

Introduction of Leasing Arrangements and Setting Up of Cooperatives  
Causes - Turnaround in Furniture Production at Simferopol

The furniture shortage in the USSR is currently estimated at a billion roubles worth. And a shortage, as everyone knows, creates fertile ground for speculation. In Moscow there are more than 70 furniture stores. Nationwide, they number in the hundreds, and at every one there is a line-up. Nowhere is a simple three-door wardrobe offered for sale. To grease the palm of the extortioner a purchaser is forced to overpay 30 roubles. A set of upholstered furniture costs two hundred extra, a wall unit - five hundred.

The only way to put an end to speculation is to saturate the market with the articles in demand. But how is this to be done? Do the furniture manufacturers of the USSR Ministry of the Timber Industry have access to reserves in order to curb the continuing shortage? An experiment conducted by the Simferopol'-based Association "Krymmebel" (Crimean Furniture) indicates that they certainly do, and in no small measure!

Its workers' collective, having initiated a search for non-standard solutions, is the first in the country's furniture making industry to have introduced on its premises a cooperative-leasing contract, which is a kind of third model of the profit-and-loss system of accounting and self-financing (khozraschet).

Simultaneously with the transfer of the entire collective to a leasing contract, three production cooperatives were formed: "Universal", to which 27 workers of the cutting sector went; "Makhagoni", consisting of 55 workers from the lining assembly shop; and "Kipais", for the production of polished panels.

The entire material and technical supplies service was transferred to the cooperative contract.

The cooperatives opened their own clearing accounts at the bank.