

The main reasons behind this serious failure to perform are well known: insufficient capital investment in the development of the industry; the lack of a reliable engineering base for timber and forestry equipment; the imperfect organizational structure and poor administration of production facilities; the feeble rate of utilization of existing capacities; our unproductive expenditures and losses due to extravagance; sluggishness on the part of the scientific and engineering sectors; the slow rate of introduction of advanced, resource-saving technologies; and the unreasonable growth of the bureaucracy and upper management. This has all exerted a negative impact on the social sphere. The "residual principle" in allocating funds for housing, social and cultural facilities, only after the needs of production have been met, has given rise to a "deafness" when faced with the everyday needs of the forest industry workers. At the present time, the social amenities offered in the industry, particularly in the logging and wood chemicals sectors, are close to being the worst in the USSR.

The search for new approaches to raising the effectiveness of forest cultivation and utilization started back in the 'sixties with the support of both the Soviet government and the Central Committee of the CPSU. In 1980 the Central Committee approved the system developed by the Party Executive Committee of the Ivano-Frankovsk Oblast in the Ukraine for encouraging the workers in the timber industry enterprises and organizations to utilize the local timber resources more effectively. The methods developed in the Ivano-Frankovsk Oblast for running comprehensive forestry enterprises were applied widely. The creation and formation of comprehensive enterprises on this qualitatively new basis proceeded rapidly, especially after the publication in 1984 of directives on improving the utilization of forest resources. At present, comprehensive enterprises and associations operate both in the timber industry and in