

A healthy economy, of course, calls for a constant growth in the khozraschet (profit-and-loss accounting) income at each link in the production cycle. Those who incur a loss are, in fact living parasitically at the expense of the profitable enterprises. While up to now they have been rescued by subsidies from above, beginning in 1990 this practice will be discontinued. Of course, we must waste no time in preparing for this strict regime.

What is at the root of the troubles in the logging enterprises? We often hear references to so-called objective difficulties: problems with the transfer prices for forest products, the increase in timber haulage distances, the labour shortage, and so on. But these factors also obtain at enterprises where they are able to maintain their profitability. At "Lenles", the raw material resource base is no greater than at "Bashlesprom", where of 24 enterprises, about half are operating at a loss. The problem, as we see it, does not lie in objective causes, but in the manner in which production is organized, the extent to which profit-and-loss accounting has been introduced, and how interested people are in doing productive work.

Analysis shows that losses are the result of excessive expenditures on production and on various fines, penalties and forfeits. It is also necessary to dispose of the surplus of production-oriented fixed assets that yield no benefit, since these will now have to be paid for. Each surplus tractor, timber-hauling truck or clustering machine is a financial burden. To maintain them in the present conditions is an indication of lack of business sense and indifference to the job. Equipment must be utilised to maximal effect, in two to three shifts as a rule, and be repaired quickly and well. It is only in that case that technology will not drag us down into a pit of debt.

Much depends on the skilful exploitation of the designated coupe and on the quality of cross-cutting into lengths. Enterprises incur substantial losses due to inefficient cutting of long logs. It seems that we must one again pay attention to the training of cross-cutters, and get them to become interested in obtaining the most valuable assortments.