

envisaged, for example, the drawing up of such important documents as the Statutes on State forestry inspection and State forest conservation, as well as the Statute on the leasing of forests. We also had to prepare materials relating to the transition of the sector to self-financing in 1989. Even though all of these documents were drafted within the stipulated time frame by last fall, they have still to be ratified by the higher authorities.

The cornerstone of the transition of forestry to self-financing is the identification of sources of financing. Until now, financing has been handled on the residual principle and has not provided for the efficient management of forestry production, particularly reforestation and fire prevention. Financing was put together differently in the different regions of the country and was far from being scientifically substantiated.

When we analyzed our current needs for forestry, so as to provide for the normal course of reforestation and forest conservation and protection, it became clear that financing of the order of 400 million roubles would be needed for operating expenses. This, I must stress, is for forestry production. It is easier to put commercial production on a self-financing basis, since it deals with a product - timber. All that is required is to make more efficient use of this product.

In forestry production we do not have a final product in the form of a developed stand, since a mature forest takes many decades to grow. We therefore proposed that we assess particular operations where there is an end result. For example, until now work has been assessed mainly on the basis of the number of plantations established