

For implementing ecological measures affecting more than one industry, e.g. to prevent deserts from forming in the territories of Kazakhstan and the Central Asian republics and establish woodlands there, fortify the bottomset beds of the Aral Sea, etc., special funds must be allocated from the State budget.

Following the example set by a number of foreign countries it is desirable to establish a timber insurance fund and forestry incentive funds, based on revenues from fines, sanctions and penalties.

A profit-and-loss accounting mechanism must be instituted at each of the enterprises. It must be predicated on planned accounting prices, differentiated according to the quality of the end results. The collective contract must be recognized as the leading mode of implementation of such an economic mechanism.

Forestry has the lowest level of capitalisation of all the sectors of the economy. The volume of capital investments in the industry is extremely low and is insufficient for its development.

The industry needs an annual infusion of not less than 10 to 12 per cent of the active portion of the fixed capital. The accelerated development of the machine-building base of forestry is a matter of particular urgency. Our machine-building plants are currently of low capacity and poorly equipped with repair shops. They need to be radically rebuilt.

Reforestation

Every year in the USSR, reforestation is conducted over an area exceeding two million hectares. In the process, on the average up to 2 per cent of the area devoted to forest crops is lost. This includes 1.3 per cent in the European part and 2.6 per cent in the Asiatic part of the country. An undesirable species substitution is occurring over large areas.