

First of all, I might point out that we've acquired a definite capability for realistic planning of future development with regards to sources of financing. The factor that has impaired the making of annual plans has finally disappeared. Now that norms determine the well-being of the collective in relation to final results, many financing questions have been made simpler. This and other stimulatory factors have led to a taste for initiative and a quest for novel approaches to increasing income.

Overall profits for the steamship line in 1987 grew by 8,460,000 rubles. The greatest impact from implementation of full cost-accountability occurred in those enterprises that showed little profit in the past, such as the ports of Mezen, Naryan-Mar and Onega, which have been freed from paying for basic funds. In one year the dockworkers increased profits by a factor of 2.1, and capital productivity by 5 percent.

Does this mean that the most difficult period is behind you?

To say that would be frivolous. The fact is that we started from an extremely disadvantageous position -- our dock and shore-based facilities and services were outmoded, and the social infrastructure was in a rather neglected state. Our severely deteriorated transport fleet requires a serious overhaul since there have been practically no new ships for the past ten years. This is combined with the fact that there has been no accumulation of amortization monies which might serve as sources of simple reproduction. Under these conditions, expenditures for capital repairs exceeded the amount of new funds coming in. It is essential that this situation be changed.