

services to the community. Both lessees and cooperative workers are contributing to the financial well-being of the industry. Thanks in large part to them, the Ministry's above-plan profit for the first six months of the year reached 493.5 million roubles. The lion's share of this (295.2 million) was obtained by reducing the cost price of the products: expenditure per rouble of commercial output amounted to 77.51 kopecks against the planned figure of 79.56 kopecks. Total productivity of labour as compared to the same period in 1988 increased by 5.7% against a planned increase of 3.6%.

In spite of this, there are still more negatives than pluses. We are not making up for the shortfalls quickly enough. I believe the slow mastering of administrative independence both locally and throughout the ministry as a whole, is the main problem to be overcome. We recently obtained a minor victory over the USSR State Standards Committee in this respect. It is certainly no secret that many of the technical norms set for timber products are out of date. Who, if not the industry itself, is best to judge what should be considered commercial timber within the context of inter-branch transactions within the industry. The State Standards Committee agreed with this conclusion. We were able to convince the bureaucrats that the rigorous length and quality requirements set for various assortments were not always justified when dealing with industry users. In this way the commercial timber category now encompasses an extra 1.5 million cubic metres. In a number of cases we are no longer obliged to cut off butt-ends or cross-cut to length.

The search for improving performance continues at the enterprise level as well. Here we must touch upon the profit-and-loss accounting