

Fulcrum or Interview with Myself

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Annotation. This brochure covers original project of the fastest economic revival in Russia by means of solidifying of the national currency (Ruble) with the national property; simplification of taxation to the only one federal levy, Value Added Tax; creation of effective mechanism for revival of the powerful proprietor class in Russia.

*Everywhere in the text: billion
is 1,000,000,000; trillion is
1,000,000,000,000*

Science's objective is to apprehend the things as they ought to be but not the things as they are.

Leo Tolstoi

Why with Myself?

- First, though mass media were first in Russia, experienced market economy, they do not overindulge me with their attention. Second, it's right time to introduce my concept to general public, explaining what I want and what suggest. My goal is to make the idea comprehensive to a wider circle of readers. Have I succeeded or not, it's up to you to conclude, my dear reader.

Do you declare..?

- Yes! I declare with all my conscientousness: if Russia accepts to detailed consideration and application my conception, titled: "Backing of Russian ruble with all the national domain by means of introduction of land-and-stock standard (land standard) within all the Russian territory", Russia can become the most powerful nation in the world within 50 days.

What is necessary to turn your project into reality?

- Only one thing: political will and desire of the Russian Government.

Did you ever appeal to the Government before? Or to leaders of political parties and movements?

-Yes, i did it many times. And while the governmental set of answers can be represented by a response from the Russian Ministry of Economy: "In the meantime, due to cost of the state property, an idea of social equality among citizens of Russia in distribution of the national wealth of the country on the basis of the cost of the national wealth and property, is envisioned as unfeasible..." (July 25, 1995 IS-10/132-166), correspondence and personal contacts with leaders of parties and movements were diversified but with the same result.

Perhaps a question you propone is not serious enough, is it? What would be a result of implementation of your idea?

-Introduction of the land-and-stock standard in Russia would have provided:

a) unified and steady purchasing power of the ruble within all the territory of the land standard, a thousandfold stronger ruble compared to other world currencies.

- b) vesting all the working-age population with equal initial means (creation of powerful middle class of proprietors);
- c) efficient state assistance to all who needs it;
- d) restoration of economic, cultural, interstate links of Russia within and beyond CIS;
- e) balance of economic, social and political interests of adjacent nations - PEACE IN THE WORLD;
- f) establishment of new social, spiritual and economic ties of a human with nature, environment and society.

Well, this is a serious declaration. Sir, please put it more clearly.

- Let me begin from a long way off. Each of us often asks oneself; "Why, at having such riches and talented people we live in poverty?" I was not an exclusion. Once I stumbled across an essay about a "golden chervonets" (ten-ruble golden coin circulated in early 20th century in Russia). I liked that essay, I was really obsessed with it. And I thought: why could not it be done these days? But in a course of aggravation of perestroika it turned out that we have no gold, we are not the leading, we are not the best... Well, gold, let it ride but oil, gas, timber, plants, factories, seas and rivers - does it cost nothing? And so talented people with tremendous capital of desires, can it live decently? Is it only pocket-money or golden monetary reserves to be criteria of a wealth of a person or the country? By no means! Then how could those riches be united and laid into the foundation of Russia's fastest revival?

Land is the kingpin of all the wealth. All the assets, in the past and in the present are derivatives from the land. Any property on land and with a land is valued higher. All is located on land and in land. This is the pivot of all. Ruble just expresses the cost of all this property. If all these, i.e. ruble, land, assets will be united, since powerful economic force is created, can be there a currency more valuable? Having a gut feeling on a prospective, I dashed to the friends economists, sociologists. After long discussions my opponents reserved one argument: "THEY will not let you go!" Who are they? Americans? Frenchmen? Germans? Papuans from New Guinea? Or our, home-bred "patriots"? Time will show. And knocking many authority doors and administrator foreheads, I began working over a concept.

So we have found a uniting pivot, land. In my thoughts I came to an idea of backing of ruble with all the state property of the country by means of introduction of the land-stock standard within the Russian territory, where the land (surface layer, determined by acreage, assessed by socio-natural-climatic conditions) and material assets on land and underground, form two funds of equal cost: land fund and public material assets fund. Projecting these amounts on each other, by means of division, we get initial and basic amount for consequent actions, economic reforms in the country: Land-and-stock standard. This is a part of the state property, defined in terms of value and on the basis of quantities. One of the components of the property is the land standard - a hectare of land, corresponding to a certain quantity of points and valued by specific amount of money.

You speak about "consolidation of the Russian ruble with the state property of the country". But what do you understand at the word "state property"?

- State property, material values of Russia, before privatization, belonged to the state: plants, factories, basic commodities...

Why before the privatization?

- Because in the meantime, determination of the true value and amount of the Russian state property is not seen as likely, more to the fact that it's impossible to calculate and fairly distribute a share of each citizen of Russia in terms of national wealth.

So, how can we define a cost of state property of Russia before **privatization?**

- There are such data. As for me, because of the total blockade of my scientific research from the government of Russia and Saratovskaya oblast, I define the state property in my calculations in according to two major factors:

a) explored mineral resources within the country, which are estimated, according to Academician V.I.Vidyapin, to the value of \$28 trillion; b) state balance sheet productive assets prior to privatization, estimated as \$4 trillion.

At estimation of the state balance sheet assets I assumed that the gross domestic product (GDP) in 1990 was equal to \$991 billion (regular statistics). In order to produce goods for that amount, there will be a need in fixed assets of no less than \$3 trillion, plus inventory, incompleted construction, etc. As some figures are approximate, for example it's hard to tell exactly what is population in Russia in the meantime, I ask you to regard the figures given in the concept as only a base for calculations. The main thing is a

method of calculation, explaining principal directions and conclusions, offered in the concept. I offer AN IDEA, there are always enough statistical clerks and counters in Russia.

Starting data:

territory -17000 thousand sq.km;

population -140 million;

book cost of the state property in the year 1990 - \$4 trillion cost of explored reserves in Russia - \$28 trillion; costs of mining, primary processing, transportation and other charges -\$14 trillion or 50%, or, from the total amount of the national explored reserves.

Totally: national property of Russia, excluding cost of land, before privatization, is estimated as \$28 trillion, plus \$4 trillion, what makes \$32 trillion. To determine a share of each Russian citizen in the state property, let us subtract a cost of mining, transportation of reserves, defined as \$14 trillion.

Net value of the state property at determination of a share for each citizen amounts \$32 trillion - \$14 trillion = \$18 trillion. Let us define a rate of ruble to dollar, assuming that the ruble is backed by material values of Russia (\$18 trillion) and the monetary stock which amounted some 10-12% of GDP in 1997. As GDP was estimated as \$500 billion, GDP was equal to \$60 billion, then let's divide \$18 trillion by \$60 billion, it makes 300 : 1. It means that one Russian ruble backed by material values of Russia is equal to 300 USD.

I anticipate the flame of indignation caused by my calculations. Then why gold and currency deposits in banking storages control the monetary worth of the national currency but millions of tons of explored reserves of oil, gas, platinum, copper, aluminum, silver do not have such influence? It's not hard to calculate expenses of extraction of minerals, their primary processing, transportation and other expenses (ecology, etc). But it is not done. Maybe it's the reason of misfortunes of many debtor states, rich in mineral resources but poor in living standards? Tragedy of aggravating and almost chronic poverty, caused by socio-political, economic disparity against the countries, created their gold and currency stock and industrial capital in not so remote past by invasive wars, violence and murders? Tell me, who of the Big Seven did not covered itself with glory of "great marches"? Robbery and massacres. An in the meantime? The states-vampires, using their military and economical superiority, continue a policy of inadequate exchange with the third world countries. And after Gaidar reforms in Russia, mineral reserves of Russia and other CIS countries became an area of vital interests of those countries.

According to Alexander Khandruev, First Deputy Chairman of the Bank of Russia, "illegal capital export from Russia amounts \$12-15 billion a year". This is a daylight robbery!"... What all-wise experts do not know is the fact that the calculated cost of reforms on December 31, 1997 amounted \$13 trillion. It includes shrinkage of GDP, deprivation of property abroad, meager participation of Russia in world trade and international division of labor, losses of markets, technological isolation and self-isolation, stealage and corruption, economic felonies of new governments, unprepared to such economic conditions (A.Anisimov, Vek Vol.42,1997).

So, \$13 trillion! It is hard to define this with other word than as a crime against the people. From Russia go oil, gas, gold, timber, diamonds, furs, caviar. To Russia come Bush chicken quarters, Snickers, dollars. Dollars seem to be the main "gift" of our reformers to the Uncle Sam who "sent his cat" to the Russian "lard". According to S.L.Morozov, President of the ELIMB Bank (S.L.Morozov, Vek, No.10, 1995), "... due to its inconvertible rouble, Russia got into vicious dependency from the countries with hard currencies. Dangerous process began of gradual transformation Russia into a basic commodities reserve of the Bretton Woods countries, patching their financial holes at the expense of inconvertible Russian rouble..."

Here are the results of "reforms": industry agonizes, agroindustrial complex is on the edge of survival, corrupt bureaucrats prosper, American dollar calls the tune. I am not panicking, I just diagnose.

Now let me ask you, dear compatriots: "If underinvestment amounts \$1.5 to 2 trillion while yearly direct private investments in the world are no more than \$500 billion, then who would help Russia, if even wish, to raise from that political and economical chaos, where the quasi-reformers drove the country? There's no such force outside! But it is in Russia itself, its riches, given by God and created by our ancestors. They are tremendous! So, why are we needy? Because the riches, that national wealth are in hands of financial-industrial criminal clans, thinking of their transitory profits, not about the whole Russia. Why will they invest money and labor in manufacturing if trading the Russian resources, they get huge profits and our command-administrative elite, hastily changing their power capital to power over capital is in the pay of them? Political parties, from extreme leftists to extreme rightists, each with their "realm" of votes, serve them faithfully, with its Babel of voices, absorbing rumbles of opposition.

What is needed to change cardinally a situation of all-Russia stealage where have found ourselves?

First: Mechanisms should be launched for creation of a powerful stratum of the middle-class proprietors, without such a stratum no successful economic reforms are feasible. Ivan Kivelidi, ex Chairman of the Board of Directors of Rosbusinessbank said in one of his last interviews, addressing to the state bureaucrats: "Untie our hands, let us breathe - entrepreneurs would drive criminals out of economy. Middle class will get on its feet and will strangulate crime with its own hands". You all know the answer, Ivan Kivelidi was assassinated shortly after.

Second: National currency (ruble) should be backed by all the socio-natural-economic might of Russia. This is impossible if "land, mineral resources, waters, natural wealth, real estate and 4/5 of other assets were put out of trade, determination of costs, pricing, monetary circulation. Ruble, deprived of a cost of those assets, without adequate commodity strength, immediately turned into a worthless piece of paper, with assignment of its rate by authorities..."(S.Makarevich/П/ек 1996 No.27). "Without steady money It is impossible to stabilize economic ties, reduction of things to order in economy, effective manufacturing, integration into international economics. One can say with confidence that any extraordinary measures without monetary backing would bring nothing but harm"(Wayne Angel, USA). These are right words. Action of our government, depreciating national currency and bringing Russian economy to a slump, confirm accuracy of these words.

So, ruble backed by material wealth of the country, is equal to 300 USD. It's just no more than a reference. NO artificial forcible actions are needed, to establish such a rate! In good time, after initiation of certain measures by the Russian Government, dollar will come to that rate by itself. At first the government will have to hold back too sharp falling of the dollar, purchasing dollars from citizens for paying external debts and do settlements by imports. Dollar incomes obtained for exported raw materials and other products, will be also adjusted.

Gradually, convertible Russian ruble will become the main currency in settlements between CIS countries, East and West.

So, we made our minds with the state property and ruble. Let's read on: "Backing of the Russian ruble by the national property of the country by means of introduction of the Land-and-stock standard in Russia, where the land (surface layer of the soil, evaluated by acreage,

assessed by socio-natural-climatic conditions) and the wealth, situated on earth and under earth, comprise two separate equal funds in terms of calculations: land fund and the public material assets fund of the state". So, what is the meaning of the term "land-and-stock standard"? Why does it consist of two funds, defining public property, not of one? It's all the same, the share of each Russian in the national wealth will be evaluated on the basis of two funds, isn't it?

- No, it's not right! But before answering the last question, I would like to answer the first question. The land-and-stock standard is the state property of Russia, determined in terms of value (how much it costs) and space (where it is located), consisting of two funds, equal by value and independent for calculations, i.e. the land fund and public material assets fund.

The land fund is the fund of the surface earth layer, available for habitation and economic activities.

The material assets fund is the fund of public material assets, located on earth and beneath.

The measurement unit of the land-and-stock standard is determined by dividing of the dollar cost of the material fund by the surface layer fund, measured in hectares/balls.

Public material assets fund	18 trillion USD	232 USD
Land fund	77520000000 ha.balls	ha/balls

I want to answer the second question: "Why were there created two funds, determining the all-Russia property, not one?"

Land is the special article of trade, continual in time and space, it was not created by people and therefore it cannot be a subject of division! But a Russian working on land or wishing to work on it, using its share, defined in a certificate for obtaining of this or that land plot, may have such an opportunity. For example, your share, defined by a certificate, costs 23200 USD and the cost of one ha/ball is 232 USD. It means that if you wish to use your share of the state property in shape of acquiring of the land plot, you can acquire a land plot priced as 23200 USD at 100 ha/balls.

Why are these two funds are equal in their cost? This is my author's decision, based on analysis of historical development of society, labor and capital markets, on a wish of quick and effective measures on restoration of the Russian economy, at taking into consideration that land is not only a source of wealth situated on it and underneath but it's also a source of our present-day and future life.

If at determination of a share of each Russian citizen a cost of one fund is divided then the cost of another fund will become strategic reserve of the nation and I suggest to impose the Value Added Tax for it's usage and thus it would add to the public purse.

So, we defined the value of the Russian state property and referenced it by ruble. But to activate this force, legions of middle-class proprietors are needed. Starting conditions are to be created while 90% of the Russian citizens are in queer street. How one's business can be started with such a heritage? To do this, it's necessary to calculate a share of each Russian citizen in the stock fund (rubles) and in the surface layer land fund (ha/balls).

Let's find a share of each Russian citizen in a stock fund, i.e., \$18 trillion ; 140 million people = \$128571. It means that a cost of your share in the state property equals to \$128,571 and you will get a certificate verifying your proprietorship.

Certificate? Is it something like Chubais's privatization voucher?

- Yes! Though diametrically opposed. If a Chubais's voucher stated that your share in a state property equals to 1 kg of sausage then your share by this certificate would amount no less than \$100,000. Our share was defined so cheap to share the rest between nomenclature bosses.

Certificate is the document, defining a cost of equal share for each Russian citizen in the state property of the country, leaving a right to obtain a share or its part as a land plot.

The mechanism of obtaining a certificate is as follows: you, preparing all the common documents, with the pre-filled tax return and declaration on property, acquired since the beginning of privatization, come to the register department of the Financial System Stabilization Fund (FSSF) where you are being registered and submit your application to your certificate. After a while, the certificate is issued to you.

Certificates will be registered, with the power of sale, mortgage, donation, heirship for the share of the state property, ascertained by a certificate.

The certificates will be issued in three colors: crimson, yellow and green. Crimson certificate is issued in case when the cost of the state property, which you obtained in a process of privatization and revenues from its running are higher than the cost of your share, defined by the certificate. In such case the crimson certificate defines your extra property, an extra property tax is defined, shape of payment and time to run.

Yellow certificate is issued if a share of the state property obtained by you during privatization is equal to the cost of the share, assigned to you in the certificate,.

Green certificate is issued when cost of the state property, which you obtained in a process of privatization is lower then the stated share in the certificate.

Green certificate will define money value you have the right to for reception of additional part of the state property or cash indemnity. All the subjects of the Russian federation within a "ruble area" will have the right to work with certificates.

If we define a cost of our share based on the cost of all the state property before privatization, then who, how and by what criteria would appraise this or that enterprise for the moment?

- To define a cost of a plant, company, factory for the moment, depending on its profile, structure, activities and social significance, as well as contribution of the foreign capital, there will be a few options of the state appraisal offered for some or other enterprise or a company. But the prices would be determined by a market.

Here I would like to offer to legalize "runaway capital" that fled abroad and to acquire foreign companies working in Russia. Let these money work here, not in America.

It is important in my concept that at determination of a cost of some or other company an honest approach is the most reasonable. For example, you overrate a cost of a plant, then you pay more VAT, value added tax, underreport its cost - then a price of land automatically falls (in a raion, oblast, region), what would be unprofitable to an administration of that territory and a control would be provided.

In addition, businesses where the total cost of the shares is higher than the assets of such a business, are set out on the market by means of stock exchanges and the market defines real cost of the business.

We define a share of a Russian citizen in the state property, comprising also mineral resources located under the ground for the time being. How could a Russian citizen exercise one's right to that kind of wealth?

- Prior to answering this question, I have to remind that at determination of a share of each Russian citizen in explored reserves, estimated as 28 trillion USD, from the total estimated cost of explored reserves we subtract expenses on their extraction, transportation and other deductions which can make some 50% from the planned profit or 14 trillion USD. Certificates, determining your share of the state property, are registered with the power of sale, mortgage, heirship and other inherent functions of securities. It means that your share of property, defined by the certificate can find many buyers.

You may have some profitable proposals. Take your Gazprom, for instance. At imposing of the VAT they will face a choice: a) to pay gigantic VAT deductions; b) to sell some stocks; c) to buy your certificates; d) enter you in a register of shareholders with your share. What do you think they would prefer?

There will be the People's Trust Banks (PTB) created which will have a right to work with your certificates by your consent: first they can issue securities on a security of those certificates which would be readily bought because amount of mineral resources on the planet shrink while there are still enough of them in Russia and many companies will be interested in "mineral guaranties" which your certificate would render. Second, clustering your certificates in a unified block, PTB would be able to acquire from a state the mines that prospect well, of oil, gas, gold and to declare a bidding of tenders for their exploration and following distribution of the products. It would be very promising decision. You could offer also a plenty of other options for application of your certificate. A choice would be rather wide. More to the fact, at issuing of the registered certificates to citizens, the state would disengage itself from an obligation of payment pensions and subsidies but I cover that subject below.

What will we do with the savings of the citizens devalued by the state?

To solve that problem the state would issue a certificate of the state debentures (bonds DEBT), where the index-linked ruble amount of the public debt to you for the moment of issuing will be stated. These certificated will be allowed to give as gifts, to sell or to buy, to pay off with the state property by means of acquirement of the shares of public businesses. In addition, citizens who own DEBT certificates will be able to cancel electricity, gas and dwelling bills for the amount of the state debt.

You said that those certificates will be allowed to sell and buy. But who needs someone else's debt, especially state debentures?

- **DEBT** certificates will be in demand by companies and persons because when a company or a person would pay off their debts on VAT, DEBT certificates would double their value if you cancel your debt in VAT exactly by those certificates. For instance, your VAT debenture is 1000 rubles. Buying DEBT certificates for 500 rubles and submitting them to a tax administration, you could cancel your 1000-ruble debenture. As a result, the state would regain its reputation, people would regain their money, a businessman would pay off one's VAT. That is why, I believe that DEBT certificates would be in good demand.

So, we have determined a share of each citizen in the state property and fixed one's rights by a Certificate. But if we've determined a cost of material assets and the share of a town dweller working at a plant, factory or a mine is definable, then what will a person do wishing to work on earth? Which way could be a cost of the surface layer and consequently, an amount of the land share defined?

- Realizing seriousness and even painfulness of that subject, which I was gnawed by at creation of this concept, I would like to tell more in detail about my research. Solving that problem, I based on the words by Dostoevsky: "If you want to ameliorate mankind, changing semi-beasts into humans, bestow land on them and you'll reach your goal".

Remember bolsheviks! They changed the word MINE to OURS after 1917 and thus eradicated PROPRIETORS. What subject causes the most indignant protests from current bolshevik followers? They are against returning a PROPRIETOR to the Russian land. Selling out all the plants, factories, pawning their souls to dollar, our public officers are against selling and buying land. But what kind of a master would be on earth without a land proprietorship? Land must be held privately and have a definite owner, responsible for the national property in front of God and a law. When the land belongs to a state, i.e to a bureaucrat, its the waste, abandoned property! Our collective and Soviet farms proved that when the state procured wheat in the U.S. and Canada. Please remember about Crimea granted to Ukraine for something to do. Was it our decision? But then try to deprive land from a proprietor! Or from me. I cannot tell where we are going to in our "capitalistic development" and which experiments we shall undergo in future but since I got land in my property, a question with that land is clear to me: I will be living on that land, working and building houses for my sons and will be respectful with it.

Land. Is there a speech from TV screens about making it better and warmer for a rural dweller? No! Only about its better buying and selling. Shame on you, Sirs! Land is like a Soul! It's alive! Why do you lash against it with rubles, yens and dollars?

Labor must be paid for! But whether the love to one's land, river, sky has its cost? I am not going to tell what kind of a man I am. Maybe I'm good or maybe bad. Let people judge me. But I want to say that in spite of the fact that I was baptized in my childhood, I never wore a cross on my neck because of my silly pride. And it seems that I'd never put on a cross if not got some land

in property. But how can go to my land without a cross? It's impossible! I have been wearing my cross ever since. And you tell me: buy or sell! What's happening with all of us?

I also hear often as scientists rattle from their urban studies: "Peasantry gene pool in Russia has died! Russia is lost!" Calm down, Sirs! What are you talking about? Take any urbanite in the tenth generation and set afloat his heart with an old coachman's song, fill his lungs with footloose wind, sweet sunny, fragrance of woodland grass, baked breads, sauerkraut and a gene of a peasant ancestor would sprout in him with headache or unintentional tear. And you tell me: "Russia is lost!". It has been living for centuries not by your wish and it won't live by your wish either!

I would like to respond to those who tell that the Russian land would be "bought out by imperialists", that the land and its surface layer will cost exactly as much as it costs everything situated on that land and under the ground. If even the whole joint capital of the "Russian vicious capitalists" would wish to buy out only lands near Saratov, it hardly would be able! They rather could catch some well-known disease in their efforts... A peasant or an urbanite who would decide to work on the land, won't need money. They would just receive their share as a land lot. The main thing is a wish and ability to work on land. What is happening now? Because of non-existence of the land market, mortgage opportunities, Russian banks are not able to create mutually beneficial differentiation of labor, cooperation inside agroindustrial complex, proper exchange of financial, material, labor and other resources between sectors, regions, countries. As a result, banks, including the ones participating in budgetary financing of the agroindustrial complex, are not able to create well-developed, intensive logistic support, financial and service infrastructure which could provide the complex with the modern tools, services in procurement, storage, processing, sales of the products on inner and outer markets, marketing, information etc. (L.Makarevich //Vek 1996, No.27). This is right. Tell me, my dear, how can a farm be developed from a scratch, without long-term tax credits? Land is without seeds, equipment is without fuel, it's despair, not work! A bank cannot offer a loan for building a farm on land which does not belong to you. That is why there's a need in the land market. And careful treatment of land is also necessary.

You tell us about the land lots but a hectare is not equivalent to a hectare!

I suggest to define the cost of a land lot by a grade system, based on socio-climatic and natural conditions, location of a lot, its fertility, proximity to

water, lakes, rivers, ponds, roads etc. It would be fair not only at distribution of land but also for the land itself, if we'll define its cost only by fertility in the meantime, a question will arise: "who would take spoiled fields, meadows and rivers? And weren't plants and factories that deprived land from peasants erected on lands? That is why, in my concept, correlating land with the state property (plants, mines, factories), I suggest to reassess the cost of land with inclusion of not only its factual cost but also the losses underwent by land in a process of civilization. Then we would be not only reasonable to our land but could adhere to social justice and avoid clashes between rural and urban dwellers.

Now let us try to calculate a share of a Russian citizen decided to use one's share of the state property by means of acquiring of a land lot. Here are initial values:

population: 140 million
territory: 17,000 thousand sq.km
or 1,700,000,000 hectares, a share of cultivable lands and lands fit for habitation is 60% or 1,020,000,000 hectares.
impracticable, inarable and disputable lands: 40% or 6800 sq.km.
average grade: 72 ha/balls total, ha/balls: $1,020,000,000 \times 76 = 77,520,000,000$ ha/balls

Each Russian citizen gets $77,520,000,000 : 140 = 553$ ha/balls
Cost of one ha/ball = $\$18 \text{ trillion} : 77,520,000,000 = \232

Two latter figures are the main at determination of the land share. It means that each Russian citizen wishing to work on land, has the right to get a land lot adequate to 553 ha/balls and valued at \$128,296.

As the matter of fact, in reality a cost of a land lot would be lower because it's an average price of land in a raion, oblast, region, urban and rural land. As population is higher in cities on more limited spaces then price of urban lands will be higher and rural lands will be cheaper. To determine cost of a land in any territory, flexible system of pricing should be created.

What is to be done if you already have a land plot of 50 ha and according to you share you have to have 30 ha?

- Additional 20 ha from those 50 would be defined as "added value" and you will ought to pay tax for it to a state, VAT. Please do not mix up VAT and the land rent. VAT is a temporary tax and after its payment you will be a

rightful owner of the land. Land rent, or a tax for utilization of the land in a form offered to the Russians by foreign economic advisors, is the constant tax. Why are the foreigners so concerned about a wealth of the Russians, offering to form budget revenue by means of the land rent? I have found an answer in Fred Harrison's book: "Russia needs the Western credits... What has Russia to do? Let them offer Russian lands as a mortgage! Of course, not land itself but the rental income from land, it could back the credits." Even a man knowing Russian economy just a little would understand what they offer. At our ruined economic ties and corrupt bureaucrats we could not be able to cancel a credit in due time and... take Russia "on a silver platter". For as Dostoevsky said "Those who possess land in Russia, are its owners in all aspects". What is unclear here?

A tax for usage of this or that land plot by a private treaty can be levied in favor of a land owner (landlord) on a contract basis. The main demand is that the land should be recovered from bureaucratic bondage.

I would like to end this review about land and its selling/purchasing with the words of a man I respect, Yegor Stroyev: "When we are fiercely reproached that we do not want to pawn land and do not want to give currency to land, I answer that I want but warn that there was no case in Russian history when a peasant went out as a winner from property disputes. During 300 years he always suffered defeat just because he stands at the beginning of operating cycle, not at its end..." (Ye.Stroyev//Vek, 1996 No.27). Right words. I do farming for eight years and could tell so much about administrative and criminal trespasses suffered by sons of the soil... but I am afraid that paper cannot stand it for it will shrivel!... So we need take care about a legal support of agricultural growers instead of gaining political dividends in discussions about selling and purchasing the land. What is the use of bargaining if there is nothing in a country but wasted land and scorched souls.

We have determined a share of an urban and rural citizen. But during privatization the most of the state property was redistributed, fair or not.

First, it's a profound misbelief that the most of the state property is redistributed and that misbelief is implanted by the administering elite! The goal of it is to avoid unwanted questions since there's nothing else to share. So, they can share Russian treasures together with the overseas patrons. When I compared some data, I came to a conclusion that we ail, rich and poor together possess hardly more than 10% of Russian property. All the rest is ownerless! Weil, let's assume that everything is fixed. So what? All will be

settled with the following clause of my concept: all the current taxes in Russia are canceled and only one tax is imposed, value added tax. Added value is the value defined in rubles by calculating of "superfluous" shares of the state property (pricing assessment of a certificate), acquired before by a citizen or a group of citizens. Value added tax (VAT) is the minimum of annual transfers to the Financial System Stabilization Fund (FSSF), initially limited by a state.

Levying of the VAT would allow to avoid disbalance (by nonviolent way!) appeared earlier at the partition of state property (privatization) between ordinary people and those who practised jobbery or pulled criminal strings and between urban and rural citizens.

Everywhere in the world they use a variety of all kinds of taxes, facilitating more flexible treatment of levied businesses, companies and persons... You offer to retain only one tax. Could you explain your point of view?

- I suggest to levy the only tax, all-federal one, the value added tax (VAT). Some federation subjects can levy some or the other tax, related to emergency, disasters in their region and other social problems of their population. Those should be temporary taxes and their number should not exceed three.

Will be the tax revenues Sufficient for maintenance of the army, medical care, education, fundamental science, allowance to public officers and other state expenditures?

- Added value levied by a tax will be defined by the cost of one of the funds and will be equal to \$18 trillion. Tax revenues from such a value would be enough for all the state expenditures, and for even dozen times bigger expenditures. Additional plus is that the state would not pay pensions and other social allocations, plus securities operations, plus utilization of objects still remained in possession of a state: NPPs, railroads, some munition factories, plus potential of mineral reserves, estimated as \$140 trillion. There are also many other "extras" enabling to put it confidently: "The state will have enough resources!" Taking alone expenditures to fiscal bodies, they would be decreased in tens of times. Current fiscal system is not only cumbersome and low-effective but it's also out of control of society.

VAT not only restores social justice violated in a process of privatization but it is very simple and comprehensible in calculations.

For example, let's take Ivanov, Petrov, Sidorov (synonyms of Tom, Dick and Harry). A share's price is 100 thousand rubles. During the privatization they got following shares: Ivanov - 100 thousand rubles, Petrov - 1 million rubles and Sidorov - 10 thousand rubles. Conclusion: Ivanov. You may be free, Ivan, you have got your share! Petrov: "it's good that you are so smart! But please do a favor, help to such people like Sidorov to organize their business... It's not their fault". Sidorov. "Well, dear, you've danced away your chance. Did you believe in justice? Please do not believe in it again! Believe in yourself, in your strengths. And here they are, riches created by your ancestors. Possess them and multiply!" Such redistribution is profitable to everyone! Poor man gets seed money to start one's business. A rich man, cancelling one's indebtedness, can become a rightful owner of a business. A thick social middle-class stratum will appear as a guarantor of economic stability in Russia.

I also would like to note that a due date for indebtedness on VAT would be established by the state depending on type of an activity category and a production structure of this or that company, plant or factory. If you work in agricultural production it's one thing and if in a trade or in banking sphere, it's another, there turnover of capital is more intensive and profitable.

Also, a mechanism should be created to facilitate some citizens and companies to redeem their shares by means of transfers to the fund and quick cancellation of accrued VAT.

In fact you offer new repartition of Russian property between citizens, don't you? But who is going to do that?

- First, to answer this question, let me ask you: "Why privatization of the national property turned into an all-Russian embezzlement acted by political administrative and criminal clans?" It happened because the privatization process was left without legal background, privatization was entrusted to our corrupt bureaucrats and they "did their best"!

I suggest to create a special economic and legal structure on a base of federal and regional banks at FSSF, which would control the process of transformation of the state property into personal property. This must be managed by professionals, interested in results of their labor, i.e. the richer is a customer, the more is the bank's profit.

The People's Trust Banks (PTB) will have vertical, rigidly centralized subordination structure. Raion's branch banks will be subordinates of the

oblast's branch banks, the oblast's ones are subordinates of the regional ones, regional - to the Central People's Trust Bank, included into a FSSF structure, that reports directly to the Prime Minister. Each of the banks would have a few departments and funds:

- common department - acceptance of claims, juridical and legal aid;
- national inventories fund - plants, factories, mines...;
- land fund - all transactions with land; tax revenues fund;
- state debentures fund (DEBT)
- social fund - work with retired and handicapped people

Probably, for convenience of the citizens there will be other funds and branches created. Activities of PTB will be defined by two major directions: working with the national inventories fund and the land surface layer fund, working with securities.

A People's Trust Bank, assorting in its branches certificates of citizens who do not will (or is not able) to use them directly in production, for organization of one's business, would issue reliable, shiftable securities against security of those certificates, those securities could be sold and bought and they would be safeguarded by the state what would minimize bargain risks. Thus, PTBs would concentrate colossal funds.

More to the fact, PTBs, assorting citizens' certificates on their behalf, could trade the certificates, purchasing mines, oil and gas fields, that prospect well, concluding contracts on a tender basis with the mining companies for their mining.

As the matter of fact, economic security of the country would be guaranteed by means of PTBs with the shares of the citizens as they will be interested in their effective application.

Your proposals are new. Who and what state institutions could effectuate all what you devised? Whom would you have entrusted your plan, to our bureaucrats?

- No, of course! For this, choosing aces of aces in our ministries, universities, economists, sociologists, financiers, bankers, we'll create the socio-economic and financial headquarters, called the Financial System Stabilization Fund (FSSF), reporting directly to the Prime Minister,

Tasks of the FSSF would be in coordination of all foreign and domestic fiscal and economic activities of the state: budgeting of the army, medicine,

education, fundamental science and other structures, needed by the state for the transition period.

To do this, in addition to revenues from VAT, which would be significant due to my offered system of doubling of the Russian economic power by inclusion of the cost of the tend, FSSF may cover some plants of the military-industrial complex, NPPs, railroad companies and other businesses totally tied with the state, which cannot be divided, their total cost could cover some lands that cannot be used for habitation or economic activities because of their remoteness or by other reasons and consequently, which cannot be distributed.

FSSF is necessary also because of the fact that oblasts and regions are different in terms of human, material, natural and climatic resources. That is why, at the initial phase at sharp differences we could either allocate some funds for development of an oblast or withdraw something by means of taxation (VAT) of those oblasts, transferring those taxes to the Fund.

Let's assume you are right. And actions you offer, are right and reasonable. But we are not closed economy...

- It's an interesting question... But here it has no sense. We do not advise the rest of the world how they could live! We develop Russia! And based on interests of its citizens, we offer to other states new form of equitable and mutually beneficial cooperation. Isn't it good?

What about those artificial economic and political obstacles which can appear on a way of our goods and technologies, I can say that opening economic and technological iron curtain, backed by colossal state property of the country, we could easily overcome that "annoyance".

So, why is your project held off?

-I think myself about this. Most probably, not all is still "distributed". And the West, being on the edge of extremely unpleasant events, does not need economically powerful, united Russia. They'd rather heal their "sores" on the broad expanses of Russia with the balm of our mismanagement.

What a shame! The richest country. The gifted people. But our leaders shuttle back and forth abroad. Ivan Ilyin (1883-1954) said: "Behavior of Russian people and parties stealthily agreeing with this or that foreign country or backstairs organization about future development of Russia, seems to us as either political mindlessness or acts of treachery"

Yes, I see that it's not all that simple. Those who sit at the public trough, won't like my proposal. They would call it impracticable because my project initially levels everyone: from forsaken of God and state old women and eternally hungry student to a "chameleon" at the executive bodies. And yet... My main goal is to provide adequate and specific backing for the ruble. It would be wealth. Russian might. I want to explain, to prove the essence of my thought about a strength of the tie ruble/ha. I suppose that this is the only fulcrum in our conditions, and propping against it we could change life in Russia for the best. Russia has everything for this! The only thing needed is political will of the government.

You speak only about Russia and care only about its well-being... But developing the one-sixth part of the earth, as a matter of fact you offer to all the world a dynamic model of society of individual collectivism, don't you? So, at the conclusion couldn't you embrace your project in a philosophical formula, comparing existing system with what you propose?

- If I would be asked to identify in physical terms a form of social development on Earth with the one I suggest, I could call them either a) "a closed circuit model"; orb) "a communicating vessels model".

A "closed circuit" model is the Earth like a chain with links, i.e states, different in terms of social, economic, political and military influence. I connect such a model with "vertical" period of social development when the mankind was divided not only to super-rich and super-poor men but also to the vampire and donor states. Ivan Bondarev, Academician, said: "United States of America, with its population not exceeding 5% from the whole world population, consumes 26% from the world gross product, 20% of the industrial production and almost 40% of the planet energetic resources" (I.Bondarev // Sovetskaya Rossiya, 1996 No.22) At this, waste products are intensively spewed out into third-world countries, what causes irrecoverable ruin of all the world's ecology. Such a hurtful way of development of the planet brings the world to abyss of the universal chaos and ecocatastrophe.

"Communicating vessels" model, which I offer, is more humanistic and optimistic. Thousands of vessels-states, different in their cultures, confessions, governments and economic potential, could be connected with each other with veins of the world community, interested in the global fair distribution of the labor and capital markets, creation of new resource-saving

technologies. Not money but spirituality and commonwealth will determine priority relations in economy.

I consider that we, the grown-ups, driven by reason, uniting goodwill efforts and ridding the minds of rust of vices, must create such a community where energy of kindness inherited by a child should get a green light and our being which determines consciousness could meet the child with kindness, love and recognition.

With this end in view, after gathering on the field of "Good initiations" shoots of reasonable ideas, cultivated in the past by writers and poets, statesmen and scientists, philosophers and sociologists, being on the edge of the third millennium I propose to change value priorities based on wars, robberies, murders to the priorities of natural and climatic conditions given by God to a human being, priorities of intellect of an individual and social spirituality.