The conditions which guarantee steady growth in labor productivity include improvements in the system of economic incentives.

However, modern organization of planning and wages inadequately stimulates work in terms of increasing labor productivity.

The wages paid for the first half of the month in the form of an advance, not related to actual work results, and also the bonus for the month as a whole, do not create sufficient interest in regular working over the entire costing period.

Plan lags permitted at the commencement of the month may, without danger to the wage bill for the workers, be covered by speeding up the work process in the following weeks. This leads to a reduction in the output and its quality, delaying the expansion of production reserves.

In order to stimulate regular operation, as a factor for labor productivity growth in five glass factories of the Ministry of the Building Industry of the RSFSR (Borsk, "Red May," "Red Beam," Great October, and 9th January) in 1967 an economic experiment was started on the basis of the nonadvance payment for work, and double bonus payments to operatives.

The essential factor in this experiment is that the worker for the first half of the month is not paid in advance, but the complete account is paid according to the actual work done.

In completing the specified plan factors simultaneously we take into account the bonus paid in an amount proportional to the total basic wage. If the plan for the first half of the month is not completed, then the bonus is not paid upon completion of the whole monthly plan.

After obtaining positive results this system was extended to other glass factories. In 1971 it was implemented by 37 plants to cover 48,500 workers, that is, 45% of the total working strength of the glass industry in the Republic.

The introduction of the nonadvance payment of wages and double bonus scheme corresponds to the assignment of efficient and economic utilization of the wage bill.

According to the conclusions of specialists in certain scientific-research institutes and the Borsk Glass Factory, labor productivity, with the introduction of the new system, has increased 3-5%.

Practical results of the work at the enterprises in the glass industry confirm the advantages of the new system for stimulating labor productivity (see Table 1).

The introduction of the nonadvance wage payment system requires certain management and technical measures.

Firstly, it is necessary to mechanize the costing to take into account the wage bill. The workers in the departments should know in good time the results of their work. It is more valid when the data for the wage bill are drawn up every day. There is an increase in the sensitivity of the norm-setters, the foremen, and the heads of the shifts in formulating documentation to calculate the wages. Better use is made of the bookkeeping equipment. Mechanization of accountancy is an independent problem carried out regardless

TABLE 1

<table>
<thead>
<tr>
<th>Factories</th>
<th>Wage bill for one worker, % of previous years</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1969</td>
</tr>
<tr>
<td>Introduction of nonadvance payment*</td>
<td>105.1</td>
</tr>
<tr>
<td>Without the nonadvance payment</td>
<td>100.7</td>
</tr>
</tbody>
</table>

*Without Borsk Glass Factory which in 1970 introduced new capacity for producing polished glass as a result of which there was a sharp increase in all technical-economic working factors.

of the new system of wages, but the introduction of the nonadvance payment requires some acceleration in mechanizing the accounts.

Secondly, rational organization of production preparation is necessary: the continuous supplying of departments with materials, regulating the repair schedules for equipment, etc. Any disturbance in the repair schedule or unregulated supply to departments of the appropriate materials may lead to irregular working, failure to complete the plan, and consequently reductions in the wages of the workers.

Some enterprises had not studied this and it was necessary to return to the previously operating system of paying wages and bonuses.

Furthermore, in the glass industry only the workers (operatives) are using the nonadvance system. The engineering—technical workers, and clerical staff under these conditions prove to be less materially interested in regular operations. One of the causes of this situation is the absence in the bookkeeping system of factors connected with costs, profits, the consumption of the wage fund, etc., over a period of 15 days in the month.

Obviously, the nonadvance wage system, and especially the double bonus scheme, should also cover engineering—technical workers and clerks. The solution to this problem requires certain changes in the bookkeeping system, and in the standard regulations on bonus payments.

In order to extend further the experiment concerned with the introduction of the new method of paying wages and bonuses we can recommend that engineering and technical workers be paid their bonuses according to the monthly results in complete measure, only by fulfilling the first two weeks' plan according to the accepted bonus statement related to the basic volume factor (cost of saleable commercial production or the output of products in the specified range). In the opposite case there should be a reduction in the bonus due for the month.

Further extension in glass industry enterprises of the nonadvance wage system should uncover additional reserves for labor productivity growth.

Glass factories are also making an experimental check of the economic incentives for increasing production volumes while changing or preserving the labor force. This type of economic experiment is well known under the so-called Shchekhtinsk method. However, glass factories are carrying out the experiment in several different ways.

Two enterprises (Saratov Technical Glass Factory and the F. E. Dzerzhinski Plant at Gusev) instead of the unchanged plan wage fund have established a norm system for a yearly wage bill calculated on the basis of each ruble of saleable production.

In accordance with this the Gusev Factory in 1973 should have a labor productivity 35.1% greater than the 1969 level (instead of 22.1% on the plan), and the average wages taking into account the wage payments from the material incentive fund should be 10.9% greater (instead of 7.3%). At the Saratov Factory the labor productivity increase during this period should be 35.4% (instead of 23%), and the average wage increase 8.9% (and not 7.5%).