

that portion of the monthly wages which exceeds 300 roubles, no regional coefficients and increments are applied. In other words, no matter how conscientiously the worker exerts himself, no matter how much he earns, the coefficient is applied only to 300 roubles, while the remainder is not incremented.

Certainly, an objection could be raised: where would the State get the money to pay increments on the entire wage? But this objection is easily defeated. When the work is done under collective contract, when all profit results from collective labour, the payment of increments comes out of the enterprise's own fund reserved for wages. Moreover, if regional coefficients for wage calculation are applied without limitation, labour productivity increases and, consequently, the state's expenses for attracting additional labour force are reduced.

It should be noted that removal of such limitations already started as an experiment at a number of enterprises under the Ministry of Geology in 1987; the results of the experiment, for example, at the auto-depot "PTO Lenaneftegazgeologija" in the town of Lensk, have clearly demonstrated that the removal of limitations allows for unfettered search and use of each worker's productivity potential. For example, the productivity of workers at the same auto-depot has increased 1.9 times. Note that this was achieved without additional expenditures, it was due only to improved work incentives.

This illustration seems to indicate that existing limitations on increment calculation will slow down the implementation of the principle of self-support and of the new system of payment and