grown raw material, there are some mills in Belgium occupied with the sawing of logs imported from northern Europe and Belgian Congo.

As early as in the nineteen-twenties Belgian timber trade were organized in such a manner that the importers formed an association of their own called Syndicat des Importateurs de Bois de Nord en Belgique (the Syndicate of Belgian Importers of Northern Timber). This Association was founded in 1925. Its purpose was, to the best of its ability, to protect the timber trade against persons lacking experience in this field, to watch over members' interests during the conclusion of contracts, to stabilize business customs, etc. The ordinary members of the Association numbered 28, and one firm was officially accepted as importer although it stayed outside the Association. This Association, it seems, tried to obtain a monopolistic position in relation to timber imports. Thus new members were not accepted in spite of the fact that new importers appeared from year to year.¹ When, in addition, some of the members of the Association later left it, a separate group of independent importers grew up. Among others these importers had considerable business connections with Finland and Sweden. Such a situation finally became untenable, and at the beginning of 1930 the Association was dissolved. After that, the Belgian importers did not have any co-ordinating body for eleven years.

At the time the importers joined together, the Belgian agents also formed an association of their own called Union des Agents en Bois (the Union of Timber Agents), which soon embraced all the agents of any importance. The agents belonging to this Association had pledged themselves not to sell timber through anyone but the members of the import association, or importers accepted by it. On the other hand there was no restriction as to sellers, and the agents were able to represent any shippers. During its life-time membership of the Association numbered about 26, 13 firms working in Brussels, 8 in Antwerp, 1 in Gand and 4 in Paris. A few of the members had specialized in American timber, but most of them handled chiefly Swedish and Finnish goods. After 1930 Russian imports,

¹ Compare Brommels 1931 p. 34.

then growing rapidly, were dealt with collectively by 3 agencies in Brussels. The fact that the Association had 4 agents active in Paris serves to show the rather slight initiative and weak spirit of enterprise of the French over business abroad. In addition to the organized agents there were some outsiders who did business with importers not officially acknowledged. When the import association was dissolved in 1930, some of the most important members of the agents' association also left, so that, in effect, it lost its significance. It seems that no official winding-up ever happened.

When the Germans occupied Belgium, the situation developed to some extent similarly to that in Holland. The Germans enacted that there should be central organizations in all branches of industry which would be in contact with the occupation authorities for negotiations and for the issuing of orders. And so in 1941 Office Central du Bois (the Central Timber Office) was founded — a body which divides the timber quotas among the importers.¹ The allotment was based on imports between 1930—1939, so that the year showing the biggest imports was taken into account. The same year the importers founded a new association Consortium d'Importateurs de Bois du Nord et d'Amerique (the Union of Importers of Northern and American Timber). This new import association numbers at present (1949) 37 ordinary members, and two firms are officially accepted as importers, although they do not belong to it. Not less than 22 of these 37 members work in Antwerp. As is seen from the number of members, all of the more important importers have joined the new Association, and the earlier division into accepted and non-accepted importers was thus avoided.

Where agency interests were concerned, Union Professionnelle des Agents en Bois de Belgique (the Union of Professional Timber Agents in Belgium) — in abbreviation UNAG —, was founded, and all the agents of any importance joined it. The following excerpt from its statutes throws light on its aims and activity.

Statutes of the Union of Professional Timber Agents
in Belgium.

- Art. 3. The object of the Union is to study, protect, and develop the general, professional, and corporate interests of its members.
- Art. 4. The Union can organize sections. It has actually established four sections, viz.:
- a) the Section for Whitewood and Redwood, and any other kind of softwood, the nature of which admits of similar usage to that of whitewood and redwood, from any foreign country;

¹ Compare Echo des Bois, l' 1941 12. 1. p 2.

- b) the Hardwood Section covering any kind of wood from a foreign country except those under a);
 - c) the Round Timber Section for any redwood and whitewood imported in the form of round timber;
 - d) the Plywood Section for any class of plywood panels, hardboard and insulation board, panels, and veneers.
- Each of these sections works out internal regulations for its work, and elects a committee among its members.
- — — — —

Art. 7. In order to become a member of the Union one should be:

- a) 1) at least 21 years of age;
 - 2) entered in the Commercial Register of Belgium;
 - 3) widely known to have carried on the trade of timber agent for foreign wood in Belgium for at least three years;
 - b) Belgian companies can be accepted as members of the Union
 - c) Members should limit their activities exclusively to the role of an intermediary between the sellers abroad and the importers in Belgium, and refrain from all operations in the wood business. They can also under the same conditions serve as intermediaries between Belgian sellers and importers abroad and in Belgium;
 - d) Members who receive consignments should offer them in the first place to importers. In case the importers refuse to buy, members are free to dispose of the goods to the best advantage of their principals. The sales of consigned goods should be made in such a manner as to remain strictly operations by intermediaries; remuneration should not exceed the rate of a normal commission.
- — — — —

Art. 11. The following can be excluded from the Union:

- 1) bankrupts;
 - 2) those guilty of a severe breach of order against the rules of the Union;
 - 3) those guilty of a serious breach in commercial integrity;
 - 4) those having incurred a condemnation throwing a slur upon their honour.
- In these four cases decision of the Board of directors is supreme once it has called the interested party to present his defence or justification to the Board of directors assembled for that purpose.
- Any member has the right to withdraw from the Union at any time. Resignations to be sent in must be addressed in writ to the President of the Union. Any member, being more than two months late in paying his subscription, will be looked upon as having resigned. Members having resigned, or been excluded lose all rights to the advantages of the Union.
- — — — —

The Association has an executive organ composed of a chairman, a vice-chairman, a secretary-treasurer, and four members. The Board of directors is elected so as to represent the four sections of the Association as equally as possible. The elections take place at the annual meeting in Ja-

nuary, and the members are elected for a period of four years at a time. At the annual meeting each member of the Association has the right of one vote, and simple preponderance of votes decides the matter at issue. Every second year half of the Board of directors must be renewed. The posts of directors are not salaried, but a separate remuneration can be paid to the secretary, in case the annual meeting so decides. The Board of directors handles all administrative and current matters. The members' fee is fixed at the annual meeting, and is the same for all the members irrespective of the group or groups of timber that a member represents. The annual fee has of late been frs. 250. —.

The members numbered 30 in 1949. Of these 10 are mostly busy importing hardwood from the United States of America. Three of the agencies are wholly occupied in handling plywood products, while one agent has specialized in timber from Poland. Agency work concerned with different kinds of timber from northern Europe is the chief interest of all the others. The business centres of the agents are given below.

Brussels	16 agencies
Antwerp	10 »
Gand	1 »
Brasschaet	1 »
Woluwé-St-Pierre	1 »
Woluwé-St-Lambert	1 »
<hr/>	
Total 30 agencies	

As is seen from this list, Brussels is the principal centre for the agents, Antwerp coming second, while the order is reversed in respect of the importers. Not more than one of the members of the Association is now active in Paris.

Since the period of occupation Belgium has, as is known, endeavoured to re-establish the greatest possible freedom in all spheres of industry. Thus one finds that timber imports follow, broadly speaking their pre-war course. The only real difference lies in the allotment of quotas and the granting of licences. Where the quota for a certain country has not been exceeded, licence procedure is distinguished by the smallest possible bureaucratic delay, and the licence can then be obtained within 24 hours of application. The importing, as well as the agent association, have been considered appropriate to retain, but they exist now on an absolutely voluntary basis. Efforts to by-pass the agents have not been noticed in the North European markets, but have certainly occurred in trade with certain East European countries. Discounts were not applied during the

first year after the conclusion of peace, but have now been made use of again. Claims likewise were almost unknown phenomena until 1948.

Denmark.

The forest industry in Denmark cannot, even approximately, satisfy the domestic consumption. The total number of sawmills is about 450, spread all over the country. They represent all groups up to an annual capacity of 3 000 stds. Due to the lack of raw material there is scarcely any possibility of increasing the domestic production.¹ It is evident, therefore that further extension must be based on imported logs. In order to balance domestic timber consumption Denmark imported 155 000 stds sawn timber in 1938, and in 1949 the corresponding import was 154 000 stds.

The importers taking care of the timber trade can be divided in two principal groups. First there are the wholesale importers, who occupy themselves solely with importation of large parcels of timber, and sell these to the so called stock-holding importers. Thus the wholesale importers do not have any connection with the consumers. The other group consists of the stock-holding importers, who carry on the sale of imported goods direct to the consumers. These operators import goods to a smaller extent themselves, but buy principally from the wholesalers. The large stock-holders, however, often carry on a wholesale business of their own. In accordance with this division of the trade the two importing groups formed separate branch associations, but there was no connecting link until the outbreak of the second World War. When, however, the import difficulties of war-time started, Trælastbranchens Sekretariat (the Secretariat of the Timber Branch) was founded in 1942. Its purpose is seen from § 1 of its statutes.

§ 1.

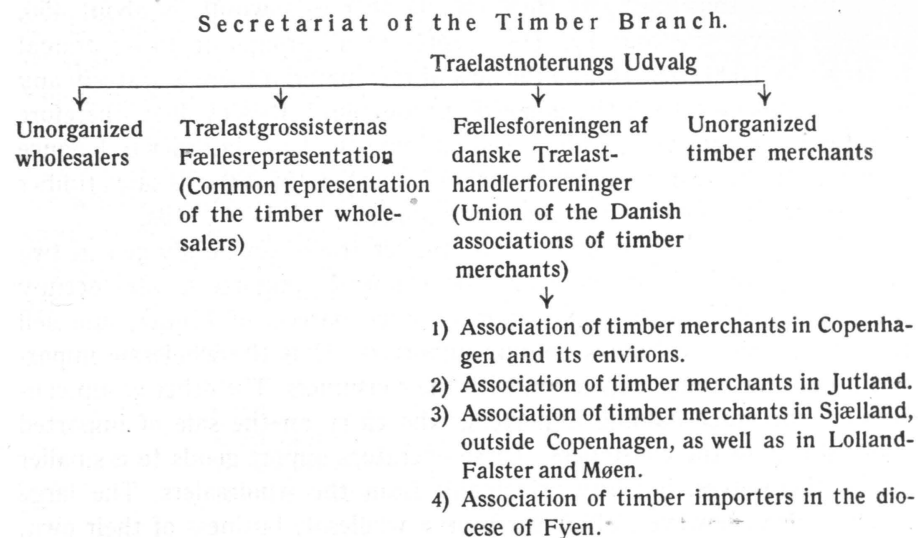
The purpose of the Secretariat of the Timber Branch is to be an administrative federation for its members, and to be an intermediary in negotiations between the official authorities and the members on certain occasions determined by the branch associations.

Copenhagen is the domicile of the Secretariat of the Timber Branch.

The Secretariat is a federation founded by the timber merchants themselves and in no sense an organ of the state; nor has the Secretariat anything to do with direct purchases. Besides watching the general inte-

¹ Compare Runeberg 1947 p. 67.

rests of the branch and negotiating with the authorities, the Secretariat has to calculate the import prices and to keep statistics concerning the entire timber trade. In professional circles in Denmark it is considered probable that the Secretariat will remain, so long as the clearing system constitutes the basis of the trade between different countries. The structure of the Secretariat is seen from the schematic representation below.



As will be seen the wholesalers and timber merchants, who remain outside the ordinary branch associations, also take part in the Secretariat, as far as the work done by it concerns their activities.

In addition to this Secretariat there is another Federation consisting of three sub-associations representing the hardwood and plywood importing trades. These associations are: Sektionen for Oversøisk & Hårdtræ (the Section Transocean and Hardwood), Dansk Træhandlerforening (the Danish Timber Merchants' Association) and Foreningen af Krydsfinerimportører (the Plywood Importers' Association).

The Danish timber agents are organized as sections of Danske Importagenters Forening (the Danish Import Agents' Association), which includes all the agents, irrespective of the branch in which they are active. Membership is wholly voluntary, and there has not been any interference from the side of the state, either in time of peace or during the occupation period. The section of the agents handling imports of softwood is called Trælast-Sektionen (the Timber Cargoes Section), and was founded in 1917.

Thus its members are simultaneously members of the Danish Import Agents' Association and pay their membership fees to both of them. The Board of directors consists of a chairman, a vice-chairman and a member; all the posts are unsalaried. Membership has been rather small, and at present (1949) comprises only 6 firms. Copenhagen is the centre of activity for all of them. Some less important agents remain outside the Section. In addition to the Section catering for agents dealing in softwood, there is another agents' association called Krydsfiner- og Wallboard-Sektionen (the Plywood and Wallboard Section). As the name indicates, the members of this section act as intermediaries for plywood and wood fibreboards. The number of members is 6, since all the members of the Timber Cargoes Section are also members of the Plywood and Wallboard Section.

The division between importers and agents does not seem to be as clearly defined as in many other countries. Indeed, it is not unusual for an agent to be accepted at one and the same time as an importer. All the importers have a certain import quota dependent on imports before the war. In most recent years some large importers have also started agencies of their own, importing widely different species of goods. The firms who are attached to the above mentioned agents' associations are, however, pure middlemen without any quota allotment.

Analysis of the timber agencies active in the Finnish trade and the objects of their work.

Although the activities of the Timber Agents' Federation of Finland were of comparatively short duration, the fact that it came into existence made it possible for the first time to survey some points in connection with the operations of the domestic timber agents. The following collocation gives an idea of their distribution in the country.

Table 8. The timber agents' domicile in Finland in 1947.

Suomen puuasiamiesten kotipaikat v. 1947.

Helsinki	98 agencies
Turku	7 »
Vaasa	5 »
Pori	1 »
Lahti	1 »
Kuopio	1 »
Kokkola	1 »
Imatra	1 »
Ykspihlaja	1 »
Total 116 agencies	

As seen the agents are to an overwhelming majority domiciled in Helsinki. This circumstance seems to be less advantageous. The costs of labour, rents, etc. are certainly higher in Helsinki than in other parts of the country. There are now scarcely any direct advantages in agency activity being tied to the capital, since modern means of communication are to be found everywhere. Partly the heavy concentration in Helsinki must be looked upon against the background of the loss of Viipuri, formerly the chief port for timber exports. It is probable that the Viipuri agents moved over to the capital more or less in a body. There were 15 timber firms in Viipuri in 1939. About half of this number were active as agents.

It can also be of interest to find out which business form the agents themselves prefer. The collocation below gives an idea of this.

	Number of concerns
Joint-stock companies	69
Partnerships	12
Limited companies	2
Individually owned firms	31
Associations	2

As seen, the joint-stock company is the most popular form of enterprise. In it wide personal liability is avoided, since the shareholders do not risk more than the joint capital. The joint-stock company may also in the long run be better favoured from the standpoint of taxation. Double taxation of dividends is certainly a less usual occurrence in agency joint-stock companies where the profits can be adjusted through the list of salaries. The form of a commercial company has chiefly been used when two persons in partnership have decided to found a concern. The only difference in comparison with the registering of a firm is the fact that the partners conjointly are responsible for the concern. On the other hand it is surprising that the limited company should be so totally overlooked by the timber agents. This form should combine the limited liability with other advantages offered by the joint-stock company.

Of the agents 31 have been satisfied with the simple registration of their firms. Among these 31 there are five calling their firms »forest agency» and one with the designation »sales-office». A firm offers in the first place a simpler procedure at the outset. Its liberty of action later on is not restricted by shareholders' meetings, nor by meetings of a Board of directors. Formerly such a firm was not even obliged to keep books. A considerable drawback on the other hand is the fact that the agent is responsible for the firm with the whole of his personal fortune. Besides, a company, generally speaking, gives the impression of being more stable.

The two associations carrying on agency activity have been founded by timber house manufacturers and devote themselves exclusively to the sale of this product.

In order to get an idea of the years, when the various concerns were founded, the following table has been arranged.

Table 9. Foundation dates of Finnish agencies.¹
Suomen puuasiamiesyrityksien perustamisvuodet.

Year Vuosi	Joint-stock companies Osakeyhtiöt	Partner- ships Kauppa- yhtiöt	Limited companies Komman- dittiyhtiöt	Firms Toiminimet	Associations Yhdistykset	Total number Yhteensä
1911	1	—	—	—	—	1
1914	—	—	—	1	—	1
1915	—	—	—	1	—	1
1917	1	—	—	—	—	1
1919	1	—	—	—	—	1
1920	1	—	—	1	—	2
1921	1	—	—	—	—	1
1922	—	—	—	1	—	1
1923	3	1	—	—	—	4
1925	1	—	—	1	—	2
1926	1	—	—	—	—	1
1927	1	—	—	—	—	1
1928	2	1	—	—	—	3
1929	—	1	—	1	—	2
1930	1	—	—	1	—	2
1931	1	1	—	1	—	3
1932	1	—	—	—	—	1
1933	3	—	—	—	—	3
1935	3	—	—	2	—	5
1936	2	—	—	1	—	3
1937	1	—	—	3	—	4
1938	4	—	—	1	—	5
1939	1	—	—	—	—	1
1940	4	—	—	2	—	6
1941	2	—	—	—	—	2
1942	2	—	1	—	—	3
1943	6	—	—	—	1	7
1944	4	1	—	—	—	5
1945	14	4	—	2	1	21
1946	4	3	—	10	—	17
1947	3	—	1	—	—	4
	69	12	2	29	2	114

¹ The date, when the Articles of a company were confirmed, is considered to be the year of foundation.

The table is built on records collected from the Commercial Register. Two of the firms given on the members list of the Timber Agents' Federation of Finland, however, have not been found in the register; nor does it appear from the records to what extent older concerns have been reformed and registered anew. As will be seen, the agencies active at present are mostly of recent date. Only 22 of them existed before 1930. The founding of new concerns was somewhat livelier during the nineteen-thirties, when 27 new agencies appeared, but not until the present decade have all the earlier proportions been displaced. The fact that 65 new concerns were founded in the nineteen-forties, 38 of them in 1945 and 1946 alone, shows that about half of all the active agencies have been founded more or less speculatively in the hope of exploiting post-war conditions. The above records do not therefore give an impression of great stability among Finnish agency firms. Among the firms involved, in two cases only the owners are the subject of a foreign country whereas in one company the Board of directors consists partly of foreign subjects. The majority of the remaining companies have stipulated in the Articles that a maximum of $\frac{1}{5}$ of the shares may belong to foreign subjects, in accordance with the Law passed in 1939. Foreign infiltration in the Finnish timber agencies consequently seems to be rather insignificant. It is, however, impossible to determine to what an extent this may be the case through nominees.

A further analysis of the table shows that the joint-stock company type gained steadily in popularity up to and including the year 1945, when not less than 14 of a total of 21 agencies were founded as joint-stock companies. In 1946, however, the proportions were completely reversed. Only 4 of the 17 newly established concerns were joint-stock companies. This fact must without doubt be attributed to taxation-technical and social causes. The second property transfer tax hit the companies severely, not least on account of the stipulated obligation to transfer shares. Plans concerning socialization were also in the foreground. Hence confidence in the joint-stock type of company was shaken. Surprisingly enough as early as 1947 a regression seems to have occurred.

It is not an easy task to collect material concerning the resources that the timber agents have at their disposal. However, the situation is to a certain extent illustrated by the following table giving the amount of the joint capital of those concerns which work as joint-stock companies.

The total joint capital does not amount to more than 68 million marks. Not less than 38 companies have a joint capital below or touching 300 000 marks. Bearing in mind the keen post-war activity in starting up

Table 10. The joint capital of the agencies.

Asiamiesosakeyhtiöiden osakepääoman suuruus.

Finnmarks mk	Number of companies Yhtiöiden lukumäärä
15 000— 50 000	7
51 000—100 000	13
101 000—200 000	6
201 000—300 000	12
301 000—400 000	4
500 000	3
600 000	2
800 000	1
900 000	1
1 000 000	10
1 500 000	2
2 000 000	3
3 000 000	2
5 000 000	1
10 000 000	1
16 200 000	1
Total	67 930 000
	69

new concerns, this was, it is true, to be expected, but certainly must hamper operations considerably. Generally the companies possessing a somewhat larger joint capital also carry on other business, and for them agency work may be only a side-line. Evidently the real agency concerns nearly all fall within the 300 000 marks limit. Since to the capital of their own must be attributed a certain value as a measure of the assets of the companies concerned, one can establish that the Finnish timber agents do not seem to possess anything like the economic background necessary for their activities.

A further analysis of the agency concerns indicates that generally speaking they carry on combined activity to a large extent, at least so far as their functions may be judged from the Commercial Register. The following collocation shows the different spheres which the concerns combine with their agency work.

Naturally the fact that a concern has reserved for itself a rather extensive business field does not mean that all forms of activity would be carried out in practice. From the collocation it is nonetheless evident that about half the total number of concerns conduct agency work only as a side-line. A common annotation in the Commercial Register is that the purpose

	Number of concerns
Timber agencies	16
Timber and other agencies	9
Timber and commission agencies	2
Timber agency and measuring activity	5
Timber agency, forwarding and shipping	4
Agents and wholesalers	4
Agents and commerce	11
Forest agencies	5
Commerce, importation, exportation and agency work, chiefly in timber	27
Commerce, importation, exportation and agency work involving all lawful goods.....	27

of the concern is »to carry on timber trade, mediation, forwarding and any business activity connected with it», or »to carry on timber trade, manufacture, mediation and export». During certain years such concerns can stand aloof from the agency business, and then again sporadically devote themselves to it. Only 16 concerns cite timber agency duties as their principal activity, while 9 more concerns carry on as full time agents. Some of the concerns engaged in importing and exporting a range of general commodities have specially indicated that in order to avoid conflict with agency activity, they do not export timber.

It is a very delicate task to obtain information concerning the economic results of the timber agents' activities. It is certain that private initiative and a spirit of enterprise are the decisive factors in shaping the fortunes of individual concerns. It is a known fact that a few well favoured agencies in the nineteen-twenties and 'thirties attained a very considerable income.

In order to obtain an idea of the sums the agents in Finland annually touched in commission the following calculation has been made:

in 1948	120 000 stds ¹
average price £ 40 per stds	£ 4 800 000
of which 1—1 ¼ %	
commission	£ 48 000—60 000

Since the domestic agents touched between 1 and 1 ¼ % the gross commissions amounted to about £ 55 000. Distributed between 55 agents handling sawn timber it makes an average yearly income of £ 1 000.

¹ Compare p. 25.

Since this is a gross income, from which considerable deductions must of course be made, it seems as if the agent's profession were not a very paying business. Naturally in practice a few firms have negotiated more in proportion than the others. It is a fact that in 1948 four concerns mediated a total of almost the half of the abovementioned quantity, so that the average income of the others must have been about £ 500. On the other hand this is only the commission for sawn timber. Naturally considerable quantities of other wood products handled can improve the result of the year. If one calculates that 150 000 stds a year are at the disposal of the domestic agents, and that one agent has to deal with at least 5 000 stds in order to gain a sufficient income, 30 agents would be an appropriate number where sawn timber is concerned.

The timber agents act as intermediaries for many different kinds of timber, although, generally speaking, they specialize in only one or a few products. The Timber Agents' Federation of Finland kept the following groups apart:

Round timber	Plywood
Hewn timber	Building boards
Cleft timber	Timber houses
Firewood	Building and other joinery products
Sawn timber	Charcoal
Wooden vessels	Wood tar. ¹

A further specialized division is to be found in the mercantile calendar of the Finnish Foreign Trade Association.¹ It differentiates between not less than 44 groups, as follows:

Birch-bark, chip, shingle and root articles	Cleft timber
Birch blocks	Decorative objects
Birch blocks, curly and flamy	Domestic industry products
Birch deals	Firewood
Birch, knotty-curly	Frames and frame lists
Birch logs	Furniture
Birch parquet	Hewn timber
Birch squares	Household articles
Blotters	Intarsia boards
Boxboards and boxes	Joinery goods: doors, windows, etc.
Broom handles	Models
Bucksaw ends	Moulds
Building and Insulating boards	Piles
Charcoal	Plywood and veneer

¹ Finnish Foreign Trade Directory 1947 p. 346.

Plywood for aeroplanes	Serially produced wooden goods
Plywood boats	Tools and tool handles
Plywood products	Toys
Plywood tents	Turned wooden articles
Poles (telegraph-)	Wood constructions
Prefabricated timber houses	Wood fibre boards (masonite)
Round timber, pitprops, and pulpwood	Wooden vessels
Sawn wood goods	Wood tar.

Looking at the number of agents handling the respective products the following table is obtained:

Round timber	}	57
Hewn timber		
Cleft timber		
Firewood		17
Sawn timber		55
Wooden vessels		24
Plywood		51
Building boards		29
Timber houses		6
Building and other joinery products		83
Charcoal		16
Wood tar		22

The total is 360, which shows that most of the agents were accepted as intermediaries of several different groups. A usual combination was for instance sawn timber, plywood, building and other joinery products. It is relatively rare that an agent specializes in one product only, or in a group of articles. From the membership list of the Timber Agents' Federation of Finland we find only the following instances:

Building and other joinery products	15
Round, hewn, and cleft timber	4
Sawn timber	2
Wood tar	1
Stacked wood	1

Agency activity differs according to the product mediated, although many of the principal features are similar for them all. Of the products previously enumerated, sawn timber and round timber formed the largest export group, amounting during the last decade to an average value of more than 40 % of the entire exports of the country. As far as a detailed

description is in question, we shall, therefore, content ourselves with the one concerning sawn timber. This treatment is adopted, partly because the sawn timber group is the most important, and partly because a scrutiny of all the groups would be too extensive. The following table gives an idea of the exports of sawn timber before the second World War and between 1945—1949.¹

Table 11. Finland's exports of sawn softwood to different countries.
Suomen havu-uusahatavaran vienti eri maihin.

	1938		1939		1945		1946		1947		1948		1949	
	1000 stds	%	1000 stds	%	1000 stds	%	1000 stds	%	1000 stds	%	1000 stds	%	1000 stds	%
The United Kingdom and Ireland	467.8	54.9	304.8	43.6	66.3	31.0	106.6	32.2	198.1	44.5	171.1	35.0	247.2	40.9
Germany	112.0	13.1	110.9	15.9	—	—	—	—	—	0.1	—	—	22.4	3.7
Holland	76.8	9.0	112.7	16.1	1.8	0.9	10.4	3.1	17.4	3.9	59.4	12.2	100.0	16.5
Denmark	53.2	6.2	55.4	7.9	7.1	3.3	54.4	16.4	36.8	8.3	58.7	12.0	78.3	13.0
Belgium	49.1	5.8	49.5	7.1	—	—	10.9	3.3	22.6	5.1	28.0	5.7	26.1	4.3
Sweden	17.9	2.1	12.7	1.8	19.6	9.2	32.1	9.7	28.0	6.3	16.9	3.5	14.8	2.4
France	9.6	1.1	3.6	0.5	—	—	3.6	1.1	10.5	2.3	10.4	2.1	10.1	1.7
Greece	1.8	0.2	2.8	0.4	—	—	—	—	3.4	0.7	5.1	1.1	4.7	0.8
Italy	0.4	—	0.3	—	—	—	0.1	—	0.3	—	0.4	—	0.9	0.2
Norway	0.1	—	0.1	—	—	—	4.2	1.3	4.8	1.1	0.7	0.1	1.2	0.2
Switzerland	—	—	—	—	—	—	5.0	1.5	3.0	0.7	1.3	0.3	—	—
Soviet Union	—	—	—	—	119.0 ¹	55.6	79.8 ¹	24.0	88.9	20.0	95.4	19.5	60.7	10.0
Other European	1.6	0.2	0.2	—	—	—	2.5	0.8	2.3	0.5	11.7	2.4	7.3	1.2
South Africa	41.0	4.8	30.3	4.3	—	—	14.2	4.3	11.3	2.5	12.9	2.7	8.3	1.4
Port. East Africa	10.2	1.2	8.4	1.2	—	—	3.9	1.2	2.3	0.5	0.7	0.1	—	—
Egypt	2.1	0.3	2.8	0.4	—	—	1.0	0.3	7.4	1.7	6.7	1.4	11.6	1.9
T. Canaries	2.1	0.3	1.4	0.2	—	—	—	—	—	—	0.6	0.1	0.3	—
Other non-European	6.4	0.8	4.2	0.6	—	—	2.8	0.8	8.3	1.9	8.5	1.8	11.0	1.8
Total	852.3	100	699.9	100	213.8	100	331.5	100	445.1	100	488.5	100	604.9	100
					¹ and goods restituted	83.2		27.4						

The exports are distributed over many different qualities as seen from the following table.²

¹ Tullihallituksen tilastotoimisto.

² Tullihallituksen tilastotoimisto.

Table 12. Finland's total exports of sawn timber.
Suomen sahatavaran kokonaisvienti.

	1938	1939	1945	1946	1947	1948	1949
Spars, sleepers	1.0	0.2	—	0.4	5.2	0.6	2.7
Deals	54.7	29.0	16.8	15.6	20.0	24.8	29.0
Battens	279.9	248.9	109.5	139.5	210.9	215.9	258.0
Boards	374.5	289.2	78.5	133.1	167.8	205.6	265.3
Split timber	5.8	2.6	1.6	4.9	4.8	4.1	3.9
Wallboards	—	4.0	—	—	—	0.1	—
Staves	9.7	6.1	0.5	11.4	5.9	6.6	7.5
Other sawn slatings, sticks, etc. . .	28.4	33.2	6.8	17.3	18.4	20.1	25.6
Total sawn exc. boxboards	754.0	613.3	213.6	322.2	432.9	477.8	592.0
Planed exc. boxboards	40.2	35.3	0.2	2.4	2.4	4.4	4.1
Boxboards	58.0	51.3	—	7.9	9.8	6.3	8.8
Total softwood	852.3	699.9	213.8	331.5	445.1	488.5	604.9
Hardwood	9.2	2.3	0.3	1.0	8.7	5.4	3.0

The countries to which the exports are directed depend to a great extent on the agent, since it is he who examines the sales possibilities on the different markets. For instance the comparatively large exports from Finland to South Africa can be looked upon as almost entirely the result of negotiations carried out by the United Kingdom agents. Generally speaking, the point is to get the right buyer in connection with the right seller. Sales methods for sawn timber in the nineteen-twenties and 'thirties were principally as follows.

The domestic agents travelled abroad every year and visited the most important markets, while the foreign agencies sent their representatives to Finland once or twice annually. Sales often began as early as August and September with a view to delivery during the shipping period of the following year. In the nineteen-twenties small contracts were closed as early as the spring for delivery in the following year.¹ Contracts were made according to the specifications from the sawmills. The first specifications of the season, generally issued late in the autumn, were the most important since they contained an approximate list of quantities and sizes expected to be in stock, ready to be shipped at first open water. Later in the season the producer often had to make changes in his sawing programme. The agent was bound to follow the alterations in such a specification all along

¹ Compare Finska Sägverksägareföreningen 1927 p. 15.

as the sales advanced, until it was withdrawn in order to be filled with new quantities of goods. The shipper usually conferred with his agent when making up the specifications. Thus not infrequently larger producers called their foreign agents to common conferences with the sales management in order to get an idea about prices. The specifications provided with price quotations formed a first basis for prices during the coming season.

So far as the agent did not travel himself, offers were transmitted by post and telegraph. A typical telegraphic offer contained the following statements: specification, shipping term, port of shipment, fob or cif, prices, discount and agent's commission. Where buyer and seller agreed as to price, a specified bill of sale was written, the agent continually keeping in touch with the respective parties in order to agree about all the details. The bill of sale was usually made out by the foreign agent. In the case of cif sales the transportation had to be arranged in its turn. The agent asked for offers from different shipowners' representatives in order to obtain the necessary cargo space. Freight arranged and loading finished, the shipper's stevedore wrote out the bill of lading and sent it to the agent. Furthermore, before the cargo left, the stevedore had to fill in the customs declaration concerning the value and weight of the cargo. Insurance was generally taken care of by the shipper, the insurance amounting to the fob value of the goods plus 10 % margin. After this the agent wrote out the invoice which, together with the bill of lading and the insurance policy, constituted the »shipping documents». These were sent through a bank to the buyer. In some cases the shipper made out the invoice himself.

In the manner of arranging payment the foreign agent often had to fill an important function. Terms of payment on the more important markets were: 3 or 4 months, or 2—2½ % discount for cash. If the shipper had agreed to sell on credit, the agent answered for the buyer's ability to pay. On the British market it was usual for the agent to pay the invoice amount out of his own pocket to the shipper. In practice this was done so that the shipper made out a draft on the agent, usually in such a manner that the agent had six days' grace after receipt of the shipping documents in which to honour it. The draft was written for the invoice amount after deducting commission, del credere, and discount. The agent usually had to wait 3—4 months, before the drafts, which he had made on the importers, were honoured. Some importing concerns with considerable financial resources paid cash, but these were exceptions. This system of payment meant a great deal to the financial position of the agent. Smaller

agencies without substantial means of their own, might have to face difficulties in handling the larger timber contracts, since a couple of more important deals might tie up all their resources for months to come, and there was nothing to be done but to wait until the acceptances of the importers had been honoured.

When the domestic agent had received payment, he ordered his bank to transfer it to the shipper, or else he also took care of this detail himself. He deducted his own share immediately or received it later from the shipper.

The commission was usually 5—6 %, including 2½ % discount, and ½ % del credere. Consequently 2—3 % remained as pure agency commission. The del credere and the agent's commission were determined in casu by buyer and seller. The del credere liability was generally considered to have begun as soon as one of the acceptances of the buyer had fallen due. British and Belgian timber circles, however, asserted that the seller should at first try all means in order to force the buyer to pay. Not until it was established, that the buyer was insolvent, should the agent intervene. The del credere liability was restricted to comprise the payment, but did not embrace the liability of the buyer refusing to accept the cargo.¹ If he preferred it, the agent was able to cover the risk taken over through the del credere agreement by credit insurance with an insurance concern carrying on such business. The insurance premium, nevertheless, exceeded the del credere commission, so that the agent had recourse to such means only in particularly doubtful cases.

In cases where a domestic as well as a foreign agent had taken part in the sales work, the question of how the sales commission had to be divided arose. On some markets it was halved, but more often the domestic agent had to content himself with the smaller share. This was particularly the case in the United Kingdom and Belgium. This circumstance seems to have worried the domestic agents a long time, because they considered the burden of their work as heavy as that of their foreign colleagues. Still, it should be noted that as long as the foreign agents took part in financing the production to an appreciable extent, it must be considered just that they received a bigger share. As far as the Timber Agents' Federation of Finland had time to occupy itself with the question, it recommended that the commission generally should be halved, and that the Finnish agents should

¹ Compare Olin 1933 p. 209.

not under any conditions content themselves with a smaller share than $1\frac{1}{4}\%$, if the total commission was 3%.

In the event of a claim, the work of the agent was further increased. He had to take care of his principal's interests, a task which could be very onerous. Therefore, the agent of the importing country was often present when a ship arrived, in order to obtain an idea of the condition of the cargo. In cases where the buyer made a claim, the agent inspected the cargo, and reported whether the claim could be considered justified, and, if so, made a proposition for settlement. The arrangement proposed by the agent was almost always adhered to, since arbitration is expensive for all concerned.

The commercial customs described above had crystallized by degrees and, broadly speaking, were predominant in the nineteen-twenties and 'thirties. The slight differences occurring, dependent on different markets and on trade conditions, are devoid of more general interest, and would scarcely be of value for this investigation.

When war broke out in 1939 the activities of the agents were greatly paralyzed. As early as 1940 the total exports of sawn timber from Finland did not amount to more than 200 000 stds, divided among not more than three countries, viz. Germany, Holland and Belgium. Connections with the United Kingdom and many other countries were broken for a period of five years. This period brought about fundamental changes in the economic and political structure of Finland as well as of the most important importing countries. So far it is impossible to judge to what extent the position of the timber agents and the selling methods have undergone lasting alterations. In February 1945 the first British post-war timber delegation arrived in Finland for negotiations. At the request of the British negotiators some exceedingly interesting clauses were inserted in the agreement reached. Among other things it was established that every shipper should choose an agent in the United Kingdom irrespective of his selling direct or through a Finnish sub-agent. Further, an exporter was not allowed to change a pre-war agent except with the permission of the British Timber Control and the Finnish Sawmill Owners' Association. During the negotiations it became evident that endeavours were made generally to retain pre-war business customs as for example contract forms, commissions, etc.¹

However, these efforts to return to pre-war customs in the sphere of

¹ Compare TTJ 1946 3. 2. p. 825 and Finska Sågverksägareföreningen 1946 p. 10.

the timber trade, could be realized only to a limited extent. The outward framework of international trade showed in some directions altogether new characteristics. By detailed agreements with different governments, the quantities to be exported to the respective countries are fixed. Since the commercial agreements are made on a reasonably long term basis, and the negotiations are not often opened until the last moment for the coming term, sales nowadays do not really start until early part of the spring. For instance, in the negotiations with the United Kingdom in 1946 the final agreement covering deliveries, was not signed until April 29th. When, later in the year, an additional part of the production could be reserved for export, since outstanding deliveries to the Soviet Union had been cancelled, an agreement for delivery of a further 40 000 stds during the same year was signed in September. Other markets also showed similar characteristics. At the end of April an agreement was made with Denmark, and an additional agreement in August. On the Dutch market sales in 1947 did not really start until the beginning of May. Apart from the delay in negotiations, lack of tonnage also detained deliveries.¹ Such a situation is necessarily very agitating to the nerves of shippers and agents. There is now a tendency to enter into negotiations at least at the turn of the year.

Even the question of prices is decided by the state, without the producers or agents being able to influence the decisions to any extent worth mentioning. From the Finnish side such negotiations are carried on by delegates appointed by the Finnish Sawmill Owners' Association after conferring with the commercial-political department of the Ministry for Foreign Affairs. Prices may be wholly dependent on the official importation programme of the importing country.² This was the case for instance in the negotiations with the United Kingdom in 1948, when lower priority than previously had been granted to timber imports, so that Finland had to be satisfied with about 4 pounds a standard less than originally expected. It has not been possible to reserve more than an insignificant part of Finland's annual production for sale under free sales conditions to particular markets³ and payments had then to be made in dollars, Swedish crowns, or Swiss francs.

As to importing countries the United Kingdom, as stated in the last

¹ Compare Serlachius 1946 p. 205.

² Compare TTJ 1947 16. 8. p. 774.

³ 10% in 1947, 15% in 1948.

chapter, stands in a class by itself, because in this case the state takes care of the purchases. The Timber Control, as a department of the British Board of Trade, has to accept a specification before it is handed to the agent in order for him to draw up a purchase contract in conformity with the usual custom. Even in countries where the importers themselves are allowed to close their own contracts, they are wholly dependent on currency grants and on licences. A trade agreement about delivery of a certain article does not necessarily mean that a contract will be fixed up in practice. If the currency situation of the importing country does not develop as calculated, the business may come to nothing.

Procedure over payment now takes quite a different course. As far as Finland is concerned, the lack of foreign currency has been acute ever since the conclusion of peace. On account of this, sales on credit have ceased altogether, and the chief interest has been to obtain payment as soon as possible. On the importers' side endeavours have been made to meet Finnish needs. The Timber Control in the United Kingdom for example grants an advance payment of 50 % on the total fob value against an approximate invoice and a contract, as well as a confirmation from the side of the foreign agent.¹ Formerly such an advance payment was granted even against copy of contract alone.

Thanks to this arrangement, discounts have fallen completely into disuse, since payments are made direct to a bank and no bills of exchange are used. On the Dutch and Belgian markets, where a similar mode of payment was general during the immediate post-war period, discounts have now been reintroduced. Whether or not discounts are employed is of course only a question of price. The del credere charge has also lapsed, since the Timber Control, acting for the British government, has taken over responsibility for payments, and the agent thus stands no credit risk. The importance of the foreign agents in granting credits has ceased at least for the time being, and is unlikely to return as long as these new advance and cash payment tendencies dominate.

The agent's influence by comparison with pre-war standards has decreased in a high degree. He has very little to say at present, but simply carries out set instructions. The work of the agent has been reduced thereby to a certain extent, but on the other hand the control of the trade exercised by state authorities, brings with it an enormous increase in correspondence. As an example it can be mentioned that bills of lading and bills of

¹ Compare Finska Sågverksägareföreningen 1947 p. 11.

sale have now to be made out in about 10 copies so that everyone concerned receives a copy. In addition there are applications for licences and so forth.

It is time to examine what should be required of an agent, besides general, commercial knowledge and knowledge of languages, in order that he should possess the necessary prerequisites for successful agency work. Agents should be well acquainted with the production of the exporting country and his own as well as foreign shippers, if he is to be well informed about the class to which any commodity on offer belongs. Accordingly, he must know the district from which the raw material originates, whether the wood is of joinery or ordinary carcassing quality. He must know the buyers' requirements, and be able to suggest to the shippers the specifications that ought to be sawn, so as to meet different consumer demands without the sawing becoming unprofitable. He should also know the shipping possibilities at the respective ports, the destinations and the loading capacity of the vessels, as well as whether complete or partial hold space is available, and other similar chartering details.

One of the basic prerequisites for successful agency work is an intimate knowledge of the specifications wanted in various countries — if possible district by district. It is also desirable to know the importers who have specific demands as well. The timber market is the most conservative in the world in this respect. For example frame-wood for Greece should be $3\frac{1}{8}'' \times 5''$, for Egypt $2'' \times 6''$, for Palestine $2\frac{1}{2}'' \times 5''$, for Tunisia and Algeria $3'' \times 5''$ and $3'' \times 5\frac{1}{2}''$. In the United Kingdom in its turn some districts prefer redwood, while others, principally Scotland, Liverpool, Manchester, and parts of Ireland prefer whitewood.¹ Furthermore, some sizes wanted in one district do not sell at all in another. Generally speaking, the building industry in London needs large quantities of:

$2'' \times 7''$ u/s redwood,
 $2'' \times 4''$ » » and
 principally $6''$ u/s redwood boards;

the South Coast of England:

$2'' \times 7''$ u/s redwood,
 $2'' \times 4''$ » » and
 principally $7''$ u/s redwood boards;

the Humber district:

¹ Compare Göranson 1946 p. 271.

2" × 7" u/s redwood,
 2" × 6" » »
 2" × 5" » »
 2" × 3" » »
 5" & 5 1/2" u/s redwood boards;

the Liverpool and Manchester districts:

Mostly whitewood for building purposes, with
 6", 5 1/2" and 5" whitewood boards;

some Bristol Channel ports:

6" whitewood boards.

Scottish buyers always ask for whitewood inclusive of 2 1/2" × 6 1/2" u/s whitewood battens, and plane their boards themselves. The Irish buyers chiefly prefer whitewood. Some districts prefer 7", others 4 1/2" wood lines.

On top of these widely varying district requirements, the markets also fluctuate year after year so that for example 3" × 9" is very much in demand one year, while the buyers may be most interested in 2" × 4" the next year.

Besides knowing the peculiarities of different districts and ports the agent must know the importers personally in order to obtain direct information concerning the assortments needed. These requirements are influenced to a certain extent by the industries working in the neighbourhood adjacent to the port of entry. For instance importers on the east coast of England are constantly on the look out for suitable specifications for the large railway and engineering workshops near Derby, Sheffield, Leeds, etc.

The selection of an agent, suitable from the shipper's standpoint may, for argument's sake, often presents difficulties. A foreign agent simultaneously handle timber from the Soviet Union, or may carry on so many other agencies that he is not able sufficiently to work them all. Further, specific inclinations on account of family ties may play their part. It is difficult to say whether it is more favourable for a shipper to be represented by an agent who is strongly engaged, or by one who represents only a few marks. Theoretically one agent undoubtedly is able to turn over considerably greater quantities than one or a few shippers produce. It is also evident that a larger agency with several connections has greater possibilities of becoming a well known concern. During the nineteen-twenties and 'thirties the shipper often did not pay so much attention to the size of the agency as to the financial position of the agent. Theoretically

cally a smaller agency, it is true, is better able to concentrate its sales efforts on the marks it represents. On the other hand it is evident that the procedure practised in the nineteen-twenties, viz. that the shipper offered the same parcel of goods through several agents, is to be deprecated. Without doubt it causes an exaggerated impression of the quantities to be had, while the different agents are able to underbid one another, the buyer alone profiting by this circumstance.

Early in the nineteen-thirties the Finnish shippers seem to have become aware of the drawbacks to this system, for at that time a considerable decrease in offers made through several agents was noticeable. This may have been caused by many sawmills having become heavily dependent on banks co-operating with the Finnish Sawmill Owners' Association, a body which in no way supported casual agency connections.¹

As late as in 1935, however, the Timber Trades Journal writes as follows: ² »One of the worst features of the agency business, especially in the Swedish and Finnish Trade, is the competition among many firms to sell the same goods.» This statement would seem to indicate that the British market was still irritated at this juncture by duplicated offers.

¹ Compare TTJ 1930 25. 10. p. 226.

² TTJ 1935 5. 10. p. 2.

Centralization and other sales possibilities in the Finnish sawmilling industry.

Before being able to take a final stand concerning the importance of the timber agents, there is reason for investigating whether any other sales openings exist within the sawmilling industry. Modern trade has brought forth the following nine forms of timber selling:¹

- 1) sale on commission through a foreign agent
- 2) » on commission through a domestic agent
- 3) » through an organization of one's own abroad
- 4) » direct to a foreign agent
- 5) » direct to a domestic exporter
- 6) » to other sawmills
- 7) » direct to importers abroad
- 8) » through consignments to foreign markets
- 9) » through a common sales organization.

Forms of sale which exclude the agent's function are now of slight importance in the Finnish timber trade. No sales organizations of our own have been built up abroad.² Consignments, which still dominated Finnish timber export trade during the 19th century, are now almost an unknown phenomenon. Direct sales to importers abroad occurred, as established above, to a very small extent during the nineteen-twenties and 'thirties. Post-war development does not show that any of the sales forms listed above may be expected to obtain anything but a weak foot-hold here and there. On the other hand the creation of common sales organizations constitute a form of development, the possibilities of which cannot be judged without closer examination.

Different forms of co-operative selling have existed among smaller groups of sawmills since the nineteen-twenties. At that time small sawmills in some shipping districts started co-operation in such a manner that a

¹ Compare Oxholm 1921 a p. 214.

² Compare the development in Norway p. 38.

common concern was set up and shipments made under one trademark only. The concerns joining in were generally co-operatives, but selling was organized in the form of limited companies. In 1925 the largest concern had 40 sawmills as members. Sales expenditure was covered by the shareholders paying a certain amount per unit sold. Periodically profits or losses were divided according to the same principle. Consequently on broad lines the procedure was similar to that applied by the paper and cellulose associations. Nonetheless, this form of exporting may be looked upon as direct export, since the goods do not pass to the sales concern with full right of possession, but are sold so to say on commission.

The advantages of the abovementioned procedure are evidently considerable. The direction of sales work is more efficient and costs decrease. The shipping mark also becomes better known. Sales activity can, in addition, be combined with technical, advisory consultation, with a resultant improvement in the quality of the goods and an increase in the production of specifications more attractive to the market. Should there be any claims, costs would be divided among all the members and thus the loss would be insignificant.

The fact that these organizations suffered heavy losses on the threshold of the nineteen-thirties must be attributed to the general economic depression rather than to disadvantages of the sales system. It is a fact that a great part of the small sawmill owners who ventured to export by themselves had to stand considerable criticism on account of uncertain deliveries and arbitrary alterations of specifications.¹ But in the United States of America, at least, experience of such co-operation between small sawmills has been favourable, although the mills that joined were mostly dependent on one another through some kind of right of possession.² This form of sales co-operation, however, has been used only by a very restricted number of uniform mills, so small that their appearing separately on foreign markets evidently would be an impossibility.

Three companies of this kind have survived the times of depression and the second World War, developing into rather important concerns. Kaskisten Puutavara Oy and Oy Kaskö Wood Co Ltd are active in Kaskinen and Oy Vienti-Export Ltd in Turku. The work of a concern of this kind is carried on, on broad lines, as follows. In the working centre there is an office with a sales department and a timber yard with space for

¹ Compare for example TTJ 1927 3. 10. p. 689.

² Compare Bryant 1922 p. 382.

stocks. At the sawmills only preliminary sorting is executed; this is followed by a more careful grading at the timber yard. At that point part of the goods is set aside for the home market, and another part sent to be planed or cleft into boxboards. A planing mill and a boxfactory are generally combined with the works of the companies.

As to payment the companies have, as far as possible, granted advances on the basis of an approximate calculation, on receipt of the goods, followed by a final settlement at the turn of the year. In order to carry on the sales the companies maintain direct connexion with foreign agents in all the most important export markets.

The character of such companies' activities seems to vary considerably. There does not seem to be any clear restriction of exports to the production of the member sawmills alone. The number of members changes every year, and non-shareholders are also able to take advantage of the services of the company. Furthermore, the companies buy goods outright to a certain extent. The Turku company is distinctive in that it owns itself a number of sawmills, and, in addition frequently buys outright.¹

It is rather curious that the above form of activity has not gained a wider extension in view of the evident advantages that the sawmill owners at least obtain. The explanation is probably to be found to a certain degree in the heavy capital on which such a company has to count at the outset. The activities of the three companies mentioned show, nonetheless, a relative increase in spite of a decrease in the total number of small sawmills. Kaskö Wood, for example, which exported 15 000 stds on an average before the war, had an export of 10 000 stds in 1947 while the total decrease of production since the peak year (1927) amounts to a good 50 %.

In addition to the co-operative marketing organizations described above there are more or less sporadic associations which came into existence on account of special reasons. The most considerable of such concerns is Suomen Puunvienti Oy (Finnish Wood Export Ltd) founded in 1932.² The company took care of the sales from 13 sawmills of different capacities, representing an annual production of more than 120 000 stds. This concentration became possible through one of the large banks having engaged in financing the concerns, in reality to such a degree as to be their owner. The form of concern as such proved to possess vitality, and the

¹ Compare Vöry 1948 p. 51.

² Suomen Puutavaravienti Oy, founded as early as in 1921, was the predecessor of this company.

company is still working. There are five component members, still representing 13 sawmills with a total production of 100 000 stds annually. Selling takes place in such a manner that the company works as a kind of general agent, handling the produce of member firms against commission. In co-ordinating the sales no special difficulties due to the different capacities of the sawmills have been noticed. The company retains contact with the necessary number of foreign agents in the import countries.

In the nineteen-forties only one sales concentration of importance has occurred in the timber industry. The large companies Oulu Oy, Kajaani Oy and Veitsiluoto Oy established a common sales office in Helsinki in 1947. This concentration was wholly voluntary, and was eventually furthered by the fact that the raw material is about the same for all the companies. So far there is no possibility of expressing any opinion about the result of the work.

At the turn of the nineteen-thirties a few leading exporters tried to co-operate more intimately, without, however, establishing a common selling organization. At least three such unions are known.¹

Besides unions established by the initiative of producers, there are independent export concerns, which purchase the output of the small sawmills in their own name. Having been sorted, the purchases are exported under the mark of the export firm. A certain extension of the activity of such concerns was to be noticed during the nineteen-thirties. At present (1949) about 10 such firms exist. Other forms of indirect exportation are of slight importance for the Finnish timber trade. The export wholesalers, who flourished in the 19th century have lost altogether their former dominating position. Only the exports of pitprops continue to be handled by independent exporters, which is easy to understand, since props involve no further industrial processing.

Thus there are no signs of increasing centralization of timber sales through different unions of producers: nor does any form of exportation, apart from the mediation of agents, seem to be gaining a footing among the Finnish timber producers. Strivings toward centralization in other countries also show but poor results. In regard to unions on the importers' side, however, some interesting attempts have occurred, principally in the United Kingdom. In connection with the large Russian offers in 1929 some British importers formed a syndicate called the Russian Softwood Importers Ltd. By one purchase this body successfully took over

¹ Compare Finska Sägverksägareföreningen 1930 p. 13.

the total Russian export reserved for the United Kingdom. Efforts to renew the manoeuvre the following year did not succeed, but toward the end of the year a new syndicate called Central Softwood Buying Corporation was formed on a rather broader basis and took over the Russian offer of 1931. When also this syndicate broke up, Timber Distributors Ltd was finally formed. The initiative for this syndicate originated from agent circles, and all the importers interested in Russian goods were invited to take part as shareholders according to purchasing power. Over a course of years Timber Distributors took over the Russian offers amounting on an average to about 400 000 stds.¹ Corresponding common purchases by importers have taken place only rarely and on a smaller scale in other countries. There are no reasons for supposing that such purchases in common should gain a greater extension among importers. The fact that it was possible to realize such a British syndicate is on the other hand of great interest as a tendency. The difficulties involved in uniting the importers must have been quite as great as the corresponding obstacles to common action on the exporters' side.

Among existing unions the Finnish Sawmill Owners' Association occupies a special position. There seems to be reason for a more detailed scrutiny of the activities and influence of this Association. It was originally founded in 1886, although some reorganization of its activity was carried through later on. The object of the Association is seen from the following excerpts from its statutes.

§ 1.

The object of the Finnish Sawmill Owners' Association is to watch and further the general interests of the Finnish sawmilling industry at home as well as abroad;
 work for the sound and up-to-date development of the said industry;
 work in order to obtain uniform customs and sales conditions as well as export prices in the sphere of the timber trade; and
 conclude sales agreements by proxy for its members in common in case of need without any intention of attaining profit for the Association.]
 Helsinki is the domicile of the Association.

§ 2.

Admission into the Association can be applied for by a sawmill owner, or union of sawmill owners, carrying on a sawmilling industry in Finland with a normal, annual production of not less than 1 000 stds sawn timber, owner of planing and boxboard factories with a normal, annual minimum production amounting to abovementioned quantity, as well as exporters of abovementioned goods.

¹ Compare TTJ 1932 12. 3. p. 726 and Saari 1936 p. 40.

The Association numbered 103 members in 1949. One hundred of these had 151 sawmills at their disposal. The remaining three members, Kaskisten Puutavara Oy, Oy Kaskö Wood Co Ltd and Oy Vienti-Export Ltd are the abovementioned export concerns representing the total production of about 100 small sawmills. The Association is considered to represent 90 % of the Finnish exports of sawn timber.

It has always been said that the Finnish Sawmill Owners' Association, by contrast with the paper and cellulose associations, is an idealistic association without any selling objective, but as seen from § 1, such a possibility, however, has been presupposed in the statutes. There has, nevertheless, not been any application in practice of selling in common with the exception of a few insignificant cases. Such a possibility, nonetheless, was discussed toward the end of the first World War. The rejection of the proposal depended in no slight degree upon the fact that the activity of the agents was considered fully satisfactory. Selling through one organization on the contrary might easily lead to discontent among the producers. The influence of the Association in questions of selling was thus restricted to agreements as to minimum prices. At first an independent concern called Suomen Sahanomistajien Myyntiyhdistys (the Sales Organization of Finnish Sawmill Owners) was founded to take care of the practical application of an agreement concerning minimum prices. In 1919 this association was dissolved and a separate sales section was founded instead within the Finnish Sawmill Owners' Association. A special committee of the Association fixed the minimum prices, and the members engaged not to close any contracts below the prices permitted. Breach of these stipulations was punished by heavy fines. In order to rest assured of being able to collect such fines every member had to procure a certain guarantee on his joining the Association.¹

The minimum price idea was changed at the turn of the year 1926 in such a manner that so called price-quoting groups were established; two of them started their work as early as 1925 and four in 1926. These groups fixed prices for a certain time, or until one of the concerns signified their wish to sell at another price. This method it was considered would bring about a more flexible adaptation to the market than the fixed minimum prices employed at first.² Such fixing of prices in order to save the market must, nonetheless, be looked upon as a very artificial means whose

¹ Compare Oxholm 1921 a p. 125.

² Compare Finska Sågverksägareföreningen 1926 p. 3.

expediency may admit of some doubt. The Finnish Sawmill Owners' Association seems also to have understood this clearly by declaring that »Dylika åtgärder äro i regel icke tillrådliga.» (Such measures as a rule are not to be recommended).¹ The idea of minimum prices could not in fact be sustained for any length of time; relatively soon the price quoting groups were dissolved for different reasons. In the nineteen-thirties attempts to stabilize the market were directed instead towards a curtailment of production. Efforts of the kind led up to the creation of extensive international forms through the establishment of the Comité International du Bois, and the European Timber Exporters' Convention.

The price groups which appeared in consequence of the regulations laid down in connection with the second World War have quite a different background and cannot be compared with earlier attempts to establish minimum prices. On the other hand development in its latest phase has in fact reached the point where the Association has been placed before the necessity of selling in common in certain specific cases. In 1948, for example, the Association sold 6 000 stds of sawn timber to Poland. This parcel was divided among the smaller members in such a manner that they had to contribute a certain quota without any possibility of evading the sale. The price obtained was very poor, but was compensated for to a certain extent by the paper and cellulose industries, which were dependent on deliveries of coal obtained in exchange. In addition the compensation section of the Association has handled Russian deliveries in totality since the conclusion of peace. The Association gets a commission of 1 % on the price for the sales work executed by it. The fact that the Association itself takes care of the selling is dependent above all on the more or less forcible division of the producers' obligation to supply. There is no reason for supposing that this procedure would gain any extension beyond the Russian and eventually perhaps some other East European markets; however, as long as it is applied it is evident that the agents lose every possibility of asserting themselves.

The different forms of sales in common that have appeared have all of them touched only a small number of sawmills. One might ask what possibilities there are for complete centralization of selling and what the consequences would be. A general concentration of selling activities, in one manner or another carried through in the sawmilling industry, would naturally have a very bad effect from the agent's point of view. As it is

¹ Finska Sägverksägareföreningen 1926 p. 8.

now, the development has to a certain extent led to a concentration on larger sawmills and concerns, with a resultant decrease in the number of potential sellers.¹ In the event of a final fusion of sales activities being attained, there would not be any justification for the domestic timber agents' function. The need for foreign intermediaries would also decrease substantially. One or two general agents a country employed would suffice. These would then have to employ enough sub-agents so that the respective countries should be entirely covered by a sufficiently close network of agencies.

The possibilities of rationalizing the sawmilling industry in Finland were of interest particularly at the beginning of the world-wide economic depression of the nineteen-thirties and the simultaneous increase in Russian competition on the timber market. If a combine similar to those in the paper and cellulose industry had been created, great advantages would, without doubt, have been gained: this not only in view of the real costs of selling, but also through the stronger position such a trust always enjoys in negotiations, since unnecessary mutual competition is avoided.² For many reasons, however, the difficulties, were considered exceedingly great. Among other things the importance of the raw material is greater in the sawmilling industry than in any other branch of timber processing. The raw material determines the quality of the product, and is itself the result of purely geographical conditions. Again sawmill products break down into a very great number of different sizes and qualities which cannot be standardized to anything like the same extent as the semi-finished or finished products of the paper industry. Furthermore, the sawmills are of varying capacity, while the number of producers in the sawmilling trade is very large. All these facts were considered to make common sales more or less impossible.

A really thorough investigation directed towards centralization probably has not been made, but the attitude from the beginning has been that the difficulties have been too great to be successfully solved. The Finnish Sawmill Owners' Association, it is true, appointed in 1931 a committee, which gave a positive verdict, considering the formation of a sales association as the only expedient for saving the market. The committee recommended selling through a single organization, but in case of need one might consider co-operation by means of a certain number of such

¹ Compare STJ 1946 p. 549.

² Compare S.A. 1927 p. 377.

organizations.¹ The two large banks, Kansallis-Osake-Pankki and Helsingin Osakepankki, which were principally engaged in financing the sawmilling industry, were at the back of the recommendation for selling in common. Unfortunately the entire work of the committee seems to have been the wording of some minutes framing the positive opinion already referred to. Neither a more detailed investigation of the possibilities in practice, nor a proposition for a programme has ever been presented. Selling by all the Finnish exporting sawmills in common has still less been tried in practice. As far as Olin has entered into the problem he simply states that »Denna fråga torde böra besvaras nekande.» (This question probably must be answered in the negative), and that »Trävarorna äro en av de världshandelsartiklar, som man haft svårast att standardisera.» (Timber is one of the commodities of the world's commerce that has been most difficult to standardize).²

In scrutinizing in greater detail the points of view that have been given against centralization, it seems evident that neither differences in raw material nor difficulties of standardizing the final products can be considered of decisive significance. These facts make the sales work more difficult irrespective of whether selling takes place through a common sales office or not. Even as selling is carried on now, exceedingly heavy claims are laid on the knowledge of the agents and importers in view of the quality of the different shippers' goods. Besides, it can be established that many a large sawmill has now to collect its raw material from such large areas that there cannot be any guarantee as to the homogeneity of the raw material. It should not be impossible to divide the country in an appropriate number of districts according to the different raw material grown in them, while the final solution of the questions of standardization would be made easier by every measure of centralization. Nor should the possibility of applying an entirely new grading system be rejected altogether. However, the idea of making sorting dependent on strength and not, as now, on appearance, seems very little probable. Whatever the solution to the question of standardization, it is nonetheless evident that there is reason for retaining a closer indication of origin, although sales, it is true, might take place under a common trademark. The very simple manner of settling accounts, used by the paper and cellulose associations, evidently cannot be employed as such but the working out of an

¹ Archives of the Finnish Sawmill Owners' Association.

² Olin 1933 p. 187 and p. 172.

appropriate method for the sawmilling industry is nothing but a question of detail.

There is also reason for investigating in greater detail the various points of view regarding the different capacities of the sawmills, and their great numbers. In order first to obtain an idea of the total number of sawmills in Finland, divided according to their producing capacity, the following figures have been compiled.¹

Table 13. Number of sawmills in Finland in 1949.

Suomen sahojen lukumäärä v. 1949.

Yearly production <i>Vuosituotanto</i>	Number of mills <i>Sahojen määrä</i>
Above 10 000 stds	28
» 5 000 »	26
» 2 000 »	88
» 1 000 »	65
» 500 »	81
» 250 »	119
» 100 »	257
Under 100 »	135
No produce of their own	24
	Total 1 823

Sawmills with a yearly production of less than 250 stds can be looked upon as local sawmills more or less active on the domestic market. They can to a certain degree appear in the export market sporadically. About one third of the sawmills with a yearly output of 250—1 000 stds are continuously exporting. But even if we do take into account only the sawmills producing 1 000 stds annually, or more — i.e. the real exporting sawmills — they number 207. The paper and cellulose associations on the other hand show comparatively low figures. The largest of them, the Finnish Cellulose Association, comprises 27 members, the Finnish Paper Mills' Association has 21, and the Finnish Board Mills' Association 13 members. As to differences in productive capacity of the members it can be mentioned that this varies from 17 000 to 115 000 tons a year in the Finnish Cellulose Association, while the Finnish Paper Mills' Association shows annual outputs varying from 2 200 to 100 000 tons. These figures represent single factories; if we take the yearly production of certain concerns as units,

¹ According to material from the archives of Sahojen Valvontayhteisö.

we obtain still greater differences between the members.¹ On the other hand the smallest figure, 2 200 tons, represents the manufacture of fine paper, which in view of the weight of the production naturally cannot be compared with other kinds of paper. The fact remains, however, that there are very considerable differences of output among the members of the paper and cellulose associations. When S. A. writes about sales co-operation in the forest industry of Finland as follows:² »Också i fråga om de enskilda medlemmarnas produktionskvantiteter är en viss jämnlikhet av nöden.» (A certain equality is also needed in view of the quantities produced by individual members), he certainly cannot find any support in the abovementioned facts about these cartels.

The great number of members, which a combine in the sawmilling industry would comprise, seems to be the principal difficulty in regard to successful co-operation. The task of gathering 200 members into the same association is of a different size from that of bringing 20 together. Thus there can hardly be any question of directly copying the cartels in the paper and cellulose industry. It should not be impossible, however, to find an appropriate working form. As a suggestion it might consist of an association with a number of fairly independent sub-divisions. But only experience can give the answer whether it would be more advantageous to build on the basis of the quantitative or the qualitative production, or on some other ground.

A few facts in connexion with the founding of a combine should be brought forth. An absolute prerequisite for the success of the enterprise is that it should not be started during a serious economic depression. Naturally one may object that people engaged in business are more willing during times of depression to negotiate about selling in common, but the chances of a combine established under such auspices, surviving the first year are very slight. If, on the other hand, forms of co-operation have the time to develop and become stabilized during a high tide in the market, it is possible that the combine may weather a period when sales activity gives a poorer result. The paper and cellulose associations are an evident proof of the initial difficulties being the greatest. Moreover, the selling costs of a trust are greatest at the beginning.

All kinds of centralization are favoured nowadays in commercial nego-

¹ For example the yearly production of paper at the Kymmene concern amount to 135 000 tons.

² S.A. 1927 p. 377.

tiations and business transactions in practice. Even the sawmill owners have become used to the form of co-operation which price regulations and other state interference comprise. Long experience relating to the operations of other combines is also at our disposal at present. These points of view would seem to indicate that the soil is now better prepared than previously for the establishment of a common sales association.

There does not seem to be any real reason against the centralization of selling in consequence of difficulties represented by varying raw materials, standardization and differences in the productivity of component concerns. It must be possible to surmount them all after thorough investigation and practical experience. The decisive difficulty rests with the employers themselves. It is practically an impossibility to convince 200 sawmill owners of the advantage and expediency of a common sales organization. And should one, contrary to expectation, succeed — it would be pure phantasy to believe that one could convince these 200 that the sales result during the year had been more advantageous than what they could have accomplished themselves.

Thus it has been established that a general concentration of selling is scarcely probable in the near future. Another question of decisive influence for the timber agents' vital conditions is, however, the continued downward trend in the sawmilling industry to be noticed in all the northern countries. As to Finland the decrease during this century in proportion to other forest industries has been from 70 to 20 %. It is self-evident from the point of view of economics alone that the northern forest industry should endeavour to attain higher and higher forms of finished manufactures, which fact irretrievably leaves bottom place to the sawmilling industry. Through an investigation in Sweden in 1936 it was established that one cubicmeter of raw material represented a value of production of 19.³⁵ crowns in sawn timber, but 26.⁴⁰ crowns in the cellulose industry. According as the paper and cellulose industry supplants the sawmilling industry the moment is approaching when lack of sawn timber will bring about an equalization of prices. If we look at the development in Norway and Sweden, where the general integration within the forest industry has developed further than in Finland, the production of sawn timber seems to have stabilized at about 15—20 % of the production of the paper and cellulose industry.¹ Taking Finnish conditions into account, a corresponding stabilization in Finland would leave the sawmilling industry a rela-

¹ Compare Fogelholm 1948 p. 4.

tive share of somewhat above 20 % during the next few decades. Saari also states:¹ »Kun sahausmäärämme suurimmillaan ollessaan v. 1927 nousi 1.4 milj. std:iin (maan silloisissa rajoissa), ei Nyky-Suomen jatkuvaa sahatavaran tuotantoa voitane pitää suurempana kuin puolet siitä». (Since our sawn timber at its peak in 1927 amounted to 1.4 million stds (within the borders of the country at the time), the continuous production of sawn timber in Finland of to-day can scarcely be expected to be more than half of it). In deducting home consumption, which must be relatively larger than in the nineteen-thirties, there would remain about 600 000 stds for exportation.² At present the considerable shortage of sawn timber in the world has at least momentarily stopped the decline in the sawmilling industry. Simultaneously the time seems to have been reached, when a stabilization of the relative share of the sawmilling industry in the total forest industry must be a fact. Thus the agents do not need to calculate on a continued decrease in the export quantities at their disposal.

¹ Saari 1948 p. 18.

² At the peak year in 1927 exports amounted to 1 253 000 stds.

Conclusions.

When such a many-sided object for exportation as timber is in question — an object, moreover, which it is impossible to standardize to any appreciable extent, it is evident that it is most appropriate to employ an agent from the point of view of the buyer as well as from that of the seller. These have difficulty in keeping contact with one another, and one must always reckon with a considerable amount of purely business-technical work before a purchase has been successfully carried through. In the nineteen-twenties and 'thirties the circles closely attached to the timber trade seem as a rule to have appreciated the agents' activities. Voices, however, were not lacking which were raised for the elimination of the agents altogether as unnecessary and parasitic. Such a criticism may eventually be justified in the case of certain easily sold standard articles for nearby markets. Modern means of communication make possible much easier contact between exporter and importer. But when it is a question of timber, that reasoning does not hold good. Nor has it been possible to establish any post-war increase in direct sales omitting the agent. At present the commission drawn by the agents for their services as intermediaries must be considered rather modest, particularly by comparison with the custom in the 19th century. A further cut is scarcely possible, although the proportionately greater rise in the price of timber has slightly increased the possibilities of profits.

Timber agents' activities since the second World War are in all the countries characterized by being heavily restricted. The agent no longer direct deals and the price development in such a prominent manner as before the war. His significance as lender or mediator of credits has also, at least temporarily, ceased. Through state interference commercial agreements are concluded, in which the quantity to be exported and the price are stipulated. To this the agents have practically nothing to say. But on the other hand the practical execution of the orders has to be attended to. The agents' burden of work has thereby increased rather than decrea-

sed on account of bureaucratic red tape. In these details a general tendency to return to pre-war conditions seems to become prevalent.¹ Still, no return in the reasonably near future to commercial forms which could give back to the agents their full importance, can yet be discerned. It is evident that government control will continue in the United Kingdom for some time to come, and that at most, one or another facility in some details will be granted. Only a radical currency reform embracing the whole of western Europe could make a return to free trade possible.

It can however be considered clearly established that the timber agent fills his post even at present under the changed conditions reigning in the timber trade. Naturally there are possibilities of eliminating the agent, but there is only a slight possibility of getting rid of the burden of work that he executes in the timber trade. In other words, only an administrative re-arrangement is possible, so as to make for example the importers take over the agent's work. But scarcely anything would be gained thereby. We need only to remember that the shipper would not have anybody then, who could represent his interests in the importing country. The result would be that the matter would have to be decided by arbitration every time a claim occurred. The fact that the agent in reality takes care of the shipper's interests is an automatic consequence of his fear of losing his agency otherwise. There are many cases known, where the agent, on account of this apprehension, has paid claims out of his own pocket, without the shipper knowing anything about it.² Practice in all the countries, besides, has shown that the use of agents seems to be the most appropriate form of mediation.

There is no reason for doubting the right of existence of the domestic timber agents, so long as the Finnish sawmilling industry is based on a majority of small sawmills, since these will always have difficulties in keeping up foreign connections themselves. Even to the somewhat larger sawmills, which have a salesman of their own, the services of a domestic agent can be recommended. The time of the salesman is often taken up by calculations, problems of sawing, and other internal questions, while the agent is able to devote all his time to the sales work.

It is evident, that the domestic agents need no longer to fear competition from foreign agents active in Finland. Their number has markedly decreased during the war years. No renewed infiltration is to be expected.

¹ Compare p. 80.

² Compare archival records at Serlachius & Co,

This is partly because the Finnish sawmill industry is no longer expanding nor presents tempting openings for new enterprise, and partly because the domestic agents have gained a position not easily to be shaken. The co-operation of the domestic agents with those active in the importing countries should take its course without friction, since it seems appropriate now to split commissions equally. This may be done at least to the degree that the credit engagement of the foreign agent lapses; in other respects the burden of work as a rule must be the same in exporting and importing countries.

The number of domestic agents in Finland seems to be near its peak. This is partly a phenomenon dependent on the state of the market and is to be expected after war when the timber agency trade holds out tempting possibilities of profit. The actual depression on the timber market will without doubt occasion a thinning, the least paying concerns disappearing. With 120 agency firms active in Finland it is evident that a considerable part of them will not be able to present such a result of their operations as could justify continued activity. The Association of timber agents in Sweden has only 33 members. There are, it is true, a great number of independent agents, but their activity as intermediaries is as a rule poor. The total quantity handled in Sweden by domestic agents seems on the other hand to be somewhat larger than the corresponding volume in Finland. The final impression is that Finland has twice as many timber agents occupied with the handling of a somewhat smaller quantity of timber than Sweden. It is evident that the number of Norwegian agents is disproportionately large in relation to the quantity mediated. This without doubt depends on its being, so to speak, a remnant from the times when Norwegian exports were many times larger. As was presented above these exporters are now to a great extent occupied with dealings in quite different groups of goods. Taking Finland's most important export country as a point of comparison, the agents' association, which has charge of all the imports of softwood into the United Kingdom, has only 95 members. So far as Finland is concerned an agents' stock of about 60 firms of whom 30 should devote themselves principally to the mediating of sawn timbers must be more than sufficient, under the supposition that the quantity negotiated stays constant to a certain extent.

In comparison with the other countries presented above the Finnish agency firms have the greatest number of joint-stock companies. To what extent this depends on different taxation laws is difficult to judge. On the whole a discussion in favour of or against the company form as a basis for

agency activities cannot be carried through, since quite accidental circumstances can be decisive. The above fact, however, would indicate that the Finnish agency concerns at least are not smaller than the corresponding foreign ones. As far as the invested capital is concerned the actual agency companies seem to operate with joint capitals below 300 000 marks. This and the fact that over one half of all concerns have been founded during the nineteen-forties gives an impression of lacking stability.

To a great extent the domestic agencies have at their disposal persons with University degrees, whereas knowledge of foreign languages seems to be of low standard.

The extreme centralization of the agency corps in Helsinki is in no manner of advantage. A moving out to other places is, without doubt, to be recommended in order to bring down the general costs.

As shown above there is no danger of the Finnish timber agents becoming unemployed in consequence of a continued decrease of timber exports. A certain stabilization can be established at present. Nor is a general centralization of sales to be expected in a reasonably near future.

It is obvious that trade political conditions prevailing between the two World Wars will never be quite re-established. Consequently one of the most important tasks of the agents will be to adapt themselves to the new conditions and within the scope of these regain a more important position. This fact does not seem to have been fully grasped by the Finnish timber agents. For instance, where compensation business, outside the regular Trade Agreements, is concerned, it is obvious that the agents could exercise their influence in a decisive way. In order to succeed in compensation business the agent should be in close collaboration with importers or alternatively act as importer himself.

On the other hand a common organization for the activity of the timber agents is of a considerable importance. To begin with, competition among themselves in regard to the rate of commission can be avoided. United action in negotiations with respective shippers, importers, and organizations directed by the state would make it possible to take care of the agents' interests in a much higher degree.

Hardly any drawbacks to a common organization can be shown. The only danger in such a case may be a completely restrictive policy of the agents' union over new members, as soon as it has grown sufficiently strong. The result would naturally be that a separate group of agents not accepted would arise, and the principal object of the association would be

lost.¹ On the other hand it is evident that an agents' union is able to work in order to raise the general confidence in the agents' corps by means of a reasonable policy, for instance by setting up certain claims on professional knowledge with its members.

Shippers and importers might be expected to profit by the agents not being organized. In every case of interpretation the agents would be more in the power of the employers than if the matter could be transferred to be handled by the agents' association. Competition between the agents themselves might also lead to diminished commissions. At least so far as the shippers are concerned, these advantages would be counterbalanced by the drawback ensuing from the same timber specifications being offered by several agents simultaneously. As previously mentioned, the market thus obtains a distorted idea of the real quantities offered. The importers alone could then be expected theoretically to profit to a certain degree by an unorganized, and consequently less united agent corps. It is, however, probable that all the stages of the timber trade, even consumption included finally, would enjoy the advantage of as stable an agents' corps as possible, since, thanks to it, less mistakes and losses would be caused to the trade as a whole.

Agents' associations have arisen in all the countries covered in this investigation. Naturally it is impossible to apply the conditions of any of the countries treated above to Finland. We can, nonetheless, make use of a few valuable experiences. Agency activities have not in any of these countries a background of legislation, but are founded on a voluntary basis. Only in war-time a few sporadic exceptions occurred.² There is no proof of any necessity for special legislation relating to timber agents' activities. As long as freedom of industry, with the fewest possible regulations stands as an axiom for Finnish economics, the thought of organizing the agents' activity by legislation is unnatural. On the other hand an agents' association, which does not base its activity directly on the support of the state, must rest upon a very authoritative foundation and be joined by nearly 100 per cent in order to be of real importance and to have a chance of succeeding in its work.

Looking further into conditions abroad it can be established that the agents and the importers work in very close co-operation. In the United Kingdom for instance the agents' associations and the import associations

¹ Compare Belgium p. 61.

² Compare for example Holland p. 58.

form sub-sections of the Timber Trade Federation, and have agreed to do business only through members of the respective associations. In Holland, where, on account of the dissimilarity of the basic organization, the agents and the importers belong to different federations, the corresponding associations, nonetheless, have been brought together in the same office. Even in Belgium, where no central organizations exist, the agents and the importers have agreed to do business only with members of respective associations, keeping up intimate co-operation also in other respects.

If we draw the conclusions from these facts, transferred to the conditions in an exporting country, a close co-operation between shippers and agents should be the natural consequence. In view of the actual organization of the Finnish timber industry a solution along the same line would be the founding of an agents' association as a sub-division of the Finnish Sawmill Owners' Association. Since however the plywood, round timber and joinery agents would thereby belong under the said association, this solution must be considered less fortunate. Alternatively the British line could be applied in such a manner as to make the plywood agents form a sub-division of Suomen Vaneriteollisuusyhdistys (the Finnish Plywood Industry Association), the agents handling sales of joinery products joining Suomen Puusepänteollisuuden Liitto (the Union of Finnish Joinery Industries). etc. The affiliation of the timber agents to the respective producers' associations, however, would entail a far reaching decentralization and lead to a separate federative organization being founded, so that this solution also seems less expedient. The application of the Dutch system dividing the timber agents into sub-sections belonging to Ulkomaankaupan Agenttiliitto (the Agents' Union for Foreign Trade), certainly cannot be recommended under Finnish conditions. The administrative apparatus, moreover, is not of a structure that would make it favourable.

The only remaining expedient therefore seems to be to found an independent timber agents' association, which in its turn could be divided into a suitable number of sections, for instance as follows:

Section for round timber

- » » sawn timber
- » » products of the building-
and joinery industries
- » » plywood.

These sub-divisions would then maintain the necessary co-operation with the producers' unions. A re-establishment of the Timber Agents' Federation

of Finland could, therefore, be recommended, but it should be based on voluntary participation. The statutes of the Federation could most appropriately be worked out on the basis of those of the Timber Agents' Federation of Finland and the statutes of the Belgian Agents' Association. The members of the Federation should be employed in commercial negotiations at least during the preliminary stages, and eventually later as experts. In order to achieve efficiency the Federation should try to reach an agreement with the majority of the domestic producers to the effect that they would employ exclusively agents belonging to the Federation. The Board of timber agents of the Central Chamber of Commerce can with impunity be struck out as being unnecessary. Application for agent's rights can be coupled to the application for membership to the Federation, whose Board of directors has to find out, whether or not the necessary competency exist. The Association of Finnish Timber Agents can hardly be the base for the new Federation, but one should eventually be able to reorganize it as the section for sawn timber.

An important point of view for the activity of the agents' Federation is that the membership fee should be determined so as to make it possible to employ an authoritative representative, who could meet the representatives of other unions on the same footing during negotiations and conferences. If this point of view were not taken into consideration, the usefulness of the whole Federation would be dubious.

Since the dissolution of the Timber Agents' Federation of Finland there is a variegated division of agents into a number of categories, which may or may not be accepted by the Board of timber agents of the Central Chamber of Commerce; they may, or may not belong to the Association of Finnish Timber Agents; they may belong to the Finnish Foreign Trade Association, or they might be altogether independent. This chaotic state which must be very hard for a foreign buyer to understand could be avoided by the re-establishment of a common association for all the timber agents together, without doubt for the good of the entire timber trade.

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Official statistics from

Belgium	Norway
Denmark	Sweden
Finland	The United Kingdom
Holland	

Abbreviations.

FPJ = the Finnish Paper and Timber Journal.
 STJ = the Swedish Timber Journal.
 TTJ = the Timber Trades Journal.

Eventual slight differences in some of the tables in the totals given compared to the component figures are due to the calculations of the components being brought back to one decimal.

Selostus.

Puuasiamiesten ja puuasiamiesyhdistysten toiminta puutavarakaupassa.

Nykyoloissa vallitsevat muuttuneet kauppapoliittiset olosuhteet aiheuttavat kysymyksen, ovatko puuasiamiehet enää tarpeellisia, vai onko heidän tehtävänsä jo elänyt aikansa.

Puuasiamiehiin turvautuminen Suomen puutavaranviennissä kävi yleiseksi 1800-luvun lopulla. Ensinnä tämä menettely tuli käytäntöön Viipurissa. Siirtymällä kommissionäreistä omiin asiamiehiin saavutettiin mm. etu, että ostaja suoraan saattoi tilata haluamansa laadut ja koot. Nykyaikaiset myyntimenetelmät eroavat toisistaan jonkin verran riippuen yrityksen laajuudesta. Suurilla sahalaiteilla on oma myyntiosastonsa, joka on suoraan kosketuksessa tärkeimmässä ostajamaissa oleviin asiamiehiinsä. Pienehkö yritys käyttää sensijaan kotimaisten asiamiesten välitystä; rajana voidaan pitää 3000—4000 std. vuosituotantoa. Kotimainen asiamieskunta on muodostunut 1920—1930-luvuilla. Ensimmäinen asiamiesyhdistys, Suomen Puuasiamiesyhdistys, perustettiin 1925 ja sen pääasiallisena tehtävänä oli kotimaisten puuasiamiesten työmahdollisuuksien edistäminen. Valtion taholta ei puututtu puuasiamiesten toimintaan ennen vuotta 1945. Mainittuna vuonna perustettiin Valtioneuvoston päätöksen mukaan sodanjälkeisen poikkeuslainsäädännön nojalla Keskuskauppakamariin Suomen Puuasiamieslautakunta. Tämän lautakunnan tehtävänä oli ratkaista, katsottiinko puuasiamies päteväksi. Kaikkien hyväksytyjen asiamiesten oli pakko liittyä keskusjärjestöön, jonka nimi oli Suomen Puuasiamiesliitto. Tämän liiton jäsenmäärä oli v. 1948 lopussa 120.

Kerätyn aineiston perusteella voi todeta, että kotimaisten asiamiesyritysten palveluksessa on ilahduttavan suuressa määrin akateemisen tutkinnon suorittaneita henkilöitä (pääasiallisesti ekonomeja ja metsänhoitajia). Sitä vastoin kielitaito on suhteellisen heikko. Asiamiesten vuosittain välittämästä puutavaramäärästä ei ole tarkkoja tietoja, mutta nykyisin se voidaan arvioida n. 120 000 std:ksi sahattua tavaraa.

Kun poikkeuslainsäädäntö v. 1948 kumottiin, lakkautettiin myös Suomen Puuasiamiesliitto, jonka jäseniä kehoitettiin liittymään Suomen Puuasiamiesyhdistykseen. V. 1949 lopussa tähän yhdistykseen kuului 39 jäsentä.

Kehitys ulkomailla.

Ruotsin puunjalostusteollisuuden organisaatio eroaa jonkin verran Suomen vastaavasta organisaatiosta. Paperi- ja selluloosayhdistykset ovat vain aatteellisia yhteenliittymiä, jotka eivät hoida jäsentensä myyntiä. Suomen Sahanomistajayhdistystä vastaa Ruotsissa Svenska Trävaruexportföreningen. Asiamiesten käyttäminen myynnissä

tuli yleiseksi 1870-luvulla. Sikäläiset asiamiehet perustivat v. 1921 yhdistyksen Svenska Trävaruagentföreningen, johon v. 1949 kuului 34 jäsentä. Yhdistyksen ulkopuolella toimii 150 vähemmän tärkeätä puutavaranvälittäjää. Useimmat asiamiehet toimivat Tukholmassa ja Göteborgissa. 1930-luvulla laskettiin kotimaisten asiamiesten välittäneen vuosittain keskimäärin 200 000 std. Sodanjälkeisenä erikoispiirteenä voidaan mainita, että propsinviennissä asiamiehet on syrjäytetty, koska tämä vienti huomattavassa määrin on keskitetty.

Norjan puunjalostusteollisuus on keskitetty Norges Trelastforbund nimiseen liittoon, joka perustettiin v. 1933. Tähän liittoon kuuluu 7 tärkeätä alayhdistystä. Sahalaitosten lukumäärän lasketaan olevan yli 7 000, mutta näistä on ainoastaan 250:llä kaupallista merkitystä. Puuasiamiehillä on 2 omaa yhdistystä, Østlandske Trelastagenters Forening ja Trondheim Trelastagenters Forening, joista edelliseen kuuluu 11, jälkimmäiseen 3 jäsentä. Østlandske Trelastagenters Forening kuuluu alayhdistyksenä Import- og Export-Agenters Forening-nimiseen yhdistykseen, jonka puutavararyhmä käsittää 24 jäsentä, näistä suurin osa Oslossa.

Norjan puutavaravienti on vuosisadan vaihteesta lähtien tasaisesti laskenut ja on toisen maailmansodan jälkeen ollut n. 30 000 std. vuodessa. Tämän takia on puuasiamiesten merkitys vähentynyt ja he ovat tavallisesti laajentaneet toimintaansa myös muille aloille. Sodan jälkeen on voitu todeta ruotsalaisten puuasiamiesten jonkin verran soluttautuneen Norjan markkinoille. Tämä on ilmeisesti yhteydessä Norjan Ruotsista suorittamiin huomattaviin sahatavaran ostoihin, mitkä tavarat on jälleen viety maasta jalostettuina.

Suurbritannian on 1600-luvulta lähtien ollut pakko tuottaa puutavaraa. Puutavara-kauppa keskittyy Timber Trade Federation-nimiseen liittoon, joka perustettiin v. 1893. Tämä jakaantuu 36 alaosaan, toisaalta koko maan käsittäviin, toisaalta paikallisiin. Tärkein asiamiesyhdistys on nimeltään Timber Agents' and Brokers' Association of the United Kingdom, perustettu v. 1918. Tähän kuuluu n. 90 jäsentä. Lehtipuuasiamiehillä on oma yhdistyksensä, Hardwood Agents' and Brokers' Association. Sitäpaitsi propsi- ja vaneriasiamiehillä on omat yhdistyksensä. Tuontiyhdistykset ja asiamiesyhdistykset ovat sopineet keskenään, että he tekevät kauppooja ainoastaan asianomaisten yhdistysten jäsenten kanssa.

Sodan syttyessä v. 1939 perustettiin Suurbritannian kauppaministeriöön erityinen osasto, Timber Control, jonka tehtävänä oli hoitaa puutavaran tuonti. Tämä elin huolehtii ostoista ja jakelee puutavaran kiintiö- ja lisenssijärjestelmän perusteella. Säännösten helpottumista voidaan tuskin jatkuvan epäedullisen kauppataseen takia odottaa.

Suurbritannian puuasiamiesten asema sodan edelliseen aikaan verrattuna on muuttanut mm. siinä, että he eivät enää esiinny rahoittajina eivätkä lainojen välittäjinä. Myöskin mitä tulee kauppavaihtoon muuhun englantia puhuvaan maailmaan, on tapahtunut muutos sikäli, että asiamiehiä on alettu syrjäyttää. Tämä johtuu osittain sodan aikana perustetuista tytäryhtiöistä, kuten myöskin yhteyksien paranemisesta. Tällaista kehitystä ei voida havaita mitä tulee kauppavaihtoon Pohjois-Eurooppaan.

Suurbritannian sahatteollisuus käsittää pääasiallisesti yrityksiä, jotka jalostavat edelleen maahan tuotettua puutavaraa. Toisen maailmansodan aikana tätä teollisuutta laajennettiin huomattavasti yli rauhanaikaisen kapasiteetin. Todennäköistä onkin, että tuonti tulee käsittämään enemmän standardimittoja, jotta voitaisiin pitää tämä teollisuus edelleen käynnissä.

Hollanti tuottaa enemmän puutavaraa kuin mikään muu maa kokoonsa verrat-

tuna. Ennen toista maailmansotaa Hollannin puutavara-kauppa keskittyi liittoon, jonka nimi oli Nederlandsche Houtbond, perustettu v. 1909. V. 1920 muodostettiin tähän liittoon erityinen puuasiamiesten ryhmä, nimeltään Buitenlandsche Agenten. Tämä ryhmä ei koskaan muodostunut toiminnaltaan merkitykselliseksi.

Saksalaisen miehityksen aikana järjestettiin koko Hollannin hallintokoneisto täysin uudelleen. Valtiovallan taholta valvoi puutavara-kauppa elin nimeltään Rijksbureau voor Hout, jonka tehtävänä oli huolehtia kiintiöistä ja lisensseistä. Kaikki tuottajat koottiin yhteen liittoon, jossa puutavaran tuottajat muodostivat oman alayhdistyksensä. Samalla tavoin koottiin kaikki asiamiehet, ja puuasiamiesyhdistys sai nimekseen Vakgroep Tussenpersonen in Hout. Jotta tuottajat ja asiamiehet, vaikka he kuuluvat eri liittoihin, olisivat mahdollisimman läheisessä yhteistyössä keskenään, työskentelevät he samassa konttorihuoneistossa. Asiamiesyhdistykseen kuuluu 55 jäsentä, joista 29 toimii Amsterdamissa. Päinvastoin kuin aikaisemmin toimivat asiamiehet nykyisin ainoastaan välittäjinä eivätkä esiinny samalla tuottajina.

Belgian puutavaratuonti järjestettiin 1920-luvulla siten, että tuottajat perustivat oman yhdistyksensä, ja samaan aikaan muodostivat puuasiamiehet myös yhdistyksen, nimeltään Union des Agents en Bois. Koska tuottajain yhdistykseen ei myöhemmin hyväksytty uusia jäseniä, syntyi vähitellen joukko riippumattomia tuottajia, mistä johtuen yhdistys v. 1930 purkaantui. Tällöin erosivat eräät tärkeät asiamiehet puuasiamiesyhdistyksestä, joka sen kautta menetti merkityksensä. Toisen maailmansodan syttymiseen asti puutavara-kauppa oli täysin järjestämätön. Saksalaisten v. 1940 miehitettyä maan tapahtui uudelleen järjestely, jolloin sekä tuottajat että asiamiehet muodostivat uudet yhdistykset. Asiamiesten yhdistys on nimeltään Union Professionelle des Agents en Bois de Belgique, jäsenmäärä on 30, näistä 16 toimii Brysselissä ja 10 Antwerpenissä. Belgiassa on pyritty sodan jälkeen mahdollisimman suureen vapauteen elinkeinoelämässä. Puutavaran tuonti on kuitenkin sidottu kiintiöihin ja lisensseihin.

Tanska on suuressa määrin riippuvainen puutavaran tuonnista. Tuottajat jakaantuvat kahteen ryhmään. Näistä toiset tuottavat kerrallaan suuria puutavaraeriä, jotka he myyvät pienemmissä erissä ns. toisen ryhmän tuottajille, ja nämä vuorostaan myyvät ne varastosta kuluttajille. V. 1942 perustettiin kaikille tuottajille yhdyselin, nimeltään Trælastbranchens Sekretariat. Puuasiamiehet puolestaan muodostavat Danske Importagenters Forening-yhdistyksessä kaksi alaosaan. Havupuun välitystä hoitava osasto on nimeltään Trælast-Sektionen ja se perustettiin v. 1917. Siihen kuuluu 6 jäsentä, kaikki Köpenhaminassa. Toisen osaston nimi on Krydsfiner- og Wallboard-Sektionen ja sen jäsenet hoitavat, kuten nimestä käy ilmi, kuitulevyjen ja vanerin välitystä. Mainittujen osastojen jäsenet harjoittavat ainoastaan välitystoimintaa, mutta muutoin ei ero tuottajien ja asiamiesten välillä ole täysin selvä.

Puuasiamiesten ja heidän toimintansa erittely.

Tarkasteltaessa lähemmin Suomen puuasiamiesten kotipaikkoja havaitaan heidän keskittyneen ylivoimaisesti Helsinkiin. V. 1947 toimi 116 asiamiehestä 98 pääkaupungissa (taulukko 8 s. 68). Huomioonottaen nykyaikaiset hyvät yhteydet tämän ei pitäisi olla välttämätöntä eikä se varmaankaan ole edullista yleiskustannusten kannalta. Asiamiesten eniten kannattamat yritysmuodot ilmenevät seuraavasta asetelmasta, joka on vuodelta 1947:

- 69 osakeyhtiötä
- 12 kauppayhtiötä
- 2 kommandiittiyhtiötä
- 31 toiminimeä
- 2 yhdistystä.

Yritysten perustamisvuodet näkyvät taulukosta 9 s. 70, josta havaitaan, että ainoastaan 22 on perustettu ennen v. 1930, 27 1930-luvulla sekä 65 tämän vuosikymmenen aikana.

Kaikkien osakeyhtiöiden yhteenlaskettu osakepääoma on 67,9 milj., näistä 38 yhtiön osakepääoma on enintään 300 000: —. Edellämäinitut seikat antavat vähemmän luotettavan kuvan asiamiesyritysten vakavaraisuudesta. Ainoastaan 25 yritystä hoitaa pelkästään välitystä, kun sitävastoin yli puolet ainakin kaupparekisteristä päätellen pitää välitystä ainoastaan sivutoimena yleisen kauppaa-, tuonti- ja vientitoiminnan ohella. On vaikeata arvostella toiminnan taloudellista tulosta, mutta näyttää todennäköiseltä, että vain jotkut yritykset, joilla on hyvät kauppasuhteet, todella kannattavat. Ilmeistä on, että puuasiamiesyritysten lukumäärä on liian suuri. Huomioonottaen taloudellisuusnäkökohdat pitäisi n. 60 yrityksen toiminnan olla riittävä.

Puutavarat voidaan jaoitella hyvin moniin eri tuotteisiin. Suomen Puuasiamiesliitto erottaa 12 ryhmää, kun taas Suomen Ulkomaankauppaliitto erittelee 44 tavaryhmää. Asiamiehet hoitavat tavallisesti yhtäaikaa useampien eri lajien välitystä.

1920- ja 1930-luvuilla myyntitekniikka perustui pääasiallisesti asiamiehille lähetettyihin sahausluetteluihin. Puhtaana välityspalkkiona asiamies sai 2—3 % myyntihinnaista. Ulkomainen asiamies esiintyi usein luotonantajana. Sodan jälkeen havaitaan tietty pyrkimys säilyttää sotaa edeltäneen ajan kauppatavat. Tämä on kuitenkin mahdollista ainoastaan osittain, niin kauan kun kiintiö- ja lisensijärjestelmä vallitsee.

Asiamieheltä vaaditaan yleisten kauppatapojen tuntemuksen ja kielitaidon lisäksi, että hän tarkoin tuntee vientimaan tuotannon, kuten myöskin ostajamaiden vaatimukset. Asiamiehen on oltava myös hyvin perillä huolintakysymyksistä. On mahdotonta arvostella, onko edullisempaa antaa edustus suurelle tai pienemmälle yritykselle. Sitävastoin on ilmeistä, että on hylättävä tapa tarjota samaa tavaraa eri asiamiesten kautta yhtäaikaa. Vielä 1930-luvun puolivälissä tällaista näyttää jonkin verran esiintyneen.

Keskitys sekä muita myyntimahdollisuuksia sahateollisuuden alalla.

Nykyaikaisessa kauppavaihdossa tunnetaan seuraavat 9 puutavaran myyntimuotoa:

- 1) Myynti ulkomaisen asiamiehen kautta välitysehdoin
- 2) » kotimaisen asiamiehen kautta välitysehdoin
- 3) » ulkomailla toimivan oman myyntijärjestön kautta
- 4) » suoraan ulkomaiselle asiamiehelle
- 5) » suoraan kotimaiselle viejälle
- 6) » toisille sahoille
- 7) » suoraan ulkomaisille tuojille
- 8) » konsignatiokaupoin ulkomaan markkinoille
- 9) » yhteisen myyntijärjestön kautta

Myyntimuodot, joissa asiamiehiä ei käytetä, ovat merkitykseltään sängen vähäisiä Suomen puutavarakaupalle. Sodanjälkeinen kehitys ei anna aihetta odottaa suoraan tapahtuvien myyntien lisääntymistä, poikkeuksena eräät itä-Euroopan maat. Sahateollisuuden myynnin keskittämismahdollisuuksia harkittiin erityisesti 1930-luvun lamakauden aikana. Epäilemättä tällaisella menettelyllä olisi huomattavat etunsa, mutta vaikeuksia on aina pidetty liian suurina. Osa näistä vaikeuksista ei tunnu kuitenkaan kestävän lähempää tarkastelua. Raaka-aineiden erilaisuutta ja standardisointivaikeuksia ei voida pitää ratkaisevina. Paperi- ja selluloosayhdistysten jäsenten tuotantokapasiteetti on hyvin erilainen, joten esteenä ei pitäisi olla, että sahalaitokset ovat niin eri suuruisia.

Suomen 823 sahalaitoksesta (v. 1949) n. 200 on tärkeätä vientiteollisuudelle. Todelisena vaikeutena tulisi olemaan tällaisen yhteenliittymän suuri jäsenmäärä. Sahavaramyynnin yleinen keskittäminen lienee siis toistaiseksi epätodennäköinen.

Sahateollisuuden suhteellinen osuus koko puunjalostusteollisuudesta tuntuu nykyisenä ajankohtana vakiintuneen. Vientimäärän jatkuvaa vähenemistä asiamiesten ei tarvitse enää pelätä. Vienti tulee todennäköisesti pysymään n. 600 000 std. paikkeilla.

Loppupäätelmät.

Puutavarasta kyseen ollen on ilmeistä, että asiamiehen käyttäminen on suositeltavaa sekä ostajalle että myyjälle. Huomattavaa, puhtaasti myyntitekniillistä työmäärää ei voida välttää. On tietenkin mahdollista luopua asiamiehestä, mutta hänen suorittamastaan työstä ei voida päästä. Se voidaan tosin siirtää jollekin toiselle elimelle, mutta tällä tuskin voitetaan mitään. Yleensä oltiinkin puutavarakaupassa ennen toista maailmansotaa tyytyväisiä asiamiestoimintaan.

Puuasiamiesten toiminnalle on sodanjälkeisenä aikana ominaista, että sitä kaikkialla on erittäin suuresti rajoitettu. Valtiovalta päättää, paljonko ja mihin hintoihin tuotetaan. Asiamiehet eivät voi tähän vaikuttaa, heidän tehtäväkseen jää näiden määräysten toteuttaminen. Lisääntyneen byrokratian takia on työtaakka täten pikemminkin lisääntynyt. Palaamista vapaampiin kauppamuotoihin ei voida odottaa. Asiamiesten on yritettävä mukautua tähän ja nykyisen kauppapolitiikan puitteissa pyrittävä jälleen saavuttamaan suurempi merkitys. On selvää, että esim. kompensatiokaupoissa kauppasopimusten ulkopuolella asiamiehillä on suuret mahdollisuudet.

Ei ole aihetta epäillä kotimaisten puuasiamiesten toiminnan tarpeellisuutta, niin kauan kun Suomen sahateollisuus perustuu pääasiassa pieniin sahalaitoksiin. Näille tulee aina tuottamaan vaikeuksia ylläpitää välttämättömiä ulkomaisia suhteita. Suomessa toimivien ulkomaisten asiamiesten lukumäärä on nykyään vallan mitätön, joten kotimaisten asiamiesten ei tarvitse pelätä kilpailua heidän taholtaan. Välityspalkkion puoliksi jakaminen koti- ja ulkomaisen asiamiehen kesken tuntuu nyttemmin luonnolliselta, niin kauan kuin ulkomainen asiamies ei esiinny luotonantajana.

Asiamiestoiminnalle on yhteinen elin tärkeä. Täten välttytään keskinäiseltä kilpailulta ja yhteinen esiintyminen neuvotteluissa on aina edullista. Selvää on, että koko puutavarakaupalle olisi mahdollisimman pätevä asiamieskunta eduksi, koska täten voitaisiin välttää erehdyksiä ja tappioita. Kaikissa edellä käsitellyissä maissa on puuasiamiesyhdistyksiä syntynyt. Läheistä yhteistyötä asiamiesten ja laivaajien kesken on suositeltava. Minkään muun maan olojen suora soveltaminen Suomeen ei ole mah-

dollista. Paras ratkaisu näyttäisi olevan perustaa erillinen puuasiemiesliitto jaettuna seuraaviin neljään alaosaan:

Pyöreän puun osasto,
sahatavaran osasto,
rakennus- ja muun puuseppäteollisuuden osasto sekä
vanerin osasto.

Nämä alaosat puolestaan ylläpitäisivät yhteyttä asianomaisiin tuottajayhdistyksiin. Keskuskauppakamarin puuasiemieslautakunta voidaan lakkauttaa tarpeettomana ja asiamiesoikeuksien myöntäminen jättää tämän puuasiemiesliiton päätettäväksi. Suomen Puuasiemiesyhdistys voitaisiin mahdollisesti järjestää uudelleen siten, että siitä muodostettaisiin sahatavaran osasto. Muodostamalla uudelleen yhteinen liitto Suomen kaikille puuasiemiehille voidaan päästä nykyään vallitsevasta sekaannuksesta, mikä ilmeisesti olisi eduksi koko puutavarakaupalle.