

The combination of a leasing contract and a cooperative mode of production has already yielded startling results in this, the first year.

The Association is successfully meeting the State order and making deliveries as planned, for which it receives in the form of a bonus a 15 per cent gratuity to be paid into the material incentives fund. Also, it has settled in full with the consumers for contracted deliveries.

In all, 43 items of furniture are being produced here, with no deviations from the assortment programme permitted, nor the elimination of inexpensive articles.

During the first six months more than a million roubles in net profits have been earned, with a figure of about 2.5 million roubles anticipated for the year as a whole. Since the start of the year, almost a million roubles worth of above-plan goods have been produced, and the collectives have been given a free hand in deciding on the use of these funds.

Important economies in the consumption of raw materials and products have been achieved. For example, almost all of the boards have been put to use in manufacturing. The output of facing materials - veneer from imported wood - has been raised to 62 per cent instead of 55. In essence, by bringing into service previously unused reserves, the collective is operating waste-free. The entire economy is shifting in the direction of income derived from self-financed activities. It has proved possible to reduce the number of employees by 20 per cent. The lessees were prepared to reduce the number of managerial staff by 60 per cent but have been forced to keep them on strength due to the abundance of bookkeeping and other paper work emanating from "on high".

As a result of the economy resulting from the various tasks being performed by a smaller number of personnel, on average the salary of each employee has increased by an amount ranging from 30 to 100 roubles.